IMAGINE

... A time when no parent has to choose between rent and buying a child's winter coat, when no family has to sleep in a car, when no senior has to fear eviction, when no one with a disability who can live independently is consigned to an institution, when no veteran has to live on the streets, when poor families can choose where they want to live, when we no longer need emergency shelters...

TOGETHER, we can achieve everything we imagine.

LET'S GET STARTED...

The National Low Income Housing Coalition presents the 2014

ADVOCATES' GUIDE to Housing & Community Development Programs

Made possible through the generosity of PNC

NATIONAL LOW INCOME HOUSING COALITION

Established in 1974 by Cushing N. Dolbeare, the National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

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About the Advocates' Guide

Every year, the National Low Income Housing Coalition publishes the *Advocates' Guide to Housing and Community Development Programs* to educate advocates of all kinds about the programs and policies that make housing affordable to low income people across America. Whether you are a new employee at a housing agency, a student in an urban planning program, or a seasoned affordable housing advocate looking for a refresher on key programs, this book will give you the overview of housing programs and advocacy tools you need to be a leader in the affordable housing movement.

The introductory section orients you to affordable housing and community development pro-grams with articles that explain how affordable housing works, why it is needed, and what NLIHC believes are the highest housing priorities. The advocacy tools section provides vital information to guide your advocacy with the legislative and executive branches of government, as well as tips about how organizations and individuals can be effective advocates.

The next few sections cover rental housing programs for the lowest income households, special housing issues, additional housing programs and tools, community development resources, and income programs and laws. These are the core affordable housing programs and issues you need to understand. We close the *Guide* with information about NLIHC itself, as well as a glossary of laws and terms and biographies of our authors.

Over the years, we've heard from our readers how much they value this book. If you find the *Advocates' Guide* useful, you are in good company. We hear from our members, from Administration and Congressional staffers, and even from Advocates' Guide authors themselves that they depend on this publication to keep them informed about the many housing and community development programs that are a part of our work.

NLIHC believes in the power of advocacy to create public policy change, and we believe that with the right information and a little know-how, all of us can effectively advocate for housing programs with our Members of Congress and other policymakers. Creating this Guide every year entails significant effort from our staff and from volunteer authors, but what makes that ef-fort worthwhile is knowing the impact it can make when you use it to advocate for socially just housing policy for the lowest income Americans.

This *Guide* belongs to you. Take it with you to meetings with lawmakers. Make notes in the margins. Send an email to us at outreach@nlihc.org to ask a question about something you've read. And please, let us know how we're doing.

Thank you for being part of the important work of affordable housing advocacy.

A NOTE OF GRATITUDE

The *Advocates' Guide* was compiled with the help of many of our partner organizations. We are deeply grateful to each of the authors for their assistance; the *Advocates' Guide* would not be possible without them. Several articles build on the work of authors from previous versions of the *Advocates' Guide*, and we appreciate and acknowledge their contributions as well.

Thank you to PNC for their ongoing support for this publication.

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NATIONAL LOW INCOME HOUSING COALITION
2013-14 PUBLIC POLICY AGENDA

NLIHC supports all federal policy initiatives that advance our mission and our goals.

Our mission is:
NLIHC is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

Our three goals are:
Goal 1: To preserve existing federally assisted homes and housing resources.
There will be no further loss of federally assisted affordable housing units or federal resources for affordable housing or access to housing by extremely low income people.
Goal 2: To expand the supply of low income housing.
The federal government will increase its investment in housing in order to produce, rehabilitate, and/or subsidize at least 3,500,000 units of housing that is affordable and accessible to the lowest income households in the next ten years.
Goal 3: To establish housing stability as the primary purpose of federal low income housing policy.
Housing stability in the neighborhood of one's choice will be understood and accepted as the desired outcome of federal low income housing programs and as foundational to good health, employment, educational achievement, and child well-being for people with the lowest incomes.

In 2013 and 2014, NLIHC will focus on achieving the policy outcomes detailed below. NLIHC will also monitor the federal policy environment and respond to emerging issues as needed.

NATIONAL HOUSING TRUST FUND (NHTF)

- Obtain funding for the NHTF of at least $5 billion a year, with a goal of $30 billion a year for 10 years.
- Advance legislation to fund the NHTF with savings gained from reform of the Mortgage Interest Deduction (MID).
- Monitor and influence federal housing finance reform legislation to:
  (1) ensure that dedicated funding for NHTF is in final bill.
  (2) protect the statutory authority for the NHTF.
- Monitor and influence use of current and future Fannie Mae and Freddie Mac profits to go to NHTF if possible.
- Develop and advance legislation to direct 20% of profits of Federal Home Loan Banks into NHTF after they have reached required levels of reserves.
- Develop and advance legislation to ensure that rents for NHTF units are affordable for all extremely low income (ELI) households and that the units remain affordable for the longest possible period.
- Monitor and influence implementation of NHTF once funding has been secured.

FEDERAL TAX REFORM

- Advance legislation to fund the NHTF with savings gained from reform of the Mortgage Interest Deduction (MID); advocate for reform that lowers the cap to $500,000 and converts the deduction to a credit.
- Monitor and influence all proposals to change MID or other homeowner tax subsidies to assure that maximum savings are directed to housing purposes that benefit ELI households.
- Oppose deficit reduction plans that are not balanced with revenue raisers.
- Oppose adverse changes to federal tax expenditures that benefit low income people, including the low income housing tax credit program, the earned income tax credit, and the child tax credit.
- Support tax reform proposals that improve the economic conditions of low income people.

FEDERAL BUDGET

- Advocate for completion of an FY14 appropriations bill at the highest funding level before the FY14 Continuing Resolution expires on January 15, 2014. Ensure that the bill provides sufficient funding to preserve all existing affordable housing units, rental assistance, and resources for extremely low income households.
- Advocate for the highest level of FY15 funding for HUD and USDA Rural Housing Service, ensuring sufficient funding to preserve all existing affordable low income housing units, rental assistance, and resources for extremely low income households.
- Advocate to restore HOME funding to $2 billion.
- Advocate for sufficient funding for U.S. Census, including the American Community Survey.
- Explore moving discretionary rent assistance programs to mandatory side of federal budget.
- Support canceling sequestration and replacing it with a deficit reduction plan that will protect all affordable housing and other programs that serve low income people.
- Oppose sequestration replacement plans that are not balanced with increased revenues or that implement across-the-board or other cuts to non-defense discretionary and mandatory programs serving low income households.

FORECLOSURE INTERVENTION

- Advance legislation to make permanent the Protecting Tenants in Foreclosure Act (PTFA), to give tenants a private right of action, and to require monitoring and enforcement by federal agencies.
- Monitor and influence implementation of PTFA by federal agencies and GSEs.

ALIGNING FEDERAL HOUSING RESOURCES WITH NEED

- Develop and advance legislation to require that a minimum of 30% of units subsidized by LIHTC, HOME, or the Affordable Housing Program of the Federal Home Loan Banks be affordable to and occupied by ELI households, including veterans, people with special needs, and people who are or have been homeless, without relying on Section 8 vouchers in any form.

HOUSING CHOICE VOUCHERS

- Advance the next iteration of voucher reform legislation, without time limits, MTW expansion beyond what is in stakeholder agreement, or minimum rent increases without strong improvements to hardship exemptions.
- Develop and advance legislation to incentivize state and regional voucher administration.
- Advocate for increase in incremental vouchers and ensure full funding for all current vouchers in FY14 HUD budget; increase VASH, FUP, and NED vouchers.
- Monitor Small Area Fair Market Rent demonstration; seek additional resources so as to encourage PHA participation in demonstration.

PRESERVATION OF PUBLIC AND ASSISTED HOUSING

- Advocate for sufficient funding to meet annual public housing operating and capital costs, as well as increased funding to address backlog of public housing capital needs. Advocate for full funding of existing Section 8 project based contracts.
- Monitor the Rental Assistance Demonstration to assure compliance with tenant protections and maintaining public ownership of public housing.
- Oppose expansion of MTW beyond what is in stakeholder agreement.
- Develop and advance legislation and/or regulations that minimally will include the following:
  1) a required unique identifier for each federally assisted housing property (includes public housing),
  2) establishment of a national preservation inventory,
  3) full resident participation, enhanced voucher protections, and resident first right to purchase their buildings;

4) alternatives to converting to market rate for properties with expiring contracts or maturing mortgages;
5) tools and resources for residents and advocates to work on preservation of public and assisted housing;
6) prohibition of involuntary displacement;
7) requirement of one-for-one replacement when demolition is unavoidable.

PLANNING FOR JUST COMMUNITIES

- Monitor and influence improvements to the Consolidated Plan process, including attention to environmental justice implications.
- Monitor and influence the regulations to Affirmatively Further Fair Housing, including attention to environmental justice implications.
- Develop and advance legislation to incentivize state and regional voucher administration.
- Develop and advance legislation and/or administrative reforms to prohibit involuntary displacement.

HOUSING PLUS SERVICES

- Monitor and influence implementation of HEARTH Act.
- Monitor and influence implementation of Section 811 and Section 202 legislation.
- Advance legislation to improve the Section 3 program if new version of Affordable Communities Employment Act of 2011 is introduced in 113th Congress.
- Monitor and influence proposed changes to the Section 3 regulations.
- Support efforts to integrate housing and service programs across federal agencies with special focus on VA, HHS, and DOL.
- Support improved formula for distribution of HOPWA funds.

DISASTER HOUSING

- Advocate for reintroduction of Disaster Recovery Act in 113th Congress; advance legislation.
- Monitor housing needs of low income people displaced by Hurricane Sandy and intervene as needed.

Introduction to Affordable Rental Housing

Affordable housing is a broad and complex subject intertwined with many disciplines: finance, economics, politics, and social services, to name a few. In spite of the complexity, advocates can come to an understanding of the essential workings of affordable housing and in doing so be prepared to advocate effectively for the programs and policies that can ensure access to decent, affordable housing for the people in need in their communities.

This article provides a broad, though not exhaustive, overview of the history of affordable rental housing programs in the United States and attempts to paint a picture of how those programs work together to meet the housing needs of low income people.

A BRIEF HISTORY OF FEDERAL INTERVENTION IN HOUSING

As with any federal program, federal housing programs grew and changed based on the economic, social, cultural, and political circumstances of the times. The programs and agencies that led to the federal department now known as HUD began in the early 1930s with construction and finance programs meant to alleviate some of the housing hardships caused by the Great Depression. An act of Congress in 1934 created the Federal Housing Administration, which made home ownership affordable for a broader segment of the public with the establishment of mortgage insurance programs. These programs made possible the low down payments and long-term mortgages that are commonplace today but were almost unheard of at that time.

In 1937, the U.S. Housing Act sought to address the housing needs of low income people through public housing. The nation's housing stock at this time was of very poor quality in many parts of the country, with inadequate housing conditions such as the lack of hot running water or dilapidation considered "worst case needs" today being commonplace for poor families. Public housing was a significant improvement for those who had access to it. At the same time, the post-World War II migration from urban areas to the suburbs meant declining cities, spurring federal programs were developed to improve urban infrastructure and to clear "blight." This often meant wholesale destruction of neighborhoods and housing, albeit often low-quality housing, lived in by immigrants and people of color.

In 1965 Congress elevated housing to a cabinet-level agency of the federal government, creating HUD, which succeeded it predecessors, the Housing and Home Finance Agency (HHFA), and before that, the National Housing Agency.

HUD is not the only federal agency to have begun housing programs in response to the problems of the Great Depression. The USDA sought to address the poor housing conditions of farmers and other rural people through the 1935 creation of the Resettlement Administration, predecessor to USDA's Rural Development. USDA's rural rental and homeownership programs improved both housing access and housing quality for the rural poor.

The cost of operating public housing soon eclipsed the revenue brought in from resident rents, a reality endemic to any program that seeks to provide housing or other goods or services to people whose incomes are not great enough to afford the prices offered in the marketplace. In the 1960s, HUD began providing subsidies to public housing agencies (PHAs) that would help make up the difference between revenue from rents and the cost of adequately maintaining the housing. In 1969, Congress passed the "Brooke Amendment," codifying a limitation on the percentage of income a public housing resident could be expected to pay for rent. The original figure was 25% of income, and was later raised to the 30% standard that exists today. Advocates often refer to these as "Brooke rents," for Senator Edward W. Brooke, III, for whom the amendment is named.

Beginning in the late 1950s and continuing into the 1960s, Congress created a number of programs that leveraged private investment to create new affordable rental housing. In general, these programs provided low interest rates or other subsidies to private owners who would purchase or rehabilitate housing to be rented at affordable rates. The growth in these private ownership programs resulted in a boom in affordable housing construction through the 1970s, but once the contracts forged by HUD and private owners expired, or once owners decided to pay their subsidized mortgages early, those affordable units could be lost from the stock.

The Civil Rights Acts of 1964 and 1968 included housing provisions that were intended to prevent discrimination against members of protected classes in private or public housing. Different presidential administrations have prioritized these fair housing provisions to varying extents, but their existence has provided leverage to advocates seeking to expand access to affordable, decent housing, particularly for people of color.

In January 1973, President Richard Nixon created a moratorium on the construction of new rental and homeownership housing by the major HUD programs. The following year, the Housing and Community Development Act of 1974 made significant changes to housing programs, marked by a focus on block grants and an increase in the authority granted to local jurisdictions (often referred to as "devolution of authority"). This act was the origin of the tenant-based and project-based Section 8 rental assistance programs, and it created the Community Development Block Grant (CDBG) from seven existing housing and infrastructure programs.

Structural changes in the American economy, deinstitutionalization of persons with mental illness, and a decline in housing and other support for low income people resulted in the dramatic increase in homelessness in the 1980s. The shock of visible homelessness spurred Congressional action, and the McKinney Act of 1987 (later renamed the McKinney-Vento Act) created new housing and social service programs within HUD specially designed to address homelessness.

Waves of private affordable housing owners deciding to "opt out" of the project-based Section 8 program occurred in the 1980s and 1990s. Housing advocates – including PHAs, nonprofit affordable housing developers, local government officials, nonprofit advocacy organizations and low income renters – organized to preserve this disappearing stock of affordable housing using whatever funding and financing was available to them.

The Department of the Treasury's Internal Revenue Service was given a role in affordable housing development in the Tax Reform Act of 1986 with the creation of the Low Income Housing Tax Credit (LIHTC), which provides tax credits to those investing in the development of affordable rental housing. That same act codified the use of private activity bonds for housing finance, authorizing the use of such bonds for the development of housing for homeownership, as well as the development of multifamily rental housing.

The Cranston-Gonzales National Affordable Housing Act of 1990 (NAHA) created the Comprehensive Affordable Housing Strategy (CHAS) obligation of jurisdictions to identify priority housing needs for determining how to allocate the various block grants (such as CDBG) that they receive. CHAS is the statutory underpinning of the current Consolidated Plan obligation. Cranston-Gonzales also created the HOME program, which provides block grants to state and local governments for housing. In addition, NAHA created the Section 811 program, which has provided production and operating subsidies to nonprofits for housing persons with disabilities.

Beyond changes to the structure of many federal housing programs, no significant investment in new housing affordable to the lowest income people has been made in more than 30 years, and there still exists a great shortage of housing affordable to that population. Since the creation of the Section 8 programs in the early 1970s, no new federal program has the deep income targeting necessary to meet the needs of people with the greatest housing affordability burdens. As studies from NLIHC show, the federal investment in housing has not increased at pace with the overall increase in the federal budget, and expenditures on housing go overwhelmingly to homeownership, not to rental housing for people with the greatest need.

Housing advocates have worked for over a decade for the establishment and funding of the National Housing Trust Fund, which will, once funded, build, preserve, rehabilitate, and operate housing affordable to extremely low income people. The National Housing Trust Fund was signed into law by President George W. Bush in 2008 as a part of the Housing and Economic Recovery Act, but the original source of funding was suspended and the program is not yet in operation.

STATE AND LOCAL HOUSING PROGRAMS

State and local governments play a role in meeting the housing needs of their residents. The devolution of authority to local governments that began in the 1970s meant that local jurisdictions had greater responsibility for planning and carrying out housing programs. Some communities have faced the decrease in federal housing resources through the creation of emergency and ongoing rental assistance programs, as well as housing production programs. These programs have been important to low income residents in the communities where they are available, but state and local efforts have not been enough to make up for the federal disinvestment in affordable housing.

Cities, counties, and states across the country have begun creating their own rental assistance programs as well as housing development programs, often called housing trust funds, to meet local housing needs and help fill in the gap left by the decline in federal housing production and rental assistance. Local funding sources may be targeted to specific income groups, or may be created to meet the needs of a certain population, such as veterans, seniors, or families transitioning out of homelessness. Funding sources include local levy or bond measures and real estate transaction or document recording fees, among others.

Federal decision-making has had a direct impact on states' response to the shortage of housing affordable to extremely low income people. In 1999, the U.S. Supreme Court found in *Olmstead v L.C.* that continued institutionalization of people with disabilities who were able to return to the community constituted discrimination under the Americans with Disabilities Act. This decision means that states are now developing and providing community-based permanent supportive housing for people with disabilities in response to *Olmstead* litigation or in order to avoid future litigation.

DEVELOPING AFFORDABLE HOUSING AT THE LOCAL LEVEL

The expense of producing and operating housing affordable to low income renters, and the multitude of funding sources available to finance it, make affordable housing development a complicated task.

Affordable housing developers, including PHAs redeveloping their housing stock, must combine multiple sources of funding in order to finance housing development or preservation. These funding sources can be of federal, state or local origin, and can also include private lending and grants or donations. Some developers include market-rate housing options within a development in order to generate revenue that will cross-subsidize units set aside for lower income tenants. Each funding source will have its own requirements for income or population targeting, as well as oversight requirements. Some funding sources require developers to meet certain environmental standards or other goals, such as historic preservation or transit-oriented development.

Accessing these many funding sources requires entry into application processes which may or may not have complementary timelines, and developers risk rejection of even the highest merit applications due to a shortage of resources. Developers incur costs before the first shovel hits the ground as they work to plan their developments around available funding sources and their associated requirements.

Developers encounter another set of requirements in the communities in which they work. They must operate according to local land use regulations, and can sometimes encounter community opposition to a planned development, which can jeopardize funder support for a project.

Once developments open, depending on the needs of the residents, services and supports may be included in the development. These can range from after-school programs to job training to physical or mental health care. This can mean working with another set of federal, state, and local programs, as well as nonprofit service providers.

In spite of these challenges, affordable housing developers succeed every day, building, rehabilitating and preserving the quality housing low income people need at rents they can afford.

THE FUTURE OF AFFORDABLE HOUSING

There are serious issues facing those who believe everyone in the U.S. has the right to safe, decent, affordable housing. The need for affordable housing continues to grow, particularly the need for housing affordable to the lowest income people. Nationwide, there are only 31 units of housing affordable and available for every 100 extremely low income Americans. Federal housing assistance only serves one quarter of those who qualify for it. And special populations, such as disabled veterans returning from combat or lower income seniors, are increasing in number and need.

At the same time, the existing stock of affordable rental housing is disappearing due to deterioration and the exit of private owners from the affordable housing market. According to the National Housing Trust, our nation loses two affordable apartments each year for every one created. Local preservation efforts have seen success, and resources like the National Housing Preservation Database are helpful, but it is a race against time.

Finally, the very funding structure of most affordable housing programs puts them at risk, at both the federal and local levels. The majority of federal housing programs are appropriated, meaning that the funding amounts can change from year to year, or disappear altogether. State and local programs can be similarly volatile, because they are often dependent on revenue from fees or other market-driven sources, and are vulnerable to being swept into non-housing uses. Ensuring funding at amounts necessary to maintain programs at their current level of service, much less grow them, is a constant battle.

THE ROLE OF ADVOCATES

Just as the Great Depression caused lawmakers to consider an expanded role for government in the provision and financing of housing, the Great Recession of 2008 and the ensuing slow recovery have inspired advocates, lawmakers, and the general public to take interest in the housing and other needs of lower income people, and to reconsider the role of government in housing, particularly in homeowner-owned housing.

Affordable housing advocates have a unique opportunity to make the case for affordable rental housing with Members of Congress as well as with local policymakers. As the articles in this *Guide* demonstrate, subsidized rental housing is more cost-effective and sustainable than the alternative, be it institutionalization, homelessness, or grinding hardship for working poor families. And after decades of a clear over-investment in homeownership, the housing market collapse, and the growth of a gaping divide between the resources and future prospects of the highest and lowest income people, it is clearly time for federal housing policy to be rebalanced in favor of addressing the greatest housing needs.

Those who wish to see an end to homelessness must be unyielding in their advocacy for rental housing that is affordable to the lowest income people. Over the eight decades of direct federal involvement in housing, we have learned much about how the government, private, and public sectors can partner with communities to create the affordable housing that will improve lives and heal whole neighborhoods. We must take this evidence, and our stories, to lawmakers to show them that this can, and must, be done.

FOR MORE INFORMATION

- HUD Historical Background, http://1.usa.gov/11P11P2
- NLIHC's C*hanging Priorities: The Federal Government and Housing Assistance, 1976-2007*, http://nlihc.org/library/other/periodic/changing-priorities-1976-2007
- NLIHC's *Housing Assistance for Low Income Households: States Do Not Fill the Gap*, http://nlihc.org/library/other/periodic/housingassistance
- National Housing Trust Fund, www.nhtf.org
- United For Homes Campaign, www.unitedforhomes.org
- The Housing Trust Fund Project of the Center for Community Change, http://housingtrustfundproject.org
- National Housing Preservation Database, www.preservationdatabase.org

Income Targeting and Expenditures for Major Housing Programs

Housing Program	Income Targeting Requirements	National Annual Funding
Public Housing	At least 40% of units are for households with incomes less than 30% of AMI, with the remainder for households earning up to 80% of AMI.	$6.4 billion (FY14 HUD appropriation)
Housing Choice Vouchers	At least 75% of vouchers are for households with incomes less than 30% of AMI, with the remainder for households earning up to 80% of AMI.	$19.2 billion (FY14 HUD appropriation)
Project-Based Rental Assistance	At least 40% of units are for households with incomes less than 30% of AMI, with the remainder for households earning up to 80% of AMI.	$9.7 billion (FY14 HUD appropriation)
Section 202 and Section 811	All units are for households with incomes less than 50% of AMI.	$510 million (FY14 HUD appropriation)
HOME Investment Partnerships	If used for rental, at least 90% of units assisted throughout the jurisdiction must be for households under 60% AMI, with the remainder for households up to 80% AMI. If there are more than 5 HOME-assisted units in a building, then 20% of the HOME-assisted units must be for households under 50% AMI. All assisted homeowners must be below 80% AMI.	$1 billion (FY14 HUD appropriation)
Community Development Block Grant	At least 70% of households served must have low or moderate incomes, less than 80% AMI. Remaining funds can serve households of any income group.	$3 billion (FY14 HUD appropriation)
McKinney-Vento Homeless Assistance Grants	All assistance is for participants who meet HUD's definition of homeless (those who lack a fixed, regular, and adequate nighttime residence).	$2.1 billion (FY14 HUD appropriation)
Housing Opportunities for People with AIDS (HOPWA)	All housing is for households with incomes less than 80% of AMI.	$330 million (FY14 HUD appropriation)
Low Income Housing Tax Credit	All units are for households with incomes less than 50% or 60% of AMI (depending on how the development was financed).	$6.4 billion (FY14 estimated tax expenditure)
Federal Home Loan Banks' Affordable Housing Program	All units are for households with incomes less than 80% of AMI. For rental projects, 20% of units are for households earning less than 50% of AMI.	$296 million (2013 FHLB assessment)
Section 515 Rural Rental Housing	All units are for households with incomes less than $5,500 above 80% of AMI. Priority is first for households in substandard housing and second to households earning less than 50% of AMI.	$28 million (FY14USDA appropriation)
Section 521 Rural Rental Assistance	In new projects, 95% of units are for households with incomes less than 50% of AMI. In existing projects, 75% of units are for households earning less than 50% of AMI.	$1.1 billion (FY14 USDA appropriation)
National Housing Trust Fund	At least 90% of funds must be for rental housing, and at least 75% of rental housing funds must benefit households with incomes below 30% AMI or poverty level, whichever is greater; remaining funds can assist households with incomes below 50% AMI. Up to 10% may be for homeowner activities benefitting households with income below 50% AMI.	

Notes:
AMI: area median income
Extremely low income: income less than 30% of area median income
Very low income: income less than 50% of area median income
Low income: income less than 80% of area median income

National Low Income Housing Coalition, March 2014

The National Need for Housing

By Elina Bravve, Research Analyst, National Low Income Housing Coalition

Today, low income households face rising rents, stagnating wages and opportunities limited by an economic recovery that largely excludes low wage workers. Housing costs continue to rise faster than income growth; the gap between what low income workers can afford to pay for rent, and the actual cost of rental housing keeps growing.

The economic downturn and recession contributed to long term shifts in the housing market, with many more households turning towards renting, and delaying or rebuffing homeownership. Renters grew from 31% of all households in 2004 to 35% of all households in 2012. The number of renters nationwide reached 43 million by early 2013.[1]

The number of renter households is expected to grow sharply by as many as 4.7 million households between 2013 and 2023.[2] With more households choosing to rent, competition for available units will continue to rise, and the number of units available and affordable to the lowest income households is likely to decline.

Based on NLIHC analysis of the 2012 American Community Survey (ACS),[3] there are 10.16 million extremely low income (ELI) renter households, those with incomes at or below 30% of the area median income (AMI), and only 5.73 million units affordable to them, using the standard affordability measure of spending no more than 30% of household income on housing costs. This leads to an absolute shortage of 4.43 million rental homes for these households nationwide. Another way of describing the gap is that for every 100 ELI renters in 2012, there are only 56 units they could potentially live in without spending more than 30% of their income on housing and utility costs.

The most vulnerable ELI renters, including households relying on Supplemental Security Income (SSI) and minimum wage workers, face the greatest challenges when seeking affordable housing. Renter households with incomes of 15% AMI or less make up 40% of all ELI renters. For this group, there are also only 56 units affordable per 100 renter households.

The shortage of affordable housing is most severe among ELI households. For households with incomes between 31 and 50% AMI there is a surplus of 2.4 million affordable rental units. For those with incomes between 51% and 80% AMI, there is a surplus of 10.5 million affordable units.

The challenge for ELI renters is even greater than it appears, because many of the units affordable to ELI households are rented and occupied by higher income households. Thus, on a nationwide basis, the shortage of affordable and available rental homes for ELI households is 7 million. Nationally, there are only 31 affordable and available rental homes for every 100 ELI renter households. There are just 16 affordable and available units for every 100 households with incomes at 15% of AMI or less.

Though the situation improves for higher income households, households at or below the VLI threshold (50% AMI or less) still face a significant shortage, with just 58 affordable and available units per 100 renter households. Finally, for LI renters (80% AMI or less) there are 96 affordable and available units per 100 renters.

In light of this significant shortage of affordable and available housing, the lowest income renters continue to make sacrifices in order to make ends meet. Many end up spending a significant proportion of their income on rent. Seventy-five percent of ELI renters spent more than half of their incomes on housing costs in 2012, leaving very little for other basic necessities such as food, health care, and transportation.

[1] Joint Center for Housing Studies of Harvard University. (2013). *The State of the Nation's Housing 2013*. Cambridge, MA: Author. Retrieved from: http://bit.ly/1d6KsPy
[2] Ibid.
[3] Unless otherwise cited, all data are based on NLIHC analysis of 2012 ACS data.

In 2011 there were 8.5 million households with worst-case housing needs, which HUD defines as households earning at or below 50% of AMI who do not receive any housing assistance from the government and who spend over half of their income on housing costs, live in severely substandard housing conditions or both. The number of households with worst case housing needs grew by 19% from 2009, and by 43% from 2007.[4]

Further indication that renters are struggling to find affordable housing comes from NLIHC's annual research report, *Out of Reach*, which compares the average wages earned by households to the Fair Market Rents (FMRs) where they live. This provides a clear picture of how difficult it is to find a decent rental home on local wages. On a national basis, a worker would need to earn an hourly wage of $18.92, over two and a half times the federal minimum wage, in order to afford a two-bedroom rental home at the nation's FMR of $984. An ELI household can only afford a rent of $493 a month. Even households at the average renter wage ($14.64) do not earn enough to afford a fair market rent two bedroom apartment.[5]

Many low income households include people who work at the low-wage jobs that are critical to a healthy economy. They are child care providers, nursing home aides, hotel housekeepers, office cleaners, retail clerks, and receptionists. Overall job growth continues to be heavily concentrated in these lower wage fields, with 58% of new jobs in the post-recession recovery period paying no more than $13.83 an hour.[6] There is an immediate need for additional rental units affordable to low income households.

There is also an immediate need for housing affordable to the nation's most vulnerable households. There are 4.8 million non-elderly Americans with disabilities who receive Supplemental Security Income (SSI) nationwide. An SSI recipient received an annual income of $8,714 in 2012. One-bedroom rents exceed 100% of SSI in 181 housing market areas across 33 states.[7]

Whatever measurement is used, the available data continue to affirm that there is a great need to expand the supply of affordable housing, and it is imperative that researchers and advocates continue to work together to ensure this need is met.

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[5] NLIHC (2014). *Out of Reach 2014.* Washington DC: Author. Retrieved from: www.nlihc.org/oor/2014
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Housing as a Human Right

By Eric Tars, Director of Human Rights and Children's Rights Programs, National Law Center on Homelessness & Poverty

Recent polling indicates that three-quarters of Americans believe that adequate housing is a human right, and two-thirds believe that government programs need to be expanded to ensure this right. The federal government is responding to this pressure. In 2013, the U.S. Interagency Council on Homelessness (USICH) initiated its own program on human rights, affirming human rights as part of the federal policy dialogue on housing. At the state level, there is a trend of homeless bills of rights, and locally, a number of municipalities have passed resolutions declaring their belief in housing as a human right.

Housing advocates in the United States can and should use international human rights standards to reframe public debate, craft and support legislative proposals, supplement legal claims in court, advocate in international fora, and support community organizing efforts. Numerous United Nations (UN) human rights experts have recently visited the United States or made comments directly bearing on domestic housing issues including affordable and public housing, homelessness, and the foreclosure crisis, often providing detailed recommendations for federal- and local-level policy reforms. In 2014, advocates will work to consolidate these gains and push for action to accompany the rhetoric.

HISTORY

In his 1944 State of the Union address, Franklin Roosevelt declared that the United States had accepted a "Second Bill of Rights," including the right to a decent home. In 1948, the United States signed the Universal Declaration of Human Rights, recognizing housing as a human right.

The Universal Declaration is a non-binding declaration, so the right to housing was codified in binding treaty law in the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 1966. The United States signed, but has not ratified, the ICESCR, and thus is not strictly bound to uphold the right to housing as framed in that document. However, the United States ratified the International Covenant on Civil and Political Rights (ICCPR) in 1992, and the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) in 1994. Both recognize the right to be free from discrimination, including in housing, on the basis of race, gender, disability, and other status.

The United States signed another declaratory document, the Habitat Agenda, in 1996, committing itself to more than 100 housing-related goals. In 2006, the United States approved the UN Basic Principles and Guidelines on Development-Based Evictions, which provides useful standards for ensuring participation of poor and minority groups in zoning and development decisions affecting them.

In recent years, advocates organized several high-profile visits by human rights monitors to examine United States housing issues. The UN-HABITAT Advisory Group on Forced Evictions and UN Special Rapporteur on the Right to Adequate Housing visited in 2009. The Special Rapporteur on the Right to Water and Sanitation visited in 2011. In all these visits, monitors met directly with local and national advocates, government officials, and media. The visits resulted in extraordinarily detailed assessments of housing policies in the United States and contain specific conclusions and recommendations based in large part on recommendations from United States advocates, ranging from one-for-one replacement of subsidized housing units to condemning criminalization of homelessness as potentially cruel, inhuman, and degrading treatment.

In 2012, USICH and the Department of Justice (DOJ) issued *Searching Out Solutions: Constructive Alternatives to the Criminalization of Homelessness*, a report which recognizes that, in addition to possible violations under the U.S. Constitution, the criminalization of homelessness may implicate our human rights treaty obligations under ICCPR and Convention Against Torture (CAT), a first for a domestic agency report. In 2013, as noted above, USICH developed a program on human rights, another first for a domestic agency, and demonstrates advocates are successfully advancing the human rights frame in policy dialogue.

Other countries have made significant headway in making the right to housing real and legally enforceable. France, Scotland, South Africa, and other countries have adopted a right to housing in their constitutions or legislation, leading to improved housing conditions. They should serve as models for domestic advocates.

ISSUE SUMMARY

According to the UN Committee on Economic, Social and Cultural Rights, which oversees the ICESCR, the human right to housing consists of seven elements: (1) security of tenure; (2) availability of services, materials, and infrastructure; (3) affordability; (4) accessibility; (5) habitability; (6) location; and (7) cultural adequacy.

In the human rights framework, every right creates a corresponding duty on the part of the government to respect, protect, and fulfill the right. Having the right to housing does not mean that the government must build a house for every person in America and give it to them free of charge. It does, however, allocate ultimate responsibility to the government for ensuring all people have access to adequate housing, whether through devoting resources to public housing and vouchers, by creating incentives for private development of affordable housing such as inclusionary zoning or the Low Income Housing Tax Credit, through market regulation such as rent control, through legal due process protections from eviction or foreclosure, by ensuring habitable conditions through housing codes and inspections, or by other means. Contrary to our current framework which views housing as a commodity to be determined primarily by the market, the right to housing framework gives advocates a tool for holding each level of government accountable if all those elements are not satisfied.

Scotland provides a good example of the difference a right to housing approach can make. The Homeless Etc. (Scotland) Act of 2003 includes the right for all homeless persons to be immediately housed and the right to long-term, supportive housing for as long as it is needed. The law also includes an individual right to sue if one believes these rights are not being met, and requires jurisdictions to plan for development of adequate affordable housing supplies. Complementary policies include the right to purchase public housing units and automatic referrals by banks to foreclosure prevention programs to help people remain in their homes. All these elements work together to ensure the right to housing is upheld.

FORECAST FOR 2014

Our country's current struggle with budget deficits is not a reason to defer actions to improve Americans' access to adequate housing. Rather, it is precisely in this time of economic crisis that the need to do so is most acute, and a rights-based approach to budgeting decisions would help generate the will to protect people's basic human dignity first, rather than relegating it to the status of an optional policy. In 2014, housing advocates will be using international mechanisms and standards to promote housing policy goals from the federal to local level.

Several opportunities exist at the international level. The U.S. government is scheduled for a review in March 2014 of its obligations under the ICCPR by the U.N. Human Rights Committee, affording advocates the opportunity to raise concerns, particularly around the criminalization of homelessness and the disparate racial and gender impacts of housing rights violations. Similar reviews are scheduled in August under the ICERD and November under the CAT. In conjunction with these reviews, and the upcoming March 2015 review of the U.S under the Universal Periodic Review, the U.S. government is convening an ongoing series of interagency meetings (including officials from HUD, DOJ, and Health & Human Services, among others) to discuss its domestic human rights analysis and implementation of recommendations from international reviews. The National Law Center on Homelessness & Poverty (NLCHP) is helping to coordinate non-governmental strategy for all these opportunities.

At the state level, Rhode Island, Illinois, and Connecticut have all recently passed Homeless Bills of Rights, and California, Oregon, Delaware, and other states are considering similar legislation.

Locally, advocates in many cities are working to pass right to housing resolutions or directly implement the right to housing. Advocates in Eugene, OR have successfully used human rights framing to create political will for a safe camping area for homeless persons. Duluth, MN passed a resolution recognizing the human right to housing and creating a mandate to develop a local homeless bill of rights. Groups such as Take Back the Land are organizing eviction and foreclosure defenses and building takeovers as direct actions to draw attention to and implement the human right to housing.

Additionally, in 2013, both the American Bar Association and the International Association of Official Human Rights Agencies (IAOHRA, the association of state and local human rights commissions) passed resolutions endorsing domestic implementation of the human right to housing.

TIPS FOR LOCAL SUCCESS

Local groups wishing to build the movement to recognize the human right to housing in the United States can use international standards in many different ways to promote policy change, from rallying slogans to concrete legislative proposals. Groups can start with a non-binding resolution stating that their locality recognizes housing as a human right in the context of the ongoing economic and foreclosure crisis, such as that passed by the Madison, WI city council in November 2011. Advocates can then build on that commitment to help pass more substantive legislation, or use international standards to measure local violations of housing rights, as advocates in Sacramento have done around access to water and sanitation. Using international mechanisms, such as the review of the United States by the Human Rights Committee, can also help cast an international spotlight on local issues.

WHAT TO SAY TO LEGISLATORS

It is important for legislators and their staff to hear their constituents say, “Housing is a human right,” as an initial step in reframing the conversation around housing. In talking about human rights, it is often helpful to start with the United States’ origins and acceptance of these rights in Roosevelt’s “Second Bill of Rights” and the polling data above, and showing the affirmations of this language by USICH and other agenices. Using the recommendations made by human rights monitors reinforces advocates’ messages by lending international legitimacy.

FOR MORE INFORMATION

National Law Center on Homelessness & Poverty, 202-638-2535, nlchp@nlchp.org, www.nlchp.org

ADVOCACY TOOLS

How Laws Are Made

The House and Senate lawmaking processes are replete with rules and procedures to ensure that the bills Congress passes are vetted thoroughly and represent the dominant opinion of Members of Congress. Each chamber has its own set of rules and procedures that a skilled lawmaker can use to hastened or thwart legislative proposals. Both a Member's facility with these rules and his political power can prove critical to the successful passage of a bill.

While Members of Congress conceive of legislation, introduce bills, and maneuver legislation through the lawmaking process, Congressional staff also play an essential role in the process. Members of Congress have staff in their personal offices and the Members who serve as Congressional committee and subcommittee leadership, in both the majority and the minority, have separate committee staff as well. Both personal and committee staff have significant input in the legislative process.

The lawmaking process can be initiated in either chamber of the Congress, the House of Representatives or the Senate. The exception is for bills related to revenue, which must originate in the House of Representatives. Legislators can initiate the lawmaking process by crafting a bill or a joint resolution. The following, from the Government Printing Office (GPO), describes the process of enacting a bill into law that is introduced in the House of Representatives follows. Enacting a joint resolution into law requires the same steps as a bill.

ENACTING A BILL INTO LAW

1. When a Representative has an idea for a new law, he or she becomes the sponsor of that bill and introduces it by giving it to the clerk of the House of Representatives, or by placing it in a box, called the hopper. The clerk assigns a legislative number to the bill, with H.R. for bills introduced in the House of Representatives (and S. for bills introduced in the Senate). GPO then prints the bill and distributes copies to each Representative.

2. The bill is assigned to a committee by the Speaker of the House so that it can be studied. The House has standing committees, each with jurisdiction over bills in certain areas. The standing committee, or often, a subcommittee, studies the bill and hears testimony from experts and people interested in the bill. The committee then may release the bill with a recommendation to pass it, or revise the bill and release it, or lay it aside so that the House cannot vote on it. Releasing the bill is called reporting it out, while laying it aside is called tabling.

3. If the bill is released, it then goes on a calendar, which is a list of bills awaiting action. Here the House Rules Committee may call for the bill to be voted on quickly, may limit the debate, or may limit or prohibit amendments. Undisputed bills may be passed by unanimous consent or by a two-thirds majority vote if members agree to suspend the rules.

4. The bill then goes to the floor of the House for consideration and begins with a complete reading of the bill. Sometimes this is the only complete reading. A third reading, title only, occurs after any amendments have been added. If the bill passes by simple majority (218 of 435), the bill moves to the Senate.

5. In order to be introduced in the Senate, a Senator must be recognized by the presiding officer and announce the introduction of the bill. Sometimes, when a bill has passed in one chamber, it becomes known as an Act; however, this term usually means a bill that has been passed by both chambers and becomes law.
6. Just as in the House, the bill is then assigned to a committee in the Senate. It is assigned to one of the Senate's standing committees by the presiding officer. The Senate committee studies, and either releases or tables the bill just like the House standing committee.

7. Once released, the bill goes to the Senate floor for consideration. Bills are voted on in the Senate based on the order in which they come from the committee; however, an urgent bill may be pushed ahead by leaders of

the majority party. When the Senate considers the bill, it can be debated indefinitely. When there is no more debate, there is a vote on the bill. In many cases, a simple majority (51 of 100) passes the bill.

8. The bill now moves into a conference committee, which is made up of members from each chamber of Congress. The conference committee works out any differences between the House and Senate versions of the bill. The revised bill is sent back to both chambers for their final approval. Once approved, the bill is printed by the GPO in a process called enrolling. The clerk from the introducing chamber certifies the final version.

9. The enrolled bill is now signed by the Speaker of the House and then the Vice President. Finally, it is sent for presidential consideration. The President has 10 days to sign or veto the enrolled bill. If the President vetoes the bill, it can still become a law if two-thirds of the Senate and two-thirds of the House then vote in favor of the bill and override the veto.

FOR MORE INFORMATION

How a Senate Bill Becomes a Law, from the U.S. Senate: http://1.usa.gov/151DcBm
The Legislative Process, from the U.S. House of Representatives: http://1.usa.gov/151Dfx7
How Our Laws Are Made, from the U.S. House of Representatives: http://1.usa.gov/151Dngf

The Federal Budget and Appropriations Process

By Melissa Quirk, Senior Policy Analyst, National Low Income Housing Coalition

Funding the federal government is a two part process that occurs annually. First, a federal budget is passed, and then the funding budget is appropriated among federal agencies and programs.

Both the Administration and Congress participate in the process of developing a federal budget that establishes the overall framework and maximum dollar amount for government spending in a fiscal year. The appropriations process is handled entirely by Congress, and establishes the amount of funding for individual activities of the federal government. While the budget should be completed and funds appropriated during the prior fiscal year, in recent years, Congress has not completed the appropriations processes in advance of the start of the fiscal year due to disagreements between the House and Senate over top line budget amounts.

TYPES OF FEDERAL SPENDING AND REVENUE

There are three categories of spending for which the budget and appropriations process establishes limits and defines uses: discretionary, mandatory, and tax.

Discretionary spending. As the name suggests, government expenditures in the discretionary portion of the budget are subject to annual evaluation by the President and Congress. Though the discretionary portion of the budget represents less than half of total annual expenditures, it is the area of spending that the President and Congress focus on most. Each year, the Administration and Congress re-evaluate the need to allocate funds for federal departments, programs, and activities. Discretionary spending amounts vary annually, depending upon Administration and Congressional policy priorities.

Mandatory spending. This portion of the budget was the largest expenditure in fiscal year 2013 (FY13) and is expected to grow as a percentage of the budget in coming years. Mandatory spending is almost entirely made up of spending on entitlements, such as Social Security and Medicaid. Expenditures for entitlements are based on a formula that is applied to the number of households eligible for a benefit. The amount of funding in a given year is determined by formula and so the Administration and Congress do not focus much on this spending in the budget and appropriations process.

Tax revenue. Taxes provide revenue to the government to fund spending priorities. Tax policy includes not just revenues but also expenditures, in the form of deductions, credits, and other tax breaks. These expenditures reduce the total potential tax that could be collected to provide revenue for the federal government. Each year the Administration and Congress decide what tax revenues to collect and what tax expenditures to make by forgoing revenue collection in pursuit of certain policy priorities.

BUDGET PROCESS

The federal fiscal year runs from October 1 through September 30. Planning for the upcoming fiscal year begins as early as a year and a half prior to the beginning of the fiscal year.

President's Budget Request. The budget process officially commences on the first Monday of February, when the President is required by law to provide a budget request to Congress for all Administration activities in the coming fiscal year. In 2012, 2013, 2014, and 2015 the President's budget request was submitted after the February deadline. Congress did not pass its spending bills before the start of fiscal years 2012-2014, which delayed the Administration's budget development process.

The President's budget request to Congress includes funding requests for discretionary programs, mandatory programs, and taxes. The majority of housing programs are funded through the discretionary portion of the budget. The President's funding request for discretionary programs varies from year to year to reflect the Administration's evolving policy priorities.

Congressional budget resolution. Once the President submits a budget to Congress, the House and Senate Committees on the Budget prepare to craft a budget resolution. The budget resolution sets the overall framework for spending for a one year fiscal term. The resolution includes a top-line spending figure for discretionary activities. The House and Senate Committees on Appropriations use this figure as the maximum amount of funding that can be appropriated in the next fiscal year. This new discretionary cap either increases or decreases the overall amount of funding that the Committees on Appropriations have available to allocate to HUD and USDA's affordable housing activities. While the budget resolution establishes the overall spending level for the fiscal year, it does not go into detail as to how this funding will be allocated. The details are the job of the Committees on Appropriations, which begin their work after Congress agrees to a budget resolution.

To craft the budget resolution, the House and Senate Committees on the Budget first hold hearings at which Administration officials testify regarding the President's budget request. The Committees on the Budget each craft their own budget resolutions. The House and Senate then attempt to agree on a final budget resolution. Because this is a resolution, not a bill, it does not have to be signed into law by the President.

Once Congress passes a budget resolution, the appropriations work begins. If Congress does not pass a budget resolution by the statutory deadline of April 15, the Committees on Appropriations are free to begin their appropriations work.

In 2013, Congress passed the Bipartisan Budget Act which set spending caps for both FY14 and FY15, eliminating the need for Congress to renegotiate an FY15 spending level. Any budget resolutions crafted by Congress in FY15 would be used as a vehicle to state budget priorities, not as a mechanism to set FY15 spending.

APPROPRIATIONS PROCESS

Unlike the budget process, which is initiated by the Administration, the appropriations process rests entirely in the hands of Congress.

After Congress passes a budget resolution, the House and Senate Committees on Appropriations divide the top-line figure for discretionary spending among their 12 respective appropriations subcommittees. The two appropriations subcommittees that provide the majority of funding for affordable housing and community development programs are the Transportation, Housing and Urban Development, and Related Agencies (T-HUD) Subcommittee and the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee in each chamber of Congress.

Each subcommittee must divide the amount of funding allocated by the Committee on Appropriations between the various priorities funded in its bill.

Each subcommittee must determine the priority programs within each of their bills and provide sufficient funding for those priorities. In order to determine its priorities, the T-HUD subcommittees hold hearings, during which HUD or USDA officials testify regarding specific programs and initiatives included in the President's request. Witnesses in these hearings provide a far greater level of detail on programmatic activity than witnesses testifying at budget committee hearings, which focus on overall proposed spending rather than particular activities.

After appropriations hearings are completed, the subcommittees craft their bills. The subcommittees then hold a markup of their draft bills, and report out the bill they pass to their respective appropriations committees. The appropriations committees hold a markup of each bill and report out those bills to Congress. The House and Senate must then negotiate final T-HUD and Agriculture bills. Once these bills are passed by Congress, they are signed into law by the President.

If Congress does not pass its appropriations bills by the October 1 start of the fiscal year, it must provide funding for the period after the fiscal year ends and before an appropriations bill is passed. This funding is provided by a continuing resolution (CR).

A CR continues funding for programs funded in the prior fiscal year, usually at the funding level from the year prior. If Congress does not pass a CR and appropriations bills have not been enacted, the government shuts down, as it did for 17 days in October 2013.

FORECAST FOR 2014

Sequestration and spending caps. In 2011, Congress passed a law that essentially changed the role of the President and Congressional committees in establishing top-line spending figures for discretionary spending for a ten-year period. The Budget Control Act of 2011 (BCA) established caps on discretionary spending for ten calendar years, beginning with FY13. Congress then passed the American Taxpayer Relief Act of 2012 (ATRA), which lowered the caps for FY13 and FY14 below the levels set by the BCA. In 2013, Congress passed the Bipartisan Budget Act (BBA), which once again adjusted the FY14 spending cap, this time upwards, and also increased the FY15 cap.

These caps dictate the amount of discretionary spending allowed each year, a figure normally determined by the budget resolution. The limiting of federal spending, through these caps and other cuts, is what is known as the “sequester.”

As a result of not achieving cuts in other areas of government expenditures, Congress sequestered $1.2 trillion in discretionary funding to reduce the national deficit. Across-the-board cuts were enacted during calendar year 2013. On March 1, 2013, discretionary spending was cut in order to reduce the overall spending amount in FY13. Almost all HUD and USDA rural housing programs were cut by 5%. FY14 appropriated funding was within the cap set by the BBA, so the Administration did not have to make across-the-board cuts to be in compliance with the sequester. In FY15, if Congress again appropriates within the spending caps, across-the-board cuts will not be necessary.

While across-the-board cuts may not be needed in future fiscal years, growth of federal spending and the availability of funding to meet the increasing cost of housing programs will continue to be constrained through 2021, unless the sequester is repealed.

The President’s role in establishing the Administration’s version of a fiscal year’s top-line discretionary spending figure is its budget request to Congress; the BCA, ATRA, and the BBA established limits on this top-line figure and the President’s budget requests for FY13, FY14, and FY15 reflected the Administration’s support for or disagreement with those spending caps.

The President complied with the top line discretionary spending caps enacted into law by the BBA in his FY15 budget request to Congress but also submitted an additional budget request of $56 billion called the Opportunity, Growth, and Security Initiative (OGSI). The Administration submitted this supplemental budget request because the President did not believe that the amount of discretionary spending set by the BBA was sufficient for FY15 spending. This supplemental request is not expected to gain significant support in Congress.

Despite the FY13 and FY14 spending caps remaining roughly level, the Administration’s FY15 budget request for HUD programs is 2.6% higher than the FY14 level. This proposed increase is in part made possible by the receipts, or income, that HUD estimates that it will receive from the Federal Housing Administration (FHA) that could offset HUD expenses. In its budget request, HUD includes funds to maintain tenancies for current residents of its core rental assistance programs, requests restoration of funding cut by the FY13 sequestration across-the-board cuts for many programs, and proposes cutting its block grant programs. The Administration proposes restoring 40,000 Section 8 vouchers lost due to sequestration but does not request sufficient funding to achieve this restoration.

For USDA rural housing programs, the President requests essentially level funding for the rental housing programs. The Administration also proposes implementing a minimum rent policy that could provide cost savings but that would be harmful to the lowest income households living in units with rental assistance.

WHAT TO SAY TO LEGISLATORS

Advocates should weigh in with the Administration and Congress on the importance of ending sequestration, the FY15 appropriations process, and development of the President's budget and Congressional budget resolutions for FY16.

- Advocates should write to and, if possible, meet with their Members of Congress to tell them to provide sufficient funding for HUD and USDA affordable housing programs and about the issues mentioned below. If Members of Congress do not hear from advocates, they will not know how important these programs are in their districts and states.
- Advocates should let their Members of Congress know that sequestration-mandated cuts have already resulted in loss of affordable housing opportunities in their states and districts. In order to prevent further loss of HUD and USDA rural housing units, Congress needs to end sequestration for fiscal years FY16 and beyond.
- Advocates should stress the importance of appropriating funds for affordable housing and community development. It is particularly important that Members understand how much funding for affordable housing programs is needed to restore cuts to HUD programs in recent years, both from sequestration and from three years of cuts or flat funding for many programs starting in FY10. It is particularly important that Members understand that the HUD budget request to restore 40,000 vouchers is insufficient and that additional funding would be needed to restore the balance of the vouchers lost due to sequestration.
- In order to provide sufficient funds to HUD in FY15, Appropriators must increase the T-HUD 302(b) subcommittee allocation. This allocation is the top line spending number for the T-HUD appropriations bill. It was disproportionately cut in FY12, and Congress needs to provide a substantial allocation in order to prevent loss of housing units in future fiscal years.
- Advocates should let the Administration know what programs they think are priorities to fund before the President's FY16 budget is crafted, starting in summer of 2014.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org/issues/budget
- Coalition on Human Needs, 202-223-2532, www.chn.org/issues/budget
- Center on Budget and Policy Priorities, 202-408-1080, http://bit.ly/151BQ9K

FY15 Budget Chart for Selected Department of Housing and Urban Development (HUD) and Department of Agriculture (USDA) Programs

FIGURES IN MILLIONS
UPDATED MARCH 4, 2014

HUD Program (set asides indented)	**FY10 Enacted**	**FY11 Enacted**	**FY12 Enacted**	**FY13 Final** (Including Sequestration)	**FY14 Enacted**	**FY15 President's Budget**
Tenant Based Rental Assistance	**18,184**	**18,371**	**18,914**	**17,964**	**19,177**	**20,045**
Contract Renewals	*16,339*	*16,669*	*17,242*	*16,349*	*17,366*	*18,007*
Tenant Protection Vouchers	*120*	*110*	*75*	*71*	*130*	*150*
Administrative Fees	*1,575*	*1,447*	*1,350*	*1,306*	*1,500*	*1,705*
Family Self Sufficiency Coordinators	*60*	*60*	*60*	*57*	*75*	*75*
Family Unification Program Vouchers	*15*	---	---	---	---	---
Section 811 Mainstream Vouchers	---	*35*	*112*	*106*	*107*	*108*
Veterans Supportive Housing Vouchers	*75*	*50*	*75*	*75*	*75*	*75*
Project Based Rental Assistance	**8,552**	**9,257**	**9,340**	**8,851**	**9,917**	**9,746**
Public Housing Capital Fund	**2,500**	**2,040**	**1,875**	**1,777**	**1,875**	**1,925**
Emergency/Disaster Grants	*20*	*20*	---	*19*	*20*	*20*
Resident Opportunities and Self-Sufficiency	*50*	*50*	*50*	*47*	*45*	---
Jobs-Plus Pilot	---	---	---	---	---	*25*
Public Housing Operating Fund	**4,775**	**4,617**	**3,962**	**4,054**	**4,400**	**4,600**
HOPE VI	**135**	**100**	---	---	---	---
Choice Neighborhoods Initiative	**65**	**65**	**120**	**114**	**90**	**120**
Native American Housing Block Grants	**700**	**649**	**650**	**616**	**650**	**650**
Native Hawaiian Housing Block Grants	**13**	**13**	**13**	**12**	**10**	**13**
Housing Opportunities for Persons with AIDS	**335**	**334**	**332**	**315**	**330**	**332**
Community Development Fund	**4,450**	**3,501**	**3,308**	**3,135**	**3,100**	**2,870**
CDBG Formula Grants	*3,990*	*3,336*	*2,948*	*3,078*	*3,030*	*2,800*
Sustainable Communities Planning Grants	*150*	*100*	---	---	---	---
HOME Investment Partnerships Program	**1,825**	**1,607**	**1,000**	**948**	**1,000**	**950**
Self-Help Homeownership Opportunity Program	**27**	**27**	**14**	**13**	**10**	**---**
Homeless Assistance Grants	**1,865**	**1,901**	**1,901**	**1,933**	**2,105**	**2,406**
Housing Counseling Assistance	**87.5**	**0**	**45**	**43**	**45**	**60**
Housing for the Elderly (Section 202)	**825**	**399**	**375**	**355**	**384**	**440**
Housing for Persons with Disabilities (Section 811)	**300**	**150**	**165**	**156**	**126**	**160**
Fair Housing and Equal Opportunity	**72**	**72**	**71**	**67**	**66**	**71**
Fair Housing Assistance Program	*29*	*28*	*28*	*27*	*26*	*23*
Fair Housing Initiatives Program	*43*	*42*	*43*	*40*	*40*	*46*
Healthy Homes & Lead Hazard Control	**140**	**120**	**120**	**114**	**110**	**120**
Policy Development & Research	**48**	**48**	**46**	**43**	**46**	**50**

USDA Program	FY10 Enacted	FY11 Enacted	FY12 Enacted	FY13 Final (Including Sequestration)	FY14 Enacted	FY15 President's Budget
Section 514 Farm Labor Housing Loans	**27**	**26**	**21**	---	**24**	**24**
Section 515 Rental Housing Direct	**70**	**70**	**65**	**28**	**28**	**28**
Section 516 Farm Labor Housing Grants	**10**	**10**	**7**	---	**8**	**8**
Section 521 Rental Assistance	**980**	**956**	**905**	**837**	**1,110**	**1,089**

Notes:

> In the FY15 budget request SHOP program funds are not requested (consistent with prior years) but $10 million is provided for SHOP as a set-aside in the HOME account.

> In the FY15 budget request and in the FY14 Omnibus, HUD's FSS Program is funded as a stand alone account.

> HUD "FY13 Enacted" figures do not include the OMB .2% or sequestration cuts.

> HUD "FY13 Final" figures include the OMB .2% adjustment and sequestration cuts.

> USDA "FY13 Enacted" figures include the 2.513% rescission required by H.R. 933.

> The "FY14 House Subcommittee Bill" provides FSS funding through a separate account rather than in TBRA.

> The FY13 CDF figure does not include $400 million in supplemental disaster funds appropriated by Congress. $300 million of these disaster funds are in the FY13 CDBG account.

> HUD and USDA have not yet released all of their FY13 "Sequestration and OMB Adjustment" project and activity funding levels.

> In FY14, HUD proposes funding the FSS line item out of a separate account.

> The FY12 Public Housing Operating Fund includes a provision for HUD to offset public housing authority reserves as additional operating funding.

> Policy Development & Research excludes academic grants.

Introduction to the Federal Regulatory Process

When Congress changes an existing law or creates a new one, federal agencies such as HUD must usually implement the changes or the new law by modifying an existing regulation or by creating a new one. In addition, federal agencies can review existing regulations and amend them even when there are no changes to the underlying law. Both the creation of a new regulation and the modification of an existing regulation provide advocates with an opportunity to shape policy.

Congress passes legislation and the President, by signing that legislation, turns it into a law. Usually, these laws spell out the general intent of Congress but do not include all of the technical details essential to putting Congress' wishes into practice. Regulations add those details.

Two publications are keys to the federal regulatory process. The *Federal Register* is a daily publication that contains proposed regulations, final rules, and other official notices and documents issued by the executive branch. All final regulations published in the *Federal Register* are eventually gathered together, or codified, in the Code of Federal Regulations (CFR). The federal government uses the words regulation and rule interchangeably.

SUMMARY OF THE FEDERAL REGULATORY PROCESS

Proposed regulations. In order to carry out laws, Congress gives federal agencies, such as HUD, the power to write rules to interpret laws and enforce them. When housing law is created or modified, HUD will draft suggested regulations.

Before publishing proposed regulations, HUD must send them to the Office of Management and Budget (OMB) which has up to 90 days to review their consistency with Executive Order 12866. If OMB judges the proposed regulations to be inconsistent, they are sent back to HUD "for further consideration;" however, HUD technically has authority from Congress to issue the rules.

Once cleared by OMB, HUD must publish a "notice of proposed rulemaking" in the *Federal Register* that contains the proposed language of the regulations. The public must have an opportunity to submit written comments, and are generally given a 60-day period to comment.

Final regulations. Once the comment period on a proposed rule is closed, HUD must consider all comments and may make changes based on them. Once these changes are complete, and after another review by OMB, HUD publishes a final rule in the *Federal Register*.

In the introduction, or preamble, to the final rule, HUD must present all meaningful comments received and explain why each was accepted or rejected. In addition to the actual text of the changed or new regulations, the final rules must state a date when they will go into effect, generally 30 or 60 days in the future.

Other regulatory options. In addition to proposed and final rules, the regulatory process can occasionally include:

- Advanced Notice of Proposed Rulemaking: HUD can ask for information from the public to help it think about issues before developing proposed regulations.
- Interim Final Rules: HUD can issue regulations that are to be followed as if they are final, yet ask for continued public comment on some parts of the rules. Subsequent final rules can include changes based on any additional public comment.
- Direct Final Rules: HUD can issue regulations thought to be minor and uncontroversial, but must withdraw them if negative comments are submitted.
- Negotiated Rulemaking: This is a seldom-used approach which engages knowledgeable people to discuss an issue and negotiate the language of a proposed regulation, which is then submitted to the *Federal Register*.

- Petition for Rulemaking: This is a process by which anyone can submit suggested regulations, along with supporting data and arguments in support of the suggestions. If HUD agrees, it will publish proposed rules; if HUD denies the petition, the denial must be in writing and include the basis for denial.
- Informal meetings: HUD has the authority to gather information from people by using informal hearings or other forms of oral presentations. The transcript or minutes of such meetings will be on file in the Rules Docket.

HOW TO FIND PROPOSED AND FINAL REGULATIONS IN THE FEDERAL REGISTER

The Government Printing Office (GPO) publishes the *Federal Register* and the CFR. The current day's *Federal Register* and links to browse back issues is http://1.usa.gov/YlVw4v. A preview of the next day's *Federal Register* is at http://1.usa.gov/YlVzgw. *Federal Register* notices for both proposed and final rules can be tracked by subscribing to a daily email of the table of contents of the *Federal Register* at http://1.usa.gov/YlVFox.

The public can read and copy comments made by others at HUD headquarters, or at www.regulations.gov. That site also provides all rules open for comment and enables electronic submission of comments.

The Code of Federal Regulations (CFR). All final rules published in the *Federal Register* are eventually collected and placed in the Code of Federal Regulations. There are 50 titles in the CFR, each representing a broad topical area. HUD-related regulations are in Title 24. Each title is divided into parts that cover specific program areas. All titles updated through 2013 are available at http://1.usa.gov/1rQTjhz. Titles are updated periodically throughout the year.

In addition, the GPO provides the Electronic Code of Federal Regulations (e-CFR). Although it is not an official legal edition of the CFR, it is an editorial compilation of CFR material and *Federal Register* amendments that is updated daily. Access the e-CFR at http://bit.ly/YlVWrv.

FOR MORE INFORMATION

National Low Income Housing Coalition, 202-662-1530, www.nlihc.org

Lobbying

Lobbying is the most direct form of advocacy. Many think there is a mystique to lobbying, but it is simply the act of meeting with a government official or their staff to talk about an issue that concerns you and that you would like addressed. The most common type of lobbying is contact with Members of Congress or their staff, but housing advocacy should not be limited only to legislators. It is often important to lobby the White House or officials at HUD and other agencies. Lobbying the White House can be especially important leading up to the President's budget proposal each year, setting the tone for budget work to come in the House and Senate.

Whether meeting with Members of Congress or officials of the Administration, remember that constituent feedback is a valued and necessary part of the democratic process. You do not have to be an expert on housing policy to lobby. The perspective you can provide on the housing situation in your local area is extremely valuable. Indeed, you are the expert on what is happening in your district or state and are a resource to officials in DC.

It is helpful to remember that advocacy requires positive relationships, usually with staff members in congressional or administrative offices. Sometimes officials may seem to be staunch opponents, but simply must be educated on housing issues before they can become allies. It can be a gradual process. Expose officials and their staff to the issues of homelessness and affordable housing by inviting them to your events, or to tour your agency or a housing development. Keep in mind that even those offices who support affordable housing issues and legislation still need to hear from you; offer your thanks and find ways to keep them engaged.

There are several important initial factors to consider when you lobby. Determine the proper target of your advocacy efforts. On federal issues, you will want to decide whether it is best to bring your message to a Member of Congress for legislative action or to Administration officials. Also think about whether you lobbying on behalf of yourself or on behalf of an organization. This can determine not only the type of message you present, but also whether there is necessary record keeping for your lobbying activity.

EFFECTIVE MEETINGS

If you have never lobbied before, it may help to think of the visit as a 20-minute conversation that will provide insight into your positions on affordable housing. Also consider your meeting an opportunity to build working relationships with decision makers and educate them on the importance of your local work.

A face-to-face meeting is often the most effective way to get your voice heard. Given the busy schedule of most officials, they may ask you to meet with a staff person who handles housing issues. Often staffers can spend more time delving into your concerns than an official would be able to devote, so getting to know influential staff people and building relationships with them is crucial.

Scheduling a meeting. Call the office you hope to meet with to request an appointment well in advance of your visit. Four to six weeks' notice is not too soon to book an appointment. It may take a while for the office to schedule the meeting once you have made a request.

If you are setting up a local meeting, locate the contact information for your Member of Congress' district office or for the local field office of the administrative agency. If you are planning to visit Washington, DC, contact the member's Capitol Hill office or the appropriate federal agency. (For contact information for key Members of Congress and offices of the Administration, see *Congressional Advocacy and Key Housing Committees* and *Federal Administrative Advocacy*.)

When you call, identify yourself as a constituent to the person who answers the phone. Many offices give priority to arranging meetings for constituents, as time of members and staff is limited. Ask first to schedule a meeting with the official. If the scheduler indicates that he or she will not be available, ask to meet with the relevant staff.

When scheduling the appointment, be sure to tell the office where you are from in the district or state, the organization you represent, the purpose of the meeting, and the number of people who will be attending the meeting so the staffer can reserve an appropriately sized meeting room.

The scheduler may ask for a list of names of attendees; this information that can often be sent closer to the date of the meeting. Some offices may ask you to email or fill out a web form to request the meeting rather than give the information over the phone.

Call the office the week prior to the meeting to confirm, and offer to send relevant information. If you are meeting with a staff person, email them the week prior to confirm the meeting date and time, reiterate the purpose of the meeting, and to send relevant information for them to review in advance.

Crafting your agenda. Developing a well-planned agenda for your meeting will help you maximize your time. Set an agenda based on how much time you have, usually no more than 20 or 30 minutes. If you will be lobbying in a group, decide who will lead the meeting and what roles everyone will play.

Before you set the agenda, it is useful to research the office's past positions and statements on housing issues. You can review roll call votes on key affordable housing bills at http://thomas.loc.gov to find out how a Member of Congress has voted on housing legislation. If you need help, don't hesitate to contact the NLIHC outreach associate for your state, which you can find at http://nlihc.org/whatwedo/outreach/team.

Logistics of the meeting. Make sure you know the building address and room number where your meeting is being held. Arrive early, as security can be tight at federal offices, especially those on Capitol Hill. If there are congressional hearings at the same time as your meeting, the lines to enter the buildings can be very long and you can end up waiting 15 minutes or more to enter. Leave behind items that may trigger a security concern and delay your entry into a building. The House and Senate office buildings are large and often takes time to navigate to the office where your meeting will be held. Have the name of the person with who you are meeting readily available.

Conducting your meeting. At your meeting, take the time to introduce each attendee and their unique expertise or role in local work. Start the meeting by offering thanks to the official for an action they have taken to support affordable housing, or by highlighting a specific area of interest that you might share. If you are meeting with a regular ally of affordable housing efforts, acknowledge past support at the beginning of the meeting. If meeting with an office that has an unfavorable record on your issues, indicate that you hope to find common ground to work together on issues critical to your local community. Keep in mind that as you educate congressional or administrative offices over time, they may eventually shift their positions favorably.

Next, provide a brief overview of the affordable housing challenges in your community and the nation. Unless you already have a relationship with the person you are meeting with, do not assume that they have a deep understanding of the problem. However, make sure not to spend too much time on these first portions of the meeting so you have time for substantive discussion of the particular issue of concern.

Move into the main portion of the meeting by giving a brief description of the top two or three specific housing issues you want to discuss. Try to present the issues positively, as solvable problems. In deciding how to frame your message, research the background of the official you are meeting with to gain insight on their professional interests and personal concerns, memberships, affiliations, and Congressional committee assignments. These roles and interests are often listed on their website. This information may help you gauge interest in your concerns related to their priorities. Also include personal stories and experiences to make your key points.

When discussing these issues, do not feel like you must know everything about the topic. If you are asked a question to which you do not know the answer, indicate that you will follow up with an answer. Offering to provide additional information is an excellent way to continue being in touch with the office after the meeting. If the conversation turns to a topic that is not on your agenda, listen and respond appropriately but steer it back to your agenda since you will have limited time to discuss your main points. Be sure to make the meeting conversational; you want to learn the perspective of the official in addition to making your points.

Have a specific "ask" on the housing issues you have raised; for example, suggest that a Member of Congress, sponsor, co-sponsor, or oppose a bill. Decide on a concrete action you would like to see taken as a step in resolving the local affordable housing challenges you've presented. Explain how your ask fits within the official's priorities. The office agree to this ask, decline, or say they need time to consider. If they decline, ask how else they might be willing to address the issues you've raised. Suggest ways that you or your organization can be helpful in achieving the end goal of solving the housing challenge.

Before closing the meeting it is important to try and get an answer on your ask regarding specific legislation or policy changes, even if the answer is "maybe" or "no." Make a follow-up plan based on this response; you will often want to present further information or recruit additional voices. If at the end of your meeting the official or staff person seems to be leaning against your position, keep the door open for future discussion. Agree to check in with staff after an appropriate amount of time to find out if there is a final decision or to support other next steps. In closing the meeting, be sure to express thanks for their time and interest in the topics you raised.

Leave behind written materials. It is useful to have information to leave with the official or staffer, so they can further review and reference it as needed. To emphasize the extent of the housing crisis in your community, provide information such as: your state's section of *Out of Reach*, which shows the hourly housing wage in each county; the appropriate NLIHC Congressional District Profile or State Housing Profile, which show rental housing affordability data by congressional district and state; and other NLIHC research reports found, which can be found at http://nlihc.org/library. Be sure to bring information on the United for Homes campaign and the National Housing Trust Fund, including the NHTF Frequently Asked Questions and the allocation of NHTF funds by state, which are available at www.nhtf.org.

Follow up after your meeting. Following your visit, send a letter or email thanking the official or staff member for their time, reaffirming your views, and referencing any agreements made during the meeting. Include any information that you agreed to provide. Monitor action on your issue over the coming months and contact the official or staff member to encourage them to act during key moments, or to thank them for taking action. If the issue that you lobbied on is being tracked by your statewide affordable housing coalition or NLIHC, it is helpful to report the results of the meeting to them. If aware of your meeting, statewide coalitions and NLIHC can build on your lobbying efforts and keep you informed as issues move forward.

CONGRESSIONAL RECESS

Throughout the year, Congress goes on recess, and Senators and Representatives leave Washington, DC for their home districts. Members spend this time meeting with constituents and conducting other in-district work. Recess provides advocates with a great opportunity to interact with Members of Congress face-to-face, without having to travel to Washington, DC. Take advantage of recesses by scheduling meetings with your Senators and Representative.

Many Members of Congress also hold town hall meetings during recesses; these events provide the opportunity to come together as a community to express concerns and ask questions about members' positions on important policy issues. If your member is not planning to convene any town hall meetings during a recess, you may be able to work with others in the district to organize one and invite your member to participate.

It is important to note that Members of Congress cannot officially introduce or co-sponsor legislation during recess, and because Congress in not in session, there are no votes on legislation during this time. It is therefore especially important to follow up on any meetings held during recess once Congress resumes session, especially if commitments were made regarding legislation.

To find out when the House is scheduled to go on recess, visit http://house.gov/legislative. To find out when the Senate is scheduled to go on recess, visit http://1.usa.gov/1onYkim.

WRITING LETTERS

Letters can also be effective in letting Members of Congress and other decision makers know how you feel about issues. Some offices have said that a letter from a constituent is viewed as representing 100 to 200 voters from the district or state. Make sure to present your affordable housing concern concisely and specifically, and to reference specific bills when possible. For Members of Congress, address the letter to the housing staffer to ensure it ends up in the right hands. Congressional mail can be very slow so it is a good idea to also email or fax a copy of the letter to the staffer.

Use the following standard address blocks when sending letters to Congress:

Senate
The Honorable [full name]
Attn.: Housing Staffer
United States Senate
Washington, D.C. 20510

House of Representatives
The Honorable [full name]
Attn.: Housing Staffer
United States House of Representatives
Washington, D.C. 20515

MAKING PHONE CALLS

Calls can be especially effective if a staff person receives several calls on the same topic within a few days of each other, so you may want to encourage others in your district or state to call at the same time you do. When you call, ask to speak to the staff person who deals with housing issues. If calling a Member of Congress, be sure to identify yourself as a constituent, say where you are from, and if applicable, have the names and numbers of bills relevant to the issues. The days before a key vote or hearing are critical decision times and an especially effective time to call.

To find out the phone number for your Member of Congress, visit NLIHC's congressional directory at http://capwiz.com/nlihc/dbq/officials/, or call the U.S. Capitol Switchboard at 202-224-3121.

SENDING EMAILS

Unless you use an email service such as the one provided on NLIHC's website, it is generally not a good idea to attempt to correspond with Members of Congress or other officials using email, as they can receive upwards of 50,000 emails a month. Instead, make contact with a specific housing staffer, get their direct email address, and correspond with them. Email is an easy and effective way for Congressional staffers to maintain contact with constituents.

ADDITIONAL WAYS TO ENGAGE OFFICIALS

Visits, letters, and calls are not the only effective ways to communicate your priorities to officials. Other ways to engage them include:

- Inviting an official to speak at your annual meeting or conference;
- Organizing a tour of agencies or housing developments and featuring real people telling their success stories;
- Holding a public event and inviting an official to speak;
- Getting media coverage on your issues. Organize a tour for a local reporter or set up a press conference on your issue. Call in to radio talk shows or write letters to the editor of your local paper. Call your newspaper's editorial page editor and set up a meeting to discuss the possibility of the paper's support for your issue. If you succeed in generating press, be sure to forward the coverage to the housing staffer;
- Eliciting the support of potential allies who are influential with officials, like your city council, mayor, local businesses, unions, or religious leaders.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- Contact NLIHC's Outreach Team at outreach@nlihc.org

For contact information for key Members of Congress and offices of the Administration, see *Congressional Advocacy and Key Housing Committees* and *Federal Administrative Advocacy*.

Lobbying as an Individual

The undeniable benefit of lobbying in an official capacity on behalf of an organization or coalition is that the broad reach of the group's membership, clients, and staff deepens the impact of your message. By contrast, a benefit of lobbying as an individual is that it can free you to discuss issues you care about in a more personal manner without concern for the limitations placed by a board of directors or organizational policy. Remember that even when you do not speak on behalf of your organization or employer, it is always appropriate to mention what affiliations or work have informed your perspective.

Much like organizational lobbying, the key to lobbying as an individual is to ensure that your voice is heard and that congressional and administration officials are responding to your particular concerns. This is most effective-ly achieved by doing in-person meetings, but phone calls and emails can be influential as well.

Lobbying as a 501(c)(3) Organizations

Contrary to what many nonprofits believe, 501(c)(3) organizations may lobby in support of their organization's charitable mission. The Internal Revenue Service (IRS) defines lobbying as activities to influence legislation. Actions to support or oppose candidates for political office are not lobbying, and nonprofits cannot legally engage in such activities. The amount of lobbying the organization can do depends on how the organization chooses to measure its lobbying activity. There are two options to determine lobbying limits for 501(c)(3)s, the insubstantial part test and the 501(h) expenditure test.

INSUBSTANTIAL PART TEST

The insubstantial part test automatically applies unless the organization elects to come under the 501(h) expenditure test. The default insubstantial part test requires that a 501(c)(3)'s lobbying activity be an "insubstantial" part of its overall activities. Unfortunately, the IRS and courts have been reluctant to define the line that divides substantial from insubstantial. Most lawyers agree that if up to 5% of an organization's total activities are lobbying, then the organization is generally safe. The insubstantial part test is an activity-based test that tracks both activity that the organization spends money on, as well as activity that does not cost the organization anything (for example, when unpaid volunteers lobby on behalf of the organization). There are no clear definitions of lobbying under the insubstantial part test.

501(H) EXPENDITURE TEST

Fortunately, there is an alternative test that provides much clearer guidance on how much lobbying a 501(c)(3) can do and what activities constitute lobbying. The 501(h) expenditure test was enacted in 1976 and implementing regulations were adopted in 1990. This choice offers a more precise way to measure an organization's lobbying limit because measurements are based on the organization's annual expenditures. The organization is only required to count lobbying activity that actually costs the organization money (i.e., expenditures); therefore, activities that do not incur an expense do not count as lobbying. A 501(c)(3) can elect to use these clearer rules by filing a simple, one-time form – IRS Form 5768 (available at www.irs.gov).

To determine its lobbying limit under the 501(h) expenditure test, an organization must first calculate its overall lobbying limit. This figure is based on an organization's "exempt purpose expenditures;" generally this is the amount of money an organization spends per year. Once an organization has determined its exempt purpose expenditures, the following formula is applied to determine the organization's overall lobbying limit: 20% of the first $500,000 + 15% of the next $500,000 + 10% of the next $500,000 + 5% of the remaining.

There is a $1 million yearly cap on an organization's overall lobbying limit. This means that if an organization chooses to measure its lobbying under the 501(h) expenditure test, it also agrees not to spend more than $1 million on lobbying activity each year.

There are two types of lobbying under the 501(h) expenditure test, direct lobbying and grassroots lobbying. An organization can use its entire lobbying limit on direct lobbying, but it can only use one-fourth of the overall limit to engage in grassroots lobbying.

Direct lobbying is communicating with a legislator or legislative staff member (federal, state, or local) about a position on specific legislation. Remember that legislators also include the President or governor when you are asking them to sign a bill into law or veto a bill, as well as administration officials who have the ability to influence legislation.

Grassroots lobbying is communicating with the general public in a way that refers to specific legislation and that takes a position on the legislation and calls for action. A call to action contains one to four different ways the organization asks the public to respond to its message: (1) asking the public to contact their legislators; (2) providing the contact information (for example, the phone number) for a legislator; (3) providing a mechanism for contacting legislators (for example, a tear-off postcard or email link that can be used to send a message directly to legislators); or (4) listing those voting undecided or opposed to specific legislation. Identifying legislators as sponsors of legislation is not considered a call to action.

The regulations clarify how the following communications should be classified:

- Ballot Measures. Communications with the general public that refer to and state a position on ballot measures (for example, referenda, ballot initiatives, bond measures, and constitutional amendments), count as direct lobbying, not grassroots lobbying, because the public are presumed to be acting as legislators when voting on ballot measures;
- Organizational Members. The 501(c)(3)'s members are treated as a part of the organization, so urging them to contact public officials about legislation is considered direct, not grassroots, lobbying;
- Mass Media. Any print, radio, or television ad about legislation widely known to the public must be counted as grassroots lobbying if the communication is paid for by the nonprofit and meets other, rather nuanced provisions: refers to and includes the organization's position on the legislation; asks the public to contact legislators about the legislation; and appears on the media source within two weeks of a vote by either legislative chamber, not including subcommittee votes.

Lobbying Exceptions. There are some specific exceptions for activities that otherwise might appear to be lobbying under the 501(h) expenditure test. It is not lobbying to:

- Prepare and distribute a substantive report that fully discusses the pros and cons of a legislative proposal (even if the analysis comes to a conclusion about the merits of that proposal). The report cannot ask readers to contact their legislators or provide a mechanism to do so, and it must be widely distributed to those who would both agree and disagree with the position (for example, through an organization's web site and to all members of the legislature);
- Respond to a written request for testimony or assistance at the request of the head of a government body (for example, a legislative committee chair);
- Support or oppose legislation if that legislation impacts its tax exempt status or existence. This lobbying exception is narrow and should be used with caution after consultation with an attorney;
- Examine and discuss broad social, economic, and similar problems. For example, discussions that do not refer to specific legislation if they are used to communicate with a legislator, or if such discussions communicate with the general public and express a view on specific legislation but do not have a call to action;
- Litigate and attempt to influence administrative (regulatory) decisions and enforce existing laws and executive orders.

Recordkeeping. A 501(c)(3) organization, when it is measuring its lobbying under the insubstantial part test or the 501(h) expenditure test, is required to reasonably track its lobbying in a way sufficient to show that it has not exceeded its lobbying limits. There are three costs that 501(h)-electing organizations must count toward their lobbying limits:

- Staff Time. For example, paid staff time spent meeting legislators, preparing testimony, or encouraging others to testify;
- Direct Costs. For example, printing, copying, or mailing expenses to get the organization's message to legislators;
- Overhead. For example, the pro-rated share of rented space used in support of lobbying (a good way to handle this is to pro-rate the cost based on the percentage of staff time spent lobbying).

Although the 501(h) election is less ambiguous than the insubstantial part test, it is important to carefully consider which option is best for your organization.

FOR MORE INFORMATION

- Alliance for Justice (AFJ) publishes a detailed, plain-language guide to the 501(c)(3) lobbying rules called *Being a Player: A Guide to the IRS Lobbying Regulations for Advocacy Charities*. Another AFJ publication, *The Rules of The Game: A Guide to Election-Related Activities for 501(c)(3) Organizations* (Second Edition), reviews federal tax and election laws which govern nonprofit organizations in an election year, and explains the right (and wrong) ways to organize specific voter education activities. AFJ also publishes guides on related topics, such as on influencing public policy through social media, and offers workshops and technical assistance for nonprofit organizations.
- Alliance for Justice, 202-822-6070, www.afj.org

Congressional Advocacy and Key Housing Committees

Lobbying Congress is a direct way advocate for the issues and programs that are important to you. Members of Congress are accountable to constituents of a certain region, and each individual or organization should be able to connect with their senators and representatives through a fairly simple process. As a constituent, you have the right to lobby the members who represent you; as a housing advocate, you should exercise this right.

CONTACT YOUR MEMBER OF CONGRESS

To find out the contact information for your Member of Congress, visit NLIHC's congressional directory at http://capwiz.com/nlihc/dbq/officials, or call the U.S. Capitol Switchboard at 202-224-3121.

MEETING WITH YOUR MEMBER OF CONGRESS

Scheduling a meeting, crafting your agenda, developing the appropriate materials to take with you, determining your "ask" or "asks" ahead of time, making sure your meeting does veer away from the subject at hand, and following up afterward, are all crucial elements to holding effective meetings with Members of Congress.

For more tips on how to lobby effectively, see *Lobbying*.

KEY CONGRESSIONAL COMMITTEES

The following are key housing authorizing and appropriating committees in Congress:

- House of Representatives Committee on Financial Services
- House of Representatives Committee on Appropriations
- House of Representatives Committee on Ways and Means
- Senate Committee on Banking, Housing and Urban Affairs
- Senate Committee on Appropriations
- Senate Committee on Finance

See below for details on these key committees as of March 1, 2014. For all committees, members are listed in order of seniority. Those who sit on key housing subcommittees are marked with an asterisk (*).

HOUSE OF REPRESENTATIVES COMMITTEE ON FINANCIAL SERVICES >> http://financialservices.house.gov

The House Committee on Financial Services oversees all components of the nation's housing and financial services sectors, including banking, insurance, real estate, public and assisted housing, and securities. The committee reviews laws and programs relating to HUD, the Federal Reserve Bank, the Federal Deposit Insurance Corporation, the government sponsored enterprises (GSEs) including the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), and international development and finance agencies such as the World Bank and the International Monetary Fund.

The committee also ensures enforcement of housing and consumer protection laws such the U.S. Housing Act, the Truth in Lending Act, the Housing and Community Development Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Community Reinvestment Act, and financial privacy laws.

The Subcommittee on Housing and Insurance oversees HUD and the Government National Mortgage Association (Ginnie Mac). The subcommittee also handles matters related to housing affordability, rural housing, and government sponsored insurance programs such as the Federal Housing Administration (FHA) and the National Flood Insurance Program, and community development, including Empowerment Zones.

Majority Members (Republicans)
- Jeb Hensarling (TX), *Chair*
- Spencer Bauchus (AL), *Chair Emeritus*
- Peter T. King (NY)
- Edward R. Royce* (CA)
- Frank D. Lucas (OK)
- Gary G. Miller* (CA)
- Shelley Moore Capito* (WV)
- Scott Garrett* (NJ)
- Randy Neugebauer* (TX), *Housing and Insurance Subcommittee Chair*
- Patrick T. McHenry (NC)
- John Campbell (CA)
- Michele Bachmann (MN)
- Kevin McCarthy (CA)
- Stevan Pearce (NM)
- Bill Posey (FL)
- Michael G. Fitzpatrick (PA)
- Lynn A. Westmoreland* (GA)
- Blaine Luetkemeyer* (MO), *Subcommittee Vice-Chair*
- Bill Huizenga (MI)
- Sean P. Duffy* (WI)
- Robert Hurt* (VA)
- Michael G. Grimm (NY)
- Steve Stivers* (OH)
- Stephen Lee Fincher (TN)
- Marlin A. Stutzman (IN)
- Mick Mulvaney (SC)
- Randy Hultgren (IL)
- Dennis A. Ross* (FL)
- Robert Pittenger (NC)
- Ann Wagner (MO)
- Garland "Andy" Barr (KY)
- Tom Cotton (AR)
- Keith Rothfus (PA)

Minority Members (Democrats)
- Maxine Waters (CA), *Ranking Member*
- Carolyn B. Maloney (NY)
- Nydia M. Velázquez* (NY)
- Brad Sherman* (CA)
- Gregory W. Meeks (NY)
- Michael E. Capuano* (MA), *Subcommittee Ranking Member*
- Rubén Hinojosa (TX)
- William "Lacy" Clay, Jr.* (MO)
- Carolyn McCarthy* (NY)
- Stephen F. Lynch (MA)
- David Scott (GA)
- Al Green (TX)
- Emanuel Cleaver* (MO)
- Gwen Moore (WI)
- Keith Ellison (MN)
- Ed Perlmutter (CO)
- James A. Himes* (CT)
- Gary C. Peters (MI)
- John C. Carney, Jr. (DE)
- Terri A. Sewell (AL)
- Bill Foster (IL)
- Daniel T. Kildee (MI)
- Patrick Murphy (FL)
- John K. Delaney (MD)
- Kyrsten Sinema* (AZ)
- Joyce Beatty* (OH)
- Denny Heck (WA)

HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS >> http://appropriations.house.gov

The House Committee on Appropriations is responsible for determining the amount of funding made available to all authorized programs each year.

The Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) determines the amount of government revenues dedicated to HUD, among other agencies.

Majority Members (Republicans)

- Harold Rogers (KY), *Chair*
- Frank R. Wolf* (VA)
- Jack Kingston (GA)
- Rodney P. Frelinghuysen (NJ)
- Tom Latham* (IA), *THUD Subcommittee Chair*
- Robert B. Aderholt (AL)
- Kay Granger* (TX)
- Michael K. Simpson (ID)
- John Abney Culberson (TX)
- Ander Crenshaw (FL)
- John R. Carter (TX)
- Ken Calvert (CA)
- Tom Cole* (OK)
- Mario Diaz-Balart (FL)
- Charles W. Dent* (PA)
- Tom Graves (GA)
- Kevin Yoder (KS)
- Steve Womack (AR)
- Alan Nunnelee (MS)
- Jeff Fortenberry (NE)
- Tom Rooney (FL)
- Chuck Fleischmann (TN)
- Jaime Herrera Beutler* (WA)
- David Joyce* (OH)
- David Valadao (CA)
- Andy Harris (MD)

Minority Members (Democrats)

- Nita M. Lowey (NY), *Ranking Member*
- Marcy Kaptur (OH)
- Peter J. Visclosky (IN)
- José E. Serrano (NY)
- Rosa L. DeLauro (CT)
- James P. Moran (VA)
- Ed Pastor* (AZ), *Subcommittee Ranking Member*
- David E. Price* (NC)
- Lucille Roybal-Allard (CA)
- Sam Farr (CA)
- Chaka Fattah (PA)
- Sanford D. Bishop, Jr. (GA)
- Barbara Lee (CA)
- Adam B. Schiff (CA)
- Michael M. Honda (CA)
- Betty McCollum (MN)
- Tim Ryan* (OH)
- Debbie Wasserman Schultz (FL)
- Henry Cuellar (TX)
- Chellie Pingree (ME)
- Mike Quigley* (IL)
- Bill Owens (NY)

HOUSE OF REPRESENTATIVES COMMITTEE ON WAYS AND MEANS >> http://waysandmeans.house.gov

The Committee on Ways and Means is the chief tax writing committee in the House of Representatives.

Majority Members (Republicans)

- Dave Camp (MI), *Chair*
- Sam Johnson (TX)
- Kevin Brady (TX)
- Paul Ryan (WI)
- Devin Nunes (CA)
- Pat Tiberi (OH)
- Dave G. Reichert (WA)
- Charles W. Boustany Jr. (LA)
- Peter J. Roskam (IL)
- Jim Gerlach (PA)
- Tom Price (GA)
- Vern Buchanan (FL)
- Adrian Smith (NE)
- Aaron Schock (IL)
- Lynn Jenkins (KS)
- Erik Paulsen (MN)
- Kenny Marchant (TX)
- Diane Black (TN)
- Tom Reed (NY)
- Todd Young (IN)
- Mike Kelly (PA)
- Tim Griffin (AR)
- James Renacci (OH)

Minority Members (Democrats)

- Sander Levin (MI), *Ranking Member*
- Charles B. Rangel (NY)
- Jim McDermott (WA)
- John Lewis (GA)
- Richard E. Neal (MA)
- Xavier Becerra (CA)
- Lloyd Doggett (TX)
- Mike Thompson (CA)
- John B. Larson (CT)
- Earl Blumenauer (OR)
- Ron Kind (WI)
- Bill Pascrell Jr. (NJ)
- Joseph Crowley (NY)
- Allyson Schwartz (PA)
- Danny Davis (IL)
- Linda Sanchez (CA)

SENATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS >> http://banking.senate.gov/public

The Senate Committee on Banking, Housing and Urban Affairs oversees legislation, petitions, and other matters relating to financial institutions, economic policy, housing, transportation, urban development, international trade and finance, and securities and investments.

The Subcommittee on Housing, Transportation, and Community Development oversees urban mass transit systems and general urban affairs and development issues, and is the primary oversight committee for HUD. The subcommittee oversees HUD community development programs, the FHA, the Rural Housing Service, Fannie Mae and Freddie Mac, and all issues related to public and private housing, senior housing, nursing home construction, and Indian housing issues.

Majority Members (Democrats)

- Tim Johnson (SD), *Chair*
- Jack Reed* (RI)
- Charles E. Schumer* (NY)
- Robert Menendez* (NJ), *Housing Subcommittee Chair*
- Sherrod Brown* (OH)
- Jon Tester* (MT)
- Mark R. Warner (VA)
- Jeff Merkley* (OR)
- Michael F. Bennet* (CO)
- Kay Hagan (NC)
- Joe Manchin* (WV)
- Elizabeth Warren* (MA)
- Heidi Heitkamp* (ND)

Minority Members (Republicans)

- Richard C. Shelby* (AL)
- Mike Crapo* (ID), *Ranking Member*
- Bob Corker* (TN)
- David Vitter (LA)
- Mike Johanns (NE)
- Patrick J. Toomey* (PA)
- Mark Kirk* (IL)
- Jerry Moran* (KS), *Subcommittee Ranking Member*
- Tom Coburn* (OK)
- Dean Heller* (NV)

SENATE COMMITTEE ON APPROPRIATIONS >> http://appropriations.senate.gov

The Senate Committee on Appropriations is responsible for determining the amount of funding made available to all authorized programs each year.

The Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) has jurisdiction over funding for the Department of Transportation and HUD.

Majority Members (Democrats)

- Barbara A. Mikulski* (MD), *Chair*
- Patrick J. Leahy* (VT)
- Tom Harkin* (IA)
- Patty Murray* (WA), *THUD Subcommittee Chair*
- Diane Feinstein* (CA)
- Richard J. Durbin* (IL)
- Tim Johnson* (SD)
- Mary L. Landrieu (LA)
- Jack Reed* (RI)
- Mark Pryor* (AR)
- Jon Tester (MT)
- Tom Udall* (NM)
- Jeanne Shaheen (NH)
- Jeff Merkley (OR)
- Mark Begich (AK)
- Chris Coons (DE)

Minority Members (Republicans)

- Richard C. Shelby* (AL), *Ranking Member*
- Thad Cochran (MS)
- Mitch McConnell (KY)
- Lamar Alexander* (TN)
- Susan Collins* (ME), *Subcommittee Ranking Member*
- Lisa Murkowski (AK)
- Lindsey Graham* (SC)
- Mark Kirk* (IL)
- Dan Coats* (IN)
- Roy Blunt* (MO)
- Jerry Moran* (KS)
- John Hoeven (ND)
- John Boozman* (AR)
- Mike Johanns (NE)

SENATE COMMITTEE ON FINANCE >> www.finance.senate.gov

The Senate Committee on Finance oversees matters relating to taxation and other revenue measures generally, such as health programs under the Social Security Act, including Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), Temporary Assistance to Needy Families (TANF), and other health and human services programs financed by a specific tax or trust fund.

Majority Members (Democrats)

- Ron Wyden (OR), *Chair*
- John D. Rockefeller (WV)
- Charles E. Schumer (NY)
- Debbie Stabenow (MI)
- Maria Cantwell (WA)
- Bill Nelson (FL)
- Robert Menendez (NJ)
- Thomas R. Carper (DE)
- Benjamin L. Cardin (MD)
- Sherrod Brown (OH)
- Michael Bennet (CO)
- Bob Casey (PA)

Minority Members (Republicans)

- Orrin Hatch (UT), *Ranking Member*
- Chuck Grassley (IA)
- Mike Crapo (ID)
- Pat Roberts (KS)
- Mike Enzi (WY)
- John Cornyn (TX)
- John Thune (SD)
- Richard Burr (NC)
- Johnny Isakson (GA)
- Rob Portman (OH)
- Pat Toomey (PA)

Federal Administration Advocacy

Not all efforts to shape federal housing policy involve congressional advocacy. Once legislation is enacted by Congress, it must be implemented and enforced by the executive branch.

Numerous federal agencies contribute to the development and implementation of our nation's housing policy. There are seven key divisions of the federal government that administer affordable housing programs and carry out a variety of functions, such as providing funding to incentivize affordable housing development, managing government sponsored enterprises (GSEs) that have an affordable housing directive, coordinating housing resources of multiple departments, or influencing the direction of affordable housing policy. It is important for advocates to weigh in with these agencies as they shape federal affordable housing priorities, determine the level resources that are available to reach affordability objectives, and implement housing laws passed by Congress.

Opportunities for administrative advocacy generally fall into five categories:
- Providing commentary during the regulatory process;
- Calling for enforcement of existing laws;
- Influencing policy and program implementation;
- Advocating for or against executive orders;
- Litigating against federal agencies and officials.

These activities are not considered lobbying by the IRS; therefore, 501(c)(3) organizations are free to engage in them without limit so long as the intent is not to influence legislation. For nonprofits interested in housing advocacy, engaging HUD through the regulatory process falls entirely outside definitions of lobbying. This, along with HUD's prominent role in implementing housing policy, makes the agency an obvious choice for advocacy efforts.

Many other parts of the executive branch are also involved in housing and related issues. Important targets for federal administrative advocacy include, but are not limited to:
- The White House;
- The Interagency Council on Homelessness;
- The Federal Housing Finance Agency;
- The Department of Agriculture's Rural Development Housing and Community Facilities Program;
- The Department of Treasury;
- The Department of Veterans Affairs

THE WHITE HOUSE

The White House develops and implements housing policy through a variety of means, and has multiple councils and offices that touch upon the issue of affordable housing. The Administration of President Barack Obama has focused on housing and urban policy to a greater extent than recent previous Administrations.

The Domestic Policy Council (DPC) coordinates the domestic policymaking process of the White House, offers advice to the President, supervises the execution of domestic policy, and represents the President's priorities to Congress. The Office of Faith-Based and Neighborhood Partnerships (OFBNP) is part of the DPC and works to build bridges between the federal government and nonprofit organizations, both secular and faith-based, in order to better serve Americans in need. The Office of National AIDS Policy (ONAP) is also part of the DPC; it is tasked with coordinating the continuing efforts to reduce the number of HIV infections across the U.S., through a wide range of education initiatives, and by coordinating the care and treatment of people with HIV/AIDS. The Office of Social Innovation and Civic Participation (SICP), another part of the DPC, is focused on promoting service as a solution and a way to develop community leadership, increasing investment in innovative community solutions that demonstrate results, and developing new models of partnership.

The National Economic Council (NEC) coordinates policy making for domestic and international economic issues, provides economic policy advice for the President, ensures that policy decisions and programs are consistent with the President's economic goals, and monitors implementation of the President's economic policy agenda.

The Office of Public Engagement (OPE) and Intergovernmental Affairs creates and coordinates opportunities for direct dialogue between the Administration and the public. This includes acting as a point of coordination for public speaking engagements for the Administration and the departments of the Executive Office of the President. Federal agencies, including HUD and USDA, have liaisons that work with the White House OPE. The Office of Urban Affairs (OUA) is part of the OPE; it provides leadership for and coordinates the development of the policy agenda for urban areas across executive departments and agencies.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD is the federal government's primary affordable housing agency. The agency administers programs that provide rental and homeownership units that are affordable to low income, very low income (VLI), and extremely low income (ELI) households. HUD also manages grants for community development activities and plays a vital role in the Administration's efforts to strengthen the housing market. HUD administers a variety of housing programs through the Offices of Public and Indian Housing (PIH), Community Planning and Development (CPD), Housing, Fair Housing and Equal Opportunity (FHEO), Healthy Homes and Lead Hazard Control, and through the Federal Housing Administration (FHA) and the Government National Mortgage Association (Ginnie Mae).

PIH, CPD, and the Office of Housing administer HUD's main rental assistance programs for ELI households. PIH administers funds to local public housing agencies (PHAs) to operate public housing units, administer Housing Choice Vouchers, and offer programs that support residents. CPD is the office that will administer funding for the National Housing Trust Fund (NHTF). CPD currently administers funds for the McKinney-Vento Continuum of Care Homeless Assistance Grants, the Housing Opportunities for Persons with AIDS (HOPWA) program, the HOME Investment Partnerships program, and the Community Development Block Grant (CDBG) program. The Office of Housing oversees a range of programs including Project-Based Section 8, special needs housing programs such as Section 202 Housing for the Elderly and Section 811 Housing for People with Disabilities, and the FHA. FHA provides insurance for mortgage loans to increase private lending interest by reducing an institutions risk. FHA's Mutual Mortgage Insurance Fund provides profits, or receipts, that have been used to offset a portion of HUD's annual costs to operate its other programs.

DEPARTMENT OF AGRICULTURE

The Rural Development Housing and Community Facilities Program (RD) of the Department of Agriculture (USDA) administers programs that provide affordable rental and homeownership opportunities in rural areas of the country. While HUD funding is used in rural areas, USDA's RD programs uniquely target the needs of rural communities and supplement HUD funding.

RD affordable housing programs provide grants, loans, and direct funding for rental housing operations and development. Programs target low income families, seniors, and farm workers, providing a range of housing options. RD also provides programs to support energy efficiency, economic development, and infrastructure for rural areas.

FEDERAL HOUSING FINANCE AGENCY

The Federal Housing Finance Agency (FHFA) was created in 2008 by the Housing and Economic Recovery Act (HERA) as the successor to the Federal Housing Finance Board. FHFA regulates the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), which are both government sponsored enterprises (GSEs). It also regulates the Federal Home Loan Banks to ensure there is sufficient funding for housing finance and community investments.

The GSEs were taken into conservatorship by FHFA because of financial problems that stemmed from the country's housing crisis. Prior to being taken into conservatorship, the GSEs were to provide a percentage of their book of business to the NHTF; these contributions were suspended in 2008. The GSEs were also to provide funding for the Capital Magnet Fund (CMF).

DEPARTMENT OF THE TREASURY

The Department of the Treasury administers several housing and community development programs including the Low Income Housing Tax Credit (LIHTC) program, the Making Home Affordable program, the Hardest Hit Fund, and Community Development Financial Institutions (CDFI). The CDFI administers the CMF and the New Market Tax Credit. Treasury has overseen funding for several recent disaster recovery efforts, including special allocations of LIHTCs and other incentives to spur redevelopment. Treasury also oversees Housing Bonds, which finance the development of rental and homeownership units. Treasury offers backing to HUD's FHA Mutual Mortgage Insurance Fund (MMI); in 2013, HUD announced that it anticipated needing to draw on Treasury for funds to maintain the MMI's statutorily required reserve level. Treasury also played a key role in the nation's housing crisis recovery efforts by purchasing mortgage backed and debt securities issued by Fannie Mae and Freddie Mac.

DEPARTMENT OF VETERANS AFFAIRS

The Department of Veterans Affairs (VA) sets policy and administers a range of programs for veterans, including homeownership loans and a supportive housing initiative. The VA partners with HUD to provide the Veterans Affairs Supportive Housing (HUD-VASH) voucher program. HUD provides an allocation of Housing Choice Vouchers to certain public housing agencies to make units affordable; the local VA offices select voucher recipients and provide supportive services to the individual or family prior to and during their housing tenure. In 2010, the VA spearheaded a five-year Plan to End Veteran Homelessness, which relies on the VA to provide intensive services and HUD to provide housing resources. The VA also works cooperatively with the Interagency Council on Homelessness, which helped coordinate resources for veterans through *Opening Doors*, its plan to end homelessness.

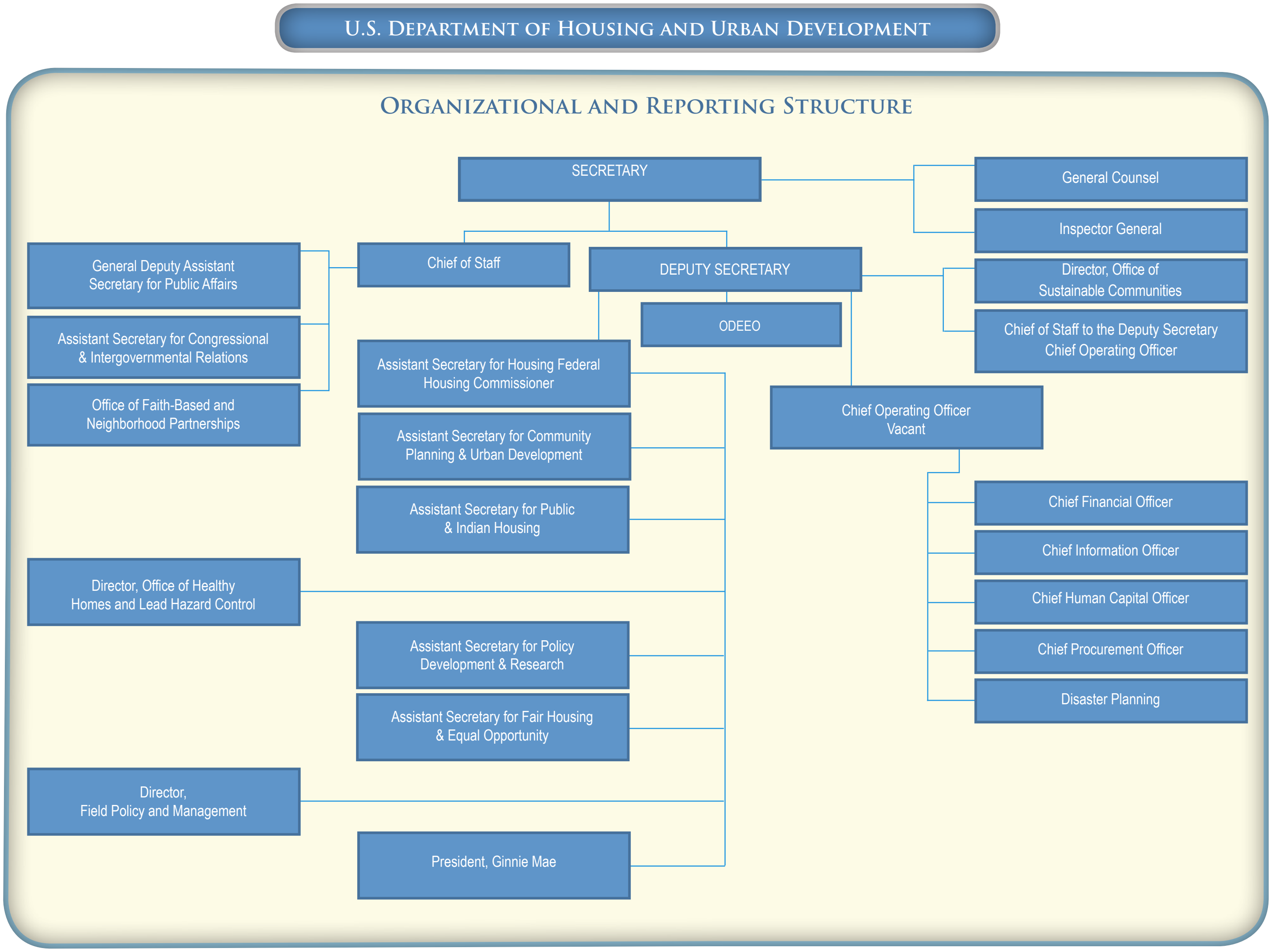
INTERAGENCY COUNCIL ON HOMELESSNESS

The Interagency Council on Homelessness (USICH) coordinates the homeless policies of 19 federal departments that administer programs or provide resources critical to solving the nation's homelessness crisis. The USICH is comprised of the secretaries and directors of these 19 federal agencies. The agencies that have the largest roles in providing these resources include HUD, the Department of Health and Human Services (HHS), the Department of Labor (DOL), and the VA. These agencies rotate responsibility for chairing the USICH. The USICH's main task is implementing *Opening Doors*, the federal 10-year plan to end homelessness, which was released in the spring of 2010. USICH also coordinates with state and local governments on developing and implementing their strategies to end homelessness.

CONTACT FEDERAL AGENCIES

- White House, 202-456-1414, www.whitehouse.gov
- Office of Management and Budget, 202-395-3080, www.whitehouse.gov/OMB
- Department of Housing and Urban Development (HUD), 202-708-1112, www.hud.gov
- Department of Housing and Urban Development - HUD USER, 202-708-1112, www.huduser.org
- (HUD USER contains valuable statistics for those interested in financing, developing, or managing affordable housing, including HUD-mandated rent and income levels for assisted housing programs and Fair Market Rents.)
- Department of Agriculture, Rural Development Housing and Community Facilities Programs, 202-699-1533, www.rurdev.usda.gov
- Federal Housing Finance Agency, 202-414-3800, www.fhfa.gov
- Department of Health and Human Services, Office of Community Services, 202-690-7000,
- www.acf.hhs.gov/programs/ocs
- Department of Justice, 202-514-2000, www.usdoj.gov
- Department of Transportation, 202-366-4000, www.dot.gov
- Department of Treasury, Community Development Financial Institutions Fund, 202-622-6355, www.tres.gov/cdfi
- Department of Veterans Affairs, http://www.va.gov/
- Federal Emergency Management Agency, 202-646-2500, www.fema.gov
- Environmental Protection Agency, 202-272-0167, www.epa.gov
- Small Business Administration, 202-205-8885, www.sba.gov

HUD Organizational Chart



KEY CONTACTS FOR ADVOCATES

As of March 1, 2014

- Secretary: Shaun Donovan
- Acting Chief of Staff: Mark Linton
- Deputy Secretary: Vacant
- Acting Assistant Secretary for Congressional and Intergovernmental Relations: Elliot Mincberg
- President, Ginnie Mae: Ted Tozer
- General Counsel: Helen R. Kanovsky
- Acting Assistant Secretary for Fair Housing & Equal Employment Opportunity: Bryan Greene
- Inspector General: David Montoya
- Acting Chief Information Officer: Kevin Cooke
- Assistant Secretary for Public and Indian Housing: Sandra Henriquez
- Acting Assistant Secretary for Community Planning and Development: Mark Johnston
- Federal Housing Administration Commissioner and Assistant Secretary for Housing: Carol Galante
- Director for Office of Healthy Homes and Lead Hazard Control: Jon L. Gant
- Assistant Secretary for Public Affairs: Melanie Roussell
- Director for Office of Sustainable Housing and Communities (Renamed the Office of Economic Resilience): Harriet Tregoning

Using Federal Data Sources for Housing Advocacy

By Althea Arnold, Research Analyst, National Low Income Housing Coalition

The federal government is the largest producer and disseminator of data in the nation. These data allow policymakers to make informed decisions about how to allocate limited resources and ensure that current programs are efficient and effective. Because many of these data sources are available to the public, housing advocates can also use federal data to communicate needs in their communities. For example, the data that are available from sources like the American Community Survey and the American Housing Survey allow us to understand how much affordable housing is needed to meet the current demand. These data are critical to understanding the state of our nation's housing, but some of these resources are at risk of being lost entirely, or of being altered dramatically. The federal government shutdown this past year gave us a glimpse of what can happen when we don't have access to federal data; we cannot let this happen again. It is important to speak up to ensure that these valuable resources are both protected and that their reliability and accessibility are improved upon.

Data were one of the many casualties of the federal government shutdown in 2013. Many data sources were inaccessible during the shutdown, and many surveys, some critical to understanding the economic impact of the shutdown, were not conducted during this time. Even as funding has increased for most agencies from sequester-levels, the shutdown and across-the-board budget cuts have pushed back deadlines and affected the 2014 forecasts for these data sources.

THE U.S. CENSUS >> www.census.gov

The decennial Census is a complete, official count of the U.S. population at a point-in-time. It is a critical data source as it provides basic demographics on all residents, but it can also be quickly dated. For example, the Census Bureau estimates that the U.S. population grew by 7.4 million between the 2010 Census to July 1, 2013.

The U.S. Constitution mandates that a count of every American resident be conducted every ten years in order to accurately apportion Members of Congress among the states. The decennial census is also used to draw legislative districts, determine the number of electoral votes assigned to each state, and distribute federal funds.

The Census Bureau sets out to achieve a full count of the population by distributing a questionnaire requesting basic demographic information (e.g., age, sex, race) every ten years to all U.S. households and to all individuals living in group quarters (e.g., military barracks, nursing homes, college dormitories, prisons, etc.). Census figures describe the U.S. population at a specific point in time (e.g., April 1) during the census year.

Historically, one in six households received an expanded questionnaire, or "long form," during the census which included specific questions regarding a household's income, education, employment, and other socioeconomic characteristics along with questions about their housing. While the Bureau continues to conduct a census every ten years as constitutionally mandated, the 2010 Census became the first to no longer have the long-form survey component. Instead, the Census Bureau replaced the long-form with the annual American Community Survey (ACS).

Forecast for 2014. The FY14 Omnibus Appropriations Act provides $945 million for the Census Bureau, which is $57.6 million more than the FY13 sequestration levels, but $96.6 million less than its requested budget to fund research and testing for the 2020 Census. The Census Director says that agency will be able to complete the most critical 2020 Census activities planned for FY14, but it has already pushed back several milestones due to resource constraints. For example, the Bureau will select the 2020 Census design framework by the end of FY15 instead of FY14. The National Content Test will also be conducted a year later than expected, in 2016 (just a year before the legally-required submission to Congress). Delays such as these could result in higher census costs later in the decade.

President Obama's FY15 budget requests $1.211 billion for the Census Bureau. This is $266 million more than the FY14 appropriation and the entire increase is dedicated to the 2020 Decennial Census and the ongoing American Community Survey. Specifically, the FY15 budget request provides for investments in emerging technology and new enumeration methods. According to Commerce Department, these investments are projected to yield up to $5 billion in savings later.

AMERICAN COMMUNITY SURVEY (ACS) >> www.census.gov/acs

The American Community Survey (ACS) is an annual survey that collects data on age, race, veteran status, income, housing expenses and other important data from a sample of U.S. households. The ACS provides much needed details to explore the needs and experiences of U.S. residents. It also provides an ability to investigate year-to-year variability. However the ACS is based on a sample (not the full population) and therefore has margins of error. The survey is also limited to households and thus homeless persons are not represented.

NLIHC uses the ACS for many research projects as it is one of the most comprehensive and frequently updated federal data source on housing. These projects include the recently released *Housing Instability Among Our Nation's Veterans* report, *Out of Reach*, and "State Housing Profiles" and "Gap Analyses." ACS data pooled over multiple years (2005-2009, etc.) also allows us to explore more localized geographies.

Under development since the mid-1990s, the ACS has produced annual estimates for every jurisdiction with more than 250,000 residents since 2000. (Full data from the first two years are available through the 2000 and 2001 Supplemental Surveys.) The sample size was expanded from 800,000 to 3 million households when data were collected in 2005, and then to 3.5 million households in 2010; as a result, one-year estimates for jurisdictions as small as 65,000 residents in the 50 states, the District of Columbia, and Puerto Rico have been available since the release of the 2005 data. In addition to these one-year estimates, the 2007 data release was the first to include estimates based on three years of data for all areas with a population greater than 20,000.

Since then, both one- and three-year estimates have been released every year. And in 2010 the Bureau was able to release the first five-year estimates (2005-2009) for areas as small as block groups. The release of five-year data means that we no longer have to wait a decade to see the characteristics of very small areas. In 2006, the survey was expanded to include the population living in group quarters; as a result, 2006 ACS estimates and those that follow are considered more comparable with decennial census estimates.

As is true with all surveys, there are margins of error associated with ACS data because estimates depend on the responses of a sample of a population, rather than every individual. Furthermore, since the sample is based on official census population estimates, the decennial census and the Bureau's Population Estimates Program remain the preferred source for official population counts. Unlike the point-in-time nature of the decennial census, the ACS produces period estimates and is thus ideally suited for describing the characteristics of a population during the data collection period and for measuring annual differences across geography and through time.

Forecast for 2014. In April 2013, Representative Jeffrey Duncan (R-SC) introduced legislation that would repeal the authority of the U.S. government to conduct certain censuses and surveys, including the ACS. This is not the first attempt by Congress to eliminate the ACS. Last year, the House passed an amendment to eliminate funding for the ACS with the FY13 Commerce, Justice and Science appropriations bill. In response to this, the Census Bureau must now complete a comprehensive review of ACS content and methods in 2015, ahead of a national field test in 2016.

Without the ACS it would be nearly impossible to determine the need for affordable housing throughout the country. The ACS is the only objective, consistent, and comprehensive source of data on the nation's social, economic and demographic characteristics down to the neighborhood level. It is used to help the federal and state governments determine how to spend more than $400 billion in funds.

The release of the 2012 ACS was delayed more than six weeks due to the government shutdown. Independent research that relies on this data may consequently also be delayed this year.

AMERICAN HOUSING SURVEY (AHS) >> www.census.gov/housing/ahs

The American Housing Survey (AHS) is the only comprehensive national survey specifically focused on housing stock. AHS is funded and directed by HUD's Office of Policy Development & Research (PD&R), but is conducted by the Census Bureau. The AHS is a longitudinal survey conducted every two years, tracking changes in the same housing units over time. The current sample of approximately 60,000 housing units was drawn in 1985, with additions and subtractions to account for new construction, demolitions, and conversions. The topics covered include housing costs, household income characteristics, housing problems, vacancy rates, housing moves, and neighborhood satisfaction. Data on health, safety, and accessibility were added to the survey for 2011. The 2013 AHS was the final survey administered to this sample. HUD will draw a new sample for 2015, which will present an opportunity to redesign the survey to better meet current and future needs.

Historically, the AHS consisted of two surveys. The national survey was conducted every other odd-numbered year and the metropolitan survey was conducted in selected areas on a rotating basis. In 2011, the metropolitan survey was eliminated entirely, instead a supplemental sample of housing units was selected for 29 metropolitan areas. This sample was combined with the 2011 national survey to produce metropolitan estimates. The 2011 sample also includes an oversample of HUD-assisted housing units. The 2013 survey included 25 additional metropolitan oversamples.

Beginning with the 2011 survey, the AHS consisted of permanent core questionnaire plus topical supplements that rotate in and out of the questionnaire. The topical supplements included in the 2011 AHS were on potential health and safety hazards in the home, and modifications made to assist occupants living with disabilities. The 2013 survey included questions about neighborhood characteristics, doubling up, and transportation that were not in the 2011 AHS.

AHS will draw a new sample in 2015, the first time since 1985. The new sample will be drawn based on the 2010 Census. It will allow HUD to update geographic definitions, rebalance the representation of different housing types, and allow for estimates at the Census Division and state level (for larger states). The new survey will also give a break to the respondents who have been in the current survey for as long as 30 years in some cases.

Forecast for 2014. The AHS suffered significantly as a result of cuts to the budget for PD&R from FY06 through FY09. These budget cuts reduced the survey's sample size and scaled back the number of metropolitan areas from 47 to 21 (seven surveyed every other year in a six-year cycle). Fortunately, AHS has seen a modest increase to the size of the national sample, a new supplemental HUD-assisted renter sample, and most significantly, the ability to survey far more metropolitan areas than in the past. The AHS redesign was slowed by sequester reduction in funds but should benefit from increased funding. The 2014 Omnibus Act funds PD&R at the FY13 pre-sequester level of $46 million (a compromise between $50 million requested by the President and a $21 million proposed cut by the House).

President Obama's FY15 budget requests $50 million for HUD's Research and Technology program which includes funding to restore and enhance the American Housing Survey, the Rental Housing Finance Survey, and other surveys on the nation's housing stock. The FY15 budget also proposes up to $15 million transfers per project ($80 million in total) to the Transformation Initiative (TI) – an ongoing effort to increase effectiveness and program outcomes to address the nation's housing problems. THE TI supplements HUD's Research and Technology program.

HUD POINT-IN-TIME >> http://1.usa.gov/1eWpsxl

Point-In-Time estimates provide a snapshot of the extent of homelessness in the U.S. and among specific subpopulations, including chronically homeless people and veterans. It is also the only means with which HUD can count the unsheltered homeless, a resource-intensive task.

HUD's Point-Time (PIT) count is the main tool used to measure progress in the goals set in *Opening Doors: A Federal Strategic Plan to End Homelessness* established in 2010. HUD requires that Continuums of Care (COCs) conduct an annual count of sheltered homeless and a biannual count of unsheltered populations. The data comes from a one-night count in late January. PIT is limited to household population, program types, and subpopulation data. 2013 marked the first year that communities asked about the age of people experiencing homelessness. These data were used to create estimates of homelessness among children and youth. PIT also provides an inventory of beds available to homeless people, ranging from emergency shelters and transitional housing to permanent supportive housing programs.

RENTAL HOUSING FINANCE SURVEY (RHFS) >> www.census.gov/hhes/rhfs

The Rental Housing Finance Survey (RHFS) is a biennial survey that focuses on the financial, mortgage, and property characteristics of multifamily rental properties. The RHFS replaces the Residential Finance Survey, which was a decennial investigation of the financial characteristics of all residential properties. The first National RHFS occurred in 2012 and included a sample of 2,264 rental properties that participated in the American Housing Survey (AHS). HUD and the Census Bureau expect the RHFS "to play an important role in enabling the Federal Housing Finance Agency (FHFA) to fulfill its requirements to set affordable housing goals for the government-sponsored enterprises (GSEs) and to develop standards for underwriting multifamily mortgages." They also anticipate that the multifamily rental housing industry will use the data to benchmark individual property financial performance.

THE HOME MORTGAGE DISCLOSURE ACT (HMDA) >> www.ffiec.gov/hmda

The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and implemented by the Federal Reserve Board until 2011 when it was transferred to the Consumer Financial Protection Bureau (CFPB). This law requires financial institutions (including banks, savings associations, credit unions, and other mortgage lending institutions) to disclose data about home purchases, home purchase pre-approvals, home improvement loans, and refinance applications. The most recent HMDA data available covered mortgage lending that occurred in 2012. The data can be used to assist in determining whether financial institutions are serving the housing needs of their communities and in identifying possible discriminatory lending patterns.

NLIHC analyzed HMDA data from 2009-2012 as part of its United for Homes campaign. The county-level analysis shows that less than 3% of mortgages were over $500,000 in over 95% of U.S. counties.

CURRENT POPULATION SURVEY (CPS) >> www.census.gov/cps

The Current Population Survey (CPS), a joint venture between the Department of Labor and the Census Bureau, is distinct in that it does not produce any estimates of housing characteristics. It is mentioned here because it includes an Annual Social and Economic (ASEC) Supplement, which is the source of official estimates of income and health insurance coverage of the non-institutionalized population (i.e., individuals not considered patients or inmates) and is the primary source of data on the annual poverty status of U.S. residents. For this reason, the CPS is a very important source of data for low income housing advocates.

COMPREHENSIVE AFFORDABILITY STRATEGY DATA (CHAS) >> www.huduser.org/datasets/cp.html

Since 1990, the Census Bureau has provided HUD with custom tabulations of decennial census data or ACS data which allows users to gain an understanding of the housing problems and housing needs of households, and particularly of low income households. This Comprehensive Housing Affordability Strategy (CHAS) data use HUD-defined income limits and can therefore illustrate the number of households at various income levels in need of housing assistance. It further breaks this data down by a number of characteristics such as race, family size, age, and disability status. This data is primarily used by local governments and community planners when they are creating a Consolidated Plan for their jurisdiction.

The most recent CHAS data are from the 2006-2010 ACS. These are available for a variety of summary levels, from states down to split census tracts. CHAS data from the 2008-2010 ACS are available for states, counties, minor civil divisions, and places. This dataset is a valuable tool for advocates who wish to see the affordability mismatch in their state, county, or city, as well as the number of households experiencing unaffordable cost burden or other housing problems. In 2013, HUD created a web-based table generator that provides some commonly used CHAS figures to make this data source more accessible. Results can be viewed in a web browser, or downloaded in spreadsheet form.

A PICTURE OF SUBSIDIZED HOUSEHOLDS >> www.huduser.org/portal/datasets/picture/yearlydata.html

HUD makes publicly available information on the location and characteristics of a subset of the nation's federally subsidized rental housing stock. While HUD does not produce a comprehensive, integrated dataset, it does provide project-level files for project-based Section 8, Section 236, and other federal rent subsidies for FHA-insured and subsidized multifamily housing mortgages, and the Low Income Housing Tax Credit (LIHTC) program. In addition to data for these individual programs, HUD produces a dataset called *A Picture of Subsidized Households*, which includes public housing in addition to the previously mentioned files. This also provides data on the characteristics of households living in public and assisted housing. The most recent data is from 2009 through 2012. This comprehensive database allows users to sort and query HUD subsidized housing data by: subsidy program; by geographic location from the national level down to the level of individual housing projects; and, by a wide array of variables such as median income, average time spent on a waitlist, race/ethnicity, and family composition. Users can also download data summaries on the nearly five million households nationwide living in housing subsidized by HUD.

With an understanding of the programs, database skills, and significant effort, advocates can integrate these datasets to create a partial database of the subsidized housing in a particular geography. Thanks to data released by HUD in 2008 and updated on a quarterly basis, the database can include the three most recent Real Estate Assessment Center (REAC) scores that quantify the properties' physical conditions. Information for projects receiving subsidies from the following programs will be omitted, however, because HUD does not make it available to the public: U.S Department of Agriculture (USDA) Rural Housing Services programs; HOME; multifamily housing bonds; Section 8 Moderate Rehabilitation (Mod Rehab); project-based vouchers; Housing Opportunities for People with AIDS (HOPWA); and McKinney-Vento homelessness assistance permanent housing.

PRESERVATION DATABASE >> www.preservationdatabase.org

NLIHC and the Public and Affordable Housing Research Corporation (PAHRC) integrated and cleaned all of the above mentioned datasets and created a national inventory of federally assisted housing. Along with the public datasets mentioned above, NLIHC and PAHRC were able to obtain data on HOME and USDA Rural Housing Service programs.

Information on contract expiration dates, loan maturity dates, recent physical inspection scores, number of units, type of owner, and other property and subsidy characteristics are included to assist users in determining whether or not a property is at risk of leaving the subsidized housing stock. Users can download data for a ZIP code, city, county, congressional district, metropolitan area, or for an entire state.

FAIR MARKET RENTS >> www.huduser.org/datasets/fmr.html

HUD updates Fair Market Rents (FMRs) annually for every metropolitan area and rural county in the U.S. Although it is primarily an administrative dataset used to determine the payment standard amount for the Section 8 voucher program, it is of interest to housing advocates given its frequency and comprehensive geographic coverage. Commonly set at a community's 40th percentile gross rent, FMRs reflect HUD's best estimate of the cost of a decent, modest apartment and are published for various unit sizes. NLIHC uses FMRs for *Out of Reach* calculations.

In 2010, HUD began a Small Area Fair Market Rent (SAFMR) Demonstration Project which sets SAFMRs at the ZIP code-level in metropolitan areas rather than at the metropolitan area level. Public housing agencies may volunteer to participate in the demonstration. There have long been concerns about setting the FMR at the metropolitan area level because it tends to concentrate voucher holders in low income, low opportunity neighborhoods where nearly all the rents qualify for the voucher program. FMRs based on a smaller geography, such as the ZIP code level, should more closely reflect an area's rental market and therefore provide voucher holders with a greater array of housing choices.

CONSOLIDATED PLAN (CONPLAN) >> www.hud.gov/offices/cpd/about/conplan/index.cfm

In order to improve the Consolidated Plan (ConPlan) process, HUD's Office of Community Planning and Development (CPD) has launched a mapping tool that allows both grantees and members of the public to access a large amount of data in a user-friendly, web-based format. Jurisdictions are not required to use the maps. Users can search, query, and display information on the map that will help them identify trends and needs in their communities. Some of the features available on the mapping program include the capacity to show where CDBG and HOME activities have been provided, and where public housing and private HUD-assisted housing and LIHTC housing is located. It is also possible to see housing, economic and demographic characteristics of an area down to the census-tract level. The web-based software enables advocates to draw custom geographies, such as neighborhood boundaries, which might not fit neatly into census tracts. The ConPlan mapping tool is at: http://1.usa.gov/Y72IkA

FAIR HOUSING GEOSPACIAL TOOL >> www.huduser.org/portal/affht_pt.html#dataTool-tab

As part of HUD's intent to improve compliance with jurisdiction's obligation to affirmatively further fair housing (AFFH), HUD has created a prototype geospatial tool. HUD has issued a AFFH rule that would outline a process that jurisdictions would use to assess fair housing conditions, identify determinants perpetuating fair housing barriers, and establish fair housing goals in the assessment of fair housing (AFH) that will inform future investment plans. The proposed rule would call for jurisdictions to use HUD-provided data, along with any local data supplements. The purpose of the prototype tool is to help facilitate jurisdictions to complete a proposed AFH and fulfill AFFH obligations. The geospatial tool currently available is a prototype for demonstration purposes; it does not include all the full roster of anticipated features such as the ability to create standard data tables and custom reports. HUD will work on a more robust version to share during the final stage of the AFFH rulemaking process.

HOUSING AND TRANSPORTATION AFFORDABILTY INITIATIVE >> http://1.usa.gov/1eWpsxl

The Housing and Transportation Affordability (HTA) Initiative, is a collaboration between HUD and the U.S. Department of Transportation (DOT). HTA looks at the impact of transportation costs on the affordability of homes and the amount of money households have available for food, clothing, and other expenses. A key product of the HTA Initiative is the Location Affordability Portal, a user-friendly source of information on combined housing and transportation costs that can enable households, housing counselors, policymakers, and developers to make more informed decisions about where to live, work, and invest. The Portal features a Location Affordability Index and My Transportation Cost Calculator that illustrate how housing and transportation costs impact affordability. In addition, the Portal provides access to supporting resources that offer a wide range of information on current research and practice aimed at understanding, and ultimately reducing, the combined housing and transportation cost burden borne by American families.

ADDITIONAL SURVEYS

Other surveys of importance to housing advocates and researchers include:

- **Housing Vacancy Survey (www.census.gov/housing/hvs)**, is a Census Bureau survey that quantifies rental and homeowner vacancy rates, characteristics of vacant units, and, overall homeownership rate. The survey is conducted on a quarterly basis for the nation and regions, and on an annual basis for states and the 75 largest metropolitan areas. Data collected for the Housing Vacancy Survey are also used to produce the annual CPS estimates.
- **Survey of Construction (www.census.gov/construction/nrc)**, is a Census Bureau product that tracks the number and value of residential units permitted, constructed, sold, and improved for the nation and select metropolitan areas.
- **Survey of Market Absorption (www.census.gov/housing/soma)**, is a HUD-sponsored survey of the absorption rate of newly constructed multifamily units conducted by the Census Bureau.
- **Survey of Income and Program Participation (www.census.gov/sipp)**, is a Census Bureau survey that tracks families for between two and four years, investigating household members' sources of income, participation in and effectiveness of government transfer programs, and basic demographic characteristics.

TIPS FOR LOCAL UTILIZATION AND SUCCESS

First and foremost, housing advocates should encourage everyone to fully participate in every decennial Census and to respond to other federal housing surveys. The research conducted with these datasets can only fully capture the housing experiences of the nation if everyone is counted.

Advocates can also be end-users of the vast array of survey and census data. Research produced by advocates both clearly illustrates the depth and breadth of the affordable housing crisis and also demonstrates the importance of these federal data collection efforts. Quantifying the problem by calculating the scarcity of units affordable to the lowest income families, for example, can make it easier to set specific and defensible goals for expanding the affordable housing stock.

WHAT TO SAY TO LEGISLATORS

Advocates should call their Members of Congress and ask to speak to the person who deals with appropriations with the message that funding for the collection and analysis of housing data is vital to understanding the breadth and depth of the nation's affordable housing crisis. Informed and effective housing policy is possible only with a concrete understanding of today's housing issues.

Federal preservation data legislation. Advocates can also use data from HUD on the location and characteristics of certain subsidized properties to develop a database of assisted housing in a particular geography. This kind of database can be used to preserve affordable housing by raising awareness of projects at risk of leaving the subsidized housing stock. However, data-driven preservation efforts today cannot be maximized because HUD and the USDA do not publish data on all of their rental assistance programs, nor does the data they do publish have a unique identifier to allow for the integration of multiple datasets. Past legislation introduced in the House would require HUD to improve upon the quantity, quality, and usability of the subsidized housing data that the agency provides to the public, but that legislation did not progress in Congress. Advocates should urge their members to introduce new legislation to achieve these goals.

Advocates should ask the Member to support the collection and analysis of housing data in the appropriations process by:

- Meeting the Census Bureau's request for funding to effectively and efficiently plan for Census 2020.
- Continuing to fully fund the American Community Survey, working to increase its sample size and accuracy, and ensuring that survey responses remain mandatory.
- Continuing to provide increased funding to HUD's Office of Policy Development & Research

Advocates should also ask to speak to the person who deals with housing issues and emphasize the need for comprehensive, accurate, easy-to-use and timely datasets from HUD that will assist affordable preservation efforts around the country.

FOR MORE INFORMATION

Many organizations that understand the importance of federal statistics have formed coalitions and membership groups that track federal data collection efforts, advocate for their continued funding, and provide members with an opportunity to communicate directly with the federal agencies collecting the data. These groups include:

- The Council of Professional Associations on Federal Statistics, www.copafs.org
- The Census Project, www.thecensusproject.org
- The Housing Statistics Users Group, http://groups.google.com/group/housing-statistics-users-group

Using the Freedom of Information Act (FOIA)

Everyone has the right to request federal agency records or information under the Freedom of Information Act (FOIA). Federal agencies, subject to certain exceptions, must provide the information when it is requested in writing. In order to use FOIA, advocates do not need to have legal training or use special forms. All that is necessary is a letter.

SUMMARY

FOIA allows individuals and groups to access the records and documents of federal agencies such as HUD and USDA's Rural Development (RD). Requests must be made in writing. Each agency has its own practices and regulations. HUD's FOIA regulations are at 24 CFR part 15. USDA's regulations are at 7 CFR part 1 Subpart A.

FOIA does not provide access to the records and documents of parts of the White House, Congress, the courts, state and local governments or agencies, or private entities or individuals.

Records include not only print documents, such as letters, reports, and papers, but also photos, videos, sound recordings, maps, email, and electronic records. Agencies are not required to research or analyze data for a requester, nor are they required to create a record or document in response to a request. They are only obligated to look for and provide existing records. Agencies must, however, make reasonable efforts to search for records in electronic form. The term search is defined as reviewing, including by automated means, agency records (e.g., performing relatively simple computer searches).

A formal FOIA request might not be necessary. By law and Presidential order, federal agencies are required to make a substantial amount of information available to the public. Before considering a FOIA request, advocates should explore the HUD or RD websites and be fairly confident that the information sought is not already available online.

If advocates cannot find the information they seek on an agency's website, it might be readily available from agency staff in the field, regional, or headquarters offices. Rather than invoking the formal FOIA process, it is often quicker and easier to start with an informal approach. Simply phone or email the agency office and ask for information. Formal, written requests generally trigger a slower, formal, bureaucratic process.

- HUD contact information can be found under the "Contact Us" tab on the HUD web site: www.hud.gov
- RD state offices, area offices, and local offices can be located at: www.rurdev.usda.gov/recd_map.html
- USDA Service Centers (which might have an RD area office) can be found at: http://offices.sc.egov.usda.gov/locator/app

MAKING A FOIA REQUEST

If an informal request does not produce the desired information, a formal request may be necessary. A formal FOIA request can be simple and short, but it must be in writing. In your letter, state that you are making a request under the Freedom of Information Act. Describe what you are looking for in as much detail as possible, including dates, names, document numbers, titles, types of beneficiaries you are concerned about, etc. Specify the format, paper or electronic, in which you would like to receive the requested information.

Request a waiver of any fees for copying or searching, explaining your organization's mission and its nonprofit status in order to demonstrate that you do not have a commercial interest in the information. Explain how this information will:

- Be of interest to more than a small number of people, and how your organization can distribute the information to many people.
- Lead to a level of public understanding of a HUD or RD activity that is far greater than currently exists.

Provide contact information for the individual or organization requesting the information, including mailing address, phone number, and email address. Ask the agency to provide detailed justifications for any information that it refuses to release. Include a statement that the law requires the agency to respond within 20 days indicating whether the request will be processed.

Formal requests must be in writing, but they can be made through email, by fax, or through postal mail.

HUD FOIA requests:

- To make a FOIA request of HUD headquarters, go to https://hudpal.efoia-host.com/palMain.aspx. If the response is not adequate, contact the FOIA Public Liaison for HUD headquarters at: http://1.usa.gov/VEki0F
- To make a FOIA request of documents from a HUD field office, advocates should locate the appropriate person and address from the HUD FOIA Requester Service Centers webpage at: http://1.usa.gov/VEki0F
- If the response from the FOIA Requester Service Center is not adequate, contact the FOIA Public Liaison for the appropriate geographic region.

RD FOIA requests:

- To make a FOIA request for RD documents at either the local level or at RD headquarters, advocates can write to the RD FOIA Coordinator for their state. Contact information for RD FOIA Coordinators can be found at: http://1.usa.gov/1lv0P0q
- If you are not sure where the information is located, send the FOIA request to the RD FOIA Officer at RD headquarters in Washington, DC.

The Reporters Committee for Freedom of the Press provides an interactive tool to generate a FOIA request to any agency.

Timeline. Once a request is made, HUD and RD will log that request and provide a tracking number. The agencies must grant or deny a FOIA request within 20 working days of receiving it. This response simply shows whether or not the agency intends to provide the information. There is no time limit on actually providing the information; however, USDA's regulations require RD to provide an approximate date the information will be provided.

If HUD or RD deny a request, they must explain why and state that there is a right to appeal. If there are unusual circumstances, such as large numbers of records to review or staffing limitations, the agency can add an extra 10 days, and must give written notice.

Expedited requests. If there is imminent threat to life or physical safety, or if there is an urgent need to inform the public, advocates can ask for expedited processing. HUD and RD will issue a notification within 10 working days indicating whether a request will get priority and more rapid processing.

Denial of requests. Information can only be denied if it is exempt. The law lists nine exemptions, such as classified national defense information, trade secrets, personal information, and certain internal government communications. The letter denying a FOIA request must give the reasons for denial and inform the requester of the right to appeal to the head of the agency.

The "internal government communications" exemption might be relevant to housing advocates. The intent of this exemption is to promote uninhibited discussion among federal employees engaged in policy-making. This exemption would apply to unfinished reports, preliminary drafts of materials, and other internal communications taking place as agency staff undertake a decision-making process.

Appeals. Decisions to deny a fee waiver, deny a request for expedited disclosure, or failure to release the requested information can be appealed. Appeals to HUD should be made within 30 days. A letter should be sent to the HUD official indicated in the denial letter and generally include a copy of the original request, a copy of the denial, and a statement of the facts and reasons the information should be provided. Specific information for appeals pertaining to fees or expedited processing are listed at: http://1.usa.gov/VEkXiM

To appeal an RD denial, advocates can send a letter to the RD official indicated in the denial letter within 45 days. If that appeal fails, advocates can appeal to the RD FOIA Officer. If still not satisfied, advocates should write to the Rural Housing Service Administrator. The agency has 20 working days to make a decision regarding an appeal.

Sample FOIA Letter

Date

Agency/Program FOIA Liaison
Name of Agency or Program
Address

RE: Freedom of Information Act Request

Dear [name]:

Under the Freedom of Information Act, I am requesting copies of [identify the records as specifically as possible].

I request a waiver of fees because my organization is a nonprofit with a mission to [state the organization's mission and activities, demonstrating that it does not have a commercial interest in the information]. In addition, disclosure of the information will contribute significantly to public understanding of the operations and activities of HUD/RD.

[Explain how the information is directly related to HUD/RD, how the information will contribute to public understanding of HUD/RD operations or activities, and how you or your organization, as well as a broader segment of the public, will gain a greater understanding of these agencies by having the requested information. Describe the role and expertise of your organization as it relates to the information and how the information will be disbursed to a broader audience.]

As provided by law, a response is expected within 20 working days. If any or part of this request is denied, please describe which specific exemption it is based on and to whom an appeal may be made.

If you have any questions about this request, please phone me at ______.

Sincerely,

Your name
Address

FOR MORE INFORMATION

- Public Citizen's Freedom of Information, http://www.citizen.org/Page.aspx?pid=5171
- Reporters Committee for Freedom of the Press FOIA, http://bit.ly/VEktsY
- HUD FOIA webpage, http://1.usa.gov/VEjBEA
- USDA RD FOIA webpage, http://1.usa.gov/VEjJ7g
- General Services Administration, Your Right to Federal Records, www.pueblo.gsa.gov/cic_text/fed_prog/foia/foia.pdf
- Department of Justice FOIA website, http://www.foia.gov

Generating Public Support for Affordable Rental Housing

By Jaimie Ross, Affordable Housing Director at 1000 Friends of Florida and president of the Florida Housing Coalition, and La'Teashia Sykes, State Coalition Project Director, National Low Income Housing Coalition

Being a homeowner has long been regarded as a measure of success in the United States. This high regard for homeownership has historically ingrained negative and largely false perceptions about renters, and has fueled opposition to the development of affordable housing in many communities. However, the national foreclosure crisis and its precipitating economic impacts have created the largest shift from homeownership to renting in recent decaWdes. In communities across the country, the already scarce supply of affordable rental housing has been exacerbated by the increase of owner-turned-renter residents. Even with this new reality, the persistence of old ideals about rental housing development that can violate fair housing laws continues to challenge community needs and solutions.

The Not in My Backyard syndrome (NIMBYism) connotes objections made to the location of affordable, particularly rental, housing for reasons such as fear and prejudice, and presents a particularly pernicious obstacle to meeting local housing needs. NIMBYism can lead to lengthy, hostile, and unpleasant public proceedings, frustrated Consolidated Plan implementation, increased costs of development, and property rights disputes.

Advocates should work to take proactive measures to guard against NIMBYism and other forms of opposition by gaining support for rental housing.

TOOLS FOR LOCAL SUCCESS

Advocates can use the following tools to develop broad support and address both unlawful and legitimate concerns of communities.

Public education. Increased understanding about affordable rental housing and the positive impact it will have on individuals, families, and the community at large will be instrumental to gaining wide support. The more informed the public is about the realities of need, associated solutions, and benefits, the more leverage advocates will have to advance the development of affordable rental homes. Advocates should make use of credible research, local data, and other examinations of the need to enhance community competency. Highlighting personal stories of residents or successful ways affordable housing has been integrated within a community has become influential in public education efforts. Both social and traditional media can greatly bolster public education strategies and should be used simultaneously to maximize impact.

Garner support from a broad range of interests. Too often, affordable housing advocates do not look beyond traditional allies to help advance their efforts. However, there are many non-housing organizations, groups, and influential people that support affordable housing development because of its connection to an associated goal or interest. Advocates should ask members of the business community, clergy, social service agencies, labor unions, and others to stand with them in advancing affordable housing goals. These supporters can be helpful in making the connection between housing development and other community concerns, for instance the role that stable housing plays in the test scores of students. Potential beneficiaries of the development, such as future residents, can also be effective advocates. The media can be an important ally as well.

Educate elected officials. Education should highlight the importance of affordable housing, and its importance to the health of the entire community. Advocates should include allies in the education process. Learning about elected officials' interests will help inform advocates about which allies are best to bring to a meeting. For example, a particular elected official may be impressed by hearing from a local business about the need for employee housing, while another may be moved by hearing from local clergy about the needs of homeless veterans, seniors, or persons with disabilities. The voices of constituents are powerful. Sign-on letters, call-in days, and appearances at a town hall meeting by multiple community members can help elevate a cause. Whenever possible, advocates should invite elected officials to visit completed developments, to ribbon cuttings, and on affordable housing tours.

Know the law and expand legal protections. When discrimination against an affordable housing development is in fact discrimination on the basis of race, color, national origin, gender, religion, handicap, or familial status, it violates the federal Fair Housing Act (42 U.S.C. Sec. 3601-Sec. 3631). Litigation is usually not a meaningful remedy because housing funding cycles are short and court cases can take years to resolve. Sometimes, all advocates need to benefit from the protections of civil rights statutes is a working knowledge of the law and a willingness to make the law known to local elected officials and government attorneys. In those cases where discrimination is clear and local elected officials disregard that discrimination, advocates should consider requesting that the Department of Justice take the case. When the plaintiff is the United States of America, the case is likely to be resolved in the favor of the plaintiff and it tends to make future dealings with local opposition much easier. A local legal services office or other advocate for the public interest can argue on behalf of the future residents who would be directly impacted by the land use decision.

Advocates can proactively block future opposition by strengthening state or local laws that make it harder for affordable housing discrimination to prevail. Some states, Florida and North Carolina for instance, have added affordable housing as a protected class under the state fair housing laws.

Address community concerns. Addressing legitimate concerns is key to overcoming community opposition. Legitimate, non-discriminatory, concern around issues such as traffic or project design may lead advocates to make some adjustments to a proposed development. Elected officials will be more likely to side with affordable housing development if they know that the developer has tried to accommodate the concerns of the neighbors. Concern over property values are often the root of neighborhood opposition. The key point is this: once all legitimate concerns are addressed and opposition persists, it can be stated with certainty that the opposition is illegitimate and it would therefore be inappropriate, arbitrary, capricious, or unlawful for the local government to consider it in making its land use decision. Virtually without exception, affordable housing developments have been found to have no negative effect on neighboring market rate property values, and in some instances have increased the value of neighboring property.

FOR MORE INFORMATION

The Non-Profit Association of Northern California has a toolkit containing a variety of useful material under the sections “Working with Public Concerns About Contemporary Affordable Housing,” “How To Guides for Managing Local Opposition,” and “How to Guides for Advocacy and Public Education,” http://nonprofithousing.org/resources/the-original-nph-toolkit

Tenant Organizing

Why organize? Organizing rebalances power. When ordinary people come together to take collective action on their own behalf, they have a greater ability to influence people in decision-making positions. This undermines existing social structures and creates a more just distribution of power.

Why do tenants organize? Tenants organize to address immediate problems and create ongoing solutions. If a tenant has mold in her apartment and the landlord keeps saying it will be addressed but it never is, chances are other tenants in the building are facing the same problem. It is easy for the landlord to avoid each person individually, but when tenants come together and put pressure on the landlord as a group, they become much harder to ignore.

Organizing doesn't stop when an immediate problem is fixed. As a group, tenants can identify systematic problems in their building. They can see patterns of neglect or harassment, and demand long-term solutions that prevent problems, instead of just dealing with them once they occur. It doesn't have to stop at the building level. An organized group of tenants may identify issues, such as crime, that need to be addressed on their block or in their neighborhood as a whole. As a united tenant organization with experience dealing with their landlord and building management, they know how to work together as a group to demand accountability from people in positions of power, like the police department.

Ultimately, tenants organize to get power. In an apartment building, a small minority of people hold almost all of the power. Landlords and management companies have the power to withhold repairs, to raise rents in many cases, and to refuse to renew leases and even evict people. In federally assisted buildings, tenants have rights and protections provided by the government. Some cities and states also provide additional protections, but even these are more effective if tenants are organized. Organizing gives tenants more power to draw attention to problems and get them resolved.

Typically, there are several types of issues that prompt tenants to organize:
• Substandard living conditions;
• Systematic harassment or intimidation; or
• The threat of an end to assistance programs that keep units affordable to existing tenants.

TENANT ORGANIZING TIPS

Be open. To function well, a tenant association must be open to all residents in a building. If it is not, competing tenant organizations can develop and landlords or management companies can exploit this lack of unity among residents.

Be democratic. For long term success, it is crucial for a group to function democratically. When the special interests of only a few members begin to dictate group decisions and interactions with landlords or management companies, the cohesion of a group is weakened, and therefore so is its strength.

Keep an eye on process. There is no one size fits all decision making process or leadership structure for tenant associations, but it is important for residents to figure out what works well for them, build consensus, and formalize their processes in some way. A group may re-evaluate and change its structure at some point, but it is critical to have a defined and agreed upon method, so that when decisions need to be made, they can be made without chaos or dispute.

Be informed. Tenants need to know what is going on in their building and in their community. Tenants should determine if their landlord owns other buildings in the neighborhood or city, and if residents in those buildings have the same issues. Tenants should also learn about federal, state, or local laws, whether regarding the right to organize, affordability restrictions, or conditions standards. They should figure out if and who in the community can help them get the resources they need to be successful.

Know your elected officials. Tenants should learn who their elected officials are at every level of government and engage them on the issues facing the building.

Find a location to hold meetings. A local church, community center, or library may be willing to provide space. Does the group need to photo copy meeting notices? A community based organization in your neighborhood may be able to help.

Set your goal as a group. Most importantly, tenants must determine their goal as a group, identify and engage allies that can help achieve the goal, make sure everyone who wants to be involved has a role to play, and develop solidarity among the group. Strength of numbers and unity of purpose are instrumental forces in organizing.

Ultimately, an organized tenant group becomes a critical resource for advocates. No one knows better the direct implications and effects of housing policies better than the residents who live them. A tenant organization can solve immediate problems in a building, but can also play an important role in advocating for better, more just policies.

FOR MORE INFORMATION

New York State Tenants & Neighbors, 212-608-4320, http://tandn.org/how_to001.html

Timeline of a Tenant Association

The timeline for development of a tenant association will vary from building to building, depending on the given issues facing the building, the dynamic of the resident base, and other factors. Here is a sample timeline that contains some useful tips.

WEEK 1: RESEARCH

To start, ask yourself the following questions:

- What issues do you think the building is facing?
- What are the relevant affordability programs affecting the building? Does it have a subsidized mortgage? Is there a federal rental assistance program in place? Are there state or local assistance programs at play? Who governs and regulates these programs? Are there protections in place for the tenants as a result of these programs?
- Who are the elected officials representing the area where the building is located?
- What other issues are facing the community at large?

WEEK 2: DOORKNOCK

- **Prepare.** Make sure you have everything you need to doorknock effectively: a clipboard, a sign-up sheet where people can provide contact information, and a place to make notes about the conversations you have with people. Bring a copy of any regulations, federal or local, ensuring your right to organize in case you are confronted by the landlord, property manager, or building security. Bring business cards or information about your organization.
- **Knock on doors.** There is no more effective way to find out the issues facing tenants and how likely they are to organize than talking to them face to face. It is usually most effective to doorknock in the evening, since that is when most people will be home from work.
- **Identify potential leaders.** Use doorknocking as a way to not only identify problems, but also to identify potential leaders. Note whether there are any tenants people seem to defer to or listen to. Who are the long-time tenants? Who seems enthusiastic about taking action? Don't pre-determine leaders, let leaders emerge.
- Doorknocking is about listening, observing, and beginning to build trust.

WEEKS 3 AND 4: PLANNING MEETINGS

- **Get the group started.** After doorknocking, engage a small group of tenants who seemed most active and enthusiastic about the problems facing the building.
- **Organize one or two smaller meetings, likely in one of the tenants' apartments.** Brainstorm with this small group: what are the underlying common issues facing the building? Who seems to be the decision maker(s)? How should things change? How can things change?
- **Determine a goal for the building that has consensus among the small group.** Pick a date for a building-wide meeting. Develop an agenda for the big meeting. Delegate roles and tasks among the group: who is going to make, copy, and post flyers? Who is going to lead the meeting? Who is going to take notes? Will you need translation? Who will fill that role?
- **Make sure that everyone who wants a responsibility has one.** Remember that the role of the organizer is not to lead, or even talk much; it is to provide the resources the tenants need to meet their goals, and to facilitate this small group's leadership.

WEEK 5: FIRST BUILDING-WIDE MEETING

- **Once you have picked a date, determine the location.** Many buildings have a community room. Community rooms are a great resource because they don't require people to travel anywhere to get to the meeting. If the building does not have a meeting place, try to find a space in the neighborhood – churches, community centers, or libraries often have adequate space that is open to the community.
- **Create and distribute flyers with the logistics of the meeting.** Make sure that everyone is aware of the meeting. Not every tenant will come, but everyone should have the opportunity to attend if they choose.

- **Finalize the agenda.** Make sure that everyone who will speak knows their role. Keep the agenda very tight. Address why you are meeting, build consensus around a goal, determine the date for your next meeting and the next steps that need to happen. Make sure every action item has a person assigned to it.

WEEK 6: DEVELOP AN ACTION PLAN

- Begin the process of creating an action plan once you have determined your goal as a group and have developed some immediate next steps.
- **Figure out contingency plans.** For example, if you are writing the landlord a letter asking him to meet with your group, what are your next steps if he says yes? What are your next steps if he says no? At what point will you engage your elected officials to put pressure on the landlord? At what point might you go to the media?
- Your action plan will develop and change over the course of your campaign as events unfold, but it is useful to plot out your steps and expectations as a group.

WEEKS 7 THROUGH 10: ELECTIONS AND BY-LAWS

- After you have developed your action plan and taken initial steps in your campaign, it is useful to begin formalizing leadership and decision-making processes.
- **Determine the group's leadership.** There are many different leadership structures. Tenants should consider different options and determine what makes most sense for their group. Do they want a president? Co-chairs? Does a committee structure make the most sense for them? Tenants must determine the basic functions that need to be fulfilled within their group and then craft a leadership structure that meets those needs.
- **Determine the decision making process.** This should be a process all active members of the group are comfortable with, and one that is committed to paper. Without basic rules and regulations in place, a group can fracture, and a fractured group loses power.

SUSTAINING THE TENANT ASSOCIATION

- **Many tenant groups are galvanized in crisis.** After the immediate problem that brought a group together is addressed, the group often loses steam, stops meeting, and peters out.
- **Stay engaged, but set realistic expectations.** It is important to keep residents engaged, yet also important to understand that the level of a tenant group's activity can vary, depending on whether they are facing an immediate crisis. During an active campaign a group may meet every week. Once the crisis passes, they may decide to scale back to meeting once a month. Scaling back is okay. While you want to keep the group going, you don't want to burn people out or make them feel like they are meeting for no reason.
- **Look to the community.** While it is usually an issue in the building that brings a tenant association together, there may be broader issues in the community around which a tenant group can organize, such as crime or issues with the public transportation system. Give members of the tenant association space to raise issues of greater concern. If common issues arise, brainstorm ways the tenant association can influence the community as a whole.
- **Look beyond the community.** Does the tenant group have issues with the way a federal or local program is regulated or run? How can they weigh in and advocate for themselves and their neighbors?
- **Finding ways to maintain a strong tenant association are important.** While the group may win one fight, another crisis could arise any day, and having a strong and unified body in place means you will hit the ground running.

Adapted from New York State Tenants & Neighbors' 2008 Organizers' Manual, by Michele Bonan. For more information, contact Katie Goldstein at kgoldstein@tandn.org, or visit Tenants & Neighbors' website at: http://tandn.org/how_to001.html

Resident Participation in Federally Subsidized Housing

By Ed Gramlich, Regulatory Affairs Director, National Low Income Housing Coalition

Subsidized housing residents have important personal perspectives on the impact of established and emerging subsidized housing policies; consequently, they have good ideas about how their developments should be managed. Resident participation in all aspects of housing management is critical to the long-term success of federal housing programs.

HUD has three major programs that provide rent subsidies to approximately 4.4 million households nationwide. These programs are the public housing program, private multifamily HUD-assisted rent programs, and the Section 8 Housing Choice Voucher program. Each of these programs has its own set of challenges and opportunities related to resident participation.

PUBLIC HOUSING

Administering agency: HUD's Office of Public and Indian Housing
Year started: 1986 for public housing tenant participation, 1998 for Resident Advisory Boards
Population targeted: Residents of public housing
See also: *Public Housing, Public Housing Agency Plan*

There are a number of HUD policies that help support the participation of all public housing residents in public housing agency (PHA) decision-making.

PHA Plan process. Opportunities for resident participation exist in the annual and five-year planning processes, collectively called the PHA Plan, required by the Quality Housing and Work Responsibility Act (QHWRA). Many PHAs only have minimal PHA Plan resident engagement requirements, but the process does open the door for residents and other community members to interact and influence PHA decisions. The regulations for the PHA Plan process are at Part 903 of Title 24 of the Code of Federal Regulations (24 CFR Part 903).

Resident Advisory Boards. QHWRA created Resident Advisory Boards (RABs) to ensure that public housing and voucher-assisted households can meaningfully participate in the PHA Plan process. RABs consist of residents who are elected to represent the population served by the housing agency. By law, PHAs must provide RABs with reasonable resources to enable them to function effectively and independently of the housing agency. Regulations regarding RABs are in the PHA Plan regulations, Part 903.

Part 964 right to organize regulations. A federal rule provides public housing residents with the right to organize and elect a resident council to represent their interests. This regulation, 24 CFR Part 964, spells out residents' rights to participate in all aspects of public housing development operations. Residents must be actively involved in a PHA's decision-making process and give advice on matters such as maintenance, resident screening and selection, recreation, and modernization. The rule defines the obligation of HUD and PHAs to support resident participation activities through training and other activities.

A resident council is a group of residents representing the interests of the residents and the projects they live in. Some resident councils are made up of members from just one property, so a PHA could have a number of resident councils. Other resident councils, known as jurisdiction-wide councils, are made up of members from many properties. A resident council is different from a RAB because the official role of a RAB is limited to helping shape the PHA Plan. Resident councils can select members to represent them on the RAB.

Most PHAs are required to provide $25 per occupied unit per year from their annual operating budget to pay for resident participation activities. A minimum of $15 per unit per year must be distributed to resident councils to fund activities such as training and organizing. Up to $10 per unit per year may be used by the PHA for resident participation activities. On August 23, 2013, HUD issued Notice PIH 2013-21 providing new guidance on the use of tenant participation funds.

Resident commissioners. The law also mandates that every PHA, with a few exceptions, have at least one person on its governing board who is either a public housing resident or voucher holder. HUD's rule regarding the appointment of resident commissioners, at Part 964, states that residents on boards should be treated no differently than non-residents.

Resident Opportunities and Self-Sufficiency program. HUD's Resident Opportunities and Self-Sufficiency program (ROSS) is designed to help public housing residents become more self-sufficient by linking them to supportive services and resident empowerment activities. Competitive grants under the ROSS program can be awarded to PHAs, resident councils, resident organizations, and other entities. ROSS funds have been appropriated annually by Congress, followed by a Notice of Funding Availability (NOFA) from HUD inviting eligible applicants to compete for the funds. Twenty-five percent of ROSS grants have been set aside for formally recognized resident councils, but few ever apply for it. For FY14 Congress appropriated $45 million for ROSS, $5 million below funding in recent years.

HOUSING CHOICE VOUCHERS (SECTION 8)

Administering agency: HUD's Office of Public and Indian Housing
Year started: 1998 for Resident Advisory Boards
Population targeted: Residents with Section 8 Housing Choice Vouchers
See also: *Vouchers: Housing Choice Voucher Program, Public Housing Agency Plan*

Approximately 2 million households receive tenant-based assistance through the Housing Choice Voucher Program. Housing Choice Voucher holders, often referred to as Section 8 voucher holders, are among the most difficult residents to organize because they can choose a private place to rent anywhere in the PHA's market, so are less likely to live close to or have contact with each other. However, the PHA Plan process, and the requirement that voucher holders be included on the RAB, offer excellent platforms for organizing voucher holders so that they can amplify their influence in the decision-making affecting their homes.

Participating in PHA Plan processes. At the local level, voucher holders can play a key role in shaping PHA policies by participating in the annual and five-year PHA Plan processes. PHAs make many policy decisions affecting voucher holders, such as setting minimum rents, developing admissions criteria, determining the amount of time a voucher holder may search for a unit, giving preferences for people living in the PHA's jurisdiction, as well as creating priorities for allocating newly available vouchers to categories of applicants (for example, homeless individuals, families fleeing domestic violence, working families, or those with limited English-speaking capability).

Participation on Resident Advisory Boards. Voucher holders can play an integral role in setting the agenda for local PHAs because the RAB regulations require reasonable representation of voucher holders on the RAB when there are a significant number of voucher holders assisted by the PHA.

PRIVATELY OWNED, HUD-ASSISTED MULTIFAMILY HOUSING (PROJECT-BASED SECTION 8 RENTAL ASSISTANCE)

Administering agency: HUD's Office of Multifamily Housing Programs
Year started: 1978, with significant regulatory changes in 2000
Population targeted: Residents of private multifamily HUD-assisted rental developments
See also: *Project-Based Rental Assistance*

Tenants' right to organize is based in regulations, at 24 CFR Part 245, which require owners of privately owned, HUD-assisted multifamily housing to recognize tenant organizations. A legitimate tenant organization is one established by tenants that represents all tenants, operates democratically, meets regularly, and is independent of owners and management. The regulations recognize the rights of tenants to distribute leaflets, canvass, post notices, and convene meetings without management present and without prior notice to or permission from management. Residents can invite outside organizers to assist them. HUD-funded organizers have the right to go into a building without a tenant invitation to help residents organize.

On June 18, 2010, HUD sent a letter to all owners and management agents highlighting key features of Part 245, emphasizing the right of tenants to organize and repeating the list of protected tenant organizing activities. Policy Notice H 2011-29 of October 13, 2011 repeated and elaborated on the content of the June 2010 letter, adding civil money penalties that HUD could impose on an owner or manager failing to comply with Part 245. The civil money penalties regulation (24 CFR Part 30) allows HUD to assess fines on owners or management agents for major violations of tenants' right to organize.

Other HUD guidance includes HUD's Model Lease, which is applicable to all HUD tenants, and explicitly refers to the regulation's provisions about the right to organize. The Management Agent Handbook requires owners to recognize tenant unions, and specifies management practices that would violate tenants' rights and therefore potentially result in HUD-imposed sanctions.

Resident Rights and Responsibilities is a resident-oriented HUD brochure explaining that tenants have the right to organize free from management harassment or retaliation. This brochure must be distributed annually to all HUD tenants.

In addition, over the years, Congress and HUD have expanded the formal process for tenant participation in decisions affecting HUD-assisted housing. For example, HUD must notify tenants about a pending auction or sale of their building if it is owned by HUD or is under HUD foreclosure, so that tenants can either submit a purchase offer as a nonprofit or limited-equity cooperative, or support purchase by others. In addition, when owners choose to go into HUD's Mark-to-Market program, HUD is required to notify tenants prior to a first and second tenant meeting so that tenants can comment on the owner's plans to rehabilitate the building and change the financing.

Tenant Resource Network. For a few years, Congress provided funds to help tenants organize, primarily so they could understand and influence the future of their homes when a development's Section 8 contract was expiring. The Outreach and Training Assistance Grant (OTAG) program was established by Section 514(f) of the Multifamily Assisted Housing and Reform Affordability Act (MAHRAA), enacted in 1998. Section 514 requires HUD to set aside $10 million annually to enable tenants to participate in the mortgage restructuring process during any proposed transfer of a property. However, between FY01 and FY10 OTAG grants were not awarded due to concerns HUD had about administrative problems, which are not believed to have been widespread.

HUD issued a notice of fund availability (NOFA) for FY11 making $10 million available for a renamed and revised program called the Tenant Resource Network (TRN). The purpose of TRN is to inform and engage tenants about their rights and options if their privately owned, HUD-assisted apartments are at risk of leaving the affordable housing stock. Eligible properties include those with an FHA insured or direct mortgage that will mature within 24 months, an owner who decides to opt out of or prepay a project-based Section 8 contract within 12 months, or REAC (physical inspection) scores below 60 for two consecutive months within the last year. Nonprofit organizations with a minimum of five years of tenant outreach and organizing experience were eligible to apply.

Only $5 million was awarded to 15 organizations in June 2012. To date, no other awards have been made and HUD has not sought additional funds.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to their Members of Congress and ask them to:

- Fund the public housing Resident Opportunity and Self-Sufficiency (ROSS) program at $50 million in FY15.
- Reverse HUD's administrative weakening of the PHA Plan and Congress' streamlining of the Plan's requirements for 75% of the nation's PHAs.
- Support resources that allow qualified and independent organizations to provide outreach and training to HUD assisted housing tenants threatened with the loss of their housing.

FOR MORE INFORMATION

- National Alliance of HUD Tenants, 617-267-9564, www.saveourhomes.org
- National Housing Law Project, 415-546-7000, www.nhlp.org
- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- 24 CFR Part 964, Tenant Participation and Tenant Organizing in Public Housing Regulations, http://1.usa.gov/1hPqVnR
- 24 CFR Part 903, Public Housing Agency Plans Regulations, http://1.usa.gov/P74nZ2
- 24 CFR Part 245, Tenant Participation in Multifamily Housing Projects, http://1.usa.gov/P74x2r
- HUD Resident Rights and Responsibilities brochure, http://1.usa.gov/VQDECr
- PIH Notice 2013-21, Guidance on the use of Tenant Participation Funds, http://1.usa.gov/1oeNmvJ

Voterization

The right to vote is not expressly guaranteed by the *U.S. Constitution*. Rather, voting rights have been handled at the state level with amendments to the *U.S. Constitution* seeking to prevent discrimination. The struggle for these amendments and universal suffrage informs a significant part of our civil rights history.

African American men were only granted the right to vote by the 15th Amendment in 1870 and women didn't get the right to vote until the 19th Amendment in 1920. Even then, many African Americans weren't actually able to exercise their voting rights until the Voting Rights Act of 1965. Because of property ownership requirements, tenants didn't even gain the right to vote in most states until well into the 19th Century.

Unfortunately, the struggle for voting rights isn't just an historical issue. Today, certain people's ability to vote is being challenged across the country. In June of 2013, a core provision of the Voting Rights Act of 1965 was struck down by the Supreme Court. The removal of this provision will make it more difficult to prevent discriminatory changes to state and local voting laws. To counteract this, advocates should support the Voting Rights Amendments Act of 2014.

There are also concerted efforts to suppress voting at the state and local levels. The most well-known of these efforts are photo ID laws enacted under the pretense of preventing voter fraud, a problem that is virtually non-existent. Essentially, photo ID laws serve as a *de facto* poll tax. However, voter suppression can take many other forms including:

- Targeting specific communities with misinformation (e.g., leafleting with incorrect dates for elections).
- Attempting to curtail opportunities for early or absentee voting.
- Reducing the number of or relocating poll places to make it more difficult for certain communities to vote.
- Challenging the registration status of voters at the polls (i.e., "voter caging").

Voter suppression directly and disproportionately impacts renters. Many renters are low income, members of racial or ethnic minorities, students, senior citizens, or persons with disabilities. Voter suppression efforts have intentionally made it much harder for these groups to cast a ballot. In short, it has become harder for many renters to vote. If the renter vote is suppressed, issues facing renters will not be addressed by elected officials.

For this reason, NLIHC created the *2014 Voterization Plan* to help organizations engage renters in voting. The materials in the following pages will take your organization through the three step process of voterization: registration, education, and mobilization. For more information, please feel free to contact the NLIHC Outreach Team at 202-662-1530 or outreach@nlihc.org.

OTHER RESOURCES

National Low Income Housing Coalition, www.nlihc.org/vote
Nonprofit VOTE, www.nonprofitvote.org
American Civil Liberties Union, www.aclu.org/voting-rights

NATIONAL LOW INCOME
HOUSING COALITION

2014 VOTERIZATION Narrative Guide

This narrative accompanies the National Low Income Housing Coalition's *2014 Voterization Plan*, and is designed to help you through the steps of planning your agency's Voterization project. NLIHC's 2014 Voterization materials offer resources for organizations seeking to engage traditionally underrepresented people in the civic process.

Our *Voterization Plan* takes you through all of the steps you need to implement a campaign to integrate registration, education, mobilization, and voter protection without overtaxing your staff or resources, while staying within legal guidelines for nonprofits. Start by printing out the plan template, and then use other resources described in the plan to determine your next steps.

Our plan presents a menu of activities for your group to consider. Your organization may or may not be able to undertake all of the suggested activities; plan according to available resources. If this is your first voter engagement project, remember to think long-term. It is usually best to start small and build your project over several election cycles.

Please let us know you are conducting a Voterization effort! Call NLIHC's Outreach Team at 202-662-1530, or email us at outreach@nlihc.org. With so many states recently changing their process and requirements for voting and registration, you will very likely have questions about legal changes in your state. Remember that we are here to be a resource when you have questions.

Thank you for doing your part!

WHY BECOME VOTERIZED?

Raising housing on the national agenda will happen only when candidates for elected office understand that the issue of affordable housing is important to voters. At the same time, it is vital that low income voters to: understand how the decisions made by federal elected officials directly affect their lives; know how to register to vote; and, know how to get to the polls on Election Day.

However, census data confirm that low income voters are registered and vote at lower rates than higher income citizens. While 80% of people with incomes over $100,000 were registered to vote in 2008 and 73% voted, just 64% of people with incomes below $20,000 were registered, and only 52% actually voted. (Source: U.S. Census Bureau. *Voting and Registration in the Election of November 2008*. May 2010.)

Low income people face several challenges to voting: less-flexible jobs that may not allow time off to vote; more difficulty obtaining legal identification; transportation impediments that may make getting to the polls more difficult; and, a greater likelihood of misinformation about their rights as voters that may make people shy away from voting. People experiencing homelessness, ex-felons, and survivors of a natural disaster may face especially tough barriers to voting.

Nonprofit organizations, which benefit from close ties with their clients, are a natural fit in helping people overcome these challenges. Nonprofits that have implemented Voterization projects have identified several benefits of doing so:

- Residents engage in civic life and learn how decisions of elected officials affect their lives.
- Elected officials become educated on low income housing issues and on how their decisions affect residents.
- Power is built with elected officials.
- Residents develop leadership skills.
- Residents are assisted in meeting community service requirements, if applicable.
- Positive press is earned for the program or project.

LEGALLY SPEAKING

Nonprofit organizations can, and should, engage in nonpartisan election-related activity, including voter registration, education, and mobilization. The basic rule is that 501(c)(3) organizations cannot in any way support or oppose particular candidates. For detailed legal guidance, you may want to consult:

Nonprofit VOTE, www.nonprofitvote.org
Specifically, read their comprehensive legal guide on what nonprofits can and cannot do, Nonprofits, Voting & Elections.

Alliance for Justice, www.afj.org
Through their Bolder Advocacy campaign, AFJ works to make sure nonprofit groups are up to date on rules governing campaign involvement. Review their materials and sign up for upcoming webinars at: www.bolderadvocacy.org

League of Women Voters, www.vote411.org
The League offers Vote411.org, an online resource providing nonpartisan information to the public, with both general and state specific information on all aspects of the election process. An important component of Vote411.org is the polling place locator, which enables users to type in their address and retrieve the poll location for the voting precinct in which that address is located.

Internal Revenue Service, www.irs.gov
The IRS offers guidance on what activities are not permissible for various types of foundations, organizations, and private charities. Find more information at: http://1.usa.gov/1ev87z2

HUD, www.hud.gov
Public housing agencies are often under the impression that they are not able to register residents to vote. That is not the case; in fact, HUD issued a Notice (FR-3968-N-01) in 1996 that encouraged housing agencies, including Indian housing authorities, and resident management companies, to become involved in voter registration activities.

Organizations with specific legal questions related to their Voterization projects after consulting the above resources are encouraged to contact an attorney who specializes in election law. It is important to remember that 501(c)(3) organizations cannot consult with campaign staff or political parties, even on simple technical questions.

REGISTERING VOTERS: BEFORE YOU START

Before your organization begins to register voters, you will want to prepare in several ways:

Set Goals

Setting goals for both registration and mobilization can be an important part of your plan. The staff and volunteers involved in the project will have something to work towards, and you will have a way to evaluate your project after the election. The plan provides a framework for setting these goals.

Get to Know Your Local Board of Elections

Your local Board of Elections can be a wealth of information as you plan to register clients to vote. You will want to check in with them to learn the registration deadline for the general election in your state. Ask whether anyone can register voters in your state, or whether a person must first become deputized or meet other requirements. Request the voter rolls for your community, so you will know who in your target audience is already registered Learn about identification requirements for registration and voting. Request enough voter registration forms to meet your registration goals. In many places, the role of the Board of Elections will be conducted out of the office of the County or City Clerk. Please contact NLIHC if you need help determining who the best local authority is for your organization.

Offer Registration Trainings

Residents and staff who plan to register voters will often benefit from receiving training on the process. You may want to bring in someone from the local Board of Elections who can explain the state's registration requirements and how voter registration forms must be filled out. It can also help to spend a bit of time role playing so that people who are registering voters are not discouraged when confronted with apathy. It is also helpful to practice voter registration updates for clients who have recently moved.

Consider Resources

Whether simple or more involved, all voter engagement projects will involve some investment of resources. Once you know what you would like to accomplish, you should consider potential funding sources for your project, and how you might work with other organizations to maximize resources.

Other organizations may have resources that your organization can access. Student groups may be interested in registering voters as part of a community service project, or a civic group may already be providing rides to the polls and could include your clients in its plans. Remember to partner only with nonpartisan organizations.

REGISTERING VOTERS

Once you know the voting guidelines for your state and have set registration goals for your agency, you are ready to begin registering voters. As described in the sample plan, there are four ways to approach voter registration.

Fit Voter Registration Into Your Agency's Regular Contact with Residents

The first option is to incorporate registration into day-to-day activities that already take place at your agency. Registration can usually be incorporated with few resources and little hassle into the intake process, training sessions, resident association meetings, and any other meetings of clients.

Plan Specific Voter Registration Activities

A second way to think about registration at your agency is to plan special registration activities or campaigns. Many organizations have had success holding social or other events at which residents are encouraged to register to vote. Consider hosting an event for National Homeless and Low Income Voter Registration Week (Sept. 27- Oct. 3, 2014).

Organize a Door-To-Door Campaign
The third, and most effective, way for larger organizations to systematically register clients is through a door-to-door campaign. If yours is a residential agency, such a campaign can be especially effective. In particular, resident leaders can volunteer to receive training and serve as 'building captains' or 'floor captains.' Captains can take on responsibility for registering, keeping registration records, and then turning out, all of the people in their building, on their floor, etc. Such a system can be a great way to get residents or clients involved while ensuring that staff does not become overwhelmed with additional responsibilities. The key is to have personal and organized contact with potential voters by people they know or trust. Especially in this type of campaign, you will want to use the voter list from your county to see who in your buildings is already registered or whose registration needs updating. Voter lists may cost a small fee, but they are essential for tracking who is already registered.

Go Into the Community
Finally, especially if you have a smaller client base, you may also want to think about having your volunteers reach out into the community to register other low income, homeless or underrepresented people. Consider staffing voter registration and information tables at community events. Also, make sure to promote your voter registration efforts through your website and other social media platforms. And do not forget to make sure everyone on the staff and board is registered!

KEEPING RECORDS

It is crucial to have a plan for how you will keep a record of who you have registered to vote—as well as who is already registered—so that you will be able to contact these people as part of your mobilization activities. You will be able to compile a list of which of your residents are already registered from the voter rolls you picked up at your local Board of Elections.

Collect Information
For new registrants, there are two ways to collect this information. One easy way, if allowed by the laws in your state, is to collect voter registration forms from new registrants, then photocopy the forms before mailing them in. (Note: Some states have a specific number of days after the form was filled out by which it must be turned in to the elections office.) This also allows you to review and catch mistakes before a form is submitted. You may also ask registrants to fill out two-part pledge cards. They will keep the half of the card that reminds them of their pledge to vote; you will keep the half with their contact information.

Enter the Information Into a Database
Once you have collected voters' information, it is important to enter it into a database so the data can be easily accessed for mobilization purposes. Details and a sample database are at: www.nlihc.org/VOTE

EDUCATING CLIENTS AND ELECTED OFFICIALS

There can be as many as three components to the education piece of your plan.

Educate Clients on Voting and Their Rights As Voters
Clients should be informed of where their polling place is, what documentation they will need with them to vote, and their rights if election officials attempt to restrict them from voting. Arranging for local election officials to demonstrate how voting machines work can be helpful in easing fears about voting for the first time.

The National Coalition for the Homeless "You Don't Need A Home to Vote" Voting Rights Campaign seeks to protect and promote the right of homeless people to vote. It offers materials on all aspects of a voter engagement campaign, including specific, state-by-state information on the legal issues affecting the rights of people experiencing homelessness to vote. Find the campaign at: www.nationalhomeless.org/campaigns/voting

Many states have new requirements for showing identification during the registration process or at the voting booth. The League of Women Voters has updated information about the rules in each state at www.Vote411.org.

Educate Clients on the Issues

Nonprofits can best assist clients in becoming familiar with the issues by providing opportunities for people to hear the direct views of candidates. Distribution of candidate questionnaires, hosting debate watch parties, or holding candidate forums are examples of such opportunities. It can often be very powerful when candidates are asked about housing issues or homelessness in public forums or town hall meetings. Please contact NLIHC if you would like help putting together a candidate questionnaire that includes federal policy.

This is an area in which you must be especially vigilant about ensuring that your agency follows IRS requirements. Please refer to the guide *Nonprofits, Voting & Elections* before you send questionnaires to your candidates or invite candidates to speak to clients.

Educate Candidates

Asking candidates to fill out a questionnaire or inviting them to your agency can be a way to learn more about them while making them aware of your organization and the issues that are important to residents. You may also want to report the number of new voters your organization has been able to register. Candidates also learn what issues are important to voters by reading the letters to the editor page of the newspaper. Consider having clients write letters about issues that are important to them.

MOBILIZING VOTERS

Your voter mobilization, or Get Out The Vote (GOTV), plan can be the most important and rewarding piece of your project. Just registering someone is not enough; it has been consistently shown that voters are much more likely to go to the polls if they are contacted on several occasions and reminded to vote by someone they trust. Further, once someone has been mobilized to vote, he or she is more likely to vote in future elections. Considerable attention should be paid to mobilizing the people you have registered.

Aim for At Least Three Contacts with Each Registered Resident

If possible, contact each potential voter three times between the day she registers and Election Day: once a few weeks before the election, once a few days before the election, and at least once on Election Day. On Election Day, you may contact voters until they have affirmed that they have voted. For example, if someone tells you at noon that he has not yet voted, call back at 4pm to see whether he has been able to vote. Make sure to coordinate rides for voters to make sure they get to the polls; offering a ride is not offering an illegal incentive to vote. Use your database of registered residents to make your contacts.

Over the course of your contacts, you should make sure that the voter commits to voting, knows when Election Day is, and knows where her polling place is. Ideally these contacts should be in person (a knock at the door), but phone calls and postcards may also be used. Not everyone will be home when you knock, so you may want to provide volunteers with a pre-printed note they can leave on people's doors on Election Day.

The suggested activities on pages 5-6 of the *Voterization Plan* provide ideas for making these contacts. Recruit volunteers, whether staff, residents, or community members, to assist in making these contacts. If you have had building or floor captains who have been in regular contact with their voters, they should do this mobilization to the extent possible.

Again, it is personal contact from someone residents know or trust that will make an impact. Research shows that door-to-door visits increases voting rates by 10% among those contacted, while phone calls made by volunteers increases turnout by 2.5%. Further, simply providing people with their polling location has been shown to raise turnout rates by nearly 2%. (Source: The George Washington University Graduate School of Political Management. *Winning Young Voters*. 2006.)

Consider Early Vote and Absentee Ballots

Early voting (if available in your state) and absentee voting can each facilitate voting by the people your agency serves. Again, your local Board of Elections can provide information on laws in your state. For early voting, consider holding ballot parties where voters gather to go and vote as a group, perhaps after a discussion of affordable housing issues. Where it is allowed, you might also want to send volunteers to gather early voting ballots and submit them to your local clerk's office.

Work the Polls

In addition to recruiting volunteers for your election day GOTV efforts, you may also want to encourage other residents to sign up with the county as poll workers. This provides an additional, and often paid, way for clients to participate in the election process.

Host a Polling Location

Some nonprofits have increased their turnout rates by asking the county to use the nonprofit's location as a polling place. It's much easier to vote when you only need to go to the lobby! This arrangement also offers community members an opportunity to visit your agency.

Protecting the Right To Vote

Nonprofits can play an important role in making sure that people's rights are protected when they get to the polls. You may want to designate leaders in your Voterization effort to be poll watchers who spend their day at the polls to record and report instances of voter harassment or unlawful suppression. He or she can help identify potential issues in your community, and can also be on call on Election Day if anyone experiences problems voting.

Capitalizing On Your Project

Once Election Day is over, take a few days to rest. You deserve it! Then, it's time to do a few things: Celebrate your accomplishments and honor your volunteers. Evaluate your project and your results, and plan what you will do differently next year.

Next, set up appointments with elected officials and residents to discuss housing issues important to your organization; go prepared with statistics showing the increased voting rates in your community. Now that residents and staff have been energized by being involved in the election process, talk to them about who might be interested in running for local office themselves.

Most importantly, consider your Voterization project to be an ongoing project; continue to make registration, education, and mobilization a part of your agency's day-to-day activities.

LEARN MORE AT WWW.NLIHC.ORG/VOTE

NATIONAL LOW INCOME HOUSING COALITION

2014 VOTERIZATION Plan

Completing a Voterization plan for your agency will help you assess how best to incorporate voter registration, education, and mobilization into your agency's work. This plan template presents a menu of activities that your organization may want to consider. The companion *Voterization Narrative* provides additional information. Please let us know you are participating!

Contact NLIHC's Outreach Team at 202-662-1530 or outreach@nlihc.org with a description of your project.

WHY BECOME VOTERIZED?

Below are some reasons that organizations have undertaken Voterization projects. Check those that apply to your organization, and add any others that apply.

___ Engage residents in civic participation and help them become familiar with how decisions of elected officials affect their lives.
___ Educate elected officials on low income housing issues and on how their decisions affect residents.
___ Build power with elected officials.
___ Help develop residents' leadership skills.
___ Assist residents in meeting community service requirements, if applicable.
___ Earn positive press for your program or project.
___ Other: ____

LEGALLY SPEAKING

501(c)(3) organizations can, and should, engage in nonpartisan election-related activity, including voter registration, education, and mobilization. 501(c)(3)s cannot in any way support or oppose particular candidates. For detailed information on these issues:

___ Contact the Office of the Secretary of State or Board of Elections in your state to learn your state's rules for third-party voter registration.
___ Take a look at the Permissible Activities Checklist put together by Nonprofit VOTE at: www.nonprofitvote.org/documents/2010/09/501c3-activities-en.pdf
___ Participate in NLIHC's webinar series on Voterization. Sign up for the sessions at: http://nlihc.org/VOTE
___ Visit the League of Women Voters at www.vote411.org for the latest information on voting in your state.
___ Read and review Nonprofits, *Voting & Elections* produced by Nonprofit VOTE at: http://bit.ly/1qFLEBk

difficult; and, a greater likelihood of misinformation about their rights as voters that may make people shy away from voting. People experiencing homelessness, ex-felons, and survivors of a natural disaster may face especially tough barriers to voting.

Nonprofit organizations, which benefit from close ties with their clients, are a natural fit in helping people overcome these challenges. Nonprofits that have implemented Voterization projects have identified several benefits of doing so:

- Residents engage in civic life and learn how decisions of elected officials affect their lives.
- Elected officials become educated on low income housing issues and on how their decisions affect residents.
- Power is built with elected officials.
- Residents develop leadership skills.
- Residents are assisted in meeting community service requirements, if applicable.
- Positive press is earned for the program or project.

LEGALLY SPEAKING

Nonprofit organizations can, and should, engage in nonpartisan election-related activity, including voter registration, education, and mobilization. The basic rule is that 501(c)(3) organizations cannot in any way support or oppose particular candidates. For detailed legal guidance, you may want to consult:

Nonprofit VOTE, www.nonprofitvote.org
Specifically, read their comprehensive legal guide on what nonprofits can and cannot do, Nonprofits, Voting & Elections.

Alliance for Justice, www.afj.org
Through their Bolder Advocacy campaign, AFJ works to make sure nonprofit groups are up to date on rules governing campaign involvement. Review their materials and sign up for upcoming webinars at: www.bolderadvocacy.org

League of Women Voters, www.vote411.org
The League offers Vote411.org, an online resource providing nonpartisan information to the public, with both general and state specific information on all aspects of the election process. An important component of Vote411.org is the polling place locator, which enables users to type in their address and retrieve the poll location for the voting precinct in which that address is located.

Internal Revenue Service, www.irs.gov
The IRS offers guidance on what activities are not permissible for various types of foundations, organizations, and private charities. Find more information at: http://1.usa.gov/1ev87z2

HUD, www.hud.gov
Public housing agencies are often under the impression that they are not able to register residents to vote. That is not the case; in fact, HUD issued a Notice (FR-3968-N-01) in 1996 that encouraged housing agencies, including Indian housing authorities, and resident management companies, to become involved in voter registration activities.

Organizations with specific legal questions related to their Voterization projects after consulting the above resources are encouraged to contact an attorney who specializes in election law. It is important to remember that 501(c)(3) organizations cannot consult with campaign staff or political parties, even on simple technical questions.

REGISTRATION CHECKLIST

For each section, check those ways in which your agency will register voters. In the space after the activity, list the staff or resident(s) who will carry out the activity, and the timeframe for carrying it out.

STAFF TIMEFRAME

Fitting Voter Registration Into Your Agency's Regular Contact With Residents

___ Add voter registration to the client intake process. Specifically, ask people to register and assist them in completing the form; don't just provide the form.

___ Register clients when they come in to receive your services.

___ Train all staff and volunteers who work directly with clients to be able to answer questions and assist with registration forms.

___ Add a voter registration component to all job training, computer, or other classes offered by your agency.

___ Other: ___________________________________

Planning Specific Voter Registration Activities

___ Hold a social or other event at which voter registration is an activity.

___ Host an event for National Homeless and Low Income Voter Registration Week (Sept. 27-Oct. 3, 2014), www.nationalhomeless.org/campaigns/voting

___ Other: ___________________________________

Organizing A Door-To-Door Campaign

___ Train residents, staff, and other volunteers who are already registered to go door-to-door to register low income renters. Use the county voter list to determine who needs to be registered and whose registration needs to be updated.

___ Appoint residents as building captains, floor captains, etc. Ensure they are trained on the rules in your state, and make them responsible for registration (and turnout) where they live.

___ For locked buildings where you have not recruited a resident captain, approach landlords to ask if they will allow door-to-door registration or a registration table in the lobby.

___ Consider offering public recognition to those who register the most new voters or the highest percentage of their area.

Reaching Out To the Community

___ Have your registrars reach out into the community to register other low income, homeless or underrepresented people.

___ Provide a voter registration and information table at neighborhood events.

___ Make sure everyone on the staff and board is registered!

KEEPING RECORDS

Keeping records of the people you register to vote helps both with determining whether you have met your registration goals and with planning Get Out The Vote activities. NLIHC has a sample database that you can use for recordkeeping at the end of this document.

Where allowable by law, one easy way to gather the information for your list is to collect voter registration forms from new registrants, then photocopy the forms or portions of forms before mailing them in. You can also have new registrants fill out a two-part pledge card. They will keep the half of the card that reminds them of their pledge to vote; you will keep the half with their contact information.

Who will be responsible for keeping records of who becomes registered to vote?

____

EDUCATING CLIENTS AND ELECTED OFFICIALS

A. What staff person will ultimately be responsible for meeting education goals?

____

B. What resident leaders will have responsibility for meeting education goals?

____

EDUCATION CHECKLIST

For each following section, check those ways in which your agency will educate voters and candidates. In the space after the activity, list the staff or resident(s) who will carry out the activity, and the timeframe for carrying it out.

STAFF TIMEFRAME

Educating Clients on Voting And Their Rights As Voters

____ Educate clients on new I.D. requirements for voter registration and voting in your state.
____ Obtain sample ballots from your county's Board of Elections and distribute to residents.
____ Arrange for someone from your county's Board of Elections or County Clerk's office to come to your agency to provide a demonstration of your county's voting machines and explain people's rights as voters.
____ Host a discussion on the importance of voting and what can be gained by increasing the percentage of voters from the agency.
____ Encourage residents to sign up with the Board of Elections as poll workers.

Educating Clients on the Issues

____ Obtain materials on current affordable housing issues from NLIHC, http://nlihc.org/issues
____ Host a discussion on who clients' elected officials are, and the connection between what those officials do and your clients' lives.
____ Arrange for clients to attend or watch a candidate debate or public forum.
____ Ask all candidates to complete a candidate questionnaire and distribute their answers. Publish the answers on your website, if possible. For information on putting together a questionnaire or hosting a forum, see: http://bit.ly/1gD2hdR
____ Other: ______________________________________

Educating Candidates

____ Include information on your agency when sending candidates your questionnaire.
____ Encourage clients to write letters to the editor explaining why affordable housing is an important issue for them.
____ Prepare clients for asking questions at candidate forums or town hall events.
____ Arrange for each candidate for a particular office to take a tour of your agency and speak with clients.
____ Other: ______________________________________

PROTECTING THE RIGHT TO VOTE

Some low income people, including people experiencing homelessness and ex-felons, are at a greater risk of being turned away from the polls on Election Day, or otherwise being disenfranchised. Find information on protecting people's rights to vote at www.nationalhomeless.org/campaigns/voting. You may also want to contact a local attorney who is experienced in voter protection. He or she can help identify potential issues locally, and can also be on call-on Election Day in case anyone experiences problems voting.

Who will be responsible for ensuring the rights of the people you work with are protected on Election Day?

____

Many states have new requirements for showing identification during the registration process or at the voting booth. The League of Women Voters has updated information about the rules in each state at www.Vote411.org.

Educate Clients on the Issues
Nonprofits can best assist clients in becoming familiar with the issues by providing opportunities for people to hear the direct views of candidates. Distribution of candidate questionnaires, hosting debate watch parties, or holding candidate forums are examples of such opportunities. It can often be very powerful when candidates are asked about housing issues or homelessness in public forums or town hall meetings. Please contact NLIHC if you would like help putting together a candidate questionnaire that includes federal policy.

This is an area in which you must be especially vigilant about ensuring that your agency follows IRS requirements. Please refer to the guide *Nonprofits, Voting & Elections* before you send questionnaires to your candidates or invite candidates to speak to clients.

Educate Candidates
Asking candidates to fill out a questionnaire or inviting them to your agency can be a way to learn more about them while making them aware of your organization and the issues that are important to residents. You may also want to report the number of new voters your organization has been able to register. Candidates also learn what issues are important to voters by reading the letters to the editor page of the newspaper. Consider having clients write letters about issues that are important to them.

MOBILIZING VOTERS

Your voter mobilization, or Get Out The Vote (GOTV), plan can be the most important and rewarding piece of your project. Just registering someone is not enough; it has been consistently shown that voters are much more likely to go to the polls if they are contacted on several occasions and reminded to vote by someone they trust. Further, once someone has been mobilized to vote, he or she is more likely to vote in future elections. Considerable attention should be paid to mobilizing the people you have registered.

Aim for At Least Three Contacts with Each Registered Resident
If possible, contact each potential voter three times between the day she registers and Election Day: once a few weeks before the election, once a few days before the election, and at least once on Election Day. On Election Day, you may contact voters until they have affirmed that they have voted. For example, if someone tells you at noon that he has not yet voted, call back at 4pm to see whether he has been able to vote. Make sure to coordinate rides for voters to make sure they get to the polls; offering a ride is not offering an illegal incentive to vote. Use your database of registered residents to make your contacts.

Over the course of your contacts, you should make sure that the voter commits to voting, knows when Election Day is, and knows where her polling place is. Ideally these contacts should be in person (a knock at the door), but phone calls and postcards may also be used. Not everyone will be home when you knock, so you may want to provide volunteers with a pre-printed note they can leave on people's doors on Election Day.

The suggested activities on pages 5-6 of the *Voterization Plan* provide ideas for making these contacts. Recruit volunteers, whether staff, residents, or community members, to assist in making these contacts. If you have had building or floor captains who have been in regular contact with their voters, they should do this mobilization to the extent possible.

Again, it is personal contact from someone residents know or trust that will make an impact. Research shows that door-to-door visits increases voting rates by 10% among those contacted, while phone calls made by volunteers increases turnout by 2.5%. Further, simply providing people with their polling location has been shown to raise turnout rates by nearly 2%. (Source: The George Washington University Graduate School of Political Management. *Winning Young Voters*. 2006.)

MOBILIZATION CHECKLIST

For each following section, check those ways in which your agency will mobilize voters and candidates. In the space after the activity, list the staff or resident(s) who will carry out the activity, and the timeframe for carrying it out.

STAFF TIMEFRAME

The Months and Weeks Before Election Day

___ If time allows, request an updated list of registered voters from your Board of Elections to ensure the voters you registered are included.

___ Investigate the possibility of adding a polling place at your agency.

___ Download and print GOTV materials, including posters, from www.nonprofi tvote.org.

___ Host voting-related events on the first Tuesday of the month to get residents used to participating in civic engagement activities on that day.

___ Make your first contact with each voter in your database. Call them, thank them for registering, and remind them to vote.

___ Plan for Election Day:

- Recruit residents or other volunteers who will spend Election Day doing door-to-door to GOTV. Prepare captains to turn out all registered people on their floor, in their building, etc.
- Once the deadline for registering new voters has passed, obtain an updated voter registration list from your county. Check against your database and prepare a final list of voters to be mobilized.

One To Two Weeks Before Election Day

___ Make your second contact with each voter in your database. Call them, remind them to vote on Election Day, and provide them with their polling place. Ask whether each will need a ride to the polls.

___ Continue to plan for Election Day:

- Hold a training session for Election Day volunteers.
- From your database, print lists of all of your registered clients whose doors will be knocked on Election Day. Print in groups of 20-30 people, based on geography and the number of Election Day volunteers.
- Arrange to provide rides to the polls for those who need them.
- Plan to provide lunch for your Election Day volunteers.
- Plan a party for after the polls close!

___ Other: ______________________________

The Day Before Election Day

___ Make your third contact with each voter in your database. Call and ask them to commit to vote the following day. Remind them of the location of their polling place and the times that polls will be open.

___ Other: ______________________________

Election Day

___ Have volunteers with lists of registered residents knock on the doors of everyone on their list, crossing off the names of those who have voted. If a voter is not home, leave a preprinted note on his door. Call or knock again until everyone has voted, or until the polls are closed.

___ Provide rides to the polls for residents who need them.

___ Celebrate! Host a party for voters and volunteers. Watch the election results.

___ Other: ______________________________

Post-Election Day

___ Thank voters and volunteers, and tell them about your successes.

___ Evaluate your program and plan your next project. Continue with registration and education activities.

___ Use your new power to meet with newly elected officials.

___ Consider if there are staff or residents should be encouraged to run for office.

___ Other: ______________________________

CONSIDERING RESOURCES

Now that you have gone through all of the preceding items in this template you will have a better sense of what resources will be required to implement your Voterization project. Whether simple or more involved, all voter engagement projects will involve some level of resources. Now that you know what you would like to accomplish, you should plan what funding sources you might access, and how you might work with other organizations to leverage resources.

Organizations use general funds and funds raised specifically to cover voter work. How much funding do you anticipate needing? (For voter rolls, supplies, transportation, training, events, etc.)

___

What sources of funding can you access?

___

Other organizations may have resources that your organization can access such as meeting space, printing materials, or access to volunteers. Student groups may be interested in registering voters as part of a community service project. A civic group may already be providing rides to the polls, and could include your clients in their plans. Remember to partner only with nonprofit organizations.

What groups in your area might you partner with, and in what ways?

___

APPENDIX: SAMPLE RECORD KEEPING DATABASE

It has been shown that just registering voters will not ensure an increase in voter turnout. To have a successful mobilization operation, you must contact your newly registered voters in the weeks and days leading up to the election. To do this effectively, you will need to have a record of who is registered to vote.

The easiest way to keep records is in a database format. Your voter database does not have to be complex or have a lot of fields. Many people find Microsoft Excel and Microsoft Access to be the easiest platforms to use.

Your database should include the following fields:

FIRST NAME	LAST NAME	STREET NUMBER	STREET NAME	CITY	STATE	ZIP CODE	PHONE	EMAIL	POLLING PLACE

Note that street number and street name are kept as two separate fields. If you plan to knock doors on Election Day, being able to sort by street number will make organizing an Election Day plan easier.

There are a number of ways to compile this data. One way is to enter the data straight from the voter registration card once the new registrant fills it out. Another way is to have the new registrant fill out both sides of a pledge card.

He or she would give you one side and keep the other side. Once you have this information recorded you are well on your way towards a successful Get Out The Vote operation.

NATIONAL HOUSING TRUST FUND

National Housing Trust Fund

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Affordable Housing Programs within the Office of Community Planning and Development (CPD)
History: Enacted by the Housing and Economic Recovery Act of 2008 (HERA) on July 30, 2008
Population targeted: Extremely low income renters
FY14 funding: Initial infusion of dedicated funds expected in 2014
See also: *NHTF Funding Sources; Mortgage Interest Deduction; Fannie Mae, Freddie Mac, and Housing Finance Reform*

The National Housing Trust Fund (NHTF) was established as a provision of the Housing and Economic Recovery Act of 2008, which was signed into law by President George W. Bush. The passage of National Housing Trust Fund legislation was a major victory for the lowest income people in our country with the most serious needs, including people who are homeless.

The primary purpose of the NHTF is to close the gap between the number of extremely low income renter households and the number of homes renting at prices they can afford. At least 90% of the funds must be used to build, preserve, rehabilitate, or operate rental housing, and at least 75% of these funds used for rental housing must benefit extremely low income household. One hundred percent of all NHTF dollars must be used for very low income households.

In the years since enactment of the NHTF, the shortage of rental housing that the lowest income people can afford has only gotten worse. The foreclosure crisis, the recession, and the "jobless recovery" have made millions more families with children, seniors, people with disabilities, and veterans at risk of homelessness. The NHTF offers the means to end and prevent homelessness in the United States if funded at the level advocated by NLIHC.

HISTORY AND ADMINISTRATION

The National Housing Trust Fund was created on July 30, 2008 when the President signed into law, the Housing and Economic Recovery Act of 2008 (also known as HERA, Public Law 109-289). HUD published proposed regulations to implement the NHTF on October 29, 2010. HUD anticipates publishing a final rule in late spring or early summer 2014.

The NHTF is administered by HUD's Office of Affordable Housing Programs within the Office of Community Planning and Development (CPD). The core of the proposed NHTF regulations, when finalized, would be inserted into existing HOME program regulations as a new subpart N to 24 CFR part 92. In general the proposed regulations closely track the statute.

PROGRAM SUMMARY

The NHTF is principally for the production, preservation, and rehabilitation of rental housing for extremely low income households (ELI), those with income below 30% of the area median income (AMI). It is to be funded with dedicated sources of revenue on the mandatory side of the federal budget, and thus it does not compete with existing HUD programs funded by appropriations on the discretionary side of the federal budget.

The NHTF is a block grant to states. The funds are to be distributed by formula to states based on factors that measure the housing needs of extremely low and very low income households (VLI, generally those with income between 31% and 50% of AMI), as well as the costs of housing construction in the state. A state agency will administer the state's NHTF program and make grants to capable entities to create new housing opportunities. The state designated agency might be the state housing finance agency or a state department of housing or community development.

Proposed regulations to govern the NHTF have been developed by the Department of Housing and Development (HUD) and have been through the review and comment process. NLIHC and others provided extensive comments on how the regulations could be improved. HUD's Regulatory Agenda for the fall of 2013 has a goal of issuing a final rule in April 2014, but Regulatory Agendas are notoriously optimistic. Nevertheless, a final rule is anticipated soon, making the program ready to implement as soon funding is secured.

The proposed rule can be found at http://1.usa.gov/SXTuTE.
NLIHC's comment letter is available at http://bit.ly/Zh77R8.

KEY PROGRAM DETAILS

Targeted to rental housing. The overview section of the proposed rule declares that the NHTF program will provide grants to states to increase and preserve the supply of housing, with primary attention to rental housing for extremely low income (ELI) and very low income (VLI) families. VLI is generally defined as income between 31% and 50% AMI; the NHTF statute adds that for rural areas, VLI can also be income below the federal poverty line. The statute limits the amount of NHTF used for homeownership activities to 10%, inferring that at least 90% of a state's annual NHTF grant must be used for rental housing activities.

Income targeting. The NHTF statute requires that at least 75% of each grant to a state that is used for rental housing benefit ELI households or households with income below the poverty line. The proposed rule adopts this requirement, but does not refer to the statute's provision that no more than 25% of the money used for rental housing may benefit VLI households.

The proposed rule adds the 75% ELI or poverty level targeting requirement to homeownership activities. The statute does not require 75% ELI targeting for homeownership; it does require all homeowners have income below 50% AMI.

The proposed rule requires that for the first year, 100% of a state's rental and homeowner funds benefit the ELI or poverty income groups. It indicates that in subsequent years HUD will advise states whether the ELI target amount must be greater than 75%.

NHTF distribution formula. To distribute NHTF dollars, the statute established a formula based on the number of ELI and VLI households with severe cost burden (households paying more than half of their income for rent and utilities), as well as the shortage of rental properties affordable and available to ELI and VLI households, with priority for ELI households. Small states and the District of Columbia will get a minimum of $3 million. On December 4, 2009 HUD issued a proposed rule, endorsed by NLIHC, describing the factors to be used in the formula. NLIHC has analyzed how much each state would get based on $5 billion a year. The allocation can be found here: http://bit.ly/1m9orp.

State distribution of NHTF money. States are to designate an entity, such as a housing finance agency, housing and community development entity, tribally designated housing entity, or any other instrumentality of the state to receive and administer the program. Each state must distribute its NHTF dollars throughout the state according to the state's assessment of priority housing needs as identified in its approved Consolidated Plan (ConPlan).

Allocation Plans. The NHTF statute requires each state to prepare an Allocation Plan every year, showing how it will distribute the funds based on priority housing needs. The proposed rule would amend the ConPlan regulations by adding NHTF-specific Allocation Plan requirements to the ConPlan's Annual Plan rule.

The proposed regulation would give states the option of passing funds to local governments as "subgrantees" to in turn provide funds to "recipients" to carry out projects. If a subgrantee is to administer NHTF dollars, then it too must have a ConPlan containing a NHTF Allocation Plan that is consistent with the state's NHTF requirements. A subgrantee is defined as a unit of general local government or state agency selected by the state grantee to administer all or a portion of its NHTF program.

A recipient is an agency or organization (nonprofit or for-profit) that receives NHTF dollars from a state grantee or local subgrantee to carry out a NHTF-assisted project as an owner or developer. To be eligible, a recipient must meet four tests:

- Have the capacity to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental development; or, construct or rehabilitate homeownership housing, or provide down payment, closing cost, or interest rate buy-down assistance for homeowners.
- Have the financial capacity and ability to undertake and manage the project.
- Demonstrate familiarity with requirements of federal, state, or local housing programs that will be used in conjunction with NHTF money.
- Assure the state that it will comply with all program requirements.

The proposed rule does not explicitly list public housing agencies (PHAs) as potential eligible recipients. The NHTF campaign's comments regarding the proposed rule urged the final rule to explicitly list (PHAs) as potential eligible recipients. The proposed rule prohibits use of NHTF resources to meet the operating or capital costs of existing public housing; the NHTF campaign supports this prohibition.

A state's or subgrantee's Allocation Plan must describe the application requirements for recipients, and the criteria that will be used to select applications for funding. Allocation Plans must give funding priority to applications based on a number of features listed in the statue, including:

- Geographic diversity. Neither the statute nor proposed rule explicitly mention rural areas.
- The extent to which rents are affordable, especially for ELI households.
- The length of time rents will remain affordable.
- The project's merit. The proposed rule gives as examples; housing accessible to transit or employment centers; housing that includes green building and sustainable development elements; and, housing that serves people with special needs.

Public participation. The statute requires public participation in the development of the NHTF Allocation Plan. However, the proposed rule does not explicitly declare that in order to receive NHTF money that states and subgrantees must develop their Allocation Plans using the ConPlan public participation rules; it merely requires states to submit a ConPlan following the ConPlan rule, which does have public participation requirements.

Period of affordability. The statute does not prescribe how long NHTF-assisted units must remain affordable. The proposed regulation would require both rental and homeowner units to be affordable for at least 30 years, allowing states and any subgrantees to have longer affordability periods. The 30-year affordability period reflects HUD's prediction that the NHTF will be used in conjunction with the Low Income Housing Tax Credit (LIHTC). The NHTF campaign strongly urged HUD to set a 50-year affordability period and to provide preferences for projects with affordability periods greater than 50 years.

Maximum rent. The NHTF campaign recommended to HUD that the regulations establish the Brooke rule so that ELI households would not pay more than 30% of their income for rent and utilities. However, the proposed rule would set a fixed rent, including utilities, at 30% of 30% of the area median income (AMI), or 30% of the poverty level, whichever is greater. Consequently, households earning substantially less than 30% of AMI will almost certainly pay more than 30% of their income for rent, unless additional subsidies are available. HUD acknowledges in the preamble to the proposed rule that some tenants will be rent-burdened, but that a fixed rent is necessary for financial underwriting purposes.

The NHTF campaign strongly urged HUD to set rents based on tenant income in the final rule. Many housing developers want a guaranteed operating subsidy such as Housing Choice Vouchers. Given the severe constraints on HUD appropriations, the prospect of new vouchers is dim. One of the attributes of the NHTF is its flexibility in allowing states to experiment with new models of reaching affordability for ELI households without relying on vouchers or other federal rental assistance that must be renewed every year.

Tenant protections and selection. According to the NHTF statute, activities must comply with laws relating to tenant protections and tenants' rights to participate in the decision making regarding their homes. The proposed rule does not address tenants' rights to participate in decision making. However, the proposed rule provides for a number of tenant protections, including:

- Owners of NHTF-assisted projects may not reject applicants who have a voucher or are using HOME tenant-based rental assistance.
- There must be a lease, generally for one year, along with a written renewal.
- Owners may only terminate tenancy or refuse to renew a lease for good cause.
- Owners must have and follow certain tenant selection policies. Tenants must be selected from a written waiting list, in chronological order, if practical. Eligibility may be limited to, or preference may be given to, people with disabilities if the housing also receives funding from federal programs that limit eligibility, or as long as a project is in the most integrated setting appropriate to meet the needs of the people with disabilities.

Homeowner provisions. As provided by the statute, up to 10% of NHTF money may be used to produce, preserve, or rehabilitate homeowner housing; it may also be used to provide assistance with down payments, closing costs, or interest rate buy-downs. As required by the statute, homes must be bought by first-time homebuyers with income below 50% of AMI who have had counseling, and the home must be their principle residence. The affordability period is 30 years.

Although not in the statute, the proposed rule requires the assisted housing to meet the HOME definition of single-family housing, which includes one-to-four unit residences, condominiums and cooperatives, manufactured homes and lots, or just manufactured home lots. Following the statute and echoing the HOME regulations, an assisted home's value must not exceed 95% of the median purchase price for the area.

As required by the statute, the proposed rule's homeowner resale provisions echo the HOME regulations. If a homeowner unit is sold during the affordability period, the state or subgrantee must ensure the housing will remain affordable to a reasonable range (as defined by the state or subgrantee) of income-eligible homebuyers. The sale price must provide the original owner a fair return, defined as the owner's original investment plus capital improvements.

<u>Lease-purchase.</u> Mirroring the HOME regulations, the proposed rule would allow NHTF money to help a homebuyer through a lease-purchase arrangement, as long as the home is purchased within 36 months. Also, NHTF dollars may be used to buy an existing home with the intent to resell to a homebuyer through lease-purchase; if the unit is not sold within 42 months, the NHTF rent affordability provisions apply.

General eligible activities. The proposed regulation echoes the statute by providing a basic list of eligible activities such as the production, preservation, and rehabilitation of affordable rental homes and homes for first-time homebuyers through new construction, reconstruction, rehabilitation, or acquisition. No more than 10% of a state's annual grant can be used for homeownership. NHTF-assisted units can be in a project that also contains non-NHTF-assisted units. Assistance can be in the form of equity investments, loans, grants, and other forms.

The proposed rule limits NHTF assistance to permanent or transitional housing. While the statute does not explicitly forbid funds to be used for transitional housing, the intent of the program is to expand the supply of permanent housing. The NHTF campaign urged that transitional housing be dropped from eligible activities in the final rule.

<u>Twenty percent cap on operating assistance.</u> Operating cost assistance is an eligible use of NHTF resources when used in conjunction with rental housing acquired, rehabilitated, preserved, or newly constructed with NHTF money. The proposed rule caps at 20%, the amount of a state's annual grant that may be used for operating cost assistance. The preamble explains that HUD proposed the cap because it views the NHTF as primarily a production program meant to add units to the supply of affordable housing for ELI and VLI households. HUD assumes the NHTF will be used in combination with other sources to produce and preserve units, mostly in mixed-income projects. Unofficially, HUD has stated that the 20% cap is based on an anticipated initial $1 billion appropriation for the NHTF, and that once there is a more substantial amount in the NHTF from dedicated sources the operating fund cap would be revisited. NLIHC agrees.

The preamble explains that states have discretion regarding how to allocate operating cost assistance. For example, states could decide to limit each development to the 20% cap, or to raise the cap for developments that need more operating cost assistance while lowering the cap for those that do not need as much, as long as no more than 20% of a state's annual grant is used for operating cost assistance.

<u>Manufactured housing.</u> The proposed rule allows NHTF money to be used to buy or rehabilitate manufactured homes, or to purchase the land on which a manufactured home sits. The home must, at the time of project completion, be on land that is owned by the homeowner, or on land for which the homeowner has a lease for a period that at least equals the affordability period.

<u>Timeframe for demolition or for acquisition of vacant land.</u> Use of NHTF money for demolition or for acquiring vacant land is limited to projects for which construction of "particular, affordable housing" can reasonably be expected to start within one year, or within 42 months for transit oriented development.

<u>Transit oriented development.</u> The proposed rule allows NHTF dollars to be used by a local government to purchase land to be used for NHTF-assisted units as part of a transit-oriented development (TOD) project. Title to the land must be transferred to the local government within six months and be held by the local government. Within 36 months from the date of transfer, the local government must commit additional NHTF money or other resources to a specific housing new construction or rehabilitation project that can reasonably be expected to start within 12 months. If there is no commitment to a specific NHTF project within 36 months, the local government must repay the NHTF amount or the current value of the property, whichever is greater.

The preamble to the proposed rule describes this as an attempt to facilitate TOD projects by enabling local governments to buy land before they have a specific project plan. The NHTF campaign objected to this provision because under TOD, NHTF resources could be tied up for as long as 54 months without a single unit being built (42 months under the definition of TOD commitment, plus 12 months under the definition of specific project commitment).

Eligible project costs. Eligible project costs include: property acquisition; relocation payments; development hard costs such as construction; soft costs associated with financing and development; and, refinancing existing debt on rental property if NHTF is also used to for rehabilitation. Operating costs are also eligible project costs.

<u>Development hard costs.</u> Development hard costs are the actual costs of construction or rehabilitation, including: demolition; laundry and community facilities; utility connections; and, site improvements, including onsite roads, sewer, and water.

Related soft costs. Mirroring the HOME regulations, other soft costs "associated with financing and/or development" include: architectural and engineering services; origination fees and credit reports; builder's or developer's fees; audits; affirmative marketing and fair housing information to prospective occupants; initial operating deficit reserves to meet any shortfall in project income during the first 18 months of project rent-up; staff and overhead of the state or subgrantee directly related to carrying out the project (work specs, inspections, loan processing, etc.); impact fees; and, costs to meet environmental and historic preservation requirements.

Loan repayments. NHTF may be used to cover principle and interest to pay construction loans, bridge financing, a guaranteed loan, etc.

Operating costs. According to the statute, NHTF dollars may be used to meet operating costs, but the proposed rule would limit operating cost assistance to 20% of a state's annual grant. Operating costs include insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacement of major systems (for example, roof, heating and cooling, elevators, etc.). States and subgrantees can provide operating cost assistance to a project for up to two years from the same fiscal year NHTF grant, and can renew it throughout the affordability period. An operating cost assistance reserve can be created to cover up to a five-year period of inadequate rent income in order to ensure a project's financial feasibility.

Administration and planning costs. The statute limits the amount of NHTF dollars that can be used for general administration and planning to 10% of a state's annual grant. The proposed regulation adds that 10% of any program income (for example, proceeds from the repayment of NHTF loans) can also be used for administration and planning. The proposed rule also provides that subgrantees may use NHTF for administration and planning, but subgrantee use counts toward the state's 10% cap.

General management, oversight, and coordination costs. NHTF may be used for a state's or subgrantee's costs of overall NHTF program management, coordination, and monitoring. Examples include staff salaries and related costs necessary to ensure compliance with the regulations and to prepare reports to HUD. Other eligible costs include equipment, office rental, and third-party services such as accounting.

Project-specific administration costs. The staff and overhead expenses of a state or subgrantee directly related to carrying out *projects* can also be eligible administration and planning costs. Examples include loan processing, work specs, inspections, housing counseling, and relocation services. As with HOME, staff and overhead costs directly related to carrying out projects (as distinct from the NHTF program in general) may instead be charged as project related soft costs or relocation costs, and therefore not subject to the 10% cap. However, housing counseling must be counted as an administration cost, as per the statute.

Other administration and planning costs.

- Providing information to residents and community organizations participating in the planning, implementation, or assessment of NHTF projects.
- Activities to affirmatively further fair housing.
- Preparation of the ConPlan, including hearings and publication costs.
- Costs of complying with other federal requirements regarding non-discrimination, affirmative marketing, lead-based paint, displacement and relocation, conflict of interest, and fund accountability.

Ineligible activities. Although the proposed rule allows a project to contain both NHTF-assisted units and public housing units, NHTF resources cannot be used for public housing, including HOPE VI. Nor can NHTF-assisted housing get public housing operating assistance during the period of affordability.

Although not in the statute, the proposed rule prohibits the use of NHTF money for a project previously assisted with NHTF during the period of affordability, except for the first year after completion.

Fees for administering the NHTF program are not eligible uses (e.g. servicing or origination fees); however, annual fees may be charged to owners of NHTF-assisted rental projects to cover the cost of monitoring compliance with income and rent restrictions during the affordability period.

The statute expressly prohibits use of NHTF dollars for "political activities, lobbying, counseling, traveling, or endorsements of a particular candidate or party."

NHTF must be committed within two years. As required by the statute, the proposed regulation requires NHTF dollars to be committed within 24 months, or HUD will reduce or recapture uncommitted NHTF dollars. Although not required by law, the proposed rule adds that NHTF money must be spent within five years. Committed is defined in the proposed rule as the state or subgrantee having a legally binding agreement with a recipient owner or developer for a specific project that can reasonably be expected to begin rehabilitation or construction within 12 months. If NHTF is used to acquire standard housing for rent or for homeownership, commitment means the property title will be transferred to a recipient or family within six months.

Public accountability. The statute requires each state to submit an annual report to HUD describing activities assisted that year with NHTF dollars and demonstrating that the state complied with its annual Allocation Plan. This report must be available to the public. The proposed rule indicates that HUD will provide states and subgrantees with formats for submitting annual performance reports, and will make performance reports publicly available.

The proposed regulation presents a number of recordkeeping obligations, including actions taken to comply with Section 3 hiring and contracting goals, and the extent to which each racial and ethnic group, as well as single-heads of households, have applied for, participated in, or benefitted from the NHTF. In general, records must be kept for five years after project completion. Records regarding individual tenant income verifications, project rents, and project inspections must be kept for the most recent five-year period until five years after the affordability period ends. Similar language applies to homeowner activities. Regarding displacement, records must be kept for five years after all people displaced have received final payments. The public must have access to the records, subject to state and local privacy laws.

GETTING READY FOR STATE AND LOCAL IMPLEMENTATION

NLIHC is working to secure money for the NHTF through several avenues. In anticipation of the final NHTF rule publication and the first infusion of dedicated funds this year, advocates are urged to get ready for NHTF implementation at the state level, and probably also at the local level.

Designation of state agency. States must choose a state agency, such as a housing finance agency or a housing department, to receive NHTF money from HUD and to administer the state's NHTF program. After the NHTF was created in 2008, a number of governors and state legislatures selected a state entity to administer the NHTF. NLIHC is gathering information about state agency designations, which can be found here: http://nlihc.org/issues/nhtf/implementation.

- Advocates are urged to learn whether your state has decided which agency will run the program.
- If the governor or legislature has not selected an agency yet, advocate for the agency that you think is the best for making the NHTF work for extremely low income renters.
- If the governor chose an agency in 2008 or 2009 that is not the best, it might be possible to advocate with a new governor to select a different agency, one that is most responsive to the needs of extremely low income renters.

The NHTF Allocation Plan. The law requires states to prepare an Allocation Plan every year showing how the state will allot the NHTF dollars it will receive in the upcoming year. Action around the NHTF Allocation Plan begins at the state level, and will probably then flow to the local level if your state decides to allocate most or all of the NHTF to local subgrantees. The state NHTF Allocation Plan will be tied to your state's ConPlan, and then probably your local government's NHTF Allocation Plan will be tied to your locality's ConPlan.

- For advocates only accustomed to ConPlan advocacy at the local level because your locality gets CDBG and HOME directly from HUD, the state NHTF process will be an important new experience for you.
- To better ensure that NHTF dollars get to your locality in the appropriate amounts and for the appropriate uses, it will be necessary for you to learn how to influence your state Allocation Plan and ConPlan first.

Advocates should find out which state agency is responsible for the ConPlan – it might not be the same agency that receives and administers the NHTF. Let the ConPlan agency (and the NHTF state agency if it is different) know that your organization is interested in being informed about and participating in the process for planning where and how NHTF money will be used in your state.

For the initial NHTF year, and for each year going forward, it will be important for advocates to work first at the state level, and then at the local level to:

- Ensure that the geographic areas with the greatest rental housing needs of extremely low income people are fairly included.
    - At the state level, work to ensure that rural areas are included relative to their need in comparison to urban areas.
    - At the state level, work to ensure that there is a fair distribution among localities throughout the state based on the shortage of affordable rental homes for extremely low income people.
    - At the local level, advocate to ensure the neighborhoods you care about are a part of the geographic mix.

- Ensure that the agency responsible for drafting the NHTF Allocation Plan writes it to meet the genuine, high-priority housing needs of extremely low income people.
    - Advocate for NHTF-assisted projects that are truly affordable to extremely low income people, that they do not pay more than 30% of their income for rent and utilities.
    - Advocate for NHTF-assisted projects that will be affordable to extremely low income households for as long as possible – aiming for at least 50 years.
    - Advocate for projects that have features you think give them merit.
    - Advocate for the types of projects (new construction, rehabilitation, preservation) that you agree are most needed.
    - Advocate for the bedroom size mix that you agree is most needed.
    - Advocate for the populations to be served that are the ones you think most need affordable homes (large families, people with special needs, people who are homeless, senior citizens, etc).

- Make sure that the public participation obligations are truly met, that the state does not just "go through the motions".
- Make sure that NHTF-assisted projects affirmatively further fair housing.

FORECAST FOR 2014

HUD's Regulatory Plan indicates that a final rule is anticipated sometime around April 2014, but Regulatory Agendas are notoriously optimistic. Nevertheless, a final rule is anticipated soon, making the program ready to implement as soon funding is secured. As soon as the final regulations become public, NLIHC will conduct a detailed analysis; distribute materials widely via websites, listservs, and social media; hold Webinars to train state housing and homeless coalitions, other NLIHC members and NHTF endorsers; and, otherwise educate housing and homeless advocates about what they must do to make sure the NHTF is implemented swiftly and properly.

FOR MORE INFORMATION

National Housing Trust Fund, www.nhtf.org
HUD NHTF webpage, http://1.usa.gov/XnWwFu

National Housing Trust Fund: Current Avenues for Funding

The National Housing Trust Fund (NHTF) was established in July 2008 as part of the Housing and Economic Recovery Act of 2008 (HERA). This law required that Fannie Mae and Freddie Mac pay 4.2 basis points of their annual volume of business to two funds. The National Housing Trust Fund was to receive 65% and the remaining 35% was to go the Capital Magnet Fund (CMF), also created in HERA. Unfortunately, the requirement that Fannie Mae and Freddie Mac contribute to the two funds was suspended when the companies were taken into conservatorship in September 2008. The suspension has not been lifted as of April 2014.

The HERA statute also permits Congress to designate other “appropriations, transfers, or credits” to the two funds. This provision provides the statutory authority for dedicated sources of funding for the NHTF in addition to the assessment on Fannie Mae and Freddie Mac.

Securing permanent, dedicated sources of revenue for National Housing Trust Fund (NHTF) is the National Low Income Housing Coalition’s top priority. Our goal is to raise sufficient funds to expand the affordable housing options for 3.5 million extremely low income households over ten years. Although ambitious, an investment of this magnitude is possible without increasing the federal deficit, simply by better allocating the total subsidies that the federal government currently provides for housing through direct spending and tax expenditures.

NLIHC is pursuing four avenues for funding the NHTF in 2014, described below.

LIFT THE SUSPENSION ON FANNIE MAE’S AND FREDDIE MAC’S OBLIGATION

See also: Fannie Mae, Freddie Mac, and Housing Finance Reform

Fannie Mae and Freddie Mac were taken into conservatorship in 2008 to protect them from bankruptcy. Together they required a “bailout” that amounted to $188 billion. As of the first quarter of 2012, Fannie Mae and Freddie Mac returned to profitability. The conditions that existed in 2008 that were used to justify the suspension of funds to the NHTF and the CMF no longer apply.

NLIHC and many others have called for the suspension of Fannie Mae’s and Freddie Mac’s obligation to fund the NHTF to be lifted. NLIHC estimates that as of the 4th quarter of 2013, Fannie Mae and Freddie Mac owe $761 million to the NHTF.

The decision to lift the suspension rests with the director of the Federal Housing Finance Agency (FHFA), who is Fannie Mae’s and Freddie Mac’s regulator. To date, FHFA has declined to do so. In July 2013, NLIHC, the Right to the City Alliance, and three individual plaintiffs sued FHFA in federal court, asking the court to lift the suspension. The lawsuit now is moving through the courts.

The Obama Administration’s efforts to replace the FHFA director, a Republican holdover, had been thwarted by filibuster threats from the Senate minority. In the summer of 2013, the President nominated Representative Mel Watt (D-NC) to be the new director. After failing to get the votes needed to overcome a filibuster for Mr. Watt and several judicial nominees, Senate Majority Leader Harry Reid (D-NV) exercised his option to bring the nominations back up under rules that required a simple majority to pass. Mr. Watt was confirmed by the Senate in December and sworn into office on January 6. NLIHC worked with civil rights groups and others to support Mr. Watt’s confirmation in hopes that he will review the suspension and agree with our analysis that it should be lifted.

NLIHC and numerous others have communicated publicly and privately with Mr. Watt urging him to lift the suspension. NLIHC is confident that he is conducting a thorough analysis and cautiously optimistic that he will reach the same conclusion that we have. If he does, the first funds for the NHTF could be allocated in 2014.

HOUSING FINANCE REFORM

See also: Fannie Mae, Freddie Mac, and Housing Finance Reform

In the wake of the financial meltdown precipitated by the foreclosure crisis in 2008, the federal government had to take over Fannie Mae and Freddie Mac that serve as the secondary mortgage provider for many mortgages made in the United States. They were taken into conservatorship by their regulator, the Federal Housing Finance Agency (FHFA), a status that continues today.

The Obama Administration, many Members of Congress, and numerous analysts and pundits want to end the conservatorships, wind down Fannie Mae and Freddie Mac, and establish a new model for the secondary mortgage market. While some would like to nationalize the housing finance system and others would like to privatize it, most agree that a hybrid system of private capital backed by federal mortgage insurance is the preferred approach.

As Congress and the Administration move towards housing finance reform, NLIHC and all NHTF supporters are working to assure that the NHTF is included in any new housing finance system and that the new system resources provides robust funding for the NHTF.

Housing finance reform legislation has been introduced in both the Senate and the House. In the Senate, Senators Bob Corker (R-TN) and Mark Warner (D-VA) introduced S. 1217 (AKA Corker-Warner), which retained the NHTF, but made problematic changes to it and did not maximize funding for it.

Building on the Corker-Warner proposal, Senate Committee on Banking, Housing, and Urban Affairs Chair Tim Johnson (D-SD) and Ranking Member Mike Crapo (R-ID) released draft legislation that provided generously for the NHTF. The Johnson-Crapo bill would wind down Fannie Mae and Freddie Mac, and create a new Federal Mortgage Insurance Corporation (FMIC) that would provide government backing to mortgage securities that meet certain criteria. There would be a 10 basis point fee applied to these securities that would be used to fund the NHTF, the Capital Magnet Fund (CMF), and a new Market Access Fund (MAF). This fee is estimated to eventually generate $5 billion a year. The Johnson-Crapo bill would allocate 75% of the amounts collected through this fee to the NHTF. It also retains the HERA language for target population and eligible activities for the NHTF.

In the House, the Protecting American Taxpayers and Homeowners (H.R. 2767) would privatize the GSEs and explicitly abolish the NHTF. The bill was approved by the House Financial Services Committee, but is not expected to be considered by the full House of Representatives.

House Committee on Financial Services Ranking Member Maxine Waters (D-CA) has released her own draft housing finance reform legislation, the "Housing Opportunities Move the Economy (HOME) Forward Act of 2014." Her bill also would wind down Fannie Mae and Freddie Mac, but would replace them with a newly created lender-owned cooperative, the Mortgage Securities Cooperative (MSC). Like the Johnson-Crapo discussion draft, the Waters bill would require a 10 basis point fee assessment on users of the new system and direct 75% of the amounts collected to the NHTF.

The Johnson-Crapo and Waters bills offer the potential for significant new revenue for the NHTF. NHTF advocates wholeheartedly endorse their treatment of the NHTF. Both bills have been criticized by the right and the left for doing too much or not enough to assure access to mortgages to all credit worthy borrowers. Because Johnson-Crapo has bipartisan support, it has the best potential of moving forward.

It remains to be seen if housing finance reform will move through a divided 113th Congress. Low income housing advocates must remain vigilant to protect the gains made on the NHTF in both the Johnson-Crapo and Waters bills. If legislation does not pass this year, it will be reintroduced in the 114th Congress.

MORTGAGE INTEREST DEDUCTION REFORM

See also: Mortgage Interest Deduction Reform

While dedicated revenue from the current and future housing finance system is the most immediate route to funding for the NHTF, it is essential to secure significantly more revenue if the NHTF is to fully address the national shortage of housing that extremely low income people can afford. The place to find revenue of that magnitude is in the tax code. If tax expenditures that subsidize higher income homeowners were modified to make them fairer and flatter, it is possible to generate the level of revenue needed to end homelessness and assure housing security for very poor people.

The mortgage interest deduction (MID) has long been considered an untouchable portion of the tax code, but changes to the MID are on the table as part of the debate on comprehensive tax reform and deficit reduction. Polling shows broad public support for modifying, not eliminating, the MID. The challenge for housing advocates is assure that any revenue raised by changing the MID stays in housing and is not used for other purposes.

The United for Homes campaign led by NLIHC proposes two modest changes to the MID. We would reduce the size of a mortgage eligible for a tax break from $1 million to $500,000 and convert the deduction to a 15% non-refundable tax credit. We would direct all revenue raised from these changes, estimated to be $200 billion over ten years, to the NHTF.

Not only would these changes produce revenue for the NHTF, they would also make the tax code work better for low and moderate income homeowners. All homeowners with mortgages would be eligible for a tax break, not just those who have enough income to file itemized tax returns. Under this proposal, the number of homeowners with mortgages who would get tax break would increase from 39 million to 55 million, with 99% of the increase being households with incomes less than $100,000 a year.

Representative Keith Ellison (D-MN) introduced H.R. 1213, the "Common Sense Housing Investment Act of 2013," in the 113th Congress. His bill mirrors the United for Homes campaign proposal to reform the MID and directs most of the revenue raised to the NHTF. The United for Homes campaign supports H.R. 1213.

$1 BILLION IN PRESIDENT OBAMA'S FY15 BUDGET REQUEST

President Barack Obama's fiscal year 2015 (FY15) budget request to Congress includes $1 billion in mandatory funding for the NHTF, which the Administration estimates would create 16,000 units affordable to extremely low income households.

It is reported as part of HUD's budget, but on the mandatory funding side of the budget. This means that the President is not seeking funding for the NHTF through discretionary appropriations that fund other HUD low income housing programs. This is in keeping with the longstanding position of NLIHC that the NHTF not compete with existing HUD appropriations. However, the budget proposal does not identify a specific funding source for the NHTF.

President Obama also asked for $1 billion for the NHTF in his FY10, FY11, FY12, FY13, and FY14 budget proposals, each time without an offset. Members of Congress have introduced bills with various offsets, but none of them attracted bipartisan support.

The Obama Administration supports housing finance reform and is working to improve the Johnson-Crapo bill. The Administration supports the provisions for the NHTF in Johnson-Crapo. If enacted, the NHTF provisions would serve as the offset.

HOW ADVOCATES CAN TAKE ACTION

- Advocates should prepare to help implement the NHTF when the suspension on Fannie Mae’s and Freddie Mac’s obligation to fund the NHTF is lifted.
- Advocates should support housing finance reform legislation that maximizes resources to the NHTF, and should urge their Senators and Representatives to oppose changes to pending housing finance reform legislation that would negatively impact the NHTF.
- Advocates should urge their Representatives to co-sponsor H.R.1213, the Common-Sense Housing Investment Act, and support inclusion of the proposed MID changes in any comprehensive tax reform package.

Mortgage Interest Deduction Reform

By Sheila Crowley, President and CEO, National Low Income Housing Coalition

NLIHC has long used the mortgage interest deduction (MID) to illustrate the imbalance in federal housing subsidies between direct spending in low income rental housing assistance and tax-based support for higher income homeowners. Today, NLIHC is calling for changes to the MID in order to generate revenue to support more rental housing, specifically to fund the National Housing Trust Fund (NHTF).

In spring 2013, NLIHC launched the United for Homes (UFH) campaign. Composed of over 1,500 national, state, and local organizations and growing, UFH seeks smart and fair changes to the MID that will both help more low and moderate income homeowners and generate new revenue to solve the housing problems of the very poor, including people who are homeless. UFH proposes that the new revenue be directed to the NHTF.

ABOUT THE MORTGAGE INTEREST DEDUCTION

The mortgage interest deduction (MID) is a federal tax expenditure that provides some homeowners with reductions in the amount they owe on their federal income tax. It is a provision of the federal tax code that is very popular with Americans and long considered a "sacred cow" that policymakers tinker with at their peril.

However, mounting concern about the size of the federal deficit has brought attention to federal tax expenditures, also known as tax loopholes. These are tax breaks for corporations and individuals that have been enacted into law over the years to subsidize some activity that an interest group or politician has determined to be worthy of government support. Each could achieve the same objective if it were structured as direct spending, and most analysts see them as spending by another name. However, others see them as government letting people keep their own money. Under any circumstances, the 175 tax expenditures reported by Office of Management and Budget (OMB) for 2015 amount to $1.25 trillion in uncollected federal taxes.

Because the MID is one of the largest and most regressive of all tax expenditures, it is under particular scrutiny now. Numerous tax reform and deficit reduction panels and commissions have called for changes to the MID. Economists and tax policy experts across the political spectrum criticize the MID as inefficient and poorly targeted. The challenge for low income housing advocates is to assure that any changes to the MID that result in savings direct those savings to ending the affordable housing shortage for extremely low income households and do not use the savings exclusively for other purposes, including deficit reduction or lowering tax rates.

OMB estimates the cost of the MID for 2015 to be $74 billion. This is lower than it has been in recent years, primarily due to the persistently slow recovery of the housing market since the housing crash of 2008. OMB projects the cost will again reach $100 billion a year by 2018. Nonetheless, the MID remains the second largest tax expenditure behind the exclusion for employee paid premiums for health insurance.

It is also important for housing advocates to know that the MID is not the only tax subsidy for homeowners. The tax code also allows for the deduction of state and local property taxes ($34 billion in 2015) and the exclusion of capital gains on home sales ($57 billion in 2014). OMB also includes a tax expenditure called an exclusion of "net imputed rental income." Imputed rent accrues to homeowners because they do not pay taxes on the income they derive from not paying rent, even though they get to take tax breaks for the costs of owning a home, i.e. mortgage interest and property taxes. OMB projects the cost of the imputed rent exclusion to be $76 billion in 2015.

Contrast these subsidies for homeowners with the cost of the Low Income Housing Tax Credit (LIHTC), projected to be $7.9 billion in 2015. Moreover, while the homeownership subsidies are tax benefits for individual taxpayers, LIHTC is a corporate tax benefit. The federal tax code provides no housing-related tax breaks for taxpayers who are renters, unlike several states that have renter tax credits.

Current Law
When filing annual federal income tax returns, taxpayers can deduct the interest paid in that tax year on home mortgages of up to $1 million. The deduction is based on the size of the mortgage, not on the value of the house. The interest can be on mortgages on first and second homes. In addition, the interest on up to $100,000 in home equity loans can be deducted for a cap of $1,100,000 on the value of mortgages eligible for tax breaks.

The value of the deduction, or the degree to which it reduces one's taxable income, depends on one's tax bracket. Thus, taxpayers in the 33% tax bracket will be able to reduce their taxes by 33% of the amount of interest paid. Someone in the 15% tax bracket will reduce their taxes by just 15% of the interest paid.

In order to benefit from the MID, a taxpayer must file an itemized tax return. According the Congressional Joint Committee on Taxation, in 2011, 155,879,000 tax returns were filed, 30% of which were itemized. Just 22% of all tax returns claimed the MID. The top 55% of taxpayers who claimed the MID (those with incomes of $100,000 or more) received 77% of the total benefit.

Contrary to popular opinion, the MID was not created to incentivize homeownership. It began in 1913, with the adoption of the 16th Amendment to the U.S. Constitution establishing the federal income tax. When the income tax was implemented, certain business expenses were allowed to be deducted, including interest on all loans. Very few Americans had home mortgages at the time and most personal and business finances were intermingled. Eventually, federally-insured and 30-year mortgages multiplied after World War II and the MID became more important to the emerging middle class. Even so, the earliest estimate of the cost of the MID in 1977 was just $4.7 billion.

Moreover, there is no evidence that anyone makes the decision to move from being a renter to a mortgage holder in order to claim the MID. Other countries with similar or higher rates of homeownership do not have the MID. The MID does encourage people who are already have mortgages to buy bigger, more expensive homes through which they take on more debt and thus get bigger tax breaks.

THE UNITED FOR HOMES CAMPAIGN
The United for Homes (UFH) campaign proposes to modify the current mortgage interest deduction (MID) by reducing the size of a mortgage eligible for a tax break to $500,000 and converting the deduction to a 15% non-refundable tax credit.

Under the UFH proposal, the cap on the amount of mortgage for which interest can be deducted would be lowered from $1 million to $500,000. Mortgages for first and second homes and for home equity loans of up to $100,000 are eligible for the tax break as long the total amount of loans does not exceed $500,000.

Some people suggest that exceptions for the $500,000 cap should be made for high-cost areas. However, only 3.9% of all mortgages in the U.S. between 2009 and 2012 were over $500,000. In only 3% of all counties in the U.S. was the percent of mortgages over $500,000 5% or more. The median loan amount between 2009 and 2012 for mortgages of $500,000 or less was $171,000, while the median loan amount for all mortgages was $176,000. Clearly, the vast majority of people who are borrowing to buy a house would not be affected by the proposed new cap. National housing policy should not be based on a small number of loans to higher income people who live in a handful of high cost areas.

UFH also proposes converting the tax deduction to a non-refundable tax credit of at least 15%. A tax deduction reduces one's taxable income on which one's total tax bill is based. In contrast, a tax credit is a direct reduction of one's total tax bill. Taxpayers do not have to itemize their tax returns to benefit from a tax credit, which means tax credits are more accessible to lower income households. Moreover, a tax credit as proposed by the UFH campaign would be the same percentage for everyone, unlike a tax deduction whose value increases with income. Generally speaking, tax credits are flatter and fairer.

According to a February 2013 report for NLIHC, the Tax Policy Center projected that these changes to MID, phased in over five years, would generate $196.7 billion in revenue between 2014 and 2023. NLIHC proposes that this revenue be used to capitalize the National Housing Trust Fund (NHTF). Once funded, the NHTF would expand, preserve, rehabilitate, and maintain the supply of rental housing affordable to extremely low income and very low income individuals and families.

According to a 2013 national poll, 60% of Americans favor the United for Homes proposal to reform the mortgage interest deduction. Seventy-six percent of Americans favor building more affordable housing in their states to help end homelessness.

The primary beneficiaries of the UFH proposal will be middle and low income homeowners who pay mortgage interest but who do not now claim the mortgage interest deduction. Based on calculations done by the Tax Policy Center, under a 15% non-refundable credit, the number of homeowners who will get a tax break will grow from 39 million to 55 million, with 99% of the increase being households with incomes of less than $100,000 a year. Higher income households with mortgages, primarily those with incomes of $200,000 or more, will pay more taxes.

Representative Keith Ellison (D-MN) introduced H.R. 1213, the "Common Sense Housing Investment Act of 2013," in March 2013. It contains the changes to MID as proposed by UFH and directs 60% of the revenue raised to the NHTF, with the remainder going to other low income rental housing programs. UFH had endorsed Mr. Ellison's bill. As of April 1, 2014, H.R. 1213 has attracted eleven cosponsors, all Democrats.

POTENTIAL FOR REFORM

While H.R. 1213 would never move as a stand-alone bill, it could be added to a larger tax bill. Going into the 113th Congress, momentum was developing for comprehensive tax reform. The chairmen of both the Senate Finance Committee and House Ways and Means Committee signaled that their respective committees would take up comprehensive tax reform. Each committee held numerous hearings and convenings. They solicited ideas on ways to improve the federal tax code from a wide range of stakeholders. Both indicated a strong willingness to challenge many of the tax expenditures.

In addition to earlier recommendations to modify the MID from deficit reduction advocates, the Bipartisan Housing Commission issued its report in February 2013, in which it called for MID reform in order to pay for housing assistance for extremely low income households. The recommendation from the Bipartisan Housing Commission is particularly important, because it reflected the consensus of many housing industry leaders, including some of the most vocal defenders of the MID.

Despite their efforts, neither chairman was able to advance comprehensive tax reform legislation in 2013, unable to reach bipartisan consensus on the basic purpose of tax reform. Senate Finance Committee Chairman Max Baucus (D-MT) was interested in both reducing the deficit and raising revenue for new spending, while House Ways and Means Committee Chairman Dave Camp (R-MI) wanted to reduce tax rates.

At the beginning of 2014, Senator Baucus resigned his Senate seat to become the new U.S. Ambassador to China. Senator Ron Wyden (D-OR) is the new Finance Committee Chairman. He has indicated that his goals for 2014 are to extend a collection of expired or expiring tax provisions that have typically been expended without controversy, but have languished in the last year due to partisan gridlock.

For his part, Chairman Camp released the draft of his bill in January 2014 over the objections of the House Republican leadership. To achieve significant rate reduction, he would eliminate or modify many tax expenditures including the MID. In fact, his bill includes one of two changes to the MID proposed by UFH; he would lower the cap from $1 million to $500,000. Mr. Camp will be replaced as chair of the Ways and Means Committee at the end of the 113th Congress because he has reached the end of his term limit as chair.

The Camp bill sends a strong message that the MID is ripening for reform. Indeed, it seems that many Members of Congress who heretofore have supported and defended the MID are having second thoughts. A resolution that declared the MID should not be changed in any way was introduced at the beginning of the 112th Congress at the behest of the Home Builders and Realtors®. By the close of the 112th Congress, it had attracted 198 cosponsors. Virtually the same resolution was introduced at the beginning of the 113th Congress; it only has 21 cosponsors.

There is broad consensus that comprehensive tax reform is long overdue. The question is not if it will happen, but when. In the meantime, housing advocates must build the case for MID reform and using the revenue raised to end homelessness and solve the housing problems of the very poor.

CURRENT LEGISLATION

Representative Keith Ellison (D-MN) introduced H.R. 1213, the "Common Sense Housing Investment Act of 2013," in the 113th Congress. Mr. Ellison's bill makes the changes to the mortgage interest deduction that NLIHC and the United for Homes campaign propose. Mr. Ellison would direct 60% of the savings to the NHTF, with the remainder split among the Low Income Housing Tax Credit program, Section 8, and the Public Housing Capital Fund. As of April 1, 2014, H.R. 1213 has eleven Democratic cosponsors.

FORECAST FOR 2014

It is imperative that all housing advocates speak in one voice demanding that any savings gained from MID reform be kept in housing and be used to address long neglected housing needs, specifically those of extremely low income renters. NLIHC will continue to commit significant resources in 2014 to the United for Homes campaign.

WHAT TO SAY TO LEGISLATORS & HOW TO TAKE ACTION

- Endorse the United for Homes campaign! Secure other endorsers in your community.
- Ask your representatives to co-sponsor H.R. 1213.
- Educate your elected officials on the benefits of mortgage interest deduction reform and the National Housing Trust Fund.
- Urge your local and state government to pass a resolution in support of the National Housing Trust Fund.

FOR MORE INFORMATION

- Learn more and join the United for Homes campaign at: www.unitedforhomes.org
- Learn more about the National Housing Trust Fund at: www.nhtf.org

RENTAL HOUSING PROGRAMS FOR THE LOWEST INCOME HOUSEHOLDS

Homeless Assistance: McKinney-Vento Homeless Assistance Programs

By Steve Berg, Vice President for Programs and Policy, National Alliance to End Homelessness

Administering agency: HUD's Office of Special Needs Assistance Programs within the Office of Community Planning and Development (CPD)
Year program started: 1987
Number of persons/households served: Total capacity to provide beds for 446,000 homeless people, plus 284,000 formerly homeless people now in permanent housing.
Population targeted: Homeless people and people threatened with homelessness
FY14 funding: $2.105 billion
See also: *Continuum of Care Planning, Ten-Year Plans to End Homelessness, Federal Surplus Property to Address Homelessness, Interagency Council on Homelessness*

The McKinney-Vento homeless assistance programs refer to a set of federal programs created by the McKinney-Vento Homeless Assistance Act. This article refers to the two programs administered by HUD: the Emergency Solutions Grants (ESG), and the Continuum of Care (CoC). In 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), which significantly improves HUD's McKinney-Vento homeless assistance programs.

HISTORY AND PURPOSE

Congress enacted the Stewart B. McKinney Homeless Assistance Act in 1987 in response to the homelessness crisis that had emerged in the 1980s. In 2000, the act was renamed the McKinney-Vento Homeless Assistance Act. For many years these programs received no comprehensive overhaul, despite advancing understanding of homelessness, its causes, and its solutions. Then Congress passed the HEARTH Act in May 2009, intended to consolidate separate homelessness programs at HUD, and to make the system of homeless assistance more performance-based. HUD has issued a series of implementing regulations.

PROGRAM SUMMARY

HUD's McKinney-Vento programs provide outreach, shelter, transitional housing, supportive services, short- and medium-term rent subsidies, and permanent housing for people experiencing homelessness, and in some cases for people at risk of homelessness. Funding is distributed by formula to jurisdictions for the Emergency Solutions Grants (ESG) program, and competitively for the Continuum of Care (CoC) process.

ESG program. Prior to implementation of the HEARTH Act, approximately 10% of all HUD homeless assistance funds were allocated for the ESG program, then called the Emergency Shelter Grant program. It provided resources for renovation and operation of emergency shelters and related services. ESG is granted by formula to city, county, and state governments. The HEARTH Act renames and expands the program, but retains the formula structure.

Under HEARTH, the program is called the Emergency Solutions Grant program. The amount of funding provided for ESG is set at 20% of HUD's homeless assistance grants, although if overall funding levels are insufficient to meet that allocation and fund all existing CoC grants (which has been the case each year since HEARTH was enacted), then HUD is allowed to allocate less to ESG. Emergency shelter and related services continue to be eligible activities. Under HEARTH, new homelessness prevention and re-housing activities are added. Prevention and re-housing activities include short- or medium-term rental assistance, utility assistance, housing search assistance, and other activities that are effective at preventing homelessness or helping people move into stable housing. People are eligible for prevention or re-housing assistance if they are homeless or at risk of homelessness. Being at risk of homelessness means an individual or family has income below 30% of area median income and are losing their housing, doubled up, living in motels, or living in other precarious housing situations.

Continuum of Care program. Prior to the HEARTH act, there were three competitive programs, and grants under these "legacy" programs still exist:
(1) The Supportive Housing program, which funded transitional housing, permanent supportive housing, and supportive services.
(2) The Shelter Plus Care program, which funded rental assistance in permanent supportive housing for homeless people with disabilities.
(3) The Moderate Rehabilitation/Single Room Occupancy (SRO) program, which funded operating assistance in SRO buildings.

A unique feature of HUD's competitive homeless assistance programs, which continues under the HEARTH Act, is the application process. Applicants in a community, including local governments, nonprofit providers, advocates, homeless people and other stakeholders organize into a Continuum of Care and submit a joint application to HUD for all of their project requests. The entire application is scored, and specific projects are funded in the order that they are prioritized in the application. The HEARTH Act combines the three legacy programs into a single Continuum of Care program that includes all of the same eligible activities as the previous programs.

The entity that submits the application for funding is known as a Collaborative Applicant.
Changes made by the HEARTH Act and implementing regulations to the competitive program include the following:

- The selection criteria includes performance measures for reducing the duration of homelessness, reducing the number of people who become homeless, and reducing the number of people who re-experience homelessness after they exit.
- Incentives include creating new permanent supportive housing for individuals and families experiencing chronic homelessness, and rapid re-housing for homeless families with children.
- The match is simplified to 25% for all activities. Leasing projects will continue to have no match requirement.
- A new rural program is created that would provide rural areas with more flexibility and also increase funding to rural areas. (This program has not yet been funded by appropriations.)
- More funding is available for administrative costs. For Continuum of Care projects, up to 10% is allowed, and 3% is allowed for the Collaborative Applicant.

In addition to HUD's homeless assistance grants, several other programs are authorized by the McKinney-Vento Act:

- The Education for Homeless Children and Youth (EHCY) program, administered by the U.S. Department of Education, provides grants to schools to aid in the identification of homeless children and provide services to help them succeed in school. EHCY also requires schools to make a number of accommodations to improve the stability of homeless children's education.
- Title V Surplus Properties, which requires that federal surplus property be offered to nonprofit organizations for the purpose of assisting homeless people.
- The Interagency Council on Homelessness, an independent agency within the federal executive branch, coordinates the federal response to homelessness and is charged with creating a federal plan to end homelessness.

FUNDING

The McKinney-Vento homeless assistance programs received $1.901 billion for both FY11 and FY12, $1.933 billion (after sequestration) for FY13, and $2.105 billion for FY14. For FY15, the Administration proposed a $301 million increase to $2.406 billion. This amount would renew existing grants under the Continuum of Care, and provide $215 million for ESG. The Administration says that funding Homeless Assistance Grants at this level will end homelessness for veterans by 2015 and end chronic homelessness by 2016.

FORECAST FOR 2014

In recent years, HUD's homeless assistance programs helped communities reduce homelessness. The economic recovery legislation passed in 2009 included an extra $1.5 billion for homelessness prevention and rapid re-housing (HPRP), which helped the country prevent a recession-related increase in homelessness. That money, however, has run out. Given continued weakness in the economy, strong funding for the HUD homelessness programs is necessary to avoid increases in homelessness and instead to get more people off the streets and in to housing.

HUD's implementation of the HEARTH Act will increasingly reward communities that do the best job of using their funding efficiently, to re-house as many homeless people as possible. This will in turn help build even further support in Congress.

TIPS FOR LOCAL SUCCESS

The best way to maximize the impact of McKinney-Vento funding in a community is to participate in the local ten-year plan to end homelessness and Continuum of Care process.

WHAT TO SAY TO LEGISLATORS

Advocates should ask their Members of Congress to support the Administration's proposed funding level of $2.406 billion to deal with continuing effects of high unemployment. Specifically, advocates should communicate the following points:

- Many thousands of hard-working American families, veterans, and people with disabilities are being left newly homeless by the continuing effects of the recession. Communities have been dealing with these effects with HPRP, but that has run out. The HEARTH act provides exactly what is needed to give homeless or near-homeless people the hand up they need, but only if it is fully funded.
- An increase in funding is needed because of the changes made by the HEARTH Act, which had strong bipartisan support, particularly the Act's increased focus on preventing homelessness and serving people living in precarious situations like doubling up.
- HUD's McKinney-Vento programs work. They helped reduce homelessness by 20% between 2005 and 2013, despite a bad economy during much of that time.

FOR MORE INFORMATION

National Alliance to End Homelessness, 202-638-1526, www.endhomelessness.org
Corporation for Supportive Housing, 212-986-2966, www.csh.org

Homeless Assistance: Continuum of Care Planning

By Norm Suchar, Director of Capacity Building, National Alliance tAo End Homelessness

Administering agency: HUD's Office of Special Needs Assistance Programs within the Office of Community Planning and Development (CPD)
Year program started: 1994
Population targeted: Homeless people
See also: *McKinney-Vento Homeless Assistance Programs, Ten-Year Plans to End Homelessness, Federal Surplus Property to Address Homelessness, Interagency Council on Homelessness*

The Continuum of Care (CoC) planning process is the process used by communities to apply for funding from HUD's Continuum of Care program. Through the CoC planning process, government agencies, service providers, advocates, and other stakeholders evaluate the needs of homeless people in the community, assess the performance of existing activities, and prioritize activities going forward. The CoC process was introduced by HUD in the mid-1990s. It was codified into law by Congress through the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

HISTORY AND PURPOSE

The CoC process was developed by HUD in 1994 to coordinate the distribution of several competitive homeless assistance programs. Prior to the CoC process, organizations applied individually for funding from several homeless assistance programs. As a result, there was little coordination between these programs or between different organizations receiving funding in the same community. The CoC process was established to promote coordination within communities and between programs. It was also designed to bring together a broader collection of stakeholders such as public agencies, the faith and business communities, and mainstream service providers. Guidelines for the CoC planning process were included in annual Notices of Funding Availability (NOFAs). HUD regularly modified the process.

On May 20, 2009, President Barack Obama signed the HEARTH Act (Public Law 111-22), providing Congressional authorization of the CoC process. Regulations governing the CoC program were published in the summer of 2012. The recently completed CoC application process for FY13 funds was the second competition held under new HEARTH Act rules.

SUMMARY

The term Continuum of Care is used many different ways and can refer to the planning process, the collection of stakeholders involved in the planning process, the geographic area covered by the CoC, or the actual grant received from HUD.

The CoC planning process is typically organized by either a local government agency or a large community-based nonprofit. The geography covered by a CoC can vary, covering an entire city, state, or a collection of counties. The goal of the CoC process is to create an annual plan to address homelessness. The CoC process involves compiling information about homelessness in the community, including information about homeless populations and inventories of homeless assistance resources. This information is used to develop a list of priorities for funding, which helps determine how much funding a community will receive and for what projects.

In recent years, HUD has required coordination between CoCs and local planning bodies that are preparing ten-year plans to end homelessness. Ten-year plans are intended to provide community-wide strategies for ending homelessness, including use of McKinney-Vento funding, but also including use of funding from other HUD programs such as Section 8, the Community Development Block Grant (CDBG) program, or the HOME Investment Partnerships program, as well as other federal, state, and local funding.

The HEARTH Act reauthorized the housing title of the McKinney-Vento Act. HUD began issuing regulations in 2011, with the release of interim regulations on the Emergency Solutions Grant (ESG) and the Homeless

Management Information Systems (HMIS), along with a final regulation on the definition of homelessness. Regulations on the CoC program were published in the summer of 2012. Key changes made by the HEARTH Act include changes to outcome measures, funding incentives, eligibility for assistance, matching requirements, rural assistance, and administrative funding.

HUD's annual homeless assistance NOFA has typically been issued late in the calendar year, with an application deadline later in winter. For the most recent application, which CoCs submitted in early February 2014, HUD released a joint FY13 and FY14 NOFA that will serve as the application for two years of funding; HUD plans to announce the availability for FY14 funds in late spring 2014. CoCs will only have to submit updated project priority listings and possibly small revisions to their application. HUD will announce FY13 funding in at least two stages, one for the renewal of existing projects, and one for new projects.

In most years, there has been adequate funding so that existing projects almost always received renewal funding. However, because of low funding levels for the FY12 and FY13 funding rounds, applicants had to prioritize projects, including renewal projects, into two tiers. The first tier has been virtually guaranteed to receive funding, while the second tier is at risk of not being funded.

FORECAST FOR 2014

The HEARTH Act placed more of the responsibility for measuring outcomes and overseeing performance on the leaders of local CoCs. The HEARTH Act also authorized funding for these entities. However, Congress has not provided enough funding to enable HUD to fully implement the local administration, planning, and oversight envisioned by the HEARTH Act.

TIPS FOR LOCAL SUCCESS

At the local level, ensuring broad participation among stakeholders and promoting access to mainstream resources are the most critical issues. The CoC planning process is intended to focus on the needs of homeless people in the community and should focus on the most effective strategies for reducing homelessness. Yet the process often ends up serving the needs of incumbent providers, even when they are ineffective, and people who are perceived to be more deserving of assistance, rather than those who are in greatest need. Similarly, accessing mainstream resources, which are supposed to be generally available for low income people, is often difficult for people experiencing homelessness. For example, there are often numerous barriers for homeless people to access employment services, housing assistance, cash assistance, and treatment services.

Advocates play a crucial role in ensuring that the CoC process serves people who most need assistance and expands access to mainstream resources. For CoCs to be most effective, it is important that all key stakeholders have a seat at the table. In many communities, the needs of children, veterans, people with disabilities, youth, and domestic violence survivors are not always adequately represented. Advocates should work to ensure that they are part of the CoC process. By joining their local CoC, advocates can shape a community's priorities in addressing homelessness for current and emerging populations.

The CoC process is becoming more focused on data and outcomes. All stakeholders should participate in data collection efforts whenever appropriate, and ensure that programs are achieving good outcomes. Information about the CoC process and the local CoC coordinator can be found at HUD's Homelessness Resource Exchange website.

FOR MORE INFORMATION

National Alliance to End Homelessness, 202-638-1526, www.endhomelessness.org
National Coalition for the Homeless, 202-462-4822, www.nationalhomeless.org
National Law Center on Homelessness & Poverty, 202-638-2535, www.nlchp.org
HUD Homelessness Resource Exchange, www.hudhre.info

Homeless Assistance: Ten-Year Plans to End Homelessness

By Norm Suchar, Director of Capacity Building, National Alliance to End Homelessness

See also: *McKinney-Vento Homeless Assistance Programs, Continuum of Care Planning, Federal Surplus Property to Address Homelessness, Interagency Council on Homelessness*

The homeless population was once assumed to be largely urban, suffering from mental illness, and unable to live independently. The solution was to manage homelessness through the creation of emergency shelters, transitional housing, and other homeless services. These assumptions have disappeared. Over the last few decades, numerous studies have dispelled the myths that have surrounded homelessness. Now, communities of all sizes across the country are completing plans to end homelessness, declaring that it is no longer suitable for any community to yield to what we have come to learn is a surmountable problem. Since 2003, hundreds of communities have completed and begun implementing ten-year plans to end homelessness.

HISTORY

In 2000, the National Alliance to End Homelessness (NAEH) released *A Plan, Not a Dream: How to End Homelessness in Ten Years*. Drawing upon years of research and promising approaches from around the country, the blueprint provided the key strategies needed to address the issue of homelessness in ten years. In 2001, HUD, together with the Administration of President George W. Bush, created an initiative to end chronic homelessness. As part of the initiative, the reactivated U.S. Interagency Council on Homelessness (USICH) challenged cities to create plans to end chronic homelessness.

In 2010, USICH released *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness*. *Opening Doors* is the first-ever comprehensive federal commitment to end homelessness. The plan is especially notable because when the federal government challenged communities to create plans to end homelessness in 2003, there was little in the way of federal assistance for these plans. *Opening Doors* aims to support local plan implementation and promote effective strategies across the country with a concrete timeframe and clear, measurable national goals.

The four national goals set in *Opening Doors* are: ending chronic homelessness in five years; ending veteran homelessness in five years; ending family, youth, and child homelessness in ten years; and, setting the nation on a course to end all homelessness in ten years. The plan is built around five themes:

- Increase leadership, collaboration, and civic engagement;
- Increase access to stable and affordable housing;
- Increase economic security;
- Improve health and stability; and,
- Retool the homeless crisis response system.

COMPONENTS OF LOCAL PLANS

Local plans to end homelessness have been completed in all regions of the country in all types of communities, rural, urban, and suburban. While some of the elements in the plans differ, common plan components include a summary of baseline data, strategies for ending homelessness among people currently experiencing homelessness, prevention efforts to reach people at risk of homelessness, increasing the supply of affordable housing, and community outreach plans.

NAEH published a summary of 234 plans to end homelessness in 2009. It found that most plans start from the same place: understanding the local homeless population. More than 80% of communities with completed ten-year plans collected baseline data on homelessness prior to engaging in planning efforts. These data allow communities to better understand which community members become homeless, how they become homeless, and which programs will work best to solve each community's specific problems.

The strategies outlined in the plans vary widely depending on the unique needs of the communities. One common component is the need for permanent housing. Approximately 89% of the plans include permanent housing as a strategy to end homelessness, and 77% identify the need for permanent supportive housing in particular. In total, the plans call for the creation of more than 375,000 units of affordable, permanent supportive housing for homeless people. Efforts to shorten the length of time people spend homeless through Housing First or rapid re-housing initiatives are included in 94% of the plans.

The initial challenge was to create plans to end chronic or long-term homelessness; of the completed plans to end homelessness, 70% identify strategies to end chronic homelessness (including those that target it specifically). However, 74% of communities extended their plans to include all homelessness. Many plans outline additional strategies to address the unique needs of various subpopulations such as veterans, youth, families, victims of domestic violence, and seniors. For example, 50% lay out strategies to end homelessness among youth, 49% provide strategies to end family homelessness, and 32% address the housing needs of former prisoners re-entering the community.

Prevention is an integral part of ending homelessness in every community. By identifying and serving those most at risk of becoming homeless, communities can cap the endless stream of people entering into homelessness. Emergency prevention strategies, such as eviction prevention through rent, utility, or mortgage assistance, case management, and landlord intervention are included in 83% of plans. Systems-level prevention, such as discharge planning from correctional facilities, mental health facilities, youth aging out of foster care, and residential treatment programs, are included in 83% of plans.

Outreach plays an important role in ending homelessness by engaging persons on the street and helping them both get into housing and access needed services. Over 62% of plans focus on increasing outreach efforts to people living on the streets and provide them with basic services such as food, medical care, and housing. Many already have outreach activities in place, such as assertive community treatment (ACT) teams and safe havens. The provision of, or links to, mainstream services are included in 78% of plans. Increasing income through job training services, Supplemental Security Income (SSI) outreach, Temporary Assistance to Needy Families (TANF) outreach, or Earned Income Tax Credit (EITC) outreach was included in over three-quarters of the plans.

TIPS FOR LOCAL SUCCESS

To be successful, the planning process should be participatory and involve multiple sectors of the community. Receiving input from the public, private, and nonprofit sectors allows for greater community buy-in and a smoother transition from planning to implementation. The completed plans incorporate a wide range of stakeholders in the process, from formerly homeless persons to the local chamber of commerce. Approximately 40% involved public sector stakeholders, 36% involved the nonprofit community, and 25% of plans had private sector representation.

It has been over a decade since NAEH released *A Plan, Not a Dream* and USICH challenged communities to end chronic homelessness. In that time the country has dramatically improved the way communities respond to homelessness. As a result, the number of people experiencing homelessness across the country has declined, particularly the number of veterans and people experiencing chronic homelessness. However, there is much more to be done.

Consistently measuring progress, defining parties responsible for each action step, identifying funding sources, and creating timelines can help communities stay on track. Further, plans should be living documents that can be modified and updated in response to a community's changing needs.

FOR MORE INFORMATION

National Alliance to End Homelessness, 202-838-1526, www.endhomelessness.org

Homeless Assistance: Federal Surplus Property to Address Homelessness

By Jeremy Rosen, Policy Director, National Law Center on Homelessness & Poverty

TITLE V

Administering agencies: HUD, Health and Human Services (HHS), General Services Administration (GSA)
Year program started: 1987
Number of persons/households served: More than 2 million
Populations targeted: Homeless persons, food bank customers
FY14 funding: The Title V program does not receive an appropriation.
See also: *McKinney-Vento Homeless Assistance Programs, Continuum of Care Planning, Ten-Year Plans to End Homelessness, Interagency Council on Homelessness*

The federal government owns land and buildings across the country. When the government no longer has use for a particular property, it will often be declared surplus. Under Title V of the McKinney-Vento Homeless Assistance Act of 1987, homeless service providers have a right of first refusal to acquire these properties at no cost before they can be offered to state or local governments or be sold to generate revenue for the federal government.

If determined by HUD to be suitable and available, surplus federal properties are published in the *Federal Register*. Homeless service providers apply for properties through the Department of Health and Human Services (HHS). If a property transfer is approved, that transfer is negotiated with the General Services Administration (GSA), the federal agency broadly responsible for government real property.

HISTORY AND PURPOSE

The McKinney-Vento Act was first passed in 1987. Title V was included in the law in recognition of the fact that many nonprofit community agencies working to end homelessness have difficulty affording and acquiring property in order to provide housing or supportive services, while the federal government has property that it no longer needs. Title V originally included properties on newly closed military bases. In 1994, the law was amended to provide a separate process for ensuring that a portion of Base Realignment and Closure (BRAC) properties are used to provide affordable housing and prevent homelessness.

PROGRAM SUMMARY

Screening. Landholding agencies report the status of their real estate holdings to HUD on a quarterly basis. HUD screens excess properties to determine whether they are suitable for the needs of homeless services organizations. Then, all suitable properties are published in the *Federal Register.*

Expression of interest. When a homeless service provider identifies a property of interest in the *Federal Register*, it has 60 days to submit a written expression of interest to HHS. This is simply a brief letter identifying the group, the property of interest, and a brief description of the proposed use. Once HHS receives this letter, it provides the nonprofit or public agency with a full application.

Application. Groups have 90 days to complete the application. Unlike the short expression of interest letter, the application is very detailed, and requires extensive supporting documentation in order to prove that the applicant has the financial and program capacity to best utilize the federal property. Once HHS receives the completed application, the agency has 25 days to make a decision on the application. If an application is approved, then the GSA will negotiate a deed or lease to convey the property to the applicant.

FUNDING

The Title V program does not receive an appropriation.

FORECAST FOR 2014

The Title V program is under attack on Capitol Hill. In recent years, both Congress and the Administration have made proposals to amend, or even eliminate, the law. These proposals were revisited in 2013, and will continue to be debated in 2014. Advocates are hopeful that 2014 negotiations will lead to an outcome that continues to provide homeless service providers with needed property at no charge, while efficiently disposing of properties that homeless service providers cannot use or do not want. Legislators should be urged to support the position of the advocacy community.

Administration. In 2011, the Office of Management and Budget (OMB) proposed replacing Title V with a process similar to BRAC, where a commission would review properties and determine how they should be disposed. This proposal would eliminate Title V's right of first refusal for homeless service providers, and potentially allow properties to be sold even if a homeless service organization wanted to use them. The Administration continues to support a modified version of this proposal.

House of Representatives. Congressman Jason Chaffetz (R-UT) introduced H.R. 328, the Excess Federal Building and Property Disposal Act of 2013. The bill proposed a pilot program to allow a limited number of federal properties to be sold outside the confines of Title V. Three percent of sale proceeds would be given to homeless service providers. While advocates would prefer not to see the law changed, they recognized the Chaffetz bill as a reasonable compromise that would have a modest impact on homeless people. The bill was reported out of the House Committee on Oversight & Government Reform, but has yet to receive a floor vote.

Senate. Senator Tom Carper (D-DE) introduced S. 1398, the Federal Real Property Asset Management Reform Act of 2013. Advocates have strongly opposed this bill because it went far beyond the House bill and proposed a much larger pilot program to sell federal properties. The bill passed out of the Senate Homeland Security and Governmental Affairs Committee, but also has not received a floor vote.

TIPS FOR LOCAL SUCCESS

To successfully apply for Title V property, an applicant must be financially stable and have a firm and workable plan to use the property that is to be acquired. Organizations should recognize that at any given time property may not be available in a particular area, and consequently be prepared to wait for the right property to be available. When a property does become available, applicants must move quickly, before their right of first refusal expires. If a property is too large for one organization, several local groups may want to file an application in partnership.

WHAT TO SAY TO LEGISLATORS

Advocates should meet with their Members of Congress with the message that Title V is a no-cost way to advance the national goal of ending homelessness. Advocates should ask Members to work to preserve the ability of homeless service providers to access and productively use appropriate surplus properties to provide housing and supportive services to homeless people.

FOR MORE INFORMATION

National Law Center on Homelessness & Poverty, 202-638-2535, www.nlchp.org

Housing Needs of Victims of Domestic Violence, Sexual Assault, Dating Violence, and Stalking

By Monica McLaughlin, Senior Public Policy Specialist, National Network to End Domestic Violence

Administering agencies: Department of Health and Human Services (HHS) for the Family Violence Prevention and Services Act (FVPSA); HUD, U.S. Department of Agriculture (USDA), Treasury Department, and Department of Justice (DOJ)/Office on Violence Against Women, for housing protections under the Violence Against Women Act (VAWA).
Year programs started: FVPSA, 1984; VAWA, 1994.
Number of persons/households served: Over one million victims each year.
Population targeted: Victims of domestic violence, sexual assault, dating violence, and stalking.
FY14 funding: VAWA, $24.75 million; FVPSA, $133.5 million
Also see: *Homeless Assistance Programs, Continuum of Care Planning*

The Family Violence Prevention and Services Act (FVPSA), the Violence Against Women Act (VAWA), and the HEARTH Act create federal protections and support lifesaving programs for victims of domestic violence, sexual assault, dating violence, and stalking.

HISTORY

FVPSA passed in 1984 and is administered by the U.S. Department of Health and Human Services (HHS). VAWA, passed in 1994 and was reauthorized in 2000, 2005, and 2013. VAWA created the first federal law to encourage coordinated community responses to combat domestic and sexual violence. Various federal agencies are responsible for VAWA compliance; housing-related agencies are HUD, the U.S. Department of Agriculture (USDA), and the Treasury Department.

ISSUE SUMMARY

Domestic violence is consistently identified as a significant factor in homelessness. A staggering 92% of homeless women report having experienced severe physical or sexual violence at some point in their lives, and upwards of 50% of all homeless women report that domestic violence was the immediate cause of their homelessness. Domestic violence is often life-threatening; in the U.S. three women are killed each day by a former or current intimate partner. Advocates and survivors identify housing as a primary need of victims and a critical component in survivors' long-term safety and stability

While safe housing can give a survivor a pathway to freedom, there are many barriers that prevent victims from maintaining or obtaining safe and affordable housing. Many survivors have faced economic abuse as part of the violence, meaning that they have not had access to the family finances, have been prohibited from working, and have had their credit scores destroyed by the abuser. Victims often face discrimination in accessing or maintaining housing based on the violent and criminal actions of perpetrators. Additionally, victims are limited in the locations and types of housing they can access because of their unique safety and confidentiality needs, and many housing/homelessness assistance programs have barriers that inadvertently exclude victims of violence.

Domestic violence programs do their best to serve those in need of emergency and transitional housing. Due to a lack of resources, however, every day thousands of abused adults and children are turned away from shelters and denied housing services because programs lack adequate resources and funding. The National Domestic Violence Census found that in just one 24-hour period in 2013, 5,778 requests for shelter and housing went unmet due to a lack of resources. Finally, victims face the same economic barriers that challenge so many individuals in this nation – the lack of affordable housing, limited safety net options, unemployment, lack of available living wage jobs, lack of transportation, and limited child care options. As a result, many victims face the impossible choice between staying with or returning to their abusers, or becoming homeless because they cannot find or afford long-term permanent housing.

PROGRAM SUMMARIES

FVPSA and the VAWA transitional housing program are critical parts of the effort to reduce homelessness and housing instability among victims of domestic and sexual violence. These essential programs respond to an array of victims' needs, from emergency shelter to permanent housing.

Family Violence Prevention and Services Act (FVPSA). FVPSA is administered by the U.S. Department of Health and Human Services (HHS). FVPSA created the first and only dedicated federal funding stream for community-based domestic violence programs and shelters. Approximately 1,600 emergency domestic violence shelters and programs across the country rely on FVPSA to sustain lifesaving support to victims trying to escape violence. The funds are primarily distributed through a state formula grant. In addition to lifesaving emergency shelter, FVPSA-funded programs provide counseling, legal assistance, crisis intervention, and services for children.

Violence Against Women Act (VAWA). VAWA includes many discretionary grant programs, including the Transitional Housing grant program administered by the Office of Violence Against Women (OVW) at the U.S. Department of Justice (DOJ). The program distributes grants to over 225 entities annually across the country on a competitive basis, including to: states, units of local government, Indian Tribes, and other organizations such as domestic violence and sexual assault victim service providers or coalitions, other nonprofit and nongovernmental organizations, or community-based and culturally specific organizations. Transitional housing grants allow entities to: offer direct financial assistance for housing and housing-related costs; operate transitional housing programs; and, provide supportive services, including advocacy in securing permanent housing. With VAWA Transitional Housing funding, organizations can provide a critical bridge from crisis to stability for victims of domestic and sexual violence, stalking, and dating violence.

VAWA, originally passed in 1994 and reauthorized in 2000, 2005, and 2013, created the first federal law to encourage coordinated community responses to combat domestic and sexual violence. The 2005 VAWA reauthorization instituted landmark protections, including those that: ensured that victims can access the criminal justice system without facing discrimination or jeopardizing their current or future housing; strengthened confidentiality protections for victims accessing housing and homelessness services; and, maintained the transitional housing grant program. The 2013 VAWA reauthorization builds upon the strengths of these housing programs and protections with key improvements.

Victims often face unfair eviction and denial of housing benefits because of the violence and criminal actions of others. VAWA housing protections: allow public housing agencies (PHAs) to prioritize victims for housing when their safety dictates; prohibit PHAs from denying housing or evicting a victim just because they experienced domestic violence; and, clarify that Housing Choice Vouchers are portable for victims. VAWA reauthorization in 2013: protects victims of sexual assault; covers victims in all federally subsidized housing programs; and, delineates an emergency transfer policy process for victims who face continued threats or violence. The newly covered federally subsidized housing programs are: U.S. Department of Agriculture (USDA) Rural Development (RD) housing properties; Low Income Housing Tax Credit (LIHTC) properties; HUD's McKinney-Vento homeless assistance programs; the HOME Investment Partnerships program; the Section 221(d)(3) Below Market Interest Rate (BMIR) program; the Section 236 program; the Housing Opportunities for Persons with AIDS (HOPWA) program; the Section 202 supportive housing for the elderly program; and, the Section 811 supportive housing for people with disabilities program.

Additionally, VAWA prohibits disclosure of personally identifying information or individual information collected in connection with services requested, utilized, or denied through grantees' and subgrantees' programs without the informed, written, reasonably time-limited consent of the person. Victim service providers are prohibited from entering data into the Homeless Management Information System (HMIS) or any shared databases.

VAWA housing protections are designed to allow victims to maintain or access safe housing, and yet the lack of consistent implementation has limited the effectiveness of these protections. Many of the housing provisions and protections under VAWA are not fully executed at the local level. Further guidance from HUD, USDA, and the Department of the Treasury (which oversees the LIHTC program) will help implement the new VAWA housing provisions. HUD issued a final rule on the VAWA 2005 housing protections in October 2010 that, by and large, responded to advocates' concerns. Since VAWA 2013 passed, HUD has issued a notice on the applicability of VAWA to HUD programs. This notice highlights the key changes made by this statute, lists the HUD programs now covered by this statute, and provides an overview of key provisions applicable to HUD programs. HUD indicates that it will issue guidance and/or rules for covered programs at a later date. Advocates submitted comments on the HUD notice urging that guidance on, and implementation of, VAWA should be developed through a framework that prioritizes preventing homelessness and increasing housing stability. The guidance and regulations should: emphasize the goal of maintaining victims' housing by strongly enforcing VAWA protections; ease the burden on victims to provide documentation; and, reduce other barriers that arise when victims are asserting their rights or simply trying to remain safe. VAWA protections should help victims obtain or maintain safe, affordable, and permanent housing.

Advocates encourage HUD and other federal agencies to issue guidance and further regulations based on the comments submitted by NNEDV and allied organizations such as: 1) clarify that VAWA protections are effective immediately and that discrimination is prohibited now; 2) strongly state VAWA confidentiality standards and prohibit the collection of unnecessary documentation; 3) implement a federal structure that supports a robust emergency transfer response; and, 4) create an administrative mechanism to enforce VAWA rights. Further regulation and guidance from HUD and other federal agencies will help foster consistent implementation and provide clearer direction to housing providers on how to apply the VAWA housing protections.

The HEARTH Act and McKinney-Vento Homeless Assistance Programs. Domestic violence shelters and housing programs depend on HUD McKinney-Vento funding to operate and provide safe housing for survivors. HUD's interim rules on the Continuum of Care process and the Emergency Solutions Grants for McKinney-Vento homelessness programs include a number of changes to these programs. The interim rule proposes allowing domestic violence and other victim service providers to opt out of the coordinated assessment system, citing safety concerns for victims. Advocates are waiting for the final rule for clarity on the requirements for victim services providers in terms of coordinated assessment and a number of other key concerns. In the meantime, advocates should work in their communities to ensure that coordinated assessment systems meet the needs of victims, maintain confidentiality, reduce trauma, and increase victims' access to housing resources.

TIPS FOR LOCAL SUCCESS

VAWA. Advocates can play a key role in promoting safe housing for victims of domestic and sexual violence by encouraging consistent implementation of VAWA housing protections in local jurisdictions. Housing advocates should work in partnership with domestic violence advocates to: familiarize themselves with VAWA housing protections; improve advocacy for individuals; and, improve PHAs' policies and procedures. Domestic violence advocates can train PHA staff, hearing officers, Section 8 owners, and resident groups on VAWA and the dynamics of domestic violence. PHAs should be encouraged to institute a preference for victims when making admission decisions. Advocates should also get involved with their PHA's planning process to ensure that victims' needs are addressed and that VAWA housing protections are adequately communicated to consumers. Advocates should engage with current and newly covered housing programs to begin implementation of the new VAWA housing protections.

HEARTH. Because victims access both victim service programs and general housing and homelessness programs, coordinated assessment systems must:

- Be built on shared tools and standards, not shared databases or other structures that inherently expose victims to unnecessary danger;
- Meaningfully and significantly involve victim service providers in their design and implementation;

- Proactively address safety and privacy concerns;
- Adhere to confidentiality and safety policies with regard to record-keeping or sharing and physical locations; and,
- Allow direct, immediate access to safe housing for victims.
- It is imperative that victim advocates are significantly involved in the design of such systems to ensure that victims' needs are considered and addressed.

Generally, implementation of the HEARTH Act must be done in a way that recognizes and responds to victims' serious safety needs and their desperate need for housing. Issues around scoring, outcomes, confidentiality, data collection, and more have an impact on funding decisions and ultimately on victims' access to safe housing. Implementation and funding decisions should support the unique role that domestic violence service providers play in meeting victims' specific needs.

FUNDING

Maintaining funding for FVPSA and VAWA programs is critical to ending domestic and sexual violence and homelessness. When adequately funded, these acts help to reduce the societal cost of domestic and sexual violence. In fact, by supporting critical services for victims, VAWA saved $12.6 billion in net averted social costs in its first six years alone. Despite their lifesaving potential and their efficacy, these programs are woefully underfunded, and there is a serious gap caused by a lack of available resources. It is unacceptable that victims fleeing violence should be turned away from emergency shelter because the programs are full. Victims who must wait in emergency shelter for an available transitional housing unit remain unstable, while others victims in crisis cannot access shelter.

VAWA transitional housing is authorized at $35 million but received $24.75 million in FY14; the President's budget proposed $25 million for FY15. Although authorized at $175 million, FVPSA was funded at $133.5 million in FY14, $41.5 million below its funding authorization. The President's budget proposed $135 million for FVPSA in FY15. To realize the benefits of these programs, VAWA funding must be increased in the FY15 budget, with at least $35 million specifically for transitional housing. In addition, investments in FVPSA at $175 million will help ensure that emergency domestic violence shelter is available when victims flee.

WHAT TO SAY TO LEGISLATORS

Advocates should tell Members of Congress why emergency shelter and longer-term housing are essential for victims of domestic and sexual violence. Housing providers should talk about the victims that programs serve and about the struggles programs face in meeting victims' unique needs for safety. Advocates should share the latest information about the pervasive scarcity of emergency and transitional housing, and of safe, affordable long-term housing in their communities.

For these federal laws and programs to realize their full potential in meeting victims' housing needs, program funding must be increased to its authorized level, new and existing VAWA housing protections must be fully implemented, and HEARTH Act implementation must address victims' needs. Congress has the opportunity to support the VAWA emergency transfer provision by allocating funding for VAWA vouchers in the FY 15 Appropriation bill, which will help HUD fulfill the law, prevent further violence, and keep more victims safe.

Specifically, advocates should ask the House and Senate Appropriations Committees to maintain targeted investments in FVPSA and all VAWA programs, including:
- In the Commerce, Justice, Science Appropriations bill, $35 million for VAWA Transitional Housing.
- In the Labor, Health and Human Services Appropriations bill, $175 million for FVPSA/domestic violence shelters.
- In the Transportation, Housing and Urban Development and Related Agencies bill, add $40 million to the tenant protection voucher account for up to 5,000 vouchers for VAWA emergency transfer vouchers.

FOR MORE INFORMATION

- National Network to End Domestic Violence, 202-543-5566, www.nnedv.org/census
- NNEDV Tools on Confidentiality, www.nnedv.org/tools
- NNEDV Toolkit on Housing for Domestic Violence Survivors (includes comments on HUD interim rules), http://nnedv.org/resources/transitional-housing.html
- National Housing Law Project (NHLP), 510-251-9400, www.nhlp.org
- National Law Center on Homelessness and Poverty, 202-638-2535, www.nlchp.org
- The HUD final rule on VAWA 2005 is on HUD's website, http://1.usa.gov/XoHShh
- The HUD notice on the applicability of VAWA to HUD programs, issued August 6, 2013, http://1.usa.gov/1nnf45i
- VAWA 2005 Housing Protections Fact Sheets and outline available from NHLP, http://bit.ly/XoHZcP

Housing Opportunities for Persons with AIDS (HOPWA)

Nancy Bernstine, Executive Director, National AIDS Housing Coalition
and Rebekah Horowitz, Senior Policy Associate, National AIDS Housing Coalition

Administering agency: Office of HIV/AIDS Housing (OHH) in HUD's Office of Community Planning and Development (CPD)
Year program started: 1990
Number of persons/households served: 52,000 households could be served if the President's FY15 budget request of $332 million is appropriated by Congress
Population targeted: Low income people with HIV/AIDS, and their families
FY14 funding: $330 million

The Housing Opportunities for Persons with AIDS (HOPWA) program provides funding to eligible jurisdictions to address the housing needs of persons living with HIV/AIDS and their families.

HISTORY AND PURPOSE

HOPWA was created in the AIDS Housing Opportunities Act, a part of the Cranston-Gonzales National Affordable Housing Act of 1990, to provide housing assistance and related supportive services for low income people living with HIV/AIDS, and their families.

There is a perception that in America that the HIV/AIDS epidemic is under control, but in reality AIDS is still an active crisis. According to the Centers for Disease Control (CDC), there are an estimated 55,000 new HIV infections each year. At the same time, there are more than 1.1 million people living with HIV/AIDS in the United States, and more than one sixth (15.8%) of those individuals are unaware that they have the virus.

For people living with HIV/AIDS housing is healthcare. For people struggling with the disabling and impoverishing effects of HIV/AIDS, housing is an essential cornerstone of health and stability. It is estimated that as many as half of all people living with HIV/AIDS will need housing assistance at some point in their illness. As with other chronic conditions that may make it difficult for an individual to find or maintain gainful employment, HIV/AIDS can be an impoverishing disease, requiring public subsidies for basic needs, including housing. For many of those individuals and families, short-term assistance with rent, mortgage, or utility costs will provide the necessary support to remain healthy and in stable housing. But for others, more intensive supportive services are needed.

The HOPWA program is designed to provide that housing assistance and related supportive services for low income people living with HIV/AIDS and their families. It also facilitates community efforts to develop comprehensive strategies to address HIV/AIDS housing need, and assists communities to create housing strategies to prevent these individuals from becoming homeless or unstably housed.

With improvements in drug therapies and medical care reducing the number of deaths, people are living longer with HIV/AIDS; therefore, there is an increasing demand for essential supportive services, including housing.

PROGRAM SUMMARY

As a supportive housing program, HOPWA helps ensure that people living with HIV/AIDS can access and maintain adherence to necessary medical care and other services through assisting them with stable housing and support services.

Eligibility for HOPWA assistance is limited to low income individuals with HIV/AIDS, and their families. The vast majority of individuals receiving HOPWA housing assistance have extremely low income, income below 30% of the area median income (AMI). Sixty-five percent of people living with HIV/AIDS cite stable housing as a tremendous need, second only to health care. Preliminary data from 40 HOPWA grantees, reporting on client outcomes under a new performance measurement format, demonstrates that 94% of clients receiving rental assistance have stabilized their housing.

HOPWA consists of two grant-making programs. Ninety percent of the funds are distributed as formula grants to states and localities to serve the metropolitan area in which they are located. The formula for this distribution is based on population size and the number of people living with HIV/AIDS in the metropolitan area as confirmed by the CDC.

During 2013, $283.1 million dollars were awarded in HOPWA formula funds to grantees within 138 eligible areas. These grantees represent 41 states and Puerto Rico. In 2013, 135 formula grantees received three-quarters of available funding based on AIDS surveillance data. In addition, one quarter of the formula allocation was awarded to metropolitan areas that have a higher-than-average per capita incidence of AIDS. These formula funds can be used for a wide range of housing, social services, program planning, and development costs including, but not limited to: the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and, short-term payments to prevent homelessness.

The other 10% of HOPWA funds are distributed through a competitive process to states and localities that do not qualify for a formula allocation, or to states, localities, or nonprofit organizations that propose projects of national significance. During FY13, 30 HUD competitive grants were renewed, and in 2014, there are 26 eligible renewals. In FY12, the last year they were awarded, there were seven Special Projects of National Significant (SPNS) grants. This funding went to projects that demonstrated model, replicable approaches to providing permanent or transitional housing assistance. In the competitive program, grantees can distribute funds to projects that provide one or more of the following services: housing information and referral; housing search assistance, shelter or rental assistance; the development or operation of single room occupancy (SRO) housing and other community-based residences; and, technical assistance. HOPWA also provides technical assistance to support sound management in local programs and develop strategies to address HIV/AIDS housing need.

FUNDING

HOPWA remains sorely underfunded relative to the immense need. HOPWA would need $1.12 billion to serve all those living with HIV/AIDS in need of housing assistance.

In the FY14 Budget, HOPWA received $330 million dollars. This funding level is a continuation of the FY13 appropriated funding level. While this number represents a significant rollback of some of the sequestration cuts that were seen in the FY13 Operating Budget, it still is not equivalent to the high watermark for funding from the FY11 budget.

For FY15, the National AIDS Housing Coalition (NAHC) requests $350 million for HOPWA, an increase of $20 million from the FY14 appropriation. This recommended funding level, while meeting only a fraction of need, would sustain existing programs, permit small program expansions at the local level, and support newly added jurisdictions.

The President's FY15 Budget would fund HOPWA at $332 million. This is an increase of $2 million dollars and would allow approximately 52,000 households to be served.

FORECAST FOR 2015

The current economic climate puts those vulnerable low income people with HIV/AIDS at tremendous risk, especially those who are multiply diagnosed with substance abuse, mental illness, or other co-infections.

The National HIV/AIDS Strategy, released in 2010, acknowledges the need to revise the HOPWA formula to better reflect today's epidemic geography. To that end, the Administration recently transmitted to Congress a legislative proposal to update the formula that will include counting living cases of HIV rather than cumulative AIDS cases as in the current formula. This will allow jurisdictions with increasing populations of people living with HIV/AIDS to receive more funding. A housing cost factor and a community need factor area also included. These changes to the HOPWA formula were included in the President's proposal for the FY15 budget.

FOR MORE INFORMATION

National AIDS Housing Coalition, 202-377-0333, www.nationalaidshousing.org

Housing Plus Services

By Sham Manglik, Senior Policy Analyst, National Low Income Housing Coalition

See also: *Homeless Assistance Programs, Emergency Solutions Grants, Continuum of Care Planning, Section 811 Supportive Housing for Persons with Disabilities, Veterans' Housing, and Olmstead Implementation*

The term Housing Plus Services was coined by NLIHC and is used to describe permanent affordable housing that incorporates various levels of services provided by trained professionals. Service providers' primary responsibility is caring for tenants, rather than managing a property. NLIHC's Housing Plus Services principles describe the basic philosophy underlying the combination of these two resources, housing and services, for extremely low income people.

HISTORY

The importance of providing services within homes in order to help tenants continue to live independently is a model that has gained increased attention and recognition in recent years. NLIHC has used the term Housing Plus Services for about a decade.

ISSUE SUMMARY

A range of households can benefit from services to stabilize tenancies or enhance quality of life, including households with persons with disabilities or seniors, or who are moving into housing after experiencing homelessness. Services can range in intensity from minimal to comprehensive, matching the needs of a household. Common types of services include assistance in accessing community resources, assistance with life skills, case management, and crisis intervention. It is critical that these services, at whatever level provided, be financially linked to the housing units, creating consistency for tenants and guaranteeing services will remain with the housing assistance.

Housing Plus Services units are found in a variety of housing models with an assortment of service offerings. Some public housing agencies (PHAs) provide youth activities, childcare, job training, and transportation assistance. Housing serving people with disabilities and integrated into mainstream developments may come with comprehensive case management and in-home health care services. Federally funded service coordinators, whose job is to link residents of HUD-assisted housing to services in the community, represent yet another implementation of the Housing Plus Services concept. Increasingly, even private affordable housing developers collaborate with nonprofit service providers to include a service component in housing.

Because Housing Plus Services programs developed organically, project by project, no common language or generally agreed-upon service definitions exist. NLIHC has developed principles for program design and implementation as a basis for Housing Plus Services work.

NLIHC's Housing Plus Services Principles for Program Design and Implementation are:

- Housing is a basic human need, and all people have a right to safe, decent, and affordable permanent housing;
- All people are valuable and capable of being valuable residents and valuable community members;
- Housing and services should be integrated to enhance the social and economic well-being of residents and to build healthy communities;
- Residents, owners, property managers, and service providers should work as a team in integrated housing and services initiatives;
- Programs should be based on an assessment of residents' and community strengths and needs, supported by ongoing monitoring and evaluation;
- Programs should strengthen and expand resident participation to improve the community's capacity to create change;
- Residents' participation in programs should be voluntary, with an emphasis on outreach to the most vulnerable;

- Community development activities should be extended to the neighboring area and residents;
- Assessment, intervention, and evaluation should be multi-level, focusing on individual residents, groups, and the community;
- Services should maximize the use of existing resources, avoid duplication, and expand the economic, social, and political resources available to residents.

FUNDING

As there is no single program for creating Housing Plus Services units, this housing has evolved as developers and service providers have learned to cobble together a variety of funding sources. The portfolio of units is varied by type and service level, and is not tracked by HUD or other federal agencies as a single discreet category of housing.

Depending on the population served, housing providers piece together funding through various HUD and Department of Health and Human Services (HHS) sources, Medicaid, Medicare, Temporary Assistance for Needy Families (TANF), state funds, and private foundations. Common sources include HUD's self-sufficiency initiative and service coordinator programs, and TANF work and training programs. While the availability of multiple funding sources creates flexibility in program design and targeting, it is often difficult for developers and managers of properties to secure and coordinate a comprehensive and consistent services program. The challenge of coordinating services that are independent of housing funding sources can be a deterrent to developers wishing to offer services within housing. Additionally, the lack of coordination between federal agencies' service funding can lead to inconsistent access to services for households in need.

While HUD allows some of its funding to be dedicated to services to enhance and stabilize tenancies, there is concern among advocates about using limited affordable housing funding for services when other federal agencies could provide those services. Most advocates would prefer to see HUD utilize its funds for permanent housing, and see services funded by HHS, the Department of Veterans Affairs (VA), and other sources that have service provision as their primary function. HUD's homeless assistance funds, which provide a significant source of existing services funding, require that 30% of funds be allocated to creating permanent housing, ensuring that housing resources are part of addressing homelessness.

Changes made in the Affordable Care Act (ACA) will continue to provide increased opportunities and resources for services to be paired with housing from other sources. These changes can support the needs of individuals with disabilities and others through the expansion of Federally Qualified Health Centers, which can be located in conjunction with public housing; funding is provided for the expansion through FY15. The status of funding for future fiscal years remains unclear.

In addition, changes made to the Section 811 Housing for Persons with Disabilities program under the Frank Melville Supportive Housing Investment Act of 2010 are now being implemented through the Section 811 Project Rental Assistance Demonstration.

FORECAST FOR 2014

Changes made under the ACA provide a notable change in how people experiencing homelessness can receive supportive services in their housing. Medicaid home and community-based services (HCBS) can be used in conjunction with housing funded by other programs to ensure that households and individuals have access to stable housing. While HCBS have been a part of the Medicaid program for some time, the ACA assists states that would like to expand options to serve people with disabilities in non-institutional settings – and to help compliance with the Supreme Court's *Olmstead* decision – by expanding eligibility for such services. The law is intended to make it easier for states to more easily access funds for services that can be combined with existing housing in order to expand access to permanent housing options for people at risk of homelessness and/or people with disabilities.

Providing services to households in their housing units can not only enhance quality of life for tenants struggling to maintain independence and improve their lives, but can prevent evictions that result in a household becoming homeless. In the last Congressional session, both the House and Senate introduced legislation that proposed using services in housing as a homelessness prevention tool. Advocates, the Administration, and legislators recognize these services as a necessary component in helping many households currently experiencing homelessness end their homelessness. Legislators have significantly increased their focus on providing services in housing for veterans experiencing homelessness. As attention to veteran homelessness increased, so did the understanding that housing with services is a critical component to supporting veterans who lack stable housing situations. In 2010, the VA also introduced a five-year plan to end veteran homelessness, which relies heavily on services as a source of support for newly housed veterans.

WHAT TO SAY TO LEGISLATORS

Advocates should urge legislators to support collaborations between HUD, HHS, and other agencies that can provide services within HUD-funded housing. This will ensure that services dollars are tied to permanent affordable housing units to support stable and self-sufficient tenancies.

Legislators should also know that HUD's homeless assistance grants, self-sufficiency, and service coordinator funds are all critical to providing services in housing. Without these funding sources, many households that are currently affordably housed could lose their housing and become homeless.

Advocates should continue to advocate for additional funding for the Section 811 Project Rental Assistance Demonstration, so that it can be expanded.

FOR MORE INFORMATION

National Low Income Housing Coalition, www.housingplusservices.org

Public Housing

By Linda Couch, Senior Vice President for Policy and Outreach

Administering agency: HUD's Office of Public and Indian Housing (PIH)
Year program started: 1937
Number of persons/households served: 1.1 million households, 2.6 million residents
Population targeted: All households must have income less than 80% of the area median income (AMI); at least 40% of new admissions in any year must be extremely low income, income below 30% of AMI or the state poverty level, whichever is greater.
FY14 funding: $6.3 billion
See also: *Choice Neighborhood Initiative and HOPE VI, Rental Assistance Demonstration, Moving to Work, Public Housing Agency Plan*

The nation's 1.1 million units of public housing, serving 2.6 million residents, are administered by a network of more than 3,100 local public housing agencies (PHAs), with funding from residents' rents and Congressional appropriations to HUD. Additional public housing has not been built in decades. Advocates are focused primarily on preserving the remaining public housing stock.

Public housing encounters many recurring challenges. For instance, generally well-run PHAs face significant federal funding shortfalls each year, as they have for decades. In addition, policies such as demolition, disposition, and the HOPE VI program have resulted in the loss of public housing units. There are persistent calls for deregulation of public housing through the expansion of the Moving to Work demonstration and other efforts that can reduce affordability, deep income targeting, resident participation, and programmatic accountability, all aspects of public housing that make it an essential housing resource for many of the lowest income Americans.

HUD's two latest tools to address the aging public housing stock include the Choice Neighborhoods Initiative (CNI) renovation program that addresses both public housing and broader neighborhood improvements, and the Rental Assistance Demonstration (RAD) designed to leverage private dollars to improve public housing properties while converting them to project-based rental assistance.

HISTORY

The Housing Act of 1937 established the public housing program. President Nixon declared a moratorium on public housing in 1974, shifting the nation's housing assistance mechanism to the then-new Section 8 rental assistance voucher program in order to engage the private sector. Federal funds for adding to the public housing stock were last appropriated in 1994, but little public housing has been built since the early 1980s.

In 1996, Congress stopped requiring that demolished public housing units be replaced on a unit-by-unit, one-for-one basis. In 1998, the Quality Housing and Work Responsibility Act (QHWRA) changed various other aspects of public housing, including public housing's two main funding streams, the operating and capital subsidies. Federal law also capped the number of public housing units at the number each PHA operated as of October 1, 1999.

Today, units are being lost through demolition and disposition (sale) of units, the HOPE VI program, mandatory and voluntary conversion of public housing to voucher assistance, and the cumulative impact of decades of underfunding and neglect on once-viable public housing units.

According to HUD testimony, between the mid-1990s and 2010, about 200,000 public housing units had been demolished; about 50,000 were replaced with new public housing units, and another 57,000 former public housing families were given vouchers instead of a public housing replacement unit. Another almost 50,000 units of non-public housing were incorporated into these new developments but serve households with incomes higher than those of the displaced households, and with no rental assistance like that provided by the public housing program.

PROGRAM SUMMARY

There are more than 1.1 million public housing units in the United States. According to HUD, of the families served by public housing, nearly 60% of public housing families are headed by a person who is elderly, disabled, or both, and more than 40% of public housing households include children. The average annual income of a public housing household is $13,858. The demand for public housing far exceeds the supply. In many large cities, households can remain on waiting lists for perhaps decades. Like all HUD rental assistance programs, public housing is not an entitlement program; rather, its size is determined by annual appropriations and is not based on the number of households who qualify for assistance.

Access to public housing is means-tested. All public housing households must be low income, having income less than 80% of the area median, and at least 40% of new admissions in any year must be extremely low income, defined as having an income below 30% of the area median or the state poverty level adjusted for family size, whichever is greater. The FY14 HUD appropriations act included this expanded definition of "extremely low income" for HUD's rental assistance programs, including families below the poverty level, particularly to better serve poor households in rural areas. PHAs can also establish local preferences for certain populations, such as elderly people, people with disabilities, veterans, full-time workers, domestic violence victims, or people who are homeless or who are at risk of becoming homeless.

As in other federal housing assistance programs, residents of public housing pay the highest of: (1) 30% of their monthly adjusted income; (2) 10% of their monthly gross income; (3) their welfare shelter allowance; or (4) a PHA-established minimum rent of up to $50. The average public housing household pays about $233 a month toward rent and utilities.

PHAs are responsible for maintaining the housing, collecting rents, managing waiting lists, and other activities related to the operation and management of the housing. Most PHAs also administer the Housing Choice Voucher program.

Most PHAs are required to complete five-year Public Housing Agency Plans, along with annual updates, which detail many aspects of their housing programs, including waiting list preferences, grievance procedures, plans for capital improvements, minimum rent requirements, and community service requirements. These PHA Plans represent a key way for public housing residents, voucher holders, and community stakeholders to participate in the PHA's planning process.

PHAs receive two annual, formula-based grants from Congressional appropriations to HUD: the operating fund and capital fund.

The public housing operating fund is designed to make up the balance between what residents pay in rent and what it actually costs to operate public housing. According to HUD budget requests, the federal operating fund pays for about 60% of actual operating expenses; the remainder comes from tenant rent payments. Major operating costs include: routine and preventative maintenance, a portion of utilities, management, PHA employee salaries and benefits, supportive services, resident participation support, insurance, and security. HUD's operating formula system, Asset Management, determines an agency's operating subsidy on a property-by-property basis, rather than the previous PHA-by-PHA basis.

The capital fund can be used for a variety of purposes, including modernization, demolition, replacement housing, and management improvements. In 2011, HUD released a capital needs assessment showing a $26 billion backlog for capital fund repairs in public housing, plus ongoing new capital needs of $3.4 billion each year for 20 years. The annual capital needs accrual amount makes clear that annual appropriations for the capital fund are woefully insufficient to keep pace with the program's needs.

Demolition and Disposition. Since 1983, HUD has authorized PHAs to apply for permission to demolish or dispose of public housing units. This policy was made infinitely more damaging in 1995 when Congress suspended the requirement that housing agencies replace, on a one-for-one basis, any public housing lost through demolition or disposition. Since 2000, more than 100,000 public housing units were demolished or disposed of. Applications for the demolition or disposition of another 10,000 public housing units are submitted to HUD each year.

In 2012, HUD clarified and strengthened its guidance on demolition and disposition in an effort to curb the decades-long sale and needless destruction of the public housing stock. While additional reforms through regulation are hoped for in 2014, the early 2012 guidance clarifies the demolition and disposition process in a number of ways. For example, the guidance unequivocally states that a proposed demolition or disposition must be identified in the PHA Plan or in a significant amendment to the PHA Plan, and that PHAs must comply with the existing regulations' strict resident consultation requirements for the PHA Plan process, the demolition or disposition application, and the redevelopment plan. That guidance also reminds PHAs that HUD's Section 3 requirement to provide employment, training and economic opportunities to residents applies to properties in the demolition and disposition process. The review criteria for demolition applications must meet clear HUD standards, and no demolition or disposition is permissible prior to HUD's approval, including any phase of the resident relocation process.

Rental Assistance Demonstration. As part of its FY12 HUD appropriations act, Congress authorized the Rental Assistance Demonstration (RAD). RAD allows HUD to approve the conversion of up to 60,000 public housing and Moderate Rehabilitation program units into either project-based Section 8 rental assistance contracts or project-based vouchers by September 2015. HUD issued a final Notice of Fund Availability (NOFA) on July 26, 2012, detailing requirements for gaining HUD approval to convert units. As of December 31, 2013, the Department had received applications for more than 176,000 units, exceeding HUD's 60,000-unit cap. By the end of 2013, HUD's entire RAD authority for public housing and moderate rehab units had been absorbed by high demand for the program. In FY14, HUD asked for to raise the 60,000-unit cap to 150,000 units; HUD has requested that the cap be removed in its FY15 budget request.

The RAD statute requires residents of RAD-converted public housing properties to have the same rights after conversion that they had before, including rights regarding admissions, evictions, termination of assistance, and grievance hearings. The notice requires PHAs to continue to provide $25 per occupied unit annually for resident participation after conversion. The tenant organizing provisions currently only available to residents of private, HUD-assisted housing will be required for all RAD-converted public housing units. Residents cannot be involuntarily displaced or rescreened.

HUD must require 15-20 year renewable use and affordability restrictions for RAD-converted units. When initial contracts expire and at each renewal, HUD must offer and the owner must accept contract renewal. HUD must require converted properties to be owned or controlled by a public or nonprofit entity, except if the property is threatened by foreclosure, bankruptcy, or termination of assistance for material violation. Then, ownership of the property must first be available to a public entity, and if one is not willing then to a private entity. According to the statute, ownership can be by a for-profit only if necessary for Low Income Housing Tax Credit financing, and in such cases, the PHA must maintain its interest in the property.

There are a number of concerns regarding RAD. For instance, RAD limits to 50%, the number of units in a public housing development that can be converted to project-based vouchers (PBVs). However, the 50% cap can be exceeded if the other units are "exception units," those occupied by an elderly head of household or spouse, a disabled head of household or spouse, or a household with at least one member participating in a supportive service program. Yet, a public housing household whose development is converted cannot be involuntarily displaced as a result of this cap. Therefore, if a family in an "exception unit" does not want to participate in a supportive service, the household cannot be terminated from PBV. However, once an original household leaves a converted exception unit, that unit can only be rented using PBV to a household that meets one of the three exception categories (supportive services, elderly, or disabled). What this means is that some PHAs might urge half of the households to move to other developments, if available – but, a resident's decision to relocate must be voluntary. It could also mean that for a development to be able to continue to use PBVs after current residents leave exception units, some developments might change in character. For example, a development mostly occupied by families might become 100% elderly.

Moving to Work. A key public housing issue is the Moving to Work (MTW) demonstration that provides a limited number of housing agencies flexibility from most statutory and regulatory requirements. Because this demonstration program has not been evaluated, and the potential for harm to residents and the long-term health of the PHAs are at stake, NLIHC has long held that the MTW demonstration is not ready for expansion or permanent authorization. Various legislative vehicles have sought to maintain and expand the current MTW program. Today, there are 39 PHAs in the MTW demonstration. Whether and how to expand the Moving to Work demonstration was a consistent stumbling block for broad housing assistance reform legislation, which is not expected in the 113th Congress. Indeed, the inclusion of cost-savings provisions from iterations of reform legislation in the FY14 HUD appropriations act removes much urgency for legislators to take up broad reforms. In its FY15 request, HUD says that it will provide Congress with a proposal to expand the MTW demonstration in the spring of 2014.

FUNDING

The two public housing funds, operating and capital, received under $5.8 billion in FY13, after the sequester's across-the-board cuts were implemented in March 2013. Congress provided $6.3 billion for the two funds in FY14, and the President has requested $6.5 billion for them in FY15. The President's FY15 request for the operating fund would restore funding to FY12 levels, but still only provide 83% of what HUD and Congress know is needed for PHAs to adequately operate the nation's public housing stock. The President's request for the capital fund is also an increase over FY14 funding, but still would provide far less than what is needed to even meet capital needs that accrue each year, not to mention addressing the $26 billion capital repair needs backlog.

FORECAST FOR 2014

The FY15 budget is expected to be the biggest public housing issue Congress considers in 2014. The FY14 HUD appropriations act included policy changes impacting public housing and other programs. The FY14 act included HUD's long-sought flat rent proposal, which will require PHAs to set flat rents to at least 80% of Fair Market Rents, while providing a maximum annual rent increase of 35% for residents who face rent increases. Another provision, requested by HUD and included in iterations of rental assistance reform legislation, defines "extremely low income" as the greater of 30% of area median income or incomes up to the state poverty level adjusted for family size. In its FY15 request, HUD is seeking authority to increase the threshold to take an income deduction for medical care costs from 3% to 10% of income. Unlike proposals in previous rental assistance reform bills, however, HUD's request would not also simultaneously increase the standard deduction for elderly households and households for persons with disabilities, potentially exposing these households to harmful rent increases.

HUD's Regulatory Agenda for 2014 includes issuing a proposed rule regarding demolition and disposition of public housing, and a proposed rule amending the PHA consortia regulations.

WHAT TO SAY TO LEGISLATORS

Advocates should ask Members of Congress to:

- Maintain funding for the public housing operating and capital funds.
- Support public housing as one way to end all types of homelessness in the United States.
- Oppose expansion of the Moving to Work demonstration to additional PHAs.

FOR MORE INFORMATION

National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
National Housing Law Project, 415 546 7000, www.nhlp.org
Center for Budget and Policy Priorities, 202-408-1080, www.cbpp.org

Public Housing Agency Plan

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Public and Indian Housing
Year Program Started: 1998
See also: *Resident Participation in Federally Subsidized Housing*

The Public Housing Agency Plan (PHA Plan) is the collection of a public housing agency's key policies (such as admissions policies) and program intentions (such as demolition). There is a 5-year Plan with Annual Plan updates. The PHA Plan was meant to ensure local accountability through resident and community participation. Prior to the Obama administration, however, various administrative and legislative efforts weakened PHA Plans.

ADMINISTRATION

PHA Plans are administered by some local public housing agencies, with oversight by HUD's Office of Public and Indian Housing (PIH). PHA Plan regulations are at 24 CFR Part 903, Subpart B.

HISTORY

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) established the PHA Plan because of the significant shift of authority to public housing agencies (PHAs) provided by that law. The PHA Plan was meant to ensure local accountability through resident and community participation opportunities. Resident Advisory Boards (RABs) were also created by QHWRA to ensure participation in the PHA Plan process by public housing residents and voucher-assisted households.

In June 2004, HUD issued regulations streamlining the Annual Plan requirements for PHAs with fewer than 250 public housing units and any number of voucher units, known as small PHAs. These PHAs were only required to submit certifications regarding capital improvement needs and civil rights compliance. This regulatory streamlining was broadened in 2008 when Congress enacted several reforms that greatly diminish the Annual Plan requirements for PHAs administering fewer than 550 combined units of public housing and vouchers, known as qualified PHAs. Also in 2008, HUD took administrative action to dilute the information provided to residents and the general public through the PHA Plan template.

PLAN SUMMARY

All PHAs must develop 5-Year PHA Plans that describe the overall mission and goals of the PHA regarding the housing needs of low income families in its jurisdiction. Larger PHAs, called non-qualified PHAs, must also develop an Annual Plan, which is a gathering together of a PHA's program intentions, such as demolition or disposition, as well as key policies, such as those relating to admissions, income targeting, rents, and pets. However, these larger PHAs only have to submit a short PHA Plan template to HUD each year.

See the following "*What is the PHA Plan*" for all of the required components of the Annual PHA Plan.

Resident Advisory Boards (RABs). As part of this planning process, PHAs are required to have at least one Resident Advisory Board to assist in the development of the PHA Plan and any significant amendments to the plan. RAB membership must adequately reflect and represent residents served by the PHA, including voucher holders if they make up at least 20% of all those assisted.

In order to ensure that RABs can be as effective as possible, the PHA must allocate reasonable resources to provide reasonable means for the RAB to become informed about programs covered by the PHA Plan, communicate with residents in writing and by telephone, hold meetings with residents, and get information through the internet.

The PHA must consider RAB recommendations when preparing a final PHA Plan or any significant amendment to it. A copy of the RAB's recommendations and a description of whether those recommendations were addressed must be included with the final PHA Plan.

Resident and community participation. The law and regulations provide for a modest public participation process. The PHA must conduct reasonable outreach to encourage broad public participation. The PHA's board of commissioners must invite public comment regarding a proposed PHA Plan and conduct a public hearing to discuss it. The hearing must be held at a location convenient to PHA residents. At least 45 days before the public hearing, the PHA must make the proposed PHA Plan, required attachments, and other relevant information available for public inspection at the PHA's main office during normal business hours, and publish a notice indicating the date, time, and location of the public hearing, as well as the availability of the proposed PHA Plan.

The final, HUD-approved PHA Plan, along with required attachments and other related documents, must be available for review at the PHA's main office during normal business hours. Small PHAs submitting so-called streamlined Annual PHA Plans must certify that any revised policies and programs are available for review at the PHA's main office during normal business hours.

There are four places in the regulations indicating that writing and calling HUD to complain about the PHA Plan might secure attention and relief from HUD.

1. If a RAB claims in writing that the PHA failed to provide adequate notice and opportunity for comment, HUD may make a finding and hold up approval of a PHA Plan until this failure is remedied.
2. Before approving a PHA Plan, HUD will review "any… element of the PHA's Annual Plan that is challenged" by residents or the public.
3. HUD can decide not to approve a PHA Plan if the plan or one of its components:
   - Does not provide all of the required information.
   - Is not consistent with information and data available to HUD.
   - Is not consistent with the jurisdiction's Consolidated Plan.
4. To ensure that a PHA complies with all of the policies adopted in its HUD-approved PHA Plan, "HUD shall, as it deems appropriate, respond to any complaint concerning PHA noncompliance with the plan.… HUD will take whatever action it deems necessary and appropriate."

Significant amendments. The PHA Plan must identify the PHA's basic criteria for determining what makes an amendment significant. Significant amendments can only take place after formal adoption by the PHA board of commissioners at a meeting open to the public, and after subsequent approval by HUD. Significant amendments are subject to all of the RAB and public participation requirements discussed above.

Advocates and residents should be alert to changes to the PHA Plan at any time of the year because any policy or program in it can be modified. Advocates and residents should review the PHA Plan's criteria defining significant amendments, and work to change them if they are written so that few modifications would be judged significant and therefore escape the RAB and public participation requirements.

Major changes since 2008. Congress weakened the usefulness of the PHA Plan with changes made in the Housing and Economic Recovery Act of 2008 (HERA). This law included a provision greatly diminishing PHA Annual Plan requirements for PHAs that administer fewer than 550 combined units of public housing and vouchers. As of October 2012, HUD reports that there are 2,851 so-called qualified PHAs. This means that 74% of the nation's PHAs, which administer 21% of public housing units and 10% of all vouchers, were exempt from developing an Annual Plan. Qualified PHAs only need to certify that they are complying with civil rights law, and that their 5-Year PHA Plan is consistent with the local or state government's Consolidated Plan. Qualified PHAs must still hold a public hearing annually regarding any proposed changes to the PHA's goals, objectives, or policies. They must also have RABs and respond to RAB recommendations at the public hearing.

HUD also took action in 2008 that weakened the usefulness of the PHA Plan for larger PHAs. Previously, HUD required public housing agencies to use a computer-based PHA Plan template. This was a helpful outline of all of the PHA Plan components required by the law. But HUD drastically diminished the template in 2008, reducing it from a helpful 41-page, easy-to-access electronic guide, to a mere page and a half-long form, making it much more difficult for residents and the public to know what the law requires and what has changed at the PHA over the previous year.

The 2008 PHA Plan template makes it more difficult for residents and others to understand the PHA Plan process, engage in it, and have access to information associated with the 19 statutorily required PHA Plan components. The template merely asks PHAs to indicate which of the components was revised, not how the components were revised. Also, there is no longer a list of required plan components prompting residents and others to proactively recommend their own revisions to the Annual Plan.

On February 7, 2011, HUD published a proposed rule that would put the changes made for Qualified PHAs into the regulations. To date, that rule has not been finalized. On April 13, 2011, February 3, 2012, and April 11, 2012 HUD published for comment revisions to the PHA Plan template. To date, revised templates have not been published, but because the current templates have expired, replacement templates must be issued at some point.

Instead of one single template, HUD proposed a 5-Year PHA Plan for all PHAs, and six separate annual update templates for:

1. Standard PHAs that own or manage 250 or more public housing units and any number of housing choice vouchers, for a combined total of more than 550.
2. Small PHAs that own or manage 250 or fewer public housing units and any number of vouchers, for a combined total of more than 550.
3. Qualified PHAs that have fewer than 550 public housing units and vouchers combined.
4. Troubled PHAs that have an overall Public Housing Assessment System (PHAS) or Section 8 Management Assessment Program (SEMAP) score of less than 60%.
5. High-Performer PHAs that were designated high performer in their most recent assessments for PHAS and SEMAP and that own or manage 250 or more public housing units and any number of vouchers, for a combined total of more than 550.
6. Housing Choice Voucher-Only PHAs that do not own or operate any public housing units, but administer more than 550 vouchers.

Several of the proposed modifications would be improvements. For example, each template would clearly state that information hinted at in the templates must be provided to residents, as well as where they can access the information. PHAs would be strongly encouraged to provide copies of the templates to resident councils and to post complete PHA Plans on their websites.

Another improvement would be an explicit instruction in the Standard/Troubled PHA Annual Plan template requiring those PHAs to describe revisions made to any of 17 listed PHA Plan elements (e.g., waiting list procedures, grievance procedures, rent determination policies, etc.). The template currently in use does not list any of the PHA Plan elements.

The Standard/Troubled PHA Annual Plan template would also be improved by creating a “New Activities” section, which is a better presentation of 11 important potential PHA actions that were previously lumped together in a tiny template box. For instance, a Standard/Troubled PHA would have to indicate whether or not it intends to project base vouchers or to undertake a mixed finance project or to demolish a development. If so, the PHA must describe the planned action.

Not all of the proposed modifications would be improvements. Although required in the law and regulations, and included in the template currently in use, the proposed Standard/Troubled Annual Plan template would no longer require PHAs to submit for HUD review, challenges raised by residents or the general public to any of the statutorily required PHA Plan elements.

NLIHC is concerned that resident involvement in the PHA Plan will diminish due to the loss of guidance in the PHA Plan template. The template includes far fewer reminders about the role of the RAB in developing the PHA Plan. The template no longer includes the description of the process for electing residents to the PHA board or the list of RAB members or residents on the PHA Board.

PHA Annual Plans should be enhanced to provide additional data on:

- The number of Annual Contributions Contract (ACC) units the PHA has, by development, the occupancy level at each development, and a plan to reduce any development's vacancy rate that is above 3%.
- The number of ACC units planned for redevelopment that will no longer be available or affordable to extremely low income households.
- The number of authorized housing vouchers the agency has under lease.
- The PHA's SEMAP ratings, any audits of the agency performed by the HUD Secretary, and any corrective action the agency took regarding SEMAP or audit findings.

In addition, NLIHC believes that more PHAs must be required to comply with the PHA Plan so that residents and community members can have an opportunity to learn about and participate in the decisions affecting the nation's investments in public housing and vouchers.

FORECAST FOR 2014

The Administration's budget proposal for FY15 no longer seeks a legislative change requested with its FY14 budget proposal which sought to "eliminate the requirement that PHAs complete and submit PHA Annual Plans...while replacing it with meaningful planning processes for resident feedback, including the requirement that PHAs hold meetings with residents and the public related to significant changes to PHA policies and proposals of major activities, such as the demolition or disposition of public housing."

HUD staff did begin working on the FY14 proposal during 2013. HUD told advocates that although the PHA Annual Plan would be eliminated, 45 days before an annual public hearing PHAs would be required to provide residents and the public with a new structure that has all 19 statutorily required components. At the time it was not evident that the new structure would provide adequate information to enable residents and the community to proactively offer suggestions about components a PHA might not raise, or to knowledgably comment on changes proposed by a PHA. NLIHC will continue to monitor any administrative changes along the lines of the withdrawn FY proposal.

TIPS FOR LOCAL SUCCESS

Advocates should participate in the development of their local agency's PHA Plan. They should work with their local PHA to find out the dates PHA Plans are due to HUD, which are based on PHAs' fiscal year start dates. Advocates should ask the PHA to provide notice well in advance of the required public hearing, and ask specifically about proposed changes. Advocates should review all PHA Plan components thought important, and should prepare written comments as well as comment at the public hearing. Advocates should work with others, especially residents of public housing, voucher holders, and other low income people, to increase participation in the PHA Plan process. All year long advocates should be on the lookout for significant amendments, and submit written comments as well as verbal comments at the public hearing required for significant amendments.

WHAT TO SAY TO LEGISLATORS

Advocates should let their Members of Congress know that:

- The PHA Annual and 5-year Plans are important, local tools that should be expanded to more PHAs, protected from further dilution, and enhanced to require more components of concern to residents and other community members.
- HUD's diminished template for Annual PHA Plan submission should be returned to its original state.

FOR MORE INFORMATION

National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
National Housing Law Project, 510-251-9400, www.nhlp.org
HUD directory of approved PHA Plans by state, http://1.usa.gov/VG9VMh
HUD list of Qualified PHAs, http://1.usa.gov/zI2oCH.

What is in the Annual PHA Plan?

a) **Housing Needs** of extremely low, very low, and low income families, elderly families, disabled families, and those on public housing and Section 8 waiting lists.

b) **Tenant Eligibility, Selection, and Admissions Policies** as well as waiting list procedures, admissions preferences, unit assignment policies, and race and income deconcentration policies.

c) **Financial Resources** and planned uses of these resources for the upcoming year listed in categories such as operating funds, capital funds, other federal funds, and non-federal funds.

d) **Rent Determination** including rent policies for tenants and landlords receiving vouchers.

e) **Operations and Management** of facilities, including PHA programs, their organization, and policies governing maintenance (including those policies regarding pest infestation).

f) **Grievance Procedures** for residents and applicants.

g) **Capital Improvement Needs** and planned actions for the long-term physical and social health of public housing developments. Should include plans and costs for the upcoming year and a 5-year plan.

h) **Demolition and Disposition Plans** that the PHA has applied for, or will apply for, including timetables.

i) **Designation of Public Housing for Elderly or Disabled** identified.

j) **Conversion of Public Housing** to tenant-based vouchers as specified in Section 33 or Section 22.

k) **Homeownership Programs** described, such as Section 8(y) or Section 5(h).

l) **Community and Self-Sufficiency Programs** that aim to improve families' economic or social self-sufficiency, including those that will fulfill community service requirements as well as Section 3 jobs efforts.

m) **Safety and Crime Prevention** including coordination with police.

n) **Pets** policy.

o) **Civil Rights** as reflected in a formal pledge that the PHA will comply the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act.

p) **Financial Audit** from the most recent fiscal year.

q) **Asset Management** for long-term operating, capital investment, rehabilitation, modernization, or sale of the PHA's inventory.

r) **Domestic Violence** activities, services, or programs that prevent or serve victims of domestic violence, dating violence, sexual assault, or stalking as added by the Violence Against Women Act of 2005 (VAWA).

s) **Additional Information** including progress in meeting or deviating from the PHA's mission and goals as listed in the 5-Year Plan.

Public Housing: Choice Neighborhoods Initiative and HOPE VI

By Linda Couch, Senior Vice President for Policy and Outreach

Administering agency: HUD's Office of Public and Indian Housing (PIH)
Year program started: HOPE VI, 1993; Choice Neighborhoods Initiative 2010
FY14 funding: HOPE VI, $0; Choice Neighborhoods Initiative $90 million
See also: *Public Housing*

The Choice Neighborhoods Initiative (CNI) is HUD's successor to the HOPE VI program. Like HOPE VI, CNI focuses on severely distressed public housing properties. But CNI expands HOPE VI's reach to include HUD-assisted, private housing properties and entire neighborhoods. In FY14, Congress funded CNI at $90 million. Congress has not funded HOPE VI since FY11.

The HOPE VI public housing program provided funds to revitalize the nation's severely distressed public housing stock through: demolition, construction, rehabilitation, and other physical improvements; development of replacement housing; and, the provision of community and supportive services. HOPE VI has resulted in the demolition of more than 98,000 public housing units but the rebuilding of only 48,348 public housing units.

HISTORY

HOPE VI program. In 1989, Congress established the National Commission on Severely Distressed Public Housing. The commission was charged with identifying severely distressed public housing and devising a plan to address the problem. In its 1992 report to Congress, the commission found that 6% of public housing units (86,000 units) were severely distressed and recommended that Congress create a revitalization plan.

As a result, Congress created the HOPE VI program through the 1993 appropriations act with the goal of revitalizing dilapidated public housing units. Eligible HOPE VI activities included demolishing public housing units, rehabilitating units, and relocating residents. The program was funded in annual appropriations bills through 1998. Then, in 1999, Congress passed authorizing legislation for HOPE VI within the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

Under QHWRA, the purposes of the program were to improve the living environment of public housing residents, revitalize the sites on which severely distressed public housing units were located, decrease concentration of poverty, and build sustainable communities. HOPE VI was subsequently reauthorized in various pieces of legislation for one- to three-year periods through FY11.

In 2003, protections were added for tenants, such as requiring HUD to involve affected public housing residents throughout the planning process. In addition, during the grant selection process, a criterion was added to reward minimizing the permanent displacement of current residents of public housing and prioritizing return of tenants of the existing developments to the revitalized development.

Advocates have long been troubled that under HOPE VI, public housing agencies (PHAs) have demolished viable units, displaced families, and exercised overly rigid rescreening practices to effectively bar residents from returning to their revitalized communities.

Choice Neighborhoods Initiative. While HOPE VI focused on grants to revitalize severely distressed public housing, CNI focuses its resources on transforming entire neighborhoods. Legislation to authorize the CNI program was introduced in 2011 by Representative Maxine Waters (D-CA) and Senator Robert Menendez (D-NJ). Senator Menendez reintroduced his CNI authorization bill in 2013. However, there has been no action on the most recent bill. Although unauthorized, CNI has been funded through annual appropriations bills and administered according to the details of HUD Notices of Fund Availability (NOFA). CNI was funded at $65 million in both FY10 and FY11, and received $120 million in FY12.

PROGRAM SUMMARY

Choice Neighborhoods Initiative. HUD states that CNI has three goals:
1. Housing: Transform distressed public and HUD-assisted private housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term.
2. People: Support positive health, safety, employment, mobility, and education outcomes for residents in the target development(s) and the surrounding neighborhood.
3. Neighborhood: Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, high quality public schools and education programs, public transportation, and improved access to jobs.

In addition to PHAs, grantees can include HUD-assisted private housing owners, local governments, nonprofits, and for-profit developers. The CNI program awards both large implementation grants and smaller planning grants. CNI planning grants are to assist communities in developing a neighborhood transformation plan and in building the support necessary for that plan to be implemented.

CNI implementation grants are intended primarily to help transform severely distressed public housing and HUD-assisted private housing developments through rehabilitation, demolition, and new construction. HUD also requires applicants to prepare a more comprehensive plan to address other aspects of neighborhood distress such as violent crime, failing schools, and capital disinvestment. Funds can also be used for supportive services and for improvements to the surrounding community, such as developing community facilities, and addressing vacant, blighted properties. HUD works closely with the Department of Education to align CNI's educational investments and outcomes with those of the Promise Neighborhoods program.

Key requirements of CNI implementation grants include:

- One-for-one replacement of all public and private HUD-assisted units. Replacement units may be developed on-site or in the target neighborhood. However, replacement units may also be developed as far away as 25 miles if units are in an area that:
  - Does not have a concentration of minority populations and does not have a poverty rate above 40%.
  - Has access to transportation, economic opportunities, and other amenities.
- Replacement units may be public housing units, Section 202 Elderly units, Section 811 units for people with disabilities, or Project-based Vouchers.
- Tenant-based, Housing Choice Vouchers may be used to replace up to 50% of the public housing units if:
  - The vacancy rate for units affordable to low income households was greater than 7.3% in 2000 and greater than 8.7% in 2005-2009;
  - At least 50% of the vouchers currently in use are in neighborhoods with a poverty rate below 20%; and,
  - A minimum of 80% of the households issued vouchers successfully leased units within 120 days.
- Each resident who wishes to return to the improved development may do so.
- Residents who are relocated during redevelopment must be tracked until the transformed housing is fully occupied.
- Existing residents must have access to the benefits of the improved neighborhood.
- Resident involvement must be continuous, from the beginning of the planning process through implementation and management of the grant.

Between FY10 and FY13, HUD awarded 56 CNI planning grants. Between FY10 and FY12, HUD awarded nine CNI implementation grants.

In 2013, CNI was added as a component, along with Department of Education Neighborhoods grants and Department of Justice Byrne Criminal Justice Innovation grants, to the Administration's Promise Zone Initiative. The Promise Zone Initiative intends to create partnerships between the federal government, local communities, and business to create jobs, increase economic activity, expand education opportunities, and reduce violence.

The HOPE VI program. The HOPE VI program was intended to benefit the current residents of severely distressed public housing, revitalize public housing sites and improve the surrounding neighborhood, and avoid or decrease concentrations of very low income households. But HOPE VI has not been beneficial to everyone. For example, a 2010 report from the University of Illinois at Chicago shows that most former residents of Chicago's now-demolished public housing still live in segregated, low income neighborhoods despite using housing vouchers to subsidize their rents.

HOPE VI grants were awarded annually on a competitive basis, also using NOFAs. Generally, five or six housing agencies received grants each year. The number of grants awarded annually decreased in line with the decrease in HOPE VI funding. HOPE VI grants could be used for the capital costs of demolition, construction, rehabilitation and other physical improvements; development of replacement housing; and community and supportive services. PHAs administer the program and can use the grants in conjunction with modernization funds or other HUD funds, as well as municipal and state contributions, public and private loans, and Low Income Housing Tax Credit (LIHTC) equity.

FUNDING

HOPE VI had been funded at $100 million a year for several years. Congress eliminated funding for HOPE VI for FY12. HUD first proposed CNI in its FY10 budget request to Congress, when it sought $250 million for CNI and no funding for HOPE VI. Congress did end up appropriating $65 million for CNI in FY10, carving that amount out of the $200 million HOPE VI appropriation (leaving $135 million for HOPE VI). In FY11, Congress kept CNI at $65 million, but reduced HOPE VI to $28 million. In FY12, Congress opted not to fund any HOPE VI grants, instead funding only CNI at $120 million. For FY13, the Congress provided $114 million for CNI and nothing for HOPE VI. Only CNI was funded again in FY14, at $90 million. The Administration's FY15 budget request to Congress seeks $120 million, plus an additional separate $280 million as on component of a proposed new Administration-wide Opportunity, Growth, and Security Initiative.

WHAT TO SAY TO LEGISLATORS

NLIHC supports full funding for the public housing operating and capital funds, and full funding for project-based Section 8 so that properties do not run into the kinds of disrepair that might make them eligible for a CNI type program.

Advocates should urge Congress to formally authorize the CNI program that includes key elements: one-for-one replacement, right to return for residents, strong resident participation requirements throughout the entire CNI lifespan, and careful attention to avoid displacement.

FOR MORE INFORMATION

HUD Choice Neighborhoods Initiative webpage, http://1.usa.gov/WrTw8g
HUD HOPE VI webpage, http://1.usa.gov/VB5q5N
National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
National Housing Law Project, 415-546-7000, www.nhlp.org
Center on Budget and Policy Priorities, 202-408-1080, www.cbpp.org

Public Housing: Moving to Work Demonstration Program

By Linda Couch, Senior Vice President for Policy and Outreach, National Low Income Housing Coalition

Moving to Work (MTW) is a HUD public housing agency (PHA) demonstration program that provides PHAs with enormous flexibility from most HUD statutory and regulatory requirements. The flexibilities, regarding key programmatic features such as rent affordability and income targeting requirements, can impact residents in both the public housing and Housing Choice Voucher programs. Authorized in 1996, the demonstration program continues even though it has not been evaluated on a broad scale.

While some underfunded PHAs are desperate for flexibility from HUD rules, NLIHC and others contend that the MTW demonstration may result in more harm than good for extremely low income people in the public housing and voucher programs. In early 2012, NLIHC and several other groups developed a compromise "stakeholder agreement" that would provide for MTW expansion but require significant resident protections and rigorous evaluation. The stakeholder agreement did not address the treatment of existing MTW demonstration sites. The stakeholder agreement was never formally introduced, and broad rental assistance reform legislation is not expected in 2014. Even if it were, with the MTW contract expirations for existing sites close approaching in 2018, the agreement would need to be re-worked to include their treatment.

ADMINISTRATION

MTW is administered by HUD's Office of Public and Indian Housing.

HISTORY

The Moving to Work demonstration program was initially created in a 1996 appropriations act. The act authorized 30 PHAs to participate in the demonstration.

Since 1996, various HUD appropriations bills have authorized additional housing authorities to participate in this demonstration. Meanwhile, some demonstrations ran their course and ended. As of the close of 2013, 39 PHAs have MTW status, including four designated in December 2012. These PHAs operate 12% of the nation's public housing and housing choice voucher units. No more MTW demonstrations are currently authorized, although HUD said in its FY15 budget request that it will transmit a legislative proposal to Congress in 2014, asking for an expansion of MTW to high capacity PHAs.

PROGRAM SUMMARY

As stated in Section 204 of the of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, the demonstration's authorizing statute, the purpose of MTW is to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that:

1. Reduce cost and achieve greater cost-effectiveness in federal expenditures.
2. Give incentives to families with children in which the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
3. Increase housing choices for low income families.

PHAs selected for the MTW demonstration can seek waivers from most of the existing statutes and regulations governing the public housing and Section 8 voucher programs. For example, they can seek HUD approval to merge public housing and operating funds with voucher funds. Waivers can harm residents if PHAs are allowed to divorce rents from incomes by charging rents that are unaffordable, serve higher income residents even though the lowest income households have the greatest need, or impose work requirements and time limits.

Analyses by both the HUD Inspector General and the Urban Institute concluded that the MTW demonstration was not designed to enable a meaningful demonstration and lacked a data system that could lead to an assessment of MTW's impact, especially on residents. Given the lack of proof that the program is accomplishing its goals, expansion of MTW has long seemed ill-considered. Perhaps influenced by the compromise stakeholder agreement, according to HUD summaries of the final four MTW PHAs announced in December 2012, controlled studies of rent reform will be conducted at each, along with mobility studies at two and cost savings studies at two.

In 2005, the HUD Inspector General found that HUD did not design the MTW demonstration to collect any data. Instead, HUD relied on its existing systems to collect data. But, the report says, "the existing system could not accept tenant information and was not adapted in time to support the interim evaluation and, as a result, HUD was not able to collect tenant information needed to measure interim program impact on costs, family self-sufficiency, and housing choices as planned."

Further, the report found that "HUD's evaluation could not cite (1) statistics showing MTW demonstration activities could be considered models for reducing costs and achieving greater cost-effectiveness, promoting resident employment and self-sufficiency, and increasing choice for low income households, and (2) comparative analyses intended to show the impact of program activities and importance of individual policy changes. We recommend the Office of Public Housing Investments develop a means to collect performance information needed to evaluate Public Housing/Section 8 Moving to Work Demonstration housing authority accomplishments and determine whether any replicable models exist."

Several other HUD Inspector General reports have been extremely critical of MTW implementation by specific PHAs.

In a June 2004 report on the MTW demonstration prepared for HUD, the Urban Institute concluded that three key aspects of the design and implementation of MTW have limited its ability to inform public housing policy going forward:
1. The MTW framework put limitations on what could be deregulated and for how long. These restrictions could have discouraged PHAs from implementing reforms that might otherwise have been implemented if MTW had been permanently authorized, rather than being a time-limited demonstration.
2. MTW was not designed as a rigorous research demonstration.
3. Due to HUD's systems, critical data on the characteristics of public housing residents and Section 8 households have not been collected from the demonstration sites in a consistent and uniform fashion. This leaves much of what is known about MTW's impacts to anecdotes and piecemeal information gathering.

The Urban Institute report also found that there is no way to determine with certainty whether individual programs have achieved the goal of work and self-sufficiency. In addition, while some PHAs have expanded housing options for low income people, others have restricted it. There has been no mechanism in MTW's history to move forward with what has worked within MTW to improve affordable housing options for the lowest income households and improve the physical and financial health of the housing agency and, critically, leave behind what in MTW agreements has harmed residents and housing agencies.

An August 2010 report to Congress by HUD on the MTW demonstration called for an expansion of MTW. Heralded by many PHAs, the report was roundly criticized by other housing advocates for lacking any rigorous or complete data analysis and instead relying on accounts provided by MTW sites themselves.

The latest Government Accountability Office (GAO) report on MTW came in December 2012. In this report, GAO faulted HUD for not identifying standard performance data and indicators to evaluate MTW. It also noted that HUD lacks a process for culling anecdotal reports from MTW sites to identify practices that other PHAs can replicate. GAO found that program design and data weaknesses have prevented a comprehensive expansion of MTW. "Until HUD develops and implements a plan (that includes the identification of standard data) to quantitatively assess similar activities and the MTW program as a whole, HUD cannot determine their effectiveness," according to the report.

NLIHC's concerns about MTW have been focused on the ability of the voucher and public housing programs to continue to address the housing needs of their targeted populations in ways that are affordable to each household and that continue to provide residents choice. NLIHC does not think that work requirements, self-sufficiency contracts, and time limits should be allowed in federal housing safety net programs. Rent policies that increase rents beyond a household's affordability level are tantamount to time limits.

FUNDING

There is no funding specifically for the MTW demonstration. Under MTW, PHAs receive funding equal to what they would have received had they not participated in MTW. However, one critique of MTW is that because it allows fungibility between voucher and public housing funding, voucher funding has been diverted from serving voucher households, while at the same time no new public housing residents are served. HUD has said it will not renew existing MTW PHA contracts past their 2018 expiration if their voucher utilization rates are below 90%, as several of them are.

The serious lack of sufficient funding for public housing is likely one of the reasons some PHAs promote the MTW demonstration. Advocates must be committed to identifying and advocating for new resources and new ideas to ensure that public housing and vouchers remain an affordable housing option for the lowest income households. Deregulating public housing and vouchers through the MTW demonstration will not preserve these units as affordable for the lowest income groups.

FORECAST FOR 2014

HUD says it will present a proposal to Congress in 2014 to expand MTW to more high capacity PHAs. In the past, broader rental housing assistance reform bills have included MTW titles. With no broad rental assistance reform bill introduced or expected in the 113th Congress, it is unlikely that any broad expansion will occur, especially MTW's controversial status.

HUD has also said that in 2014 it will act on whether and how to extend the existing MTW contracts under its jurisdiction. Current MTW contracts expire in 2018.

TIPS FOR LOCAL SUCCESS

Advocates should be alert to whether their PHA is seeking approval to become an MTW site, if more sites become available due to Congressional action. MTW agreements between HUD and PHAs must be tailored to preserve housing options while protecting the affordability of homes for extremely low income people.

WHAT TO SAY TO LEGISLATORS

Advocates should urge Members of Congress to support increased funding for public housing and vouchers in FY15 so that PHAs can thrive as they operate safe, decent, and affordable public housing and voucher programs.

Advocates should also ask legislators to oppose continuation or expansion of MTW. Numerous reports from the HUD Inspector General suggest that the program has caused harm to the lowest income residents and potential residents and to the physical and financial futures of PHAs.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- Center on Budget and Policy Priorities, 202-408-1080, www.cbpp.org
- National Housing Law Project, 415-546- 7000, www.nhlp.org
- HUD's MTW website provides information on current and past MTW demonstration sites, www.hud.gov/offices/pih/programs/ph/mtw/index.cfm
- Access the Urban Institute's 2004 MTW evaluation at: www.hud.gov/offices/pih/programs/ph/mtw/evalreport.pdf

Public Housing: Rental Assistance Demonstration

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Public and Indian Housing, and Office of Multifamily Housing Programs
Year program started: 2012
Number of persons/households served: 60,000 public housing units, 8,300 private, HUD-assisted multifamily units
FY14 funding: $0
See also: *Public Housing, Project-Based Rental Assistance, Public Housing Agency Plan*

As part of the FY12 HUD appropriations act, Congress authorized the Rental Assistance Demonstration (RAD) to help preserve and improve low income housing. RAD allows public housing agencies (PHAs) and owners of private, HUD-assisted housing to leverage Section 8 rental assistance contracts in order to raise private debt and equity for capital improvements. RAD has two components. The first pertains to public housing and the Moderate Rehabilitation (Mod Rehab); the second pertains to the Rent Supplement (Rent Supp) program, Rental Assistance Program (RAP), as well as the Mod Rehab program.

HISTORY

Congress authorized the Rental Assistance Demonstration (RAD) through the FY12 HUD appropriations act. HUD published PIH Notice-2013-32 on July 26, 2012 implementing RAD, with a set of revisions on July 2, 2013 and technical corrections on February 4, 2014. The FY14 appropriations act extended the time for second component conversions to December 31, 2014 from September 30, 2013.

HUD reports that as of December 31, 2013 it had received more than 176,000 applications under the first component to convert public housing and Mod Rehab units, and that nearly 58,000 of these units had received preliminary approval. HUD created a waiting list for the balance of applications in case any of the preliminary approvals did not proceed to the next stage of the approval process. More than 8,300 second component units were approved by December 31, 2012.

PROGRAM SUMMARY

The intent of the Rental Assistance Demonstration (RAD) is to help preserve and improve low income housing by enabling public housing agencies (PHAs) and owners of private, HUD-assisted housing to leverage Section 8 rental assistance contracts to raise private debt and equity for capital improvements. RAD has two components.

The first component allows up to 60,000 units of public housing and Moderate Rehabilitation (Mod Rehab) program units to compete for permission to convert their existing federal assistance to project-based Housing Choice Vouchers (PBVs) or to Section 8 project-based rental assistance (PBRA) by September 30, 2015. HUD proposed to limit the number of Mod Rehab units converted under the component to 1,250 units.

The second RAD component allows Rent Supplement (Rent Supp), Rental Assistance Program (RAP), as well as Mod Rehab projects to convert tenant protection vouchers to PBVs if a property's contract expired or terminated due to mortgage prepayment after October 1, 2006 or will expire or terminate due to prepayment before December 31, 2014. There is no limit to the number of units that may be converted under the second component, and there is no competitive selection process for it.

Key features of the first component. This section focuses on the first component's public housing provisions. RAD is a voluntary demonstration program. There is no new funding for RAD. Once converted under RAD, the amount of public housing Capital Fund and Operating Fund a specific development has been receiving is used instead as PBV or PBRA.

PHAs considering RAD can choose to convert public housing units to one of two types of long-term, project-based Section 8 rental assistance contracts:

1. Project-based vouchers (PBVs). These are Housing Choice Vouchers that are tied to specific buildings; they do not move with tenants as regular "tenant-based" vouchers do. If public housing units are converted to PBV, the initial contract must be for 15 years (but could be up to 20 years), and must always be renewed. HUD's Office of Public and Indian Housing (PIH) would continue to oversee the units. Most of the current PBV rules would apply.
2. Project-based rental assistance (PBRA). If units are converted to PBRA, the initial contract must be for 20 years and must always be renewed. HUD's Office of Multifamily Programs would take over monitoring. Most of the current PBRA rules would apply.

Voluntarily converting some public housing to Section 8 might be good because Congress continues to underfund public housing. This leads to deteriorating buildings and the loss of units through demolition. HUD estimates that 10,000 to 15,000 public housing units are lost each year. If a long-term rental assistance contract is tied to a property, private institutions might be more willing to lend money for critical building repairs. Congress is more likely to provide adequate funding for existing Section 8 contracts than for public housing. Therefore, some units that were public housing before conversion will remain available and affordable to people with extremely low and very low incomes because of the long-term Section 8 contract.

Ownership. The RAD statute requires converted units to be owned or controlled by a public or nonprofit entity. If there is a foreclosure, then ownership or control of the property will go first to a public entity, and if there is not a public entity willing to own the property, then to a private entity which could be a for-profit.

Resident protections and rights. The statute and the notice implementing the statute spell out a number of protections and rights for residents, including:

- Displacement. Permanent involuntary displacement of current residents may not occur as a result of a project's conversion. If a household does not want to transition to PBV or PBRA, they may move to other public housing if an appropriate unit is available.
- Tent rent. Existing PBV and PBRA rules limit resident rent payment to 30% of income, or minimum rent, whichever is higher. Any rent increase of 10% or $25, whichever is greater, that is solely due to conversion is phased in over three to five years.
- Rescreening. Current residents cannot be rescreened.
- Right to return. Residents temporarily relocated while rehabilitation is conducted have a right to return.
- Renewing the lease. PHAs must renew a resident's lease, unless there is "good cause" not to.
- Grievance Process. The RAD statute requires tenants of converted properties to have the same grievance and lease termination rights they had under Section 6 of the Housing Act of 1937. For instance, PHAs must notify a resident of the PHA's reason for a proposed adverse action and of their right to an informal hearing assisted by a resident representative. Advocates think that HUD has not adequately implemented the statutory requirement.

Resident involvement. Before submitting a RAD application to HUD, the PHA must notify residents and resident organizations of a project proposed for conversion. The PHA is not required to notify the Resident Advisory Board (RAB) or residents of other developments. The PHA must conduct two meetings with residents of the selected project to discuss conversion plans and to give those residents a chance to comment. Once there is preliminary HUD approval, the PHA must hold at least one more meeting with those residents.

RAD conversion is a "Significant Amendment" to the PHA Plan. However, HUD does not require a Significant Amendment process to begin until two months after HUD has already given preliminary approval of the RAD conversion plan for a specific development (called a Commitment to enter into a Housing Assistance Payment contract, CHAP). Consequently, RAB involvement and the PHA-wide notice, broad public outreach, and public hearing required by the Significant Amendment regulations will not take place until the conversion application process is too far along.

A RAD conversion Significant Amendment must describe the units to be converted, including the number of bedrooms, bedroom distribution of units, and type of units (e.g., family, elderly, etc.). It must also indicate any waiting list preferences and indicate any change in the number of units or bedroom distribution of units, as well as any change in policies regarding eligibility, admission, selection, and occupancy of units.

Whether a property is converted to PBV or PBRA, each year the PHA must provide $25 per occupied unit for tenant participation. At least $15 per unit must be provided to the legitimate resident organization for resident education, organizing around tenancy issues, or training. If there is no legitimate resident organization, residents and PHAs are encouraged to form one.

Residents have the right to establish and operate a resident organization. If a property is converted to PBRA, then the current Multifamily program's resident participation provisions apply, the so-called "Section 245" provisions. If a property is converted to PBV, instead of using public housing's so-called "Section 964" provisions, PIH Notice 2013-32 requires resident participation provisions similar to those of Section 245. For example, PHAs must recognize legitimate resident organizations and allow resident organizers to help residents establish and operate resident organizations. Resident organizers must be allowed to distribute leaflets and post information on bulletin boards, contact residents, help residents participate in the organization's activities, hold regular meetings, and respond to a PHA's request to increase rent, reduce utility allowances, or make major capital additions.

Properties converted to PBRA are no longer required to meet PHA Plan requirements. In addition, PBRA residents can no longer be on the RAB, be a PHA commissioner, or be on a jurisdiction-wide resident council – unless the PHA voluntarily agrees.

One-for-One Replacement. Although PIH Notice 2013-32 does not use the term "one-for-one replacement", HUD's informal material says there will be one-for-one replacement. However, there are exceptions. PHAs can reduce the number of assisted units by up to 5% or 5 units, whichever is greater, without seeking HUD approval. HUD calls this the "de minimus" exception. Furthermore, RAD does not count against the 5%/5 unit de minimus: any unit that has been vacant for 2 or more years; any reconfigured units, such as efficiency units made into one-bedroom units; or, any units converted to use for social services. Consequently, the loss of units can be greater than 5%.

Choice Mobility. HUD states that one of the major objectives of RAD is to test the extent to which residents have greater housing choice after conversion. PHAs must provide all residents of converted units with the option to move with a regular Housing Choice Voucher (HCV). For PBV conversions, after one year of residency a tenant can request a HCV and one must be provided if available; if a voucher is not available, the resident gets priority on the waiting list. For PBRA, a resident has the right to move with a HCV, if one is available, after two years.

Limits on PBVs per development. RAD limits to 50%, the number of units in a public housing development that can be converted to PBVs. However, the 50% cap can be exceeded if the other units are "exception units," those occupied by an elderly head of household or spouse, a disabled head of household or spouse, or a household with at least one member participating in a supportive service program.

A public housing household whose development is converted cannot be involuntarily displaced as a result of this cap. Therefore, if a family in an "exception unit" does not want to participate in a supportive service, the household cannot be terminated from PBV. However, once an original household leaves a converted exception unit, that unit can only be rented using PBV to a household that meets one of the three exception categories (supportive services, elderly, or disabled). What this means is that some PHAs might urge half of the households to move to other developments, if available – but, a resident's decision to relocate must be voluntary. It could also mean that for a development to be able to continue to use PBVs after current residents leave exception units, some developments might change in character. For example, a development mostly occupied by families might become 100% elderly.

Key features of the second component. Owners of Mod Rehab properties have an alternative to the competitive process of the first RAD component. They may seek HUD permission to convert Enhanced Vouchers (EVs) that tenants are entitled to when a Mod Rehab contract expires to PBVs. The second component enables owners of Rent Supp and RAP properties to chose to receive PBVs instead of tenant protection vouchers (TPVs) that would have been provided in response to a Rent Supp or RAP contract expiring or being terminated due to mortgage prepayment.

Eligible properties are those with contracts that expired or terminated after October 1, 2006 or will expire or terminate before December 31, 2014. There is no limit to the number of units that may be converted under this component, and there is no competitive selection process.

Owners must notify residents of an intent to convert TPVs to PBVs. There must be a briefing to inform residents about the differences between PBVs and EVs (for Mod Rehab) and TPVs (for Rent Supp and RAP), including different rights, potential impact on rent payments, and mobility provisions. Residents must be made aware that they may remain in their unit with an EV or TPV and cannot be forced to move for rejecting a PBV. Residents must have an opportunity to comment at the briefing.

FUNDING

HUD's FY14 budget proposal to Congress requested approval to convert an additional 90,000 units, but Congress did not grant an expansion of RAD's first component. It also requested $10,000 for targeted expansion of RAD to public housing properties that cannot feasibly convert at existing funding levels and are located in high-poverty neighborhoods.

FORECAST FOR 2014

The Administration's FY15 budget proposal to Congress again asks for $10,000 for targeted expansion of RAD to public housing properties that cannot feasibly convert at existing funding levels and are located in high-poverty neighborhoods. It also seeks to completely eliminate the cap on the number of public housing and Mod Rehab units that can be converted while extending the application deadline to September 30, 2018. HUD is also asking that Section 8 Mod Rehab Single Room Occupancy (SRO) properties be eligible for RAD conversion. For the second component of RAD, HUD requests that Rent Supp and RAP units be allowed to convert to PBRA (in addition to PBV), while extending the sunset date for all second component conversions to September 30, 2016.

TIPS FOR LOCAL SUCCESS

For residents of developments given preliminary or final approval, make sure that the PHA or private, HUD-assisted housing owner is complying with all resident participation and protection provisions. Once HUD issues a formal RAD Conversion Commitment (RCC), the PHA must notify each household that the conversion has been approved, inform households of the specific rehabilitation or construction plan, and describe any impact conversion will have on them.

Be on the lookout for any substantial change in a conversion plan. A substantial change includes: a change in the number of assisted units, a major change in the scope of work, a transfer of assistance to a different property or owner, or a change in the eligibility or preferences for new applicants. If there is a substantial change in the conversion plan, the PHA must have additional meetings with the residents of the converting property and carry out the PHA Plan Significant Amendment process with the RAB, all PHA residents, and hold a public hearing.

For public housing residents at PHAs that have not applied for RAD conversion, or who live at developments not selected for conversion, be alert to the possibility that Congress could approve an expansion of RAD. If RAD grows, be prepared to influence your PHA's considerations. Do you agree that RAD is appropriate for public housing in your area? If RAD makes sense, which developments should be considered? Make sure you fully understand the differences between PBVs and PBRAs so that you can influence the option best for you.

WHAT TO SAY TO LEGISLATORS

Ask Members of Congress to ensure that HUD prepares, conducts, and publishes an assessment of the impact of conversion on public housing residents to ensure that further conversions do not result in adverse consequences for residents, as required by statute. Did residents have a genuine role during and after conversion? Were residents evicted just prior to conversion? Did every resident household that wanted to remain after conversion? Was there inappropriate re-screening? Are Section 6 resident protections, such as grievance procedures, being fully honored? Are residents of converted properties able to participate on resident councils and Resident Advisory Boards? Is there compliance with the one-for-one replacement requirement? Are PHAs truly owning or controlling converted properties? Are conversions to PBRA consuming too many scarce tenant protection vouchers at the expense of other tenant protection voucher needs?

FOR MORE INFORMATION

- National Low Income Housing Coalition, 201-662-1530, www.nlihc.org
- NLIHC's "RAD: Key Features for Public Housing Residents," http://nlihc.org/sites/default/files/RAD_Key_Features_Jan14.pdf
- HUD's RAD website, http://portal.hud.gov/hudportal/HUD?src=/RAD

Project-Based Rental Assistance

By Staff of the National Housing Trust

Administering agency: HUD's Office of Multifamily Housing Programs and Office of Recapitalization
Years started: 1961 - Section 221(d)(3) Below Market Interest Rate (BMIR); 1963 – USDA Section 515; 1965 - Section 101 Rent Supplement; 1968 – Section 236; 1974 – Project-Based Section 8, and Rental Assistance Payments program; 1978 – Section 8 Moderate Rehabilitation program.
Number of persons/households served: 1.5 million
Population targeted: extremely low to moderate income households
FY14 funding: $9.9 billion
See also: *USDA Rural Housing, Tenant Protection Vouchers, Project-Based Vouchers*

Project-based housing is a category of federally assisted housing produced through a public-private partnership to build and maintain affordable rental housing for low income households. HUD has provided private owners of multifamily housing either a long-term project-based rental assistance contract, a subsidized mortgage, or in some cases both, to make units affordable. Project-based assistance is fixed to a property.

This stock of affordable housing is in danger of being permanently lost as a result of owners opting out, physical deterioration of a property, or maturing mortgages ending use restrictions. When an owner "opts out" of the HUD project-based assistance program, they may convert the property to a market-rate rental building or condominiums. Recently, HUD has taken a number of actions to encourage the preservation of these properties.

HISTORY AND PROGRAM SUMMARY

From 1965 to the mid-1980s, HUD played an essential role in creating affordable rental homes by providing financial incentives such as below-market interest rate loans, interest rate subsidies, or project-based Section 8 contracts. Currently, no additional units are being produced through these programs.

Initially, project-based assistance was provided through FHA in the form of a mortgage subsidy. Mortgage subsidies reduced the cost of developing rental housing; in return, HUD required owners to agree to use restrictions that limit contract rents and limit occupancy to households meeting a program's income limits. These programs did not provide the direct rental assistance needed in order to be affordable to extremely low or very low income households.

The Section 221(d)(3) Below Market Interest Rate (BMIR) mortgage insurance program, created by the National Housing Act of 1961, enabled HUD to purchase below-market loans made by private lenders. In 1968, the Section 221(d)(3) BMIR program was replaced by the Section 236 program, which combined FHA mortgage insurance on private loans with an interest rate subsidy to effectively lower the mortgage interest rate to 1%. Owners of Section 221(d)(3) BMIR and Section 236 properties were required to make units available to low and moderate income families at HUD-approved rents for the term of their 40-year mortgages. More than 600,000 units of affordable housing were built under these two programs. Some, but not all, subsidized mortgage properties also have project-based rental assistance from the Section 8 program.

In 1974, Section 236 was replaced by the Section 8 New Construction and Substantial Rehabilitation program, now known as project-based Section 8. HUD entered into 20- to 40-year contracts with private owners to serve low income tenants. More than 800,000 units were developed between 1974 and 1983, when authorization for new construction was repealed.

There are three other smaller programs that still have units associated with them. These programs are sometimes referred to as the orphans. In addition to mortgage subsidies, HUD provided rental assistance payments to owners for some tenants of Section 221(d)(3) BMIR and Section 236 insured properties through several programs.

The Section 101 Rent Supplement program (Rent Supp) was authorized by the Housing and Urban Development Act of 1965. Many of these properties received Loan Management Set-Aside (LMSA) Section 8 contracts due to rapidly rising operating costs in the mid-1970s. Currently there are 176 active Rent Supp contracts covering 9,779 units.

Some Section 236 properties were provided additional rental assistance through the Rental Assistance Payments (RAP) program, authorized by the Housing and Community Development Act of 1974. RAP payments were made to owners on behalf of very low income tenants unable to afford the basic rent with 30% of their income. RAP reduces tenant payment for rent to 10% of gross income, 30% of adjusted income, or the designated portion of welfare assistance, whichever is greater. Most RAP contracts converted to Section 8 LMSA contracts. Currently there are 120 active RAP contracts covering 12,219 units.

Another form of rental assistance is the Section 8 Moderate Rehabilitation (Mod Rehab) program, designed in 1978 to stimulate moderate levels of rehabilitation to preserve affordable housing. Mod Rehab provides project-based rental assistance for low and very low income residents, but unlike other project-based Section 8, the agreement is between the owner and a local public housing agency (PHA). Like project-based Section 8, residents pay 30% of adjusted income for rent while rental assistance pays the balance. The program was repealed in 1991 and no new projects are authorized for development. There were 22,067 Mod Rehab units in 2008.

The Office of Rural Development at the U.S. Department of Agriculture (USDA) administers two rental housing programs, Section 515 and Section 521. The Section 515 program provided subsidized mortgage loans that developed more than 550,000 rental units for very low to moderate income households. Started in 1963, budget cuts reduced production dramatically after 1979. The stock of Section 515 units has been dwindling due to mortgage prepayment and deteriorating physical conditions. The Section 521 program is a project-based subsidy available for Section 515 projects (as well as Section 514/516 farm worker projects) that subsidizes the difference between the contract rent and a tenant rent payment of 30% of income.

ISSUE SUMMARY

Today, nearly 1.2 million households live in homes with project-based rental assistance. Fifty-six percent of these households have someone with a disability or who is elderly. The average household income is $11,000. Another 300,000 households live in homes with one of the other forms of project-based assistance, but without rental assistance.

For project-based Section 8 rental assistance, HUD enters into Housing Assistance Payment (HAP) contracts with owners. These contracts can be renewed in one, five, or twenty year increments. However, funding for the contracts is provided 12 months at a time. Tenants pay 30% of their monthly adjusted income for rent and utilities, and HUD pays the owner the difference between the contract rent and the tenant’s portion. The average monthly subsidy per unit in 2011 was $665. New residents in project-based Section 8 units can have income of no more than 80% of the area median income (AMI), with 40% of new admissions required to have incomes below 30% of AMI.

New residents of Section 221(d)(3) BMIR properties can have incomes up to 95% of AMI, while those in Section 236 properties can have incomes up to 80% of AMI, though the median annual household income for residents of these properties is between $11,000 and $12,000.

Although no new units are being constructed, the challenge today is ensuring federally assisted affordable housing is not permanently lost, either through physical deterioration, or as a result of properties being converted to non-affordable uses, such as high-rent units or condominiums, when a HUD-subsidized mortgage is either prepaid or matures, or when an owner decides not to renew an expiring project-based Section 8 contract.

There are several specific conversion risks for rental housing with project-based assistance.

Mortgage prepayment. Although Section 236 and Section 221(d)(3) BMIR mortgages originally had 40-year terms, program regulations allowed most for-profit owners to prepay their mortgages after 20 years. By pre-paying, in most cases owners may terminate income and rent restrictions and any Section 8 rent subsidy. Owners must give tenants at least 150 days advance notice of an intention to prepay. Upon pre-payment, tenants are eligible for a tenant protection voucher, or in some cases an enhanced voucher, that allows a tenant to either remain in the property or find new affordable rental housing with the voucher assistance.

Maturing mortgages. Tens of thousands of low income families face escalating rents if affordability protections are not extended for properties with maturing Section 236 and Section 221(d)(3) BMIR mortgages. Residents living in apartments with affordability protections but without project-based Section 8 contracts do not currently qualify for enhanced vouchers or other rental assistance when the HUD-subsidized mortgage expires. The National Housing Trust estimates that over the next five years, 69,000 households are at risk of rent increases or displacement because HUD-subsidized mortgages have recently matured or are due to mature.

Expiring project-based Section 8 assistance contracts. When project-based Section 8 contracts expire, owners may choose to opt out of their contracts, enabling them to increase rents to market levels or to convert units to market-rate condominiums, thereby rendering apartments unaffordable to lower income tenants. Owners must give tenants one year advance notice of an intent to opt out. Most tenants will receive enhanced vouchers to enable them to remain in their homes. The National Housing Trust estimates that over the next five years 650,000 units covered by project-based Section 8 contracts will expire.

Enhanced vouchers. Special voucher assistance is provided to tenants who would otherwise be displaced due to rising rents or condo conversion if an owner prepays a Section 221(d)(3) BMIR or Section 236 mortgage, or if an owner opts out of a project-based Section 8 contract. HUD is required by statute to provide enhanced tenant-based vouchers to tenants in such properties in order to enable them to afford to remain in their homes. Enhanced vouchers pay the difference between 30% of the tenant's income and the new rent, even if that rent is higher than the PHA's payment standard. Tenants have a right to remain in their apartments after conversion to market rents. Owners must accept enhanced vouchers. If a tenant with an enhanced voucher moves to another property, the enhanced voucher converts to a regular voucher and the unit they occupied is no longer affordable to any lower income household. HUD Notice H 2012-3 is a useful reference regarding instances when enhanced vouchers can be issued to residents.

Mark-to-Market and Mark-Up-to-Market. Some FHA-insured properties with expiring project-based Section 8 contracts have rents that exceed market rents. Upon contract renewal HUD is required to reduce rents to market level, creating a cash crunch for these properties and potentially putting their FHA-insured mortgages at risk of default. To address this problem, Congress enacted the Mark-to-Market program in 1997. Owners of eligible properties must either go through the Mark-to-Market program, or opt out. In the Mark-to-Market program, an owner has two options:

- To choose to have the mortgage restructured in order to be able to afford to operate and maintain the property with lower, market rents. In exchange for this mortgage restructuring, an owner agrees to accept Section 8 rent subsidies for an additional 30 years.
- To choose to renew the Section 8 contract for one year with Section 8 rents reduced to market without undergoing a mortgage restructuring.

HUD is also able to raise contract rents to market levels upon contract renewal for properties in high-cost areas through the Mark-Up-to-Market program. Contract renewals of at least five years are required in Mark-Up-to-Market. This provides a needed incentive for owners to renew their participation in the Section 8 program when private-sector rents are high. This also provides a source of revenue for capital improvements.

Troubled properties. HUD multifamily properties may be at risk when a property is in poor financial or physical condition. An owner in default on a HUD-assisted mortgage could result in termination of the Section 8 subsidy through HUD's foreclosure and property disposition process. Since 2005, however, Congress has used appropriations acts to renew the so-called Schumer Amendment. The provision requires HUD to maintain a project-based Section 8 contract at foreclosure or disposition sale as long as the property is in viable condition. If not viable, HUD can, after consulting tenants, transfer the Section 8 subsidy to another property.

Another risk is that of HUD terminating a Section 8 contract mid-term or refusing to renew the Section 8 contract if there is a serious violation of the terms of the Section 8 Housing Assistance Payment contract. Appropriations act provisions since FY06 have allowed HUD to transfer project-based assistance, debt, and use restrictions from properties that are physically obsolete or not financially viable to another project. Residents must be notified and consulted.

Rental Assistance Demonstration. Through the Rental Assistance Demonstration (RAD) program, HUD may convert expiring Rent Supp or RAP contracts to a long-term project-based voucher contract (PBV). Currently, Rent Supp and RAP contracts can only be extended for a one-year term, making it difficult to finance a rehabilitation project. By allowing owners to convert to a longer-term PBV contract, the affordability of the apartments will be maintained and owners will be able to finance recapitalization projects.

Provisions of FY14 Appropriations Act. The FY14 Appropriations Act had five key provisions affecting project-based programs:

1. Tenant protection vouchers issued since October 1, 2006 for expiring Rent Supp, RAP, and Mod Rehab properties, or for contracts that will expire, can be project-based through December 31, 2014. Project-basing of Housing Choice Vouchers means converting vouchers tied to a tenant household and instead fixing the voucher to a specific project or units in a project. This will not count against a PHA's limit of using no more than 20% of its total Housing Choice Voucher dollar allocation for project-basing.

2. $5 million was set aside within the public housing Tenant Protection Voucher account to provide tenant protection vouchers or enhanced vouchers to at-risk tenants living in buildings with expiring HUD-insured mortgages (e.g., Rent Supp) or expiring RAP contracts that do not qualify tenants for enhanced vouchers. Tenants would have to be in jeopardy of paying more than 30% of income for rent in properties located in low-vacancy areas. These vouchers could also be project-based.

3. The Schumer Amendment was renewed for FY14. The FY14 version now applies to all project-based contracts, not just those that are HUD-insured or HUD-held properties. The FY14 version also requires HUD to notify tenants and obtain their consent before HUD abates a contract and relocates tenants for imminent health and safety threats.

4. Section 8 transfer authority is renewed, allowing HUD to transfer a Section 8 contract, debt, and use restrictions from a financially troubled or physically obsolete building to another building or buildings. The FY14 version adds that transfers can be completed in phases, and it also allows the number of units in the receiving property to be fewer than in the original if those units were unoccupied and the reconfiguration is justified by current market conditions.

5. HUD is required to take affirmative steps to address physically troubled properties. For properties that fail required inspections multiple times, HUD is required to take an action that could result in a new owner of the property, new property management, or transfer of the project-based rental assistance contract to another property or site. The language encourages HUD to preserve the rental assistance contract while also removing non-responsive owners from the program.

November 22, 2011 Memorandum. Given budget constraints, HUD issued a memorandum on November 22, 2011 announcing three policy changes to save money. These policy changes are still in effect, along with short-funding of project-based Section 8 contracts.

1. Funds currently held in project residual receipts accounts will be used to reduce assistance payments.
2. Renewals and annual rent adjustments for certain projects will be limited to Operating Cost Adjustment Factor (OCAF) increases if proposed rents exceed the market.
3. All rent comparability studies will be required to justify proposed rent increases exceeding 110% of Small Area Fair Market Rents.

FUNDING

Congress appropriated $9.9 billion to renew all project-based Section 8 contracts in FY14. The Administration's budget request for FY14 was $10.2 billion, which was $1.2 billion short of what was needed to renewal all contracts for 12 months. HUD admitted this was not sufficient to give full, 12-month contracts to all properties. HUD has been short-funding contracts since FY12. It provided almost 8,000 contracts only 9 months of funding, instead of 12 months of funding, in order to make rental assistance payments to all owners on time. Advocates are concerned that with continued short-funding, investors will question the stability of the program.

The FY14 Omnibus Appropriations Act provided an increase of $1.1 billion for the project-based Section 8 program and extended RAD conversions through December 31, 2014.

FORECAST FOR 2014

HUD will be increasing its efforts in 2014 and 2015 to encourage the preservation of the existing multifamily housing stock. For example, HUD will be issuing guidance that will implement rental assistance contract transfer authority provided in Section 8(bb) of the Housing Act and Section 214 of the HUD title of the FY14 appropriations act. This authority is a critical preservation tool that will help owners and communities retain affordable housing units. In addition, HUD is encouraging owners to pre-pay Section 236 mortgages in order to ensure that residents receive tenant protection vouchers or enter a Section 236 preservation transaction that involves refinancing of the mortgage. Finally, HUD will be issuing a notice to implement the $5 million Tenant Protection Voucher Set Aside for Residents in Maturing Mortgage provision that was included in the FY14 Omnibus. This provision requires HUD to write guidance within 120 days.

For FY15, HUD has requested $9.7 billion for renewals. HUD's request includes a proposal to adjust all project-based rental assistance contracts to align with the calendar year starting in January 2016. The change would possibly allow HUD to more accurately predict the cost of renewing contracts and streamline its contract administration practices. The proposed shift to calendar year funding, if enacted, would result in a low level of funding needed for FY15, setting up the need for a large increase in funding for FY16, estimated at over $1.5 billion. Advocates are concerned that it will be quite difficult for HUD to achieve this increased level of funding for project-based rental assistance in FY16. Advocates are meeting with HUD officials and appropriators to weigh alternatives to the proposed low level of funding for project-based rental assistance in FY15.

TIPS FOR LOCAL SUCCESS

Preservation of affordable rental housing is usually undertaken by preservation-mission developers, often regional or national nonprofits. The most successful local efforts include early identification of properties at risk of conversion, as well as active partnerships with tenants, local HUD officials, state and local housing officials, and lenders and investors with a shared commitment to preserving affordable rental housing.

Subsidized multifamily rental housing can be at risk of leaving the affordable housing stock for any number of reasons, such as an owner's intent to prepay a subsidized mortgage or not renew a project-based rental subsidy contract, or uninhabitable living conditions prompting a HUD foreclosure.

Having a local database of subsidized multifamily rental housing is an essential tool for preserving assisted housing in a community because it provides an inventory of properties available to low income households, their location, and factors threatening the affordability of each project.

Many projects benefit from multiple layers of subsidy. HUD makes data on specific affordable housing programs available to the public, but nowhere does HUD combine these files into one database that counts each subsidized project only once and associates it with all of the subsidies that make it affordable to low income households. NLIHC has a publication that spells out how to create an easy-to-use database. See Chapter 5 of *The Preservation Guide,* located at: http://nlihc.org/library/other/preservation/guides/2010

NLIHC and the Public and Affordable Housing Research Corporation (PAHRC) created the National Housing Preservation Database, a tool for preserving the nation's affordable rental housing. It provides integrated information on all housing subsidies for each federally subsidized project. It enables advocates and researchers to easily quantify the supply of federally assisted affordable housing in any geographic area, while at the same time establishing a baseline of subsidized affordable units against which future levels can be measured. The database is at: www.preservationdatabase.org

WHAT TO SAY TO LEGISLATORS

Advocates should urge legislators to provide sufficient funding to renew all project-based Section 8 contracts for a full 12 months in FY15 and FY16.

Members of Congress should be asked to support preservation features of the RAD program and improvements to the project-based voucher program to allow housing authorities, developers, and owners to preserve the existing housing stock. In addition, advocates should urge reintroduction of broad legislation to preserve assisted housing that would:

- Provide grants and loans to for-profit and nonprofit housing sponsors to help ensure that properties can be recapitalized and kept affordable;
- Allow owners to request project-based assistance in lieu of enhanced vouchers;
- Protect the rights of states to enact preservation and tenant protection laws that will not be preempted by federal law;
- Ensure data needed to preserve housing are publicly available and regularly updated, and allow for the creation of a single database for all federally assisted properties based on a unique identifier for each property; and,
- Authorize rural housing preservation program for Rural Development Section 515 properties.

FOR MORE INFORMATION

National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
National Housing Trust, 202-333-8931, www.nhtinc.org
National Housing Law Project, 415-546-7000, www.nhlp.org
National Alliance of HUD Tenants, 617-267-9564, www.saveourhomes.org
HUD Notice H 2013-3, http://1.usa.gov/VAXMZ6

Section 202 Supportive Housing for the Elderly

By Alayna Waldrum, Housing Legislative representative, LeadingAge

Administering agency: HUD's Office of Housing Assistance and Grant Administration within the Office of Multifamily Housing Programs
Year program started: 1959
Number of persons/households served: 400,000 households
Population targeted: People over the age of 62 with very low income (below 50% of area median income)
FY14 funding: $383.5 million plus $72 million to renew existing service coordinator grants
See also: *Services for Residents of Low Income Housing*

The Section 202 Supportive Housing for the Elderly program provides funding to nonprofit organizations that develop and operate housing for seniors with very low incomes. As the U.S. population ages, both the creation of new Section 202 units and the preservation of existing units will be increasingly important.
There are three current issues related to the Section 202 program: a rental assistance only demonstration authorized in the FY14 omnibus bill; a lack of funding for new construction at the same time as there is a growing demand for units,; and, and the preservation of senior housing.

HISTORY AND PURPOSE

The Section 202 program was established under the Housing Act of 1959. Enacted to allow seniors to live with dignity by providing assistance with housing and supportive services, the program has gone through various programmatic iterations during its lifetime. Prior to 1974, Section 202 funds were 3% loans that may or may not have had either Section 8 or rent supplement assistance for all or some of the units. Between 1974 and 1990, Section 202 funds were provided as loans and subsidized by project-based Section 8 contracts. Until the creation of the Section 811 program in 1990, the Section 202 program funded housing for both seniors and people with disabilities. In 1991 the Section 202 program was converted to a capital advance grant with a project rental assistance contract for operational expenses, known as Section 202 PRAC.

According to HUD, senior households with very low incomes are the most likely to pay more than they can afford for their housing. The 2011 HUD study of worst case housing needs found that the number of senior renter households with worst case housing needs is 1.47 million, of the estimated 8.48 million households with worst case housing needs.

PROGRAM SUMMARY

The Section 202 Supportive Housing for the Elderly program provides funds to nonprofit organizations, known as sponsors, that develop and operate senior housing. Many Section 202 project sponsors are faith-based or fraternal organizations.

Section 202 tenants generally must be at least 62 years old and have income less than 50% of the area median income (AMI) qualifying them as very low income. Some facilities have a percentage of units designed to be accessible to non-elderly persons with mobility impairments or may serve other targeted disabilities. The average age of a Section 202 resident is 79, and nearly 39% of residents are over the age of 80. The average annual income of a resident is little more than $10,000. There are more than 400,000 Section 202 units serving very low income seniors.

The Section 202 PRAC has two main components: a capital advance that covers expenses related to housing construction, and operating assistance that supports a building's ongoing operating costs. Both the capital and operating funding streams are allocated to nonprofits on a competitive basis, through a HUD Notice of Funding Availability (NOFA).

Capital funding. The first component of the Section 202 program provides capital advance funds to nonprofits for the construction, rehabilitation, or acquisition of supportive housing for seniors. These funds can now be augmented by Low Income Housing Tax Credit (LIHTC) debt and equity to either build additional units or supplement the capital advance as gap financing in so-called mixed-finance transactions. The Section 202 program is HUD's largest directly funded construction program; however, the capital advances rarely support 100% of the construction costs.

Operating funding. The second program component provides rental assistance in the form of Project Rental Assistance Contracts (PRACs) to subsidize the operating expenses of these developments. Residents pay rent equal to 30% of their adjusted income, and the PRAC makes up the difference between rental income and operating expenses.

In addition to the core components of the Section 202 program, HUD administers three companion programs that have been established by Congress to help meet the needs of seniors aging in place:

1. Assisted living conversion program to help meet the great need for affordable assisted living options for low income seniors or for service-enriched housing.
2. Service coordinators.
3. Senior Preservation Rental Assistance Contract (SPRAC) to assist those pre-1974 properties.

About a third of Section 202 properties have a service coordinator funded as part of the Section 202 appropriation. These HUD grants provide funding for full-time service coordinators who assist Section 202 residents and low income elderly or disabled families living in the vicinity of Section 202 properties. Service coordinators assess residents' needs, identify and link residents to services, and monitor the delivery of services. The older Section 202 properties are eligible for grant funding, while the Section 202/PRAC properties may include the cost of service coordinators in their operating budgets if funds are available.

In the FY14 omnibus appropriations bill Congress authorized a change to the statute to allow for a demonstration of project rental assistance only, with the assumption that the construction funding would come from non-HUD sources. This demonstration and policy have not been fully developed.

FUNDING

In FY13, Congress appropriated $374.6 million for Section 202, providing no new funding for new construction or new project rental assistance. Congress provided approximately $258.6 million for PRAC renewals. In addition, the FY13 appropriation included $91 million for service coordinators and $25 million for assisted living conversion, including funding for service enriched housing grants. Any balances that were available would fund emergency capital repair grants.

For FY14 Congress funded the Section 202 program at $383.5 million, of which $72 million is for renewing existing service coordinator grants. The Administration's FY15 budget request to Congress seeks $440 million, with $70 million to be used for service coordinators.

FORECAST FOR 2014

There are three main issues confronting the Section 202 program: The future of the program given the implementation of the rental assistance only demonstration; the need for funding to provide new service coordination grants; and, preservation of existing Section 202-funded units.

The future of the Section 202 program. The Administration has proposed "reforming" the Section 202 program in the past to make it similar to the Section 811 program under the authority of the Frank Melville Supportive Housing Act of 2010. According to the FY14 appropriations act language, the Section 202 program is to fund projects that have formed supportive services partnerships consistent with the state's health care priorities. The details of the future direction of the program are still being developed. Stakeholders have outlined concerns with the Section 811 approach for senior housing, including the allocation of funds to state housing and Medicaid agencies, the targeting to frail elders, and the lack of capital financing entirely.

A lack of adequate new Section 202 construction funds means that the growing demand for affordable senior housing will not be met. The senior population is expected to double to 70 million by 2030, with the most growth among those over 85. Over the last several years, the funding available for new construction of Section 202 units produced fewer than 4,000 units each year, many fewer than are needed to meet the growing demand. A recent HUD study has recommended that 10,000 Section 202 units be produced each year for the next 10 to 15 years to serve the growing senior population as an important and cost-effective alternative to premature placement in institutional settings, and is necessary where states are engaged in transitioning seniors from costly nursing homes to the community. An AARP study released in January 2006 estimates that there are 10 residents for every one unit that becomes available. In addition, $25 million is needed for the Assisted Living Conversion Program to convert existing 202 housing into either licensed assisted living or service-enriched housing where possible to increase opportunities for frail seniors to remain in housing.

Funding needed to provide new service coordination grants. The FY14 budget included $72 million for the renewal of existing service coordinator grants. This amount is far below what's needed to expand the program and place service coordinators in every senior building that needs one. At least $91 million is needed for the current program to make sure that the commitment to housing as the platform for services can become a reality.

Preservation of existing units. Those currently residing in assisted senior housing are aging in place. Just as the residents age, the buildings themselves are aging and lack the amenities to provide supportive services. Further, the problems of low income seniors facing multi-year housing assistance waiting lists are only exacerbated by the shrinking supply of suitable, affordable housing as some owners sell their properties to new owners who will convert existing units to market-rate housing at the end of the original mortgage term. Finally, the oldest Section 202 mortgages are nearing the end of their mortgage terms and few properties have project-based rental assistance contracts. Some mortgages have been refinanced and some properties have already been sold out of the inventory. HUD has released one round of Senior Preservation Rental Assistance awards to some of these properties, but additional funding is needed to make preservation of Section 202 properties easier to accomplish, including providing authority for new project based assistance for the oldest cohort of Section 202 properties that have no rental assistance. Additional tools are needed to help preserve all cohorts of Section 202 properties and to provide the supportive services that are so necessary for an aging population. Tools that should be enacted or implemented include exit tax relief to remove the disincentives for existing for-profit owners to sell properties to nonprofits and others who would preserve the housing as affordable housing, and new capital and rental assistance programs to encourage the preservation of housing with maturing mortgages as affordable housing in the future.

WHAT TO SAY TO LEGISLATORS

Advocates concerned with senior housing issues should encourage their Members of Congress to take the following actions:

- Support funding for Section 202 capital advances and PRAC, in addition to the new rental assistance demonstration program.
- Support the Section 202 program as a platform for the delivery of supportive services and increase funding for service coordinators to make sure all building have staff to assist seniors aging in place.
- Provide sufficient renewal funding for all expiring PRACs and Section 8 contracts, and support an advance appropriation for PRAC amounts to preserve affordable senior housing and minimize funding disruption.
- Enact specific demonstrations to provide health and other supportive services within affordable senior multifamily housing.

- Enact preservation legislation to address the unique issues of senior housing with mortgages that will soon mature.
- Develop a strategy, legislation, and funding to rehab the early Section 202 PRAC properties that need physical upgrades and modernization.

FOR MORE INFORMATION

LeadingAge, 202 508-9476, www.leadingage.org

Section 811 Supportive Housing for Persons with Disabilities

By Gina Schaak, Associate, and Lisa Sloane, Senior Associate, Technical Assistance Collaborative

Administering agency: HUD's Office of Multifamily Housing Programs
Year program started: 1992 (previous to this, Section 811 was part of the Section 202 Program)
Number of persons/households served: est. 30,000 households
Population targeted: Persons ages 16-61 who have significant and long-term disabilities
FY14 funding: $17 million
See also: *Olmstead Implementation*

The Section 811 Supportive Housing for Persons with Disabilities is a federal program that assists the lowest income people with the most significant and long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports. Congress passed major reforms to the Section 811 program in 2010. The reforms will create thousands of new, highly integrated Section 811 units more efficiently, beginning with an innovative and competitive Section 811 Demonstration program made available by HUD through state housing agencies in FY12.The demonstration is intended to identify, stimulate, and support innovative state-level partnerships and strategies to substantially increase integrated permanent supportive housing opportunities. Two thirds of the states submitted applications, a very high response rate for the first year of an innovative supportive housing funding approach.

HISTORY

Over the past two decades, the Section 811 program created more than 30,000 new supportive housing units, primarily through the development of group homes and independent living projects, under regulations and guidelines developed in the early 1990s. Since that time, judicial decisions have affirmed important community integration mandates in the Americans with Disabilities Act, and disability housing and services policies have evolved significantly to emphasize consumer choice, Medicaid-financed community-based services, and integrated housing opportunities. For many years, the Section 811 program did not keep pace with these improvements in disability policy. Demand for the program steadily declined while the cost per unit from Section 811's capital-intensive model increased. In 2007, with less than 1,000 new units of Section 811 housing produced annually, national disability advocates began a successful three-year legislative campaign to reform, improve, and reinvigorate this important permanent supportive housing program. The Frank Melville Supportive Housing Investment Act - the Section 811 reform legislation signed into law by President Barack Obama in early 2011 - honors the memory of Frank Melville, who was the first chair of the Melville Charitable Trust and a national leader in the supportive housing movement.

PROGRAM SUMMARY

Group homes and independent living complexes are authorized within the reformed Section 811 program. However, the program includes two new approaches to creating integrated permanent supportive housing: the Modernized Capital Advance/Project Rental Assistance Contract (PRAC) multi-family option, and the Project Rental Assistance (PRA) option. Both options require that properties receiving Section 811 assistance limit the total number of units with permanent supportive housing use restrictions to 25% or less. As Congress directed that all FY 12, FY13, and FY14 funding for new Section 811 units be provided solely through the PRA option, the remainder of this article focuses on that option. Advocates seeking additional information about the other Section 811 options are directed to HUD's web page at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/disab811

Section 811's new PRA option facilitates the creation of cost effective and integrated supportive housing units in multifamily affordable housing properties without using Section 811 Capital Advance funding (which traditionally provided interest-free capital advances to nonprofit sponsors to help finance the development of "single-purpose" rental properties that had to remain available to very low income people with disabilities for 40 years). The PRA option commits Section 811 project rental assistance funding to a small percentage (up to 25%) of units in new or existing affordable housing developments created through other programs, such as the federal Low Income Housing Tax Credit program, the HOME program, or similar capital financing programs. Owners of PRA units must agree to a 30-year use restriction.

Section 811 PRA funds are awarded by HUD to state housing agencies through a competitive Notice of Funding Availability (NOFA) process. To apply for Section 811 PRA funds, the state housing agency is required to enter into an agreement with the state health and human services agency and, if separate, the state's Medicaid agency. The agreement must identify the target population to be assisted, the outreach and referral process for the Section 811 PRA units, and commitments of appropriate supportive services for Section 811 PRA tenants. The state housing agency application must also describe the policies in place to select the units that will receive PRA funds, such as policies in a state's Qualified Allocation Plan for federal Low Income Housing Tax Credits or a state's Consolidated Plan. The state housing agency is not required to identify the specific properties that will include PRA units at the time the PRA application is submitted to HUD.

The Section 811 program is solely targeted to non-elderly people with disabilities (ages 18-61 at the time of admission) who can benefit from supportive housing and have very low income, at or below 50% of area median income (AMI). The Section 811 PRA option is further restricted to non-elderly people with disabilities with extremely low incomes, at or below 30% of AMI.

The Section 811 program ensures housing affordability for people with disabilities with the lowest incomes living in supportive housing units by: (1) ensuring that tenants pay no more than 30% of their adjusted income for rent; and, (2) providing a long-term operating subsidy contract from HUD to cover those housing operating costs (i.e., property insurance, maintenance and repairs, owner-paid utilities, replacement reserves, etc.) which cannot be covered by tenant rents.

The revitalized Section 811 program is intended to stimulate a continuous, systematic, and state-oriented approach to the creation of integrated supportive housing units. These Section 811 reforms are promoting a national expansion of integrated supportive housing by fostering partnerships among state housing and health and human service agencies to leverage mainstream affordable housing, Medicaid and related community-based support services resources, and to ensure people with disabilities most in need can access these new supportive housing opportunities.

The reformed Section 811 program: (1) provides a strong statutory foundation for community integration, tenancy rights, and voluntary services and supports in permanent supportive housing, including service programs that emphasize personal autonomy and choice; (2) authorizes new program options consistent with these goals; and, (3) adopts new project selection criteria to leverage other sources of affordable housing development capital. This last policy substantially lowers the cost of creating a Section 811 unit, and helps fund more units from Section 811 appropriations. Most importantly, Section 811's new program options provide people with disabilities who can benefit from permanent supportive housing the opportunity to live in affordable rental properties alongside people who do not have disabilities.

FUNDING

On May 12, 2012, HUD published the first Section 811 Project Rental Assistance NOFA, announcing a demonstration to create an estimated 2,800 new integrated supportive housing units. By the August 7, 2012 deadline, HUD had received applications from 35 states and District of Columbia. In February 2013, HUD announced PRA demonstration awards totaling $98 million for the development of 3,530 units to the state housing finance agencies in California, Delaware, Georgia, Illinois, Louisiana, Massachusetts, Maryland, Minnesota, Montana, North Carolina, Pennsylvania, Texas, and Washington.

On March 4, 2014, HUD released a FY13 NOFA for $120 million, combining funds from FY13 and FY14 appropriations as well as other funding. Applications are due on May 5, 2014.

The Administration's proposed FY15 budget amount for Section 811 program is $160 million, an increase of $34 million over FY14 (enacted) funding. Of the $160 million, approximately $25 million would be made available for new Section 811 PRA units.

FORECAST FOR 2015

National disability advocates have requested $235 million for FY15 which includes $100 million for expansion of the Section 811 PRA Program to address the critical need for community-based, affordable PSH for persons with significant disabilities and build on HUD's successful implementation of the new PRA model. This request is in-line with the amounts HUD made available in their FY12 and FY13 PRA NOFAs. Affordable housing advocates are encouraged to support this request.

TIPS FOR LOCAL SUCCESS

Advocates in states receiving Section 811 PRA funds from the FY12 competition should work with state officials to support the implementation of the demonstration. Advocates in states that did not apply for funds in FY12 should educate state and local agencies and organizations on the new PRA option to encourage a successful application for funds in future rounds. At the state level, activities should focus on state housing agencies, state Medicaid and state health and human service agencies. Nonprofit and for-profit developers that frequently use federal Low Income Housing Tax Credit and HOME funds should also be made aware of this new opportunity to assist people with disabilities. The PRA option is modeled after successful, innovative integrated supportive housing initiatives underway in several states, including North Carolina, Louisiana, Illinois, Pennsylvania, and Massachusetts. Efforts in these states have resulted in thousands of new and integrated permanent supportive housing units being created by nonprofit and for-profit affordable housing developers.

WHAT TO SAY TO LEGISLATORS

Advocates are encouraged to contact Members of Congress with the message that people with disabilities continue to be the poorest people in the nation. Nearly five million non-elderly adults with significant and long-term disabilities have Supplemental Security Income (SSI) levels equal to only 19% of AMI and cannot afford housing in the community without federal housing assistance. Because of this housing crisis, the most vulnerable people with disabilities often live unnecessarily in costly nursing homes, in seriously substandard facilities which may violate the ADA, or they may become chronically homeless. National disability advocates have requested $100 million for expansion of the Section 811 PRA Program in FY15. Affordable housing advocates are encouraged to support this request. These funds will provide states with the flexibility to create new and more cost-effective permanent supportive housing options to help highly vulnerable people with disabilities live successfully in the community with supports, while also reducing reliance on expensive and unnecessary restrictive settings.

FOR MORE INFORMATION

Technical Assistance Collaborative (TAC), 617-266-5657, http://811resourcecenter.tacinc.org, www.tacinc.org

USDA Rural Rental Housing Programs

By Leslie R. Strauss, Senior Housing Analyst, Housing Assistance Council

Administering agency: U.S. Department of Agriculture (USDA)
Year program started: Section 515 – 1963; Section 514 – 1962; Section 516 – 1966; Section 521 – 1978
Number of persons/households served: Section 515 – 533,000; Section 514/516 – 38,000; Section 521 – currently 273,000
Population targeted: Section 515 - very low, low, and moderate income households; Section 514/516 – farm workers
FY14 funding: Section 515 - \$28.4 million; Section 514 - \$23.9 million; Section 516 - \$8.3 million; Section 521 - \$1.11 billion; MPR - \$20 million

The U.S. Department of Agriculture's (USDA's) Rural Development (RD) arm runs several rental housing programs (and homeownership programs) through its Rural Housing and Community Facilities Service. USDA makes loans to developers of rental housing for elderly persons and families through the Section 515 program, and for farm workers through the Section 514 program (usually used in combination with Section 516 grants). It provides project-based rental assistance to some of the properties it finances through the Section 521 Rental Assistance (RA) program. It also offers several tools to preserve the affordability of USDA-financed rentals.

The programs face serious problems, however. Production of new units has greatly decreased, many existing units are deteriorating physically or are in danger of leaving the affordable housing stock, and rental assistance costs are growing faster than available funding.

HISTORY AND PURPOSE

In operation since the 1960s, the Section 515 Rural Rental Housing program and the Section 514/516 Farm Labor Housing program have provided essential, decent housing for the lowest income rural residents. Section 521 Rental Assistance is available for some units in Section 515 and 514/516 housing, to keep rents at or under 30% of tenant incomes.

While dramatic improvements have been made in rural housing quality over the last few decades, problems persist. Many of rural America's 65 million residents experience acute housing problems that are often overlooked while public attention is focused on big-city housing issues. Farm workers, especially those who move from place to place to find work, suffer some of the worst, yet least visible, housing conditions in the country.

Nearly 30% of rural households experience at least one major housing problem, such as high cost, physical deficiencies, or overcrowding. These problems are found throughout rural America, but are particularly pervasive among several geographic areas and populations, such as the Lower Mississippi Delta, the southern Black Belt, the *colonias* along the U.S.-Mexico border, Central Appalachia, and among farm workers and Native Americans.

Forty-seven percent of rural renters are cost burdened, paying more than 30% of their income for their housing, and nearly half of them pay more than 50% of their income for housing. More than half of the rural households living with multiple problems, like affordability, physical inadequacies, or overcrowding, are renters.

PROGRAM SUMMARY

Under the Section 515 program, USDA RD makes direct loans to developers to finance affordable multifamily rental housing for very low income, low income, and moderate income families, for elderly people, and for persons with disabilities. Section 515 loans have an interest rate of 1%, amortized over 50 years, to finance modest rental or cooperatively-owned housing.

The Section 514 farm worker housing program also makes direct loans; they have a 1% interest rate for 33 year terms. Some Section 514 borrowers, such as nonprofits, are also eligible for Section 516 grants.

Sections 515 and 514/516 funds can be used for new construction as well as for the rehabilitation of existing properties. Funds may also be used to buy and improve land, and to provide necessary facilities such as water and waste disposal systems. However, no new rental properties have been developed under Section 515 since 2011; the program's entire appropriation for the last few years has been used to preserve existing units.

Very low, low, and moderate income households are eligible to live in Section 515-financed housing. Section 514/516 tenants must receive a substantial portion of their incomes from farm labor. Residents' incomes average about $11,000 per year. The vast majority (93%) of Section 515 tenants have incomes less than 50% of area median income. More than half of the assisted households are headed by elderly people or people with disabilities.

Section 514/516 loans are made available on a competitive basis each year, using a national Notice of Funding Availability (NOFA). Beginning in FY12, USDA has not issued NOFAs for Section 515 loans; instead, it has used all of its Section 515 funds for preservation purposes.

Preservation. To avoid losing affordable housing, preservation of existing affordable units is essential. Two factors pose challenges for preserving units in developments whose owners are still making payments on Section 515 mortgages.

First, increasing numbers of these owners are prepaying their mortgages – paying them off before their terms end – and thus removing government affordability requirements. Owners seek to prepay for varying reasons, including: the expiration of tax benefits; the burden of increased servicing requirements; the desire of some small project owners to retire; and, in some rural areas, an increase in vacancies due to out-migration. As is the case for owners of HUD multifamily projects, Section 515 owners' ability to prepay is restricted by federal law. The details vary depending on when a loan was approved, but in all cases USDA is either permitted or required to offer owners incentives not to prepay, and in exchange the property continues to be restricted to low income occupancy for 20 years. Incentives offered to owners include equity loans, increases in the rate of return on investment, reduced interest rates, and additional rental assistance. In some cases, an owner who rejects the offered incentives must offer the project for sale to a nonprofit or public agency.

Second, many Section 515 properties are aging and must be preserved against physical deterioration. The most recent data available is from a 2004 Comprehensive Property Assessment (CPA) prepared for USDA by a team of consultants, which found that the physical conditions of Section 515 properties were an even greater problem than prepayments. The CPA reported that the average age of Section 515 properties was 23 years. Researchers determined that the physical conditions of the properties did not pose any serious immediate health and safety problems, but warned that many properties would face significant physical needs in the immediate future. None of the properties had enough money in reserve to address physical needs over time. Researchers calculated the total cost to prevent physical deterioration of Section 515 properties would be $2.6 billion over 20 years.

For the last few years, USDA RD has funneled most of its preservation efforts through its Multifamily Housing Preservation and Revitalization (MPR) demonstration program. MPR offers several possible types of assistance to owners or purchasers of Section 515 properties. The most commonly used assistance is debt deferral, while other possibilities include grants, loans, and soft-second loans. Since FY08, MPR has also been available to Section 514/516 farm worker housing properties.

Other preservation tools include Section 542 tenant vouchers, which can be provided to tenants who face higher rents when their buildings leave the Section 515 program. For several years, ending in FY11, Congress also funded a Preservation Revolving Loan Fund program, which used intermediaries to make loans to owners or purchasers who sought to preserve rural rental properties.

Definition of rural. During the last few years there has been concern about how USDA defines "rural" places, but that issue has now been resolved, at least until 2021. Because USDA's housing assistance can be used only in places the department considers rural, its definition is important for anyone seeking to use USDA's housing programs. (The only rural housing programs that can be used in any location are Section 514 and 516 farm worker housing loans and grants.)

USDA's rural definition is based on several factors, one of which is population. As a result, new figures produced every ten years by the decennial Census could make places with growing populations ineligible for the housing programs. To avoid the loss of aid to these places, for several decades Congress has passed legislation "grandfathering" previously eligible places into the definition of rural. Places that were eligible at any time since 1980 have continued to be eligible, so long as their populations remain under 25,000. After the 2010 Census, however, Congress enacted grandfathering legislation only one year at a time, leaving local residents and housing organizations uncertain about ongoing eligibility. The farm bill passed early in 2014 resolved the issue by extending grandfathering through the 2020 Census. It also increased the population limit to 35,000.

FUNDING

The Section 515 program was funded at $64.5 million in FY12, cut by more than half to $31.3 million in FY13 (before sequestration), and reduced further to $28.4 million in FY14. Section 514 and 516 funding levels were the same in FY12 and FY13 (before sequestration), $20.8 million and $7.1 million, respectively. Both were increased slightly for FY14, to $23.9 million for Section 514 and $8.3 million for Section 516.

The MPR preservation program dropped sharply from $15 million in FY11 to $2 million in FY12, then increased to $17.8 million in FY13 (pre-sequestration) and $20 million in FY14. The Preservation Revolving Loan Fund has not been funded since FY11.

Funding for the Section 521 Rental Assistance (RA) program has been a major concern for appropriators and supporters. RA contracts were once 20 years long, then shortened to ten years, and now have one-year terms. The cost for each one-year contract increases every year as housing costs increase. In addition, some older, longer term contracts are still expiring every year, so the program's cost just to renew expiring contracts rises annually. RA's FY12 appropriation was $904.7 million, rising to $907.1 in FY13, and $1.11 billion in FY14.

After sequestration was applied to the FY13 funding, there was not enough RA money to renew all contracts that expired that year. USDA determined it did not have statutory authority to enter into contracts for less than a full year, as HUD does. As a result, the RA contracts for about 15,000 units in about 600 properties expired in September 2013 and were not renewed until the new fiscal year began on October 1. Property owners, including not only for-profit companies but also nonprofit organizations and "mom and pop" landlords, were required to absorb the loss. Congress appropriated enough for FY14 to restore confidence in the program, but with Congress and the Administration seeking ways to reduce housing program costs, avoiding further shortfalls in the future could be a major challenge.

FORECAST FOR 2014

The Administration's budget for FY15 would keep USDA's rental housing programs at about the same levels as their FY14 appropriations. While it has enough Section 521 Rental Assistance funding to avoid another crisis in FY14, USDA must use the year to determine how RA costs can be reduced without impacting tenants. Stakeholders have made numerous suggestions, and in its FY15 budget the Administration proposed to impose minimum monthly rents for units with Section 521 assistance. NLIHC strongly opposes this request. Minimum rents would only impact the lowest income households, those with incomes below $2,000 a year; these households are the most vulnerable and would not be adequately protected from eviction by instituting the hardship exemption policies in use in HUD-assisted housing today. Rural housing interests have also suggested ways to improve USDA's rental housing preservation process. Most changes in RA and preservation can be made by USDA without legislative changes by Congress, though it is helpful for Members of Congress to remind USDA that they are paying attention.

TIPS FOR LOCAL SUCCESS

Funding for new Section 515 projects has been scarce for several years, and most activity related to the program has involved preservation of existing units. Preservation means either renovating a property or keeping it affordable for low income tenants, or both. Local rural housing organizations can help with preservation in both senses by helping owners who want to leave the program find ways to do so without changing the nature of their properties. Often, this means purchasing the property and refinancing to obtain sufficient proceeds to update and rehabilitate it.

WHAT TO SAY TO LEGISLATORS

Advocates should speak with their Members of Congress and urge them to:

- Maintain funding for all USDA rural housing programs (do not reduce funding for other programs in order to shift funds to Section 521 Rental Assistance).
- Provide enough funding to renew all Section 521 RA contracts.
- Oppose implementing minimum rents in Section 521-assisted units or other USDA rentals.
- Work with USDA Rural Development to find positive ways to reduce Section 521 costs through energy efficiency measures, refinancing USDA mortgages, and reducing administrative costs.

FOR MORE INFORMATION

Housing Assistance Council, 202-842-8600, www.ruralhome.org
National Housing Law Project, 510-251-9400, http://nhlp.org/resourcecenter?tid=61
U.S. Department of Agriculture Rural Development, www.rurdev.usda.gov

Vouchers: Housing Choice Voucher Program

By Linda Couch, Senior Vice President for Policy and Outreach, National Low Income Housing Coalition

Housing Choice Vouchers help people with the lowest incomes afford housing in the private housing market by paying landlords the difference between what a household can afford to pay in rent and the rent itself, up to a reasonable amount. The Housing Choice Voucher program is HUD's largest rental assistance program, assisting more than 2.1 million households; it also serves the lowest income people because of deep income targeting requirements.

In 2014, advocates will seek to reverse the effects of the 2013 across-the-board cuts required by the sequester and achieve full funding to renew all vouchers in use as of December 2012.

ADMINISTRATION

The voucher program is administered by HUD's Office of Public and Indian Housing and about 2,300 state and local public housing agencies.

HISTORY AND PURPOSE

Federal tenant-based rental assistance was established as part of a major restructuring of federal housing assistance for low income families in 1974. President Richard Nixon supported the creation of the tenant-based Section 8 program as an alternative to the government's involvement in producing affordable multifamily apartments. In recent decades, the program has enjoyed broad bipartisan support. It grew incrementally between 1974 and 1996, the first year when no new, incremental vouchers were appropriated. Since then, Congress has authorized HUD to award about 700,000 additional vouchers, but about half of these have simply replaced public housing or other federally subsidized housing that has been demolished, or is no longer assisted.

In the last 10 years, Congress has funded incremental vouchers (new vouchers that are not replacements for other assisted housing) only for special populations, primarily for the HUD - Veterans Affairs Supportive Housing (HUD-VASH) program. These new vouchers are targeted to specifically address the housing needs of a particular group, as opposed to vouchers which would add to a community's overall voucher pool.

PROGRAM SUMMARY

Today, more than 2.1 million households have HUD Housing Choice Vouchers, also called Section 8 tenant-based rental assistance. Of voucher households, 79% are extremely low income, 42% have head of household with a disability, and 20% are seniors. Housing vouchers are one of the major federal programs intended to bridge the gap between the cost of housing and the incomes of low wage earners, people on limited fixed incomes, and other poor people. The Housing Choice Voucher program provides flexibility and options by issuing vouchers to eligible households to help them pay rent in privately owned apartments of the households' choosing, and by allowing public housing agencies (PHAs) to attach a portion of their vouchers to particular properties (project-based vouchers), or to help families buy homes. The national average income of a voucher household is $13,033.

The Housing Choice Voucher program has deep income targeting requirements. That is, a majority of its resources must assist extremely poor households. Since 1998, 75% of all new voucher holders must have extremely low incomes, at or below 30% of the area median income (AMI). The remaining 25% of new vouchers can be distributed to tenants with incomes up to 80% of AMI.

HUD has annual contracts with about 2,300 PHAs to administer vouchers. Funding provided by Congress is distributed to these agencies by HUD based on the number of vouchers in use in the last year, the cost of vouchers, an increase for inflation, as well as other adjustments.

To receive a voucher, residents put their names on local PHA waiting lists. The Housing Choice Voucher program, like all HUD affordable housing programs, is not an entitlement program. Many more people need and qualify for vouchers than actually receive them: only one in four households eligible for housing vouchers receives any federal rental assistance. The success of the existing voucher program and any expansion because of new vouchers depend on sufficient annual appropriations.

Local PHAs distribute vouchers to qualified families who then conduct their own housing searches and identify private apartments with rents within the PHA's rent payment standards. The agency's inspection of the unit must also demonstrate that the unit meets HUD's housing quality standards. The amount of the housing subsidy is capped at a payment standard set by the PHA. A PHA can set its payment standard between 90% and 110% of HUD's Fair Market Rent (FMR), the rent in the area for a modest apartment. HUD sets FMRs annually. Nationally, voucher households pay just over $300 a month for rent and utilities, on average.

Generally, voucher program participants pay 30% of their income toward rent and utilities. The value of the voucher then makes up the difference between the tenant's rent payment and the housing agency's rent payment standard. Tenants renting units for more than the payment standard pay 30% of their income plus the difference between the payment standard and the actual rent (up to 40% of adjusted income for new and relocating voucher holders). After a year in an apartment, a family can choose to pay more than 40% of its income toward rent.

Housing vouchers are portable, meaning families can use them to move nearly anywhere in the country where there is a functioning voucher program; their use is not limited to the jurisdiction of the administering agency. A PHA is permitted to impose some restrictions on portability in the first year if a family did not live in the jurisdiction of the PHA when it applied for assistance. Portability has been restricted or disallowed by some PHAs due to alleged inadequate funding. Recent HUD guidance requires approval of the local HUD office before a PHA may prohibit a family from using a voucher to move to a new unit due to insufficient funding.

FUNDING

Beginning in 2003, Congress shifted away from providing renewal funding for all authorized vouchers. Annual changes in funding policies that failed to base renewal funding on the actual cost of vouchers in use, combined with funding shortfalls, resulted in the loss of more than 150,000 vouchers nationwide. In 2007, Congress returned to basing each agency's eligibility for renewal funding on the cost of vouchers in use in the prior year. In 2013, the voucher program received another significant jolt: the sequester. These across-the-board cuts forced local PHAs to freeze their waiting lists, effectively stopping new households from being assisted as vouchers were returned. All told, the Center on Budget and Policy Priorities estimates that 70,000 vouchers were lost in 2013 because of the sequester. Congress's FY14 HUD appropriations bill will restore almost half of these lost vouchers. In FY15, the focus will be on restoring the balance.

FORECAST FOR 2014

Funding. The President's budget request for FY15 would renew all vouchers in use, but not restore funding for all vouchers in use as of December 2012 (before the sequester was implemented). Advocates are hopeful that a strategy to increase voucher funding for particularly vulnerable populations, homeless families with children, domestic violence victims, and people with disabilities who may otherwise be institutionalized, will help efforts to restore the 40,000 vouchers in FY15.

New vouchers. For many years, the primary source of increased federal housing assistance for very poor people was new annual appropriations for additional vouchers. Between FY 1995 and FY 1998, however, no such incremental vouchers were funded. Congress then approved the following incremental vouchers: 50,000 new vouchers for FY 1999; 60,000 for FY 2000; 87,000 for FY01; and 26,000 for FY02. Congress approved no new vouchers in FY03, FY04, FY05, FY06 or FY07. Since FY08, Congress has appropriated funding for a small number of incremental vouchers each year, no more than about 17,000, for special populations, mostly for homeless veterans under the HUD-VASH program. Because of the program's success in reducing the number of homeless veterans, there is a reasonable chance of continued funding of about 10,000 new HUD-VASH vouchers each year. Funding constraints, however, mean that there is a likely trade-off between funding for new vouchers and other HUD programs.

Affordable Housing and Self-Sufficiency Improvement Act. This bill, also historically called the Section 8 Voucher Reform Act (SEVRA), has not been introduced in the 113th Congress, and it is unlikely that it will be. Provisions related to the Housing Choice Voucher program, which would streamline the inspection of voucher units and broaden the definition of "extremely low income" to include people with incomes up to their state's poverty level, were included in the FY14 HUD appropriations bill. In its FY15 request, HUD is seeking authority to increase the threshold for medical expense deductions from 3% to 10% of household income. Unlike proposals in previous rental assistance reform bills, HUD's request would not simultaneously increase the standard deduction for households with seniors or persons with disabilities, potentially exposing these households to harmful rent increases.

WHAT TO SAY TO LEGISLATORS

Advocates should encourage Members of the House and Senate to fully fund all vouchers in use as of December 2012, restoring all vouchers lost due to the 2013 sequester.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- Center on Budget and Policy Priorities, 202-408-1080, www.cbpp.org; information on housing policy and funding, including for the Housing Choice Voucher program is at http://bit.ly/XoFPtG
- National Housing Law Project, 415-546-7000, www.nhlp.org

Vouchers: Family Unification Program Vouchers

By Ruth White, Executive Director, National Center for Housing and Child Welfare

Administering agency: HUD's Office of Public and Indian Housing (PIH)
Year program started: 1990
Number of persons/households served: Nearly 30,000 households currently hold Housing Choice Vouchers through the Family Unification Program.
Population targeted: Low income families in danger of losing children to foster care or that are unable to regain custody primarily due to housing problems, as well as youth aging out of foster care who are at risk of homelessness.
FY14 funding: HUD has not yet issued funding for the Family Unification Program from the $130 million available in the Tenant Protection Fund for new vouchers.
See also: *Housing Choice Voucher Program, Tenant Protection Vouchers, Services for Residents of Low Income Housing – Family Self-Sufficiency Program*

HUD's Family Unification Program (FUP) is a federal housing program aimed at preventing family separation due to homelessness, and easing the transition to adulthood for youth aging out of foster care. HUD provides FUP Section 8 vouchers to partnerships established between local public housing agencies and child welfare agencies. These vouchers can be used to prevent children from entering foster care, to reunite foster children with their parents, and to prevent homelessness among youth aging out of foster care. While recently funded after nearly nine years of inactivity, the program still reaches only a fraction of families and children in need.

HISTORY AND PURPOSE

The Family Unification Program (FUP) was signed into law in 1990 by President George H. W. Bush. The program was created as a part of the Tenant Protection Fund within the Cranston-Gonzalez Affordable Housing Act of 1990.

FUP is designed to address the housing-related needs of children in the foster care system. Of the 397,000 children who live apart from their families in America's foster care system, nearly 125,000 are separated from their families because their parents lack access to safe, decent, and affordable housing. Equally troubling are the housing challenges faced by the 23,000 youth who age out of foster care each year without the support of a permanent family. Nearly a quarter of these young people experience homelessness within a year of leaving foster care. Despite these staggering figures, child welfare workers seldom have access to the housing resources or supportive services necessary to prevent and end homelessness among vulnerable families and youth.

PROGRAM SUMMARY

FUP is administered at the local level through a partnership between public housing agencies (PHAs) and public child welfare agencies. PHAs interested in administering FUP vouchers must sign a memorandum of understanding (MOU) with their partner agency in order to apply to HUD in response to a Notice of Funding Availability (NOFA). FUP vouchers are awarded through a competitive process. Depending on the size of the PHA, communities can receive a maximum of 100, 50, or 25 vouchers. Communities are encouraged to apply only for the number of vouchers that can be leased up quickly, meaning that both families and youth have been identified and landlords have been recruited for the program.

PHAs receiving an allocation of FUP vouchers then administer these vouchers to families and youth who have been certified as eligible for FUP by the local public child welfare agency. The FUP vouchers work in the same way a typical housing choice voucher does. The child welfare agency is required to help FUP clients gather the necessary Section 8 paperwork, find suitable housing, and to maintain their housing through aftercare services. If a child welfare agency elects to refer a young person aging out of foster care with a FUP voucher, the child welfare agency must offer educational and training vouchers, independent living programs, counseling, and employment assistance. The housing subsidies available to youth under this program are limited to 18 months.

Eligible families include those who are in imminent danger of losing their children to foster care primarily due to housing problems, and those who are unable to regain custody of their children primarily due to housing problems. Eligible youth include those who were in foster care any time after the age of 16 and are currently between the ages of 18 and 21 (have not reached their 22nd birthday) and are homeless or at risk of homelessness.

FUNDING

Each year between 1992 and 2001, HUD awarded an average of 3,560 FUP vouchers to public housing agencies. Unfortunately, from FY02 through FY07, HUD used its rescission authority to avoid funding FUP, even though the Housing Choice Voucher program's Tenant Protection Fund, out of which FUP is funded, had carryover funds ranging from $18 million to $170 million. Thanks to the efforts of the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, $50 million in new funding was awarded for new FUP vouchers in FY08 and FY11. Despite the continuing availability of Tenant Protection Fund vouchers for FUP, HUD failed to issue new vouchers for FUP in FY 12 and FY13; as such there has been no new funding, despite the availability for FUP vouchers under the Tenant Protection Fund.

For the first time in many years, the Voucher Tenant Protection Fund received a robust appropriation for FY14 of $130 million. Advocates may wish to urge HUD to issue no less than $20 million in funding from this account to issue new vouchers for the Family Unification Program. The Administration's proposed budget for FY15 seeks $150 million for the Voucher Tenant Protection Fund, but does not specifically propose amount for FUP vouchers.

FORECAST FOR 2014

The distribution of the Tenant Protection Fund is entirely up to the discretion of the Secretary of HUD. There are many demands on this fund to address a variety of tenant protection issues such as: public housing demolition or disposition; owners of project-based Section 8 units opting out of the program; owners of HUD-assisted housing prepaying their mortgages; and, some Rental Assistance Demonstration conversions. Therefore, it is important to inform the Secretary of the impact that this vital funding can have on the lives of children who are separated from their parents because of homelessness, and to tell the Secretary the stories of youth who have faced homelessness upon emancipation from foster care.

TIPS FOR LOCAL SUCCESS

Over the years, it has become clear that the most successful FUP partnerships require cross-training, single points of contact (liaisons) within each partner agency, and ongoing communication. In fact, HUD now requires that FUP sites have regular communication, liaisons, and other elements to support their partnership and provide case management and other supportive services to FUP households. FUP sites must include robust and ongoing case management provided by the local child welfare agency or through a contract funded by the child welfare system. HUD also encourages child welfare partners to take part in landlord recruitment, housing training for frontline staff, and encourages regular communication with the PHA point of contact. Finally, HUD encourages PHAs to enroll FUP households in the Family Self-Sufficiency (FSS) program because this adds an extra layer of supportive services to help ensure that FUP households will successfully maintain permanent housing and reduce the amount of subsidy paid by the government overtime.

The MOU required by HUD provides an excellent formula for all community partnerships designed to share resources and information in an effort to prevent and end family and youth homelessness. In communities across the country, PHAs use this model and demonstrate an extraordinary commitment to matching services to Section 8 vouchers in order to successfully serve hard-to-house families and youth leaving foster care.

WHAT TO SAY TO LEGISLATORS

Advocates interested in housing as a vital tool for promoting family unification, easing the transition to adulthood for foster youth, and achieving significant cost savings should contact HUD and urge the Secretary to issue no less than $20 million in funds for new FUP vouchers this year. Additionally, advocates can contact their members of the House and Senate Appropriations Subcommittees on Transportation, Housing and Urban Development to urge them to set aside a minimum of $20 million in the FY15 budget for new FUP vouchers.

FOR MORE INFORMATION

National Center for Housing & Child Welfare, 301-699-0151, www.nchcw.org

Vouchers: Project-Based Vouchers

By Barbara Sard, Vice President for Housing Policy, Center on Budget and Policy Priorities

Administering agency: HUD's Office of Public and Indian Housing (PIH)
Year program started: 2000
Number of persons/households served: 100,000 households
Population targeted: extremely low and low income households
See also: *Housing Choice Voucher Program, Public Housing Agency Plan*

Public housing agencies (PHAs) may "project base" up to 20% of their Housing Choice Voucher (HCV) funding. The term *project-based* means that the assistance is linked to a particular property, as opposed to *tenant-based* vouchers, which move with the family. More than 400,000 vouchers could be project based nationwide, but fewer than 100,000 units now have project-based voucher (PBV) assistance. About 500 of the 2,300 PHAs that administer HCVs currently operate PBV programs.

PBVs are an important tool to provide supportive housing for individuals with disabilities or others who need services to live stably in their own homes. PBVs can also help PHAs in tight housing markets utilize all of their vouchers by making it unnecessary for some families to search for units they can rent with their vouchers. Another benefit of project-based vouchers is that they can encourage the production or preservation of affordable housing, since owners of properties with project-based vouchers receive financial security from the long-term contracts they sign with PHAs. This potential is particularly important in higher cost areas, where PBV rules may allow higher subsidies than tenant-based vouchers.

ADMINISTRATION

Project-based vouchers are administered by PHAs that decide to include this option as part of their HCV programs, and are overseen by HUD's Office of Public and Indian Housing.

HISTORY AND PURPOSE

The current project-based voucher program was created by Congress in October 2000, as part of the FY01 appropriations bill for HUD and other agencies. (Section 232 of Pub.L. 106-377, revising section 8(o)(13) of the U.S. Housing Act, 42 U.S.C. §1437f(o)(13)).) It replaced the project-based certificate program, which was rarely used because it was cumbersome (e.g., HUD approval was required of each individual transaction), did not allow long-term financial commitments by PHAs, was limited to new development or rehabilitation, and did not provide incentives for owners to commit units to the program.

In addition to addressing weaknesses of the prior program, Congress included a novel feature, the "resident choice" requirement. This guarantees that a family with project-based voucher assistance who wishes to move after one year will receive the next available tenant-based voucher. The project-based subsidy stays with the unit to assist another eligible family. This requirement helps ensure that project-based voucher recipients remain able to choose the areas in which they live. Congress also included statutory requirements to promote mixed-income housing and to deconcentrate poverty.

HUD issued a notice on January 16, 2001 making most of the statutory changes immediately effective, but did not issue final rules fully implementing the statute until 2005. Congress made several amendments to the statute in 2008 as part of the Housing and Economic Recovery Act (HERA), notably extending the maximum contract period from 10 to 15 years in order to correspond to the initial affordability period for the Low Income Housing Tax Credit (LIHTC) program, and making contract extensions more flexible. In April 2012, HUD proposed to revise the PBV rule to incorporate the HERA amendments and make some additional changes, but HUD has not yet issued the final revisions.

PROGRAM SUMMARY

A PHA may initiate a project-based voucher program by including the following in its PHA Plan: the projected number of units to be project based; their general locations; and, how project basing would be consistent with the needs and goals identified in the Plan. A PHA also must include in its HCV Administrative Plan various details about how it will select properties in which to project base vouchers and how it will maintain waiting lists. (See HUD Notice PIH 2011-54, September 20, 2011.) No HUD approval is required.

Vouchers may be project based in existing housing as well as in newly constructed or rehabilitated units, but cannot be used in transitional housing. Use in existing housing permits a more streamlined process, as no separate review of whether excess subsidy is being provided is required. The locations where project-based vouchers are used must be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunity, but agencies have substantial discretion to make this judgment, so long as they consider certain HUD-specified factors. PHAs must use a competitive process to select properties, or rely on a competition conducted by another entity, such as the process used by the state to allocate Low Income Housing Tax Credits.

Project-based vouchers can generally be attached to no more than 25% of the units in a property, although there are several exceptions to this requirement. The limitation does not apply to properties with four units or less, units housing seniors or families with a member with a disability, and units whose residents are receiving supportive services. PHAs have discretion to define "supportive services." The requirement is intended to achieve a mix of incomes in a property. Also, by requiring owners to attract unsubsidized tenants for a majority of the units, the requirement imposes market discipline in place of direct HUD oversight. The "resident choice" feature described above also is intended to promote market discipline, as owners' costs will increase if there is a great deal of turnover in their units.

Units receiving project-based voucher assistance, like other HCV units, must meet HUD's housing quality standards prior to initial occupancy. Where tenants remain in place, PHAs may inspect only a sample of PBV units in a property in subsequent years rather than each assisted unit, reducing administrative costs. As soon as HUD implements the changes in inspection requirements enacted in the 2014 omnibus appropriations bill, ongoing inspection requirements will be changed to every two years, rather than annually.

With a project-based voucher, a family typically pays 30% of its adjusted income, and the voucher covers the difference between that amount and the unit rent plus the agency's allowance for tenant-paid utilities. As in the tenant-based voucher program, the unit rent must not exceed the rents for comparable unassisted units in the area. But there are two important differences in rent policy for project-based voucher units:

1. The unit rent is not limited by the PHA's payment standard, but may be any reasonable amount up to 110% of HUD's Fair Market Rent (FMR), or HUD-approved exception payment standard; and,
2. There is no risk that families will have to pay more than 30% of income if the rent is above the agency's payment standard.

This flexibility on unit rents applies even in the case of units that received HOME Program funds, where rents usually are capped at 100% of the HUD FMR. Special and more flexible rent rules apply in LIHTC units.

PHAs may consider other government subsidies to reduce allowable unit rents below market. This could be an important tool to stretch voucher funding to assist more units that receive additional capital subsidies through the National Housing Trust Fund.

PHAs must maintain the waiting list for PBV units and refer applicants to owners with anticipated vacancies for selection. To minimize the risk to owners of losing income due to a PHA's failure to promptly refer applicants, PHAs are allowed to pay the rent on vacant units for up to 60 days.

PHAs may use different preferences for their PBV waiting list or the lists for individual PBV properties than for the regular tenant-based list, including a preference based on need for services offered in conjunction with a property. HUD does not permit preferences based on type of disability. Applicants for regular tenant-based vouchers must be notified of the right to apply to any separate project-based waiting list, and retain their place on the tenant-based list if they decline to apply for PBV units or are rejected by a PBV owner. Such notice need not be provided directly to each individual on the tenant-based waiting list at the time the project-based list is established; PHAs may use the same procedures used to notify the community that the waiting list will be opened.

PHAs are bound by the PBV contract with an owner, and may not refuse to refer applicants to vacant units in order to reduce costs. If Congress drastically reduced or eliminated funding for the HCV program, PHAs could terminate PBV contracts, but otherwise funding for PBV units is even more secure than for other vouchers.

Families admitted to PBV units count for purposes of determining a PHA's compliance with the HCV program's targeting requirement that 75% or more of the families admitted annually have extremely low incomes. Targeting compliance is measured for a PHA's entire HCV program, not at the property level.

Current rules allow owners to evict a family from a PBV unit without cause when their lease expires, though the PHA must then reduce the number of units in the property that receive PBV assistance. The rules also require the eviction from an assisted unit of any family who fails to comply with a supportive service requirement if that family does not have a member with a disability and the property uses the supportive services exception to have PBV assistance in more than 25% of the units. It is likely that the upcoming revision of HUD's PBV regulations will provide additional protections against eviction from PBV-assisted units by requiring owners to have "good cause" to evict a tenant, but HUD may leave the rules regarding units subject to the supportive services exception unchanged.

FUNDING

PBVs are funded as part of the overall Tenant-based Rental Assistance account. PHAs use a portion of their HCV funding for PBVs if they decide to offer the program. The formula Congress directs HUD to use to allocate annual HCV renewal funding provides additional funding to agencies that had to hold back some vouchers in order to have them available for use as project-based assistance in new or rehabilitated properties.

FORECAST FOR 2014

Additional PBVs. Congress provided sufficient funding to enable PHAs to maintain all or nearly all of the vouchers in use during 2013. Because most agencies reduced the number of families receiving assistance by the end of 2013, this funding level will enable most agencies to increase the number of families assisted in 2014 (but only to restore fewer than half of the vouchers cut due to sequestration). This provides an opportunity for PHAs to commit additional vouchers to their PBV programs for supportive housing or other purposes.

Statutory changes. The draft Affordable Housing and Self-Sufficiency Improvement Act released in April 2012 by the Republican leadership of the House Financial Services Committee included four major changes in the PBV program.

First, the bill would increase the share of vouchers that agencies could project base by shifting the measure from 20% of voucher *funding* to 20% of *authorized* vouchers, which is a higher level for nearly all PHAs. In addition, it would allow an agency to project base an additional 5% of its vouchers, up to a total of 25% in units that:

a. house individuals and families meeting the McKinney homelessness definition, veterans, or elderly persons;
b. provide supportive housing to persons with disabilities;

c. are located in areas where vouchers are difficult to use; or,
d. for other reasons specified by HUD.

Second, the bill would alter the "income-mixing" requirements by allowing the greater of 25% of the units in a project or 25 units to receive PBV assistance, and by permitting 40% of the units in a project to have PBVs in areas where vouchers are difficult to use (as defined by HUD), or in areas where the poverty rate is 20% or less. Units that house the elderly would continue to be exempt from these limitations, but the supportive services exception for new PBV contracts would be modified to apply to households eligible for (rather than receiving) services meeting standards established by HUD (rather than by PHAs). Units housing persons with disabilities would no longer be exempt from the income-mixing requirements unless they qualify for the supportive services exception.

Third, the bill permits owner-managed site-based waiting lists, subject to PHA oversight and responsibility, as well as requirements of applicable civil rights laws. Finally, it would extend the maximum term of the initial contract or any extension from 15 to 20 years.

It is unclear if there will be an opportunity in 2014 to enact these or other PBV reforms, either separately or as part of a broader housing reform bill or the appropriations bill.

Regulatory changes. It is likely that HUD will issue revised rules for some aspects of the PBV program in 2014. A broad range of organizations recommended extensive changes in comments on HUD's proposed rule. If these recommendations are not accepted it may be important to expand the recommendations for statutory changes, or to urge HUD to make further regulatory changes.

FOR MORE IMFORMATION

Center on Budget and Policy Priorities, 202-408-1080, www.cbpp.org; Information on housing policy and funding is at: http://bit.ly/1d2pkIR

Vouchers: Section 811 Mainstream Vouchers

By Andrew Sperling, Director of Legislative Affairs, National Alliance on Mental Illness

Between 1996 and 2002, Congress allowed HUD to reallocate up to 25% of funding for the development of new supportive housing units for non-elderly people with disabilities toward tenant-based rental assistance. During this period, approximately 15,000 incremental vouchers were given out to public housing agencies (PHAs) for this targeted population under the 811 "Mainstream" program.

In 2010, Congress terminated the program and transferred the cost of renewing these vouchers from Section 811 to the Section 8 tenant-based rental assistance account where it now resides. For FY 2014, $107 million is allocated within the Section 8 tenant-based rental assistance account for renewal of these vouchers. The Administration's FY15 budget request seeks $108 million.

A major challenge with the old Section 811 "Mainstream" program over the years has been tracking these vouchers within the Section 8 programs run by PHAs and ensuring that agencies meet their obligation to retain these rent subsidies for non-elderly people with disabilities upon turnover. In 2010, Congress directed HUD to put out additional guidance to ensure that these vouchers are tracked and appropriately targeted. HUD has since released such guidance and many of these vouchers have been retargeted for their original purpose.

FOR FURTHER INFORMATION

- Advocates can view a chart of the housing agencies that have these 811 "Mainstream" vouchers at: http://www.tacinc.org/knowledge-resources/vouchers-database
- National Alliance on Mental Illness, 703-524-7600, https://www.nami.org

Vouchers: Tenant Protection Vouchers

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Public and Indian Housing, and Office of Multifamily Housing Programs
Year program started: 1996 for prepayments; 1999 for opt outs
Population targeted: Low income tenants of HUD's various project-based housing assistance programs
FY14 funding: $130 million
Also see: *Housing Choice Voucher Program, Project-Based Rental Assistance*

Tenant Protection Vouchers (TPVs) may be provided to low income residents of project-based HUD-assisted housing when there is a change in the status of their assisted housing that will cause residents to lose their home or render their home unaffordable. HUD calls such changes "housing conversion actions." There are two types of TPVs, regular tenant-based Housing Choice Vouchers (HCVs) and tenant-based Enhanced Vouchers (EVs). Both types are administered by a local public housing agency (PHA).

The amount of funding available for TVPs is determined by HUD estimates of need in the upcoming year and Congressional appropriations. For FY14 there is $130 million appropriated for TVPs, a significant increase over the sequester-reduced $71 million in FY13 or $75 million in other recent years. HUD's FY15 budget request to Congress seeks $150 million.

PROGRAM SUMMARY

Tenant Protection Vouchers (TPVs) issued as regular Housing Choice Vouchers (HCVs) follow all of the basic rules and procedures of non-TPV HCVs. Enhanced Vouchers (EVs) have special features that make them "enhanced" for residents.

Special Features of Enhance Vouchers

There are two key features that make EVs "enhanced":
1. Right to Remain. A household receiving an EV has the right to remain in their previously-assisted home, and the owner must accept the EV as long as the home:
a. Continues to be used by the owner as a rental property; that is, unless the owner converts the property to a condominium, a cooperative, or some other private use.
b. Meets HUD's "reasonable rent" criteria, basically rent comparable to unassisted units in the development or in the private market; and,
c. Meets HUD's Housing Quality Standards.

Instead of accepting an EV, a household may move right away with a regular HCV. A household accepting an EV may chose to move later, but then their EV converts to a regular HCV.

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

In most cases a household will continue to pay 30% of their income toward rent and utilities. However, the statute has a minimum rent requirement calling for households to continue to pay toward rent at least the same amount they were paying for rent on the date of the housing conversion action, even if it is more than 30% of their income. If in the future a household's income declines by 15%, the minimum rent must be recalculated to be 30% of income or the percentage of income the household was paying on the date of the conversion event, whichever is greater.

Which residents are eligible for EVs and which are eligible for regular HCV as TPVs?
The type of TPVs residents might be eligible for depends on which housing program assisted the development they are living at, as well as certain circumstances for some of the programs.

Regular Tenant Protection Vouchers. Traditional Housing Choice Vouchers (HCVs) are provided to residents to enable them to find alternative affordable homes when:

- Public housing is demolished, sold, or undergoes a mandatory conversion to Housing Choice Vouchers;
- Private housing assisted with a project-based Section 8 contract has the contract terminated or not renewed by HUD (for example if the owner continuously fails to maintain the property in suitable condition);
- Private housing with a HUD-subsidized mortgage undergoes foreclosure;
- A Rent Supplement Payments Program (Rent Supp) or a Rental Assistance Payment Program (RAP) contract expires, or underlying mortgage is prepaid, or HUD terminates the contract.
- Certain Section 202 Direct Loans are prepaid.

Enhanced Vouchers. Enhanced Vouchers (EVs) are provided to residents of private, project-based assistance when an "eligibility event" takes place, as defined in Section 8(t)(2) of the Housing Act of 1937. The most typical "eligibility event" is when a project-based Section 8 contract expires and the owner decides not renew the contract – "opt outs" of the contract. Prepayment of certain unrestricted HUD-insured mortgages (generally Section 236 and Section 221(d)(3) projects) is another type of eligibility event.

There are a number of other situations triggering an eligibility event, depending on the program initially providing assistance. HUD must provide TPVs for opt outs and qualifying mortgage prepayments just described; however, HUD has discretion regarding TPVs for other circumstances such as Rent Supplement (Rent Supp) or Rental Assistance Payment (RAP) contract terminations, or Section 202 Direct Loan prepayments.

Mortgage Prepayment Eligibility Events Under Section 8(t) of the Housing Act. When an owner prepays an FHA-insured loan, under certain conditions EVs may be provided to tenants in units not covered by rental assistance contracts. However, EVs may not be provided to unassisted tenants if the mortgage matures.

If a mortgage may be prepaid without prior HUD approval, then EVs must be offered to income-eligible tenants living in units not covered by a rental assistance contract. Section 229(l) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) spells out the various types of such mortgages.

Some properties that received preservation assistance under the Emergency Low-Income Housing Preservation Act (ELIHPA) may have mortgages that meet the criteria of Section 229(l). For such properties, HUD may provide EVs to income-eligible tenants not currently assisted by a rental assistance contract when the mortgage is prepaid. However, HUD may not provide EVs if after mortgage prepayment the property still has an unexpired Use Agreement.

Situations Involving Rent Supplement Payments Program (Rent Supp) or the Rental Assistance Program (RAP). EVs may be provided to Rent Supp residents if a project has a Rent Supp contract and a Section 8 contract which both expire on the same day. EVs may be provided to RAP tenants in limited situations when the property's mortgage can be prepaid without prior HUD approval and meets the criteria of Section 229(l) of LIHPRHA.

The FY12 Appropriations Act allows HUD to provide regular HCVs when a Rent Supp or RAP contract terminates due to expiration, prepayment of the underlying mortgage, or HUD enforcement action. HCVs may be provided for all units on an original Rent Supp or RAP contract that were occupied within 24 months of contract termination.

Section 202 Direct Loan Properties. The FY12 Appropriations Act allows HUD to provide regular HCVs to unassisted elderly residents when the mortgage of certain Section 202 properties are prepaid. Qualifying prepayments must be of mortgages with properties that were financed between 1959 and 1974, and refinanced under Section 811 of the American Homeownership Economic Opportunity Act of 2000. The Section 202 mortgage must have an interest rate of less than 6%, and prepayment must involve substantial rehabilitation. HUD must determine that unassisted elderly residents would face rent increases without TPV assistance.

Set-Aside For TPVs At Certain Properties. Out of the $75 million FY12 Appropriations Act provision for tenant protection vouchers, $10 million was set aside for low income households in low-vacancy areas who may have to pay more than 30% of their income for rent at three types of HUD-assisted multifamily properties that experienced in FY12, or in previous years:

1. A maturing HUD-insured or HUD-held mortgage, or a Section 202 Direct Loan which required HUD permission to prepay;
2. An expiring rental assistance contract for which tenants were not eligible for tenant protection assistance under existing law; or,
3. An expiring affordability restriction that accompanied a HUD mortgage or preservation program.

HUD Notice PIH 2013-08 set out procedures for implementing the set-aside. Instead of making the full $10 million available, HUD only set aside $4 million, claiming other properties needed to use the limited TPV funding appropriated.

HUD required owners to request TPVs; if an owner did not request assistance, tenants could not receive vouchers. HUD did not provide a mechanism for tenants to make a request if the owner did not.

HUD selected properties based on the date a mortgage matured, or a rental assistance contract or affordability agreement expired. This was intended to prioritize assistance to households that had been without affordability restrictions or rental assistance the longest.

HUD will also prioritized applications that had households facing the greatest rent burden. A three-tiered system was established. First priority went to residents who would have to pay more than 40% of their income for rent, but if funds remained, then a second tier priority would assist household who would have to pay more than 35% of their income. A third tier would cover, if funds were available, households who would have to pay more than 30% of their income.

The FY14 Appropriations Act required a $5 million set-aside. HUD must issue a new Notice implementing the FY14 set-aside by mid-May, 2014. The Administration's FY15 budget proposal does not request this set-aside.

WHAT TO SAY TO LEGISLATORS

Advocates should tell their Members of Congress to support funding sufficient to cover all tenant protection vouchers that might be needed due to housing conversion actions so that: low income households are not displaced from their homes as a result of steep rent increases when an assisted property leaves a HUD program; and, low income households losing their homes as a result of public housing demolition, disposition, or mandatory conversion to vouchers have tenant-based assistance to be able to afford rent elsewhere.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- National Housing Law Project, 415-546-7000, http://nhlp.org/resourcecenter?tid=114
- HUD's PIH Notice 2012-3, http://portal.hud.gov/hudportal/documents/huddoc?id=pih2012-3.pdf
- HUD's Section 8 Renewal Policy Guide, Chapter 11, http://portal.hud.gov/hudportal/documents/huddoc?id=Sec_8_Renewal_Policy_Guide.pdf

Vouchers: Veterans Affairs Supportive Housing Vouchers

By John Driscoll, President and CEO, National Coalition for Homeless Veterans

Administering agency: HUD's Office of Public and Indian Housing (PIH), and the Department of Veterans Affairs (VA)
Year program started: Formally in 1992; most active since 2008
Number of persons/households served: 62.000 veterans housed
Population targeted: Homeless veterans meeting VA health care needs criteria
FY14 funding: $75 million
See also: *Housing Choice Voucher Program, Veterans Housing, Homeless Assistance Programs, Interagency Council on Homelessness*

The HUD-Veterans Affairs Supportive Housing Program (HUD-VASH) combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the U.S. Department of Veterans Affairs (VA). It is a key program in the Administration's stated goal of ending veteran homelessness within 5 years, by 2015.

Since 2007, Congress has appropriated funds for approximately 58,000 VASH vouchers, approximately 10,000 per year. At the time of this writing, another 10,000 vouchers have been approved for FY14, bringing the total to 68,000, but those have not yet been allocated. Originally intended to provide permanent supportive housing for chronically homeless veterans, VA and local service providers have identified low income single veterans with dependent children as a high priority for this vital assistance.

ADMINISTRATION

The HUD-VASH program is jointly administered by the Department of Veterans Affairs (VA) and HUD's Office of Public and Indian Housing (PIH). Because the vouchers are allocated to local public housing agencies (PHAs) and the nearest VA medical center (VAMC), program administration is largely devolved to community.

HISTORY

Although the HUD-VASH program was originally created in the early 1990s, it did not receive strong federal support for many years. In 2007, as soldiers began returning home from Iraq and Afghanistan to a troubled U.S. economy, Congress demonstrated strong interest in preventing and reducing homelessness among this population. Congress began funding these special purpose vouchers in earnest in the FY08 HUD Appropriations Act with an allocation of $75 million for approximately 10,000 vouchers. The Obama Administration announced in late 2009 that it was setting a goal of ending homelessness among veterans within five years, and VASH became an important tool for achieving this goal. Since FY08, Congress has allocated the same $75 million to HUD for approximately 10,000 new vouchers each year with the only exception being the FY11 appropriations act; $50 million was awarded in FY11 for approximately 7,500 vouchers in the continuing resolution that year.

Advocates originally identified approximately 60,000 chronically homeless veterans who could have their homelessness ended with a HUD-VASH voucher and encouraged Congress and the Administration to set this as a target for the number of vouchers on the street. Initial voucher allocation was not geared towards chronically homeless veterans, however, and only in the past two years have HUD and the VA become more successful in encouraging communities to target vouchers more deeply. At the same time, due to an overall shortage of affordable housing and scarce rental assistance for homeless veterans through other programs, many communities chose to award VASH vouchers to homeless veterans who were not chronically homeless. In the coming years, Congress and the Administration along with interested community partners and homeless advocates will need to reassess what resources are needed to end homelessness for both the chronically homeless as well as other homeless veterans. Improved planning and coordination at the local level will be key to success.

PROGRAM SUMMARY

In December 2013, HUD and the VA jointly announced that national report data showed that veteran homelessness declined by 7.6% between January 2012 and January 2013, and has declined by 24% since 2009 despite high unemployment and a challenging economy. According to the 2013 Point in Time count (Part I of the 2013 Annual Homeless Assessment Report), 57,849 veterans were homeless in the United States on a single night in January 2013. In addition, a disproportionate number of homeless persons are veterans as compared to prevalence of veterans among the overall U.S. population.

Although several federal programs are available to help meet the housing and services needs of homeless persons, HUD-VASH is a particularly effective resource because it combines both housing and services into one resource.

Generally, the program is administered in accordance with regular Housing Choice Voucher program requirements. However, Congress allows HUD to waive or specify alternative requirements for any provision of any statute or regulation that HUD administers in connection with this program in order to effectively deliver and administer HUD-VASH voucher assistance. The HUD-VASH Operating Requirements, including the waivers and alternative requirements from voucher program rules, were published in the Federal Register on May 6, 2008.

Notable waivers in the Operating Requirements include:

- Section 8(o)(19) of the United States Housing Act of 1937 is waived. It would otherwise require homeless veterans to have chronic mental illnesses or chronic substance use disorders with required treatment of these disorders as a condition of receipt of HUD-VASH assistance.
- The VAMC will refer HUD-VASH eligible families to the PHA for the issuance of vouchers. Therefore, the PHA will not have the authority to maintain a waiting list or apply local preferences for HUD-VASH vouchers. Accordingly, section 8(o)(6)(A) of the USHA of 1937, 42 U.S.C. 1437f(o)(6)(A), in regard to preferences, has been waived to provide for the effective administration of the program.
- Federal regulations relating to applicant selection from the waiting list and local preferences are also waived. Regulations regarding special admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD-VASH program.
- The VAMC will screen all families in accordance with its screening criteria. By agreeing to administer the HUD-VASH program, the PHA relinquishes its authority to determine the eligibility of families in accordance with regular HCV program rules and PHA policies. Specifically, under the HUD-VASH program, PHAs will not have the authority to screen potentially eligible families or deny assistance for any grounds permitted under 24 CFR 982.552, broad denial for violations of voucher program requirements, and 982.553, specific denial for criminals and alcohol abusers, with one exception. PHAs will still be required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

Eligible Participants. In addition to income level and Lifetime Sexual Offender Registry status factors, in order to receive a housing voucher through this program, participants must meet the following criteria:

- Be a VA health care-eligible veteran.
- Meet the McKinney act definition of homelessness.
- Be in need of case management services, including services for serious mental illness, a substance use disorder history, or a physical disability. Case management is a requirement for participation in the HUD-VASH voucher program.

Allocation of Vouchers. The program distributes vouchers among VAMCs and corresponding PHAs that participate in the program. There is at least one site in each of the 50 states, the District of Columbia, and Puerto Rico. In order to determine the allocation of vouchers, the VA and HUD take into account the following factors:

- The population of homeless veterans needing services in the area:
- The number of homeless veterans served by the homeless programs at each VAMC;
- Geographic distribution; and,
- VA case management resources.

Portability. An eligible family issued a HUD-VASH voucher must receive case management services provided by the VAMC. Therefore, special mobility and portability procedures have been established. HUD-VASH participant families may reside only in those jurisdictional areas that are accessible to case management services as determined by the partnering VAMC. More information regarding portability features of VASH vouchers can be found in the HUD-VASH Operating Guidelines.

Project-basing VASH vouchers. PHAs may designate a portion of their total HUD-VASH allocation as project-based vouchers. Project-based proposals apply to all types of developments including existing units, newly constructed units, and substantially rehabilitated units. Requests for project basing will only be considered if the local VAMC supports the request. The initial lease term must be at least one year. If a household chooses to move from a project-based unit, the PHA must offer the household the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance. If there is no regular voucher to offer the household, the tenant keeps its HUD-VASH voucher when moving to another unit.

FUNDING

HUD-VASH vouchers are funded by both the VA and HUD. On the VA side, case management services are funded through the VA's Health Account and do not have a separate line item in the budget. Because this account funds all VA health care activities it is generally robustly funded by Congress and thus has not been an issue on which advocates have needed to focus. On the HUD side, $75 million was provided for 10,000 new vouchers in FY08, FY09, FY10, FY12, and FY13. In FY11, $50 million was provided for approximately 7,500 vouchers. VASH voucher renewals are lumped into the general Section 8 tenant-based rental assistance account, and Congress has provided sufficient funding in recent years to renew all VASH vouchers.

The Administration's budget proposal for FY15 seeks $75 million, which would enable an additional 10,000 homeless veterans to be served. The Administration will seek a legislative amendment to allow high capacity Indian tribes and tribally designated housing entities (TDHEs) to administer HUD-VASH assistance.

FORECAST FOR 2014

HUD-VASH vouchers are an incredibly important resource in ending the national tragedy of veterans' homelessness. Congress should continue to fund HUD with $75 million to provide 10,000 new VASH vouchers in FY14 and FY15, and provide adequate funding in the tenant-based Section 8 account to renew all existing VASH vouchers.

TIPS FOR LOCAL SUCCESS

While any form of homelessness in America is shameful, politicians have been particularly responsive to wanting to end veterans' homelessness. For those policymakers whom advocates have found difficult to approach for support on more broad affordable housing and homelessness issues, advocates may find success in discussing the need for resources to end veterans' homelessness. Data regarding the prevalence of homeless veterans is available in HUD's Annual Homeless Assessment Report, Veterans Supplement, through the U.S. Interagency Council on Homelessness, or from the National Alliance to End Homelessness.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to Senators and Representatives, particularly if they are on the Appropriations or Veterans Affairs Committees, and urge them to provide $75 million for 10,000 new HUD-VASH vouchers to help end homelessness among veterans, while full-funding all existing vouchers through the regular Section 8 account.

FOR MORE INFORMATION

National Coalition for Homeless Veterans, 202-546-1969, www.nchv.org
Corporation for Supportive Housing, 212-986-2966, www.csh.org
National Alliance to End Homelessness, 202-638-1526, www.endhomelessness.org
National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
HUD's HUD-VASH Webpage: http://1.usa.gov/AgrU2z

SPECIAL HOUSING ISSUES

Protecting Tenants at Foreclosure

By Sham Manglik, Senior Policy Analyst, National Low Income Housing Coalition

Administering agency: PTFA is self-executing; no agency is responsible for administering the act.
Year program started: 2009
Population targeted: renters

As the foreclosure crisis has taken hold, experience and research have revealed that rental properties and renters are at significant risk, with renters comprising 40% of the families affected by foreclosure. These families often have no idea that their landlord has fallen behind on mortgage payments, and have usually continued to pay their rent even as their landlord has failed to pay the mortgage.

Before the enactment of the federal Protecting Tenants at Foreclosure Act (PTFA) in May 2009, in most states it was legal for tenants to be required to move on only a few days' notice. Under the PTFA most tenants now have the right to remain in their home for the remainder of their lease, or at least 90 days.

The PTFA is set to expire at the end of 2014. Representative Keith Ellison (D-MN) and Senator Richard Blumenthal (D-CT) have introduced legislation, H.R. 3543 and S. 1761 respectively, that would remove the 2014 sunset date, making the law permanent. The legislation would also add a private right of action to the law as an enforcement mechanism.

HISTORY AND PURPOSE

In recent years, inappropriate lending, falling home prices, and high unemployment have led to a very high number of foreclosures across the United States. However, the impact of these foreclosures is not limited to homeowners; renters lose their homes every day when the owner of the home they are renting goes into foreclosure. In fact, one in five properties in the foreclosure process is likely to be a rental. Further, research from NLIHC concludes that since these properties often contain more than one unit, and many owner-occupied properties also house renters, roughly 40% of the families facing eviction as a result of the foreclosure crisis are renters. Unlike homeowners, who have some indication that a foreclosure is coming, renters are often caught entirely off-guard.

As might be expected, very low income families and low income and minority communities are bearing the brunt of rental foreclosures. Analysis from NLIHC shows that for four states in New England, the census tracts with the lowest percentage of white individuals and the highest percentage of households that are under the poverty line have the highest foreclosure rates. Multifamily foreclosures, which more often than not impact at least some renters, also occur in these high-poverty, high-minority census tracts.

Prior to May 2009, protections for renters in foreclosed properties varied from state to state, and in most states tenants had few protections. The National Law Center on Homelessness and Poverty (NLCHP) and NLIHC issued a joint report on the foreclosure and eviction laws in each state and the District of Columbia.

Recognizing the hardships experienced by tenants in foreclosed properties, Congress acted in early 2009 to provide a basic set of rights for such tenants. On May 20, 2009, President Obama signed the Protecting Tenants at Foreclosure Act (PTFA; Public Law 111-22, division A, title VII). The PTFA was extended and clarified in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, section 1484).

ISSUE SUMMARY

Protecting Tenants at Foreclosure Act. The PTFA requires the immediate successor in interest at foreclosure to provide bona fide tenants with a notice 90 days before requiring them to vacate the property, and allows tenants with leases to occupy the property until the end of the lease term. A bona fide lease or tenancy is one in which: the tenant is not the mortgagor, or the spouse, parent, or child of the mortgagor; the lease or tenancy is the result of an arm's length transaction; and, the lease or tenancy requires rent that is not substantially lower than fair market rent, or is reduced or subsidized due to a federal, state or local subsidy. If the property is purchased by someone who will occupy the property, then that purchaser can terminate the lease on 90 days' notice, even when the tenant has a lease that extends beyond 90 days after foreclosure.

Tenants with Section 8 housing choice voucher assistance have additional protections, which allow them to retain their Section 8 lease, and require the successor in interest to assume the housing assistance payment contract associated with that lease.

The PTFA applies to all foreclosures on all residential properties; traditional one-unit single family homes are covered, as are multi-unit properties. The law applies in cases of both judicial and non-judicial foreclosures. Tenants with lease rights of any kind, including month-to-month leases or leases terminable at will, are protected as long as the tenancy was in effect as of the date of transfer of title at foreclosure.

The 90-day notice to vacate can only be given by the successor in interest at foreclosure. The successor in interest is whoever acquires title to the property at the end of the foreclosure process. It could be the financial institution that held the mortgage or it could be an individual who purchased the property at foreclosure. Notices of the pending foreclosure, while desirable, do not serve as the 90-day notice required by the PTFA.

The PTFA applies in all states, but does not override more protective state laws. The PTFA specifically provides that it does not affect "any [s]tate or local law that provides longer time periods or other additional protections for tenants." Consequently, state law should be examined whenever there is a tenant in a foreclosed property to maximize the protections available to tenants. State and local law may also help fill some of gaps in the federal law, such as the form (e.g., written or oral) and delivery mechanism for the 90-day notice (e.g., in person, by mail, or by another method).

Other protections. Prior to creation of the PTFA, some financial institutions and Freddie Mac and Fannie Mae independently developed programs to assist renters in foreclosed properties to remain in their homes, and some offered "cash for keys" programs that provide monetary assistance to occupants of foreclosed properties if the occupants agree to leave in a specified period of time, usually 30 days or less. While both the month-to-month lease programs and cash for keys program are options tenants should consider, these options are in addition to, and not a substitute for, the rights provided under the PTFA. Tenants should seek the advice of legal counsel before accepting these options.

The American Recovery and Reinvestment Act of 2009 (ARRA), which predates the PTFA, applied similar renter protections to any foreclosed property purchased with Neighborhood Stabilization Program (NSP) funds. However, in addition to the 90 days' notice requirement and the right to remain in the home for the remaining term of any lease, ARRA further prohibits recipients of NSP funds from discriminating against (i.e., refusing to rent to) holders of Section 8 Housing Choice Voucher assistance.

FORECAST FOR 2014

The PTFA provisions expire at the end of 2014 unless extended. In 2013, Representative Keith Ellison (D-MN) and Senator Richard Blumenthal introduced legislation (H.R. 3543 and S. 1761, respectively) to repeal the sunset date for the PTFA and to add a private right of action for renters whose rights under the PTFA had been violated. The legislation had been introduced by Representative Ellison in the 112th Congress as well, but no action was taken on the measure. It is imperative that Congress act on extending the PTFA as soon as possible, as the law is set to expire at the end of the 113th Congress.

TIPS FOR LOCAL SUCCESS

Implementing PTFA provisions can be challenging. The law was effective upon enactment; however, no federal agency is charged with interpreting the law or with writing regulations to enforce it. Because the law is self-implementing, individual tenants need to be able to assert their rights. NLIHC, in conjunction with the National Housing Law Project, has developed a toolkit for renters in foreclosed properties. The toolkit contains sample letters, copies of the PTFA, and other materials designed to assist tenants and their advocates in implementing the law and protecting tenants' rights.

Relying on individual tenants to assert their rights is a time-consuming process. A better approach is for the entities and institutions involved in the foreclosure process, such as financial institutions, lawyers, judges, and real estate professionals, to recognize and abide by the law. Advocates at the local level should make area courts and attorneys aware of the law through letters and other contacts.

All federally insured or chartered financial institutions have been informed of the law and instructed to comply with it. If a financial institution does not comply with the law, it is important that advocates identify the foreclosing institution and hold it accountable for the outcome. Federal financial institution regulators have information on their websites that will help identify the relevant regulator for a foreclosing institution and help tenants and advocates lodge a complaint against the institution.

WHAT TO SAY TO LEGISLATORS

Legislators should be educated on the fact that as many as 40% of families faced with foreclosures are renters who are truly blameless in the situation. Federal lawmakers also need information on financial institution compliance or lack thereof with the PTFA. Lawmakers should also be urged to consider changes to bankruptcy laws and other legislation that would encourage lenders to allow former homeowners and renters to stay in their homes.

In addition, because PTFA protections expire at the end of 2014, advocates should ask lawmakers to cosponsor and support the Permanently Protecting Tenants at Foreclosure Act, which would remove the law's sunset date and would add a private right of action for tenants whose rights under the PTFA have been violated. The private right of action is important as it would add an enforcement mechanism to the protections included in the law. It is critical that Congress take action before the end of the 113th Congress.

FOR MORE INFORMATION

- National Low Income Housing Coalition's Foreclosure Policy Issue webpage, http://nlihc.org/issues/foreclosure
- NLIHC renter's toolkit, http://nlihc.org/library/other/foreclosure
- Renters in Foreclosure: A Fresh Look at an Ongoing Problem, from NLIHC, http://nlihc.org/library/other/periodic/rif2012
- Staying Home: The Rights of Renters Living in Foreclosed Properties, from NLCHP, http://bit.ly/VBrT2u (PDF).
- "HUD Regulatory Guidance" fact sheet from NLIHC, http://nlihc.org/issues/foreclosure/ptfa
- Guidance for FHA, http://1.usa.gov/VBuQAf (PDF)

For regulatory agency guidance, see:

- Federal Deposit Insurance Corporation (FDIC), http://1.usa.gov/VBuXf3
- Federal Reserve Board of Governors (FRB), http://1.usa.gov/VBv1LX
- National Credit Union Administration (NCUA), http://1.usa.gov/VBvsG5

For information on the regulatory agency complaint process, see:

- FDIC, http://1.usa.gov/VBvKwB
- FRB, www.federalreserveconsumerhelp.gov
- OCC's webpage for filing a complaint, www.helpwithmybank.gov/complaints/index.html
- NCUA, http://bit.ly/VBvXQg

Protecting Homeowners at Foreclosure

By Sham Manglik, Senior Policy Analyst, National Low Income Housing Coalition

Foreclosures devastate families and neighborhoods and hamper economic recovery. In an effort to reduce the number of foreclosures, Congress, the Administration, and the lending community have created programs to help borrowers modify their mortgages. These efforts include new programs to help troubled borrowers, along with resources for housing counseling programs. While the amount of foreclosures have decreased since the peak of the crisis, foreclosures are still up from historic levels, and the recovery has been slow in part because federal foreclosure prevention programs have not been as successful as they were intended to be.

ADMINISTRATION

Foreclosure prevention and counseling programs are administered by a variety of entities, including Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), HUD, and the Federal Housing Administration (FHA). In addition, banks and mortgage servicers modify mortgages outside of the federal programs.

PROGRAM SUMMARY

Since 2009, the Obama administration has created several programs to help struggling homeowners avoid foreclosure.

Home Affordable Modification Program. The Home Affordable Modification Program (HAMP) provides incentives to loan servicers (the organizations to whom monthly mortgage payments are made) and investors to modify first-lien mortgages for homeowners in default or in danger of default. By providing mortgage servicers with financial incentives to modify existing first mortgages, the Department of the Treasury (Treasury) hopes to help as many as 3 million to 4 million homeowners avoid foreclosure regardless of who owns or services the mortgage. Participation in the program is voluntary, and 145 servicers participate in the program under agreements with the Treasury. Modifications can be made under HAMP until December 31, 2015, an extension past the original December 31, 2013 expiration date.

The HAMP modification program is available to owner-occupants in one- to four-unit properties at risk of default because of unaffordable mortgage payments. The unpaid principal balance on the mortgage loan must be equal to or less than $729,750 for one-unit properties (there is a higher limit for two- to four-unit properties) and the mortgage loan must have been made on or before January 1, 2009. The mortgage payments must be unaffordable (i.e. exceed 31% of the borrower's pre-tax income). The modification will consist of a reduction of the interest rate to a point where loan payments do not exceed 31% of the borrower's income. This interest rate, which can be as low as 2%, will be in place for the first five years of the modified mortgage, at which time the interest rate will slowly increase to the market rate at the time the mortgage was modified. If a 2% interest rate does not result in a payment that is affordable, the servicer can take additional steps to make the mortgage affordable, including extending the loan term out to 40 years, deferring repayment on a portion of the amount owed until a later time, or forgiving a potion of the debt.

Borrowers request to participate in HAMP by sending their servicer an initial set of documents to establish their eligibility for the program. If eligibility is established and an economic model shows that it is worth more to the investor to modify the mortgage than foreclose, the servicer must offer the borrower a modification. If the modified mortgage is worth less than the foreclosed mortgage, the modification is optional. Slightly different rules apply in the case of loans owned or guaranteed by Freddie Mac or Fannie Mae.

HAMP has several sub- or related programs.

- The Home Price Decline Protection (HPDP) program provides incentives to offset potential losses in home values after a modification to encourage servicers and investors to modify mortgages in declining markets. The incentives are based on projections of future home prices.

- The Principal Reduction Alternative (PRA) program provides funds to be used to reduce the principal for homes worth less than the amount remaining on the first-lien mortgage.
- Home Affordable Unemployment Program (UP) or Homeowners Loan Program is intended to offer assistance to unemployed homeowners through temporary forbearance of a portion of their mortgage payments.
- Home Affordable Foreclosure Alternatives (HAFA) provides incentives to servicers and borrowers to pursue short sales or deeds in lieu of foreclosure in cases where the borrower is unable or unwilling to enter into a modification. In a short sale, a servicer allows the borrower to sell the property at its current value, even if the sale nets less than the total amount owed on the mortgage. With a deed in lieu, the borrower simply voluntarily transfers ownership of the property to the servicer. While not desirable alternatives, these procedures allow the homeowner and the servicer to avoid the time and expense of a foreclosure.
- Second Liens. According to Treasury up to 50% of at-risk mortgages have second liens, and many properties in foreclosure have more than one lien. Under the Second Lien Modification Program, when a HAMP modification is initiated on a first lien, servicers participating in the Second Lien Program must modify or extinguish the associated second lien. Modifications to the second lien are made based on the nature of the second lien according to a set of specific rules, or the servicer can extinguish the second lien in return for a lump sum payment from Treasury.
- HAMP Tier 2. Treasury further expanded the HAMP program in 2012, known as HAMP Tier 2, to broaden HAMP eligibility. Borrowers must still have a mortgage on a single family property. The mortgage must have been originated prior to January 2, 2009. Borrowers must also have a documented difficulty in making the payments, and the borrower's unpaid principal balance must fall below thresholds established in the program. Notably, HAMP Tier 2 allows for some rental properties to eligible for modifications.

FHA Short Refinance Program. This program, which began in September 2010, allows certain underwater homeowners to refinance into new FHA-insured mortgages, at amounts lower than the value of their home. Homeowners must be up to date on their mortgage payments to qualify for the program, and only borrowers who do not initially have FHA-insured mortgages are eligible. Up to $1 billion of the Troubled Asset Relief Program (TARP) funds are authorized to be used for the program; FHA is responsible for any additional costs. The program is set to expire on December 31, 2014.

Home Affordable Refinance Program. Through the Home Affordable Refinance Program (HARP), Fannie Mae and Freddie Mac will allow the refinancing of mortgage loans they own or that they placed in mortgage-backed securities. This refinancing will allow borrowers to move to a less expensive fixed-rate mortgage even if their mortgage is greater than the current value of their homes, a situation known as being "underwater." Currently, these underwater mortgages cannot be easily refinanced, leaving few options for borrowers facing unaffordable increases on their adjustable rate mortgages. To be eligible, the mortgage must be on an owner-occupied one- to four-unit home, and the borrower must be current on mortgage payments and be able to afford the new mortgage. Initially, homeowners were eligible if, among other criteria, they owed up to 105% of the value of their homes. The program was expanded by the Administration in 2009 to include homeowners who owed up to 125% of the value of their homes. This cap was removed entirely by the Federal Housing Finance Agency (FHFA) altogether in 2011. Like HAMP, the HARP program's expiration date has been extended to December 31, 2015. The program was initially set to expire on December 31, 2013. To determine if a mortgage loan is owned by Freddie Mac or Fannie Mae, the borrower can call the mortgage lender or servicer and ask about the program. Contact information can be found on monthly statements or in mortgage coupon books. In addition, Fannie Mae and Freddie Mac have established toll-free telephone numbers and websites to help borrowers.

The Hardest Hit Fund. The Hardest Hit Fund was created in 2010, when the Obama Administration announced the commitment of $1.5 billion to be made available to the housing finance agencies in the five states that had experienced the greatest drops in home prices. These states are: Arizona, California, Florida, Michigan, and Nevada. A second round of funding, $600 million was made available later in 2010 for states with high levels of economic distress and unemployment: North Carolina, Ohio, Oregon, Rhode Island, and South Carolina. A third round of funding made $2 billion available for states with unemployment rates higher than the national average. States must spend their funds under the program by December 31, 2017. Additional rounds of funding are not expected.

Fannie Mae, 1-800-7FANNIE (8am to 8pm EST), www.fanniemae.com/loanlookup
Freddie Mac, 1-800-FREDDIE (8am to 8pm EST), www.freddiemac.com/mymortgage

HOPE NOW. An alliance composed of counselors, mortgage companies, investors, and other mortgage market participants, HOPE NOW members work together to reach out to homeowners in distress to help them stay in their homes and to create a unified, coordinated plan to help as many homeowners as possible. The alliance supports the HOPE for Homeowners Hotline, 1-888-995-HOPE, where borrowers can receive pre-foreclosure counseling.

National Foreclosure and Mitigation Counseling Program. This program was launched in December 2007 to increase the availability of counseling services to homeowners at risk of foreclosure across the country. Under this program, NeighborWorks America makes grants to HUD-approved housing counseling intermediaries, qualifying state housing finance agencies, and NeighborWorks organizations. The entities then provide counseling to troubled borrowers to assist them in exploring loan modification or refinance options, including those offered through the Making Home Affordable program. NeighborWorks maintains an interactive website to help borrowers indentify a counselor in their area at: www.findaforeclosurecounselor.org/network/nfmc_lookup

Foreclosure legal assistance. The Dodd-Frank Wall Street Reform and Consumer Protection Act created, but did not fund, a HUD-administered program for making grants to provide legal assistance to low and moderate income homeowners and tenants related to home ownership preservation, home foreclosure prevention, and tenancy associated with home foreclosure.

Mortgage Settlement. In February 2012 a legal settlement was announced between the five largest mortgage servicers in the country and 49 state attorneys general, as well as several federal agencies with respect to mortgage servicing. Under the settlement, the servicers must provide approximately $25 billion in assistance to borrowers, as well as assistance to states and the federal government. In addition to the aid provided through the settlement, the servicers must develop and implement new servicing standards and policies for communication with borrowers.

FORECAST FOR 2014

While many homeowners have been helped by the various federal efforts, the numbers served have fallen far short of expectations. Three federal foreclosure assistance programs were targeted for elimination in the 112th Congress by bills in the House and Senate: HAMP (H.R. 839 and S. 527), the Emergency Homeowner Loan Program (H.R. 836), and the FHA refinancing program (H.R. 830). H.R 830 and H.R. 836 passed the House on March 11, 2011. H.R. 839 passed the House on March 29, 2011. However, the Senate never considered these measures and the bills expired at the end of the 112th Congress. There has not been a renewed effort to eliminate these programs in the 113th Congress, to date.

Congress has begun in earnest to start to advance legislation to reform and redesign the current housing finance system. Advocates should stay engaged in the housing finance reform discussion to help shape a future system that will help address the confluence of issues that led to the foreclosure crisis, and prevent a similar situation from occurring in the future.

The Federal Housing Finance Agency (FHFA) is the conservator of the government sponsored enterprises Fannie Mae and Freddie Mac. For loans held by Fannie Mae and Freddie Mac, FHFA has the authority to allow for principal reductions of underwater borrowers' monthly mortgage payments through the forgiveness of a portion of a loan's total amount. The previous FHFA Acting Director, Edward DeMarco, refused to allow for principal reductions. However, as of January, 2014, Mel Watt has been confirmed as Director of the Agency, and may take a different stance on the issue than his predecessor. Advocates and the Obama Administration, among others, have argued that allowing for principal write-downs will help keep borrowers from defaulting on their mortgages.

WHAT TO SAY TO LEGISLATORS

Advocates should contact their Members of Congress with the message that the variety of efforts and programs targeted to helping stop foreclosures is indicative of the seriousness of the problem. If foreclosures cannot be reduced, the economy is likely to take longer to recover and more families and communities will experience housing instability. Congress should work to refine and create programs and initiatives to enable more homeowners to receive help.

Advocates should urge FHFA to allow for principal write-downs and other proactive steps that would assist underwater homeowners.

FOR MORE INFORMATION

Making Home Affordable initiatives, www.makinghomeaffordable.gov
More information on the homeowner's loan program, www.nw.org/network/foreclosure/nfmcp/ehlp.asp
HUD information on foreclosure avoidance, http://1.usa.gov/VBqaKL
FHA modification and refinancing programs, www.fha.com

HUD'S Research Roadmap: The Next Five Years

By Althea Arnold, Research Analyst, National Low Income Housing Coalition

In 2013, the Office of Policy Development & Research (PD&R) at the Department of Housing of Urban Development (HUD) released a plan of its priority research projects for the next five years (FY14-FY18). The *Research Roadmap* is more than just a document though; it is part of HUD's efforts to improve stakeholder engagement in setting its research agenda.

The *Research Roadmap* was spurred in large part by a 2008 report by the National Research Council (NRC) of the National Academy of Sciences that suggested PD&R's research agenda setting process had become "too insular" with "too much of a short term focus." The report acknowledged HUD's limited financial and human resources but still found that PD&R was not "achieving its potential to contribute in a significant way to the ongoing internal and external discourses over the evolution of HUD programs and broader urban development policy." These were significant criticisms given PD&R's mission and audience.

PD&R is responsible for current information on housing needs, market conditions, and existing programs, as well as for conducting research on priority housing and community development issues. While housing research is conducted by state and local governments as well as private organizations, PD&R is uniquely positioned to conduct national research on housing needs and trends. This includes developing the American Housing Survey conducted by the Census Bureau, publishing *Worst Case Housing Needs*, and other notable analyses that help inform housing policy decisions. Private organizations make up the majority of PD&R data users, while state and local governments are nearly one-fourth of users. In addition, these resources are used by HUD staff and Congress.

The NRC report recommended that PD&R reinvigorate its research activities by shifting to a more collaborative model. HUD responded with a large scale plan to hear from stakeholders, from within HUD and across the country, which began in October 2011. To engage these stakeholders, HUD set up a public website, held nearly fifty small group "listening sessions," and held a research agenda conference. Through this process, participants identified the most pressing research questions related to housing and urban development. HUD staff and PD&R leaders then held multiple review rounds to prioritize these questions based on policy relevance, timeliness, and the best use of HUD's comparative advantages.

SELECT PROJECTS

The following are a sample of the proposed projects in the *Research Roadmap*. Many are large and consist of multiple tasks. They are categorized under HUD's four strategic goals, as identified in HUD's 2010-2015 Strategic Plan, as well as cross-cutting projects and data collection ventures. More information on the proposed projects and their budgets are available in the full *Research Roadmap.*

Strengthening the Nation's Housing Market

- Assessing the Effectiveness of Mortgage Modification Protocols (requested in FY 2014)
- Impact of the Foreclosure Crisis on HUD Programs and the Rental Market
- Reassessing the Role and Function of FHA

Meeting the Need for Quality Affordable Rental Homes

- Comparing Subsidy Costs of Federal Housing Assistance Programs
- Evaluating the Success of Tenants in Leasing Up With Housing Choice Vouchers
- Rental Assistance Demonstration Evaluation (requested in FY 2014)

Housing as a Platform to Improve Quality of Life

- Effect of Housing Assistance Over Time
- Evaluation of the Section 811 Project Rental Assistance Demonstration (requested in FY 2014)

• Mixed-Income Communities and Public Safety
• Homelessness Prevention Demonstration (requested in FY 2014)
• Physical Inspections of Assisted Housing and Residential Asthma Triggers
• State Olmstead Plans and Assessment of Demand, Available Resources and Needs

Building Inclusive and Sustainable Communities
• Expanding Housing Opportunities Through Inclusionary Zoning
• Economic Impacts of HUD Block Grant Programs
• Advancing Utility Allowance Modeling for HUD Housing Programs (requested in FY 2014)

Crosscutting
• Accelerating Post-Disaster Community Recovery
• Affordable Housing in Rural Communities
• Identifying Operating Cost Savings From Multi¬family Tenant Services

Data Infrastructure
• American Community Survey Data Matching
• American Housing Survey 2015 Redesign
• HUD-HHS Data Matching
• Toward a Comprehensive Rental Housing Finance Survey

FORECAST FOR 2014

The 2014 Omnibus Act Appropriations Act funds PD&R at its FY13 pre-sequester level of $46 million (a compromise between $50 million requested by the President and $21 million proposed cut by the House). HUD's budget will ultimately determine which research projects are pursued over the next five years, but the *Research Roadmap* is still a significant step for HUD. It will help guide HUD in its priorities and community engagement. PD&R will revisit the *Research Roadmap* to ensure that HUD's research adapts to changing needs.

President Obama's FY15 budget requests $50 million for HUD's Research and Technology program, which includes funding to restore and enhance the American Housing Survey, the Rental Housing Finance Survey, and other surveys about the nation's housing stock. The FY15 budget also proposes up to $15 million transfers per project ($80 million in total) to the Transformation Initiative (TI) – an ongoing effort to increase outcomes among HUD's programs addressing the nation's housing problems. The TI supplements HUD's Research and Technology program.

FOR MORE INFORMATION

HUD's *Research Roadmap*, www.huduser.org/portal/pdf/Research_Roadmap.pdf
Email comments or questions to the HUD *Research Roadmap* team at PD&RResearchRoadmap@hud.gov

Inclusionary Housing Policies

By Patrick Maier, Executive Director, Innovative Housing Institute

Inclusionary housing requires or provides incentives for the development of affordable housing as part of the development of market-rate housing. In most cases, this takes the form of a local ordinance or policy that requires all developments of a certain size (for example, 10 or more homes) to include some percentage of affordable housing. Because it is dependent on market-rate production of homes, there has been little activity across the country since the national housing crisis; that downturn has led to program suspensions and retrenchment in some areas. Now that the housing market is emerging from the crisis there is an increase in interest and inclusionary activity in stronger housing markets.

Inclusionary housing policy adoption is a matter of local and state self-determination. The authority to implement it stems from "police power," the capacity of the states to regulate behavior and enforce order for the betterment of the general welfare. It is typically administered on a local level through coordination between local housing departments and planning authorities.

HISTORY AND PURPOSE

Since the 1970s, more than 400 local governments and a number of states have implemented inclusionary housing programs resulting in the production and preservation of hundreds of thousands of affordable homes. Because of the relationship of these affordable homes to market-rate development, many of these homes have been built in very desirable locations near jobs and opportunity, and in affluent communities where federal and state housing subsidies have not typically been used. Because inclusionary programs typically rely on zoning incentives and development waivers, the creation of these homes has not required a new public funding source for the affordable housing. These incentives can take the form of: up-zoning, where a given piece of land is rezoned to allow for more development, thereby increasing its value; density bonuses which allow the developer to build more homes if affordable homes are also provided; and, development waivers, such as parking reductions, which make it easier or less expensive to build homes. A number of communities also offer specific financial contributions to help make the affordable homes possible, or to serve lower income households in the affordable homes.

PROGRAM SUMMARY

Most people are familiar with exclusive communities and neighborhoods. These are areas where the homes are very expensive, where there may be gates or guards to keep unwanted people out, and where there may be unspoken preferences as to who is able to live there. Inclusionary housing policy turns exclusivity on its head. It seeks to include all those who work in a community or who aspire to live there.

What is important to know is that inclusionary housing policy adoption is a matter of local and state self-determination. The ability to plan a community and decide what kind of community people want is usually a matter of local political decision making when master plans are adopted, new development is planned, or when rezoning occurs. This is where advocacy for inclusionary housing can make a difference.

Inclusionary housing programs contribute to the creation of mixed-income, diverse, and integrated communities by requiring developers to incorporate affordable homes within the context of a larger development. Sometimes, rather than build affordable homes as part of a market-rate development, developers are able to build or rehabilitate homes nearby, or to make financial contributions to an affordable housing development fund to be used within that same jurisdiction. Because active participation of the private sector developer is a key ingredient in the inclusionary program, program requirements often permit alternative methods of providing affordable homes.

Although some jurisdictions have voluntary inclusionary programs, the vast majority of jurisdictions require compliance. Most programs mandate that 10-20% of the homes developed be affordable. The homes provided may be either for sale or rental. Income eligibility varies widely, but most programs serve households with incomes that range from low to moderate income levels (50%-120% of area median income, AMI). Prices and rents are usually established by the program manager at a level affordable to households within this range.

In most jurisdictions, households interested in an inclusionary home apply and are qualified through the local program manager. Typically this is the local housing and community development agency, but sometimes this function is performed by a community land trust or other nonprofit. A few jurisdictions are able to serve extremely low income households by enabling purchase by housing agencies or nonprofits, which in turn can apply additional subsidies.

Maintaining the affordability of an inclusionary home over a substantial period of time is an important element of program management. Having the ability to resell or re-rent an affordable home to another qualified household maintains a stock of affordable housing in a community. Most jurisdictions require the homes to remain affordable for the long term; 30 to 50 years is not uncommon, and some jurisdictions mandate affordability in perpetuity. This requires a robust administrative function and continuous education and support to the households who are beneficiaries of the program.

FUNDING

One of the great advantages of inclusionary programs is that there is not a significant dollar cost for the creation of the affordable home. This is because inclusionary programs trade on the power of the market and provide incentives and regulatory waivers to builders and developers who produce market-oriented homes. The corollary is that inclusionary housing works best where the housing market is strong; that is, where private builder developers want to build because they believe there is strong market potential and that people will buy or rent the homes they build.

It is important to note, however, that program administration requires a set of skills that are sometimes not present in local government. In implementing and running a program, communities must be willing to invest resources in good staff who can handle the wide range of duties associated with a successful program. Funding for ongoing program administration is also important.

FORECAST FOR 2014

In 2013 we continued to see slow improvement in the housing market though many are still suffering from the most drawn-out and devastating housing slumps since the Great Depression. Most industry experts project continued growth in the housing sector in 2014 with the National Association of Home Builders estimating a 25% increase in housing starts. Improvement has also been seen in home prices with an estimated rise of 20% over the past two years. While all of this is great news for the overall economy, uneven income growth means those at the lower end of the income spectrum don't experience the full benefit of the housing growth. This presents opportunities for both study and improvement.

It presents opportunities to learn from the lessons of this man-made catastrophe and to advocate for positive changes. One lesson is that low and moderate income households were not well-served by being encouraged to take on more mortgage debt than they could handle. Too many families lost homes, had their credit destroyed, and experienced the stress of financial disaster to repeat the mistakes of the last decade. To avoid repeating these mistakes, regulatory and administrative changes have been made to mortgage loan qualification that make it more difficult for low and moderate income families to purchase a home. Therefore, the ability to buy or rent a home in a good, safe community continues to be denied to many lower income households because of the effective income segregation and lack of affordable housing that continues in many parts of the country; the tightened mortgage eligibility requirements compound this problem. This is where an inclusionary policy offers a positive alternative – a modest home at a reasonable price in a good community.

As housing advocates review their policies in the current environment, it is important to support and work to strengthen existing inclusionary policies around the country. Opponents of inclusionary policy are actively working to undermine and eliminate existing laws, claiming that housing affordability is a problem of the past.

The national stage for inclusionary housing advocacy is somewhat uneven at this point. The recent election of New York Mayor Bill DeBlasio could be very positive for the inclusionary housing community. Mayor DeBlasio has tasked his administration with the creation and preservation of 200,000 affordable housing units in the next decade, and he has publicly stated he would like to use inclusionary housing policies to advance this goal. A successful program in New York could set the stage for a strong argument in other metropolitan areas.

Unfortunately, a court decision in California could have an equally negative effect on advocacy efforts, especially for inclusionary rental housing. In 2009, a California court ruled that inclusionary housing requirements violate state law regarding establishment of rental rates. This ruling has local jurisdictions scrambling to identify ways to increase the supply of affordable housing in higher income communities.

Advocates should know that inclusionary housing can serve very low and extremely low income households. This is possible by taking the affordable home created by the market-oriented developer and further subsidizing it by project basing vouchers or by using HOME funds or state and local housing trust funds. This results in a new home that is very affordable at significantly less cost than creating it through just the expenditure of public subsidies. And it is more likely to be in an opportunity-rich location. Most existing inclusionary housing programs do not take this next step to serve very low and extremely low income households, but they should be encouraged to do so, and low income housing advocates' knowledge of this possibility will expand the usefulness of the program.

Changing land use law and planning an inclusionary housing ordinance that will work in a community takes time and political strength. Coalitions should include all parts of the community: employers, unions, religious organizations, students, and those who provide essential services. In some states, the power to change local land use laws is restricted at the state level; successful coalitions would have to operate at the state level to gain authority for local adoption of inclusionary policies.

WHAT TO SAY TO LEGISLATORS

The federal former Sustainable Communities Regional Planning Grant Program supported metropolitan and multi-jurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments. This program promoted social equity, inclusion, and access to opportunity. One of the housing strategies suggested by the program was the use of inclusionary zoning. While this program was funded at $150 million for FY10 and $100 million for FY11, funding for it was cut beginning in FY12 and in every budget since. The FY14 appropriation was only $75 million.

The Administration's FY15 budget proposal seeks $75 million for Integrated Planning and Investment (IPI) grants, within a proposed separate, larger $56 billion Opportunity, Growth, and Security Initiative. However, HUD's Office of Economic Resilience (formerly the Office of Sustainable Housing and Communities) still operates.

The current fiscal environment creates an environment where all housing programs are fighting for every penny of allocation they can get. Inclusionary housing advocates must ensure their voices are heard along-side advocates for all other housing programs. Advocates should contact Members of Congress to urge them to re-instate this element of HUD's budget. The metropolitan planning efforts that result from this funding may help change the dynamic of regions separated by race and class and promote fair housing choice for all income levels.

FOR MORE INFORMATION

Innovative Housing Institute, 410-332-9912, www.inclusionary.org

National Housing Conference and Center for Housing Policy, 202-466-2121, www.nhc.org

Manufactured Housing

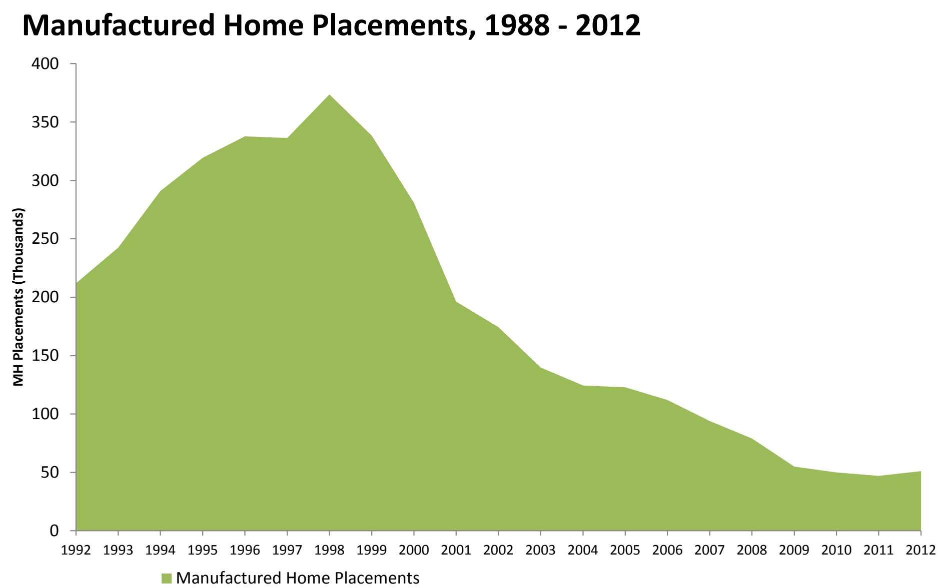
By Lance George, Director of Research and Information, Housing Assistance Council (HAC)

Manufactured homes – often referred to as mobile homes or trailers, are an overlooked and maligned component of our nation's housing stock. But these structures are an important source of housing for millions, especially those with lower incomes and in rural areas.

ISSUE SUMMARY

There are approximately 7 million occupied manufactured homes in the U.S., comprising about 7 percent of the nation's housing stock. More than half of all manufactured homes are located in rural areas. Also, more than half of all manufactured homes are located in southeastern states.

The income demographics of those living in manufactured housing are changing. Increasingly, people with a variety of incomes are living in manufactured homes, but households at the lower end of the income spectrum are still their primary residents. The median annual income of households living in manufactured housing nationwide is $30,000, nearly 40 percent less than that of households living in non-manufactured homes.



Source: HAC Tabulations of U.S. Census Bureau Construction Reports

Modern manufactured homes evolved out of the automobile industry and recreational travel trailers. Today, the term manufactured home encapsulates a broad spectrum of housing styles, systems, and arrangements. While the physical and structural attributes of manufactured housing have improved over time, issues related to the sale, finance, appraisal, and placement of this type of housing often remain problematic. Today the majority of manufactured homes are still financed with personal property, or "chattel," loans. With shorter terms and higher interest rates, personal property loans are generally less beneficial for the consumer than more conventional mortgage financing. Roughly 37% of rural manufactured homes loans reported through the 2012 Home Mortgage Disclosure Act (HMDA) were classified as "high cost" – more than 10 times the national rate. Exacerbating these finance issues, manufactured homes are typically sold at retail sales centers where salespersons or "dealers" receive commissions. In some cases, dealers resort to high-pressure sales tactics, trapping consumers into unaffordable loans.

Such lending and retail practices, along with the downturn in the economy, contributed to a decline in sales of new manufactured homes. In fact, the nation's recent housing woes were surprisingly reminiscent of events in the manufactured housing industry in the early 2000s. After experiencing dramatic growth throughout much of the 1990s, sales and shipments of manufactured housing spiraled downward into a sustained slump. An overextension of credit and risky financing backfired after record-high foreclosure rates produced a glut of manufactured units, depressing the market. Placements of new manufactured housing units are at their lowest levels in decades, and many large manufacturers and retailers have exited the market or declared bankruptcy. The number of manufactured home placements declined steadily from over 370,000 in 1998 to approximately 50,000 in 2012.

The Manufactured Housing "Done Right" Model. At the community level, manufactured housing has often been met with resistance and, at times, vehement opposition. Nevertheless, improvements in the quality of manufactured housing are leading some nonprofit organizations and developers to consider using manufactured housing to create affordable homes. Nationwide, several community-based organizations are utilizing manufactured homes to provide and maintain affordable, sustainable housing while avoiding the pitfalls of traditional dealer-based manufactured housing purchase and finance, and investor ownership of communities. This "manufactured housing done right" model has been largely coordinated under the Corporation for Enterprise Development's (CFED's) Innovations in Manufactured Housing (I'M HOME) initiative. Through its nationwide network and the expansion of two primary intermediaries, Next Step, and ROC USA, the development and preservation of affordable homes through manufactured housing has increased to a national scale.

WHAT ADVOCATES NEED TO KNOW

The HUD code. An important factor in the designation of a manufactured home is whether the unit was built before or after June 15, 1976. This date marked the implementation of the Manufactured Home Construction and Safety Standards Act (42 U.S.C. Sections 5401-5426) regulating the construction of manufactured homes. HUD developed and administers the code that implements the statute, commonly referred to as the "HUD code." These federal standards regulate manufactured housing design and construction, strength and durability, transportability, fire resistance, and energy efficiency. The HUD code evolves over time and has undergone several major modifications since 1976.

Manufactured Housing Consensus Committee. The Manufactured Housing Improvement Act of 2000 established a Consensus Committee to amend, revise, and develop manufactured housing safety standards and enforce regulations. The manufactured Housing Consensus Committee (MHCC), appointed by the HUD Secretary, is composed of 21 voting members representing three interest categories: seven representing producers of manufactured housing; seven representing users of manufactured housing; and, seven representing other interest groups or public officials. The committee must adopt proposed standards by at least a two-thirds vote; standards adopted are then sent through the conventional federal rule-making process. HUD may adopt standards not adopted by the MHCC, but must send such standards to the MHCC for comment prior to posting in the *Federal Register*.

Government funding for affordable manufactured housing. Manufactured housing is largely financed and funded in the private marketplace. However, there are several existing federal programs that allow the development, financing, and rehabilitation of affordable manufactured housing, such as Community Development Block Grants (CDBG), HOME, USDA Rural Development, Weatherization Assistance Program, and as indicated in HUD's proposed regulations, the National Housing Trust Fund.

LEGISLATIVE ACTIONS

The Uniform Manufactured Housing Act was passed by the Uniform Law Commission in 2012. This model legislation provides a more uniform system for converting manufactured homes from personal to real property. The act provides a framework for states to develop a system where a new manufactured home can be considered real property when located on land controlled by the homeowner.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (PL 111-203) includes several provisions to enhance consumer protections for purchasers of manufactured homes. Dodd-Frank revised the Truth in Lending Act (TILA) to establish specific protections for mortgage loans, origination activities, and high-cost lending. Dodd-Frank also directs the newly created Bureau of Consumer Financial Protection (CFPB) to supervise manufactured housing finance activities.

The Housing and Economic Recovery Act of 2008 (HERA) included several provisions important to manufactured housing:

- **SAFE Act.** The Secure and Fair Enforcement of Mortgage Licensing (SAFE) Act was implemented to reduce fraud and improve consumer protections by establishing minimum standards for the licensing of mortgage loan originators.
- **HUD's Title I Manufactured Home Loan Insurance program.** HUD's Title I program insures mortgage loans made by private lending institutions to finance the purchase of a new or used manufactured home. Title I loan limits increased from $48,000 to $69,678, and is indexed annually
- **Duty to Serve.** HERA also required the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) to meet a "duty to serve underserved markets." Manufactured housing was identified in the act as one of three underserved markets along with rural areas and housing preservation. Under the act, the Fannie and Freddie were tasked with increasing mortgage investments and improving the distribution of capital available for mortgage financing in these markets. The Federal Housing Finance Agency (FHFA) has issued a proposed rule on the duty to serve requirements. Under the proposed rule, FHFA will only consider loans for manufactured homes as part of the GSE's duty to serve requirement if the homes are located on real property.

The Preserving Access to Manufactured Housing Act (S. 1828 /H.R. 1779) is proposed legislation that would amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to revise the definition of "mortgage originator." It would also amend the Truth in Lending Act to redefine a "high cost mortgage." The Bills are currently before the Senate Committee on Banking, Housing and Urban Affairs, and House Committee on Financial Services. The Housing Assistance Council (HAC) along with other affordable housing advocates oppose this legislation as it would significantly erode the consumer protections that Dodd-Frank brought to the manufactured housing industry.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to lawmakers with the message that:

- Manufactured homeowners should be provided opportunities to obtain standard mortgage lending instead of personal property loans often used to finance this type of housing.
- Borrowers with personal property loans should be afforded consumer protections consistent with real property or standard mortgage loans.
- Legislation should be enacted that limits predatory lending practices involving manufactured homes.
- Policies and programs should be enacted to facilitate manufactured housing community preservation, such as protection from community sales, closures, and rent increases. Residents should be properly notified and given first right of refusal on the sale of a community.
- Enhanced reporting of manufactured home-specific data and information should be incorporated into publically available data resources such as the Home Mortgage Disclosure Act (HMDA), The American Community Survey (ACS), and the American Housing Survey (AHS). Manufactured home data should indicate property status (a personal property or real property) and location information indicating whether the unit is located in a manufactured home community, or on a scattered site lot. The inclusion of these updated and enhanced manufactured home data would provide a much more complete assessment of manufactured housing.

FOR MORE INFORMATION

- The Housing Assistance Council, 202-824-8600, www.ruralhome.org/storage/documents/movinghome.pdf
- CFED I'M HOME, 202-409-9788, http://cfed.org/programs/innovations_manufactured_homes
- ROC USA, 603-856-0246, www.rocusa.org
- Next Step, 502-992-9416, www.nextstepus.org
- Consumers Union, 512-477-4431, www.consumersunion.org/mh
- AARP, 888-687-2277, http://assets.aarp.org/rgcenter/consume/d18138_housing.pdf
- National Consumer Law Center, 202-452-6352, www.nclc.org/issues/manufactured-housing.html
- National Manufactured Home Owners Association, www.mhoaa.us

Olmstead Implementation

By Ann O'Hara, Senior Policy Advisor, and Kevin Martone, Executive Director, Technical Assistance Collaborative

On June 22, 1999, the U.S. Supreme Court issued its decision in *Olmstead v. LC*, a lawsuit against the State of Georgia which questioned the state's continued confinement of two individuals with disabilities in a state institution after it had been determined that they were ready to return to the community. The court described Georgia's actions as "unjustified isolation" and determined that Georgia had violated these individuals' rights under the Americans with Disabilities Act (ADA). Because of the *Olmstead* decision, many states are now in the process of either: (1)implementing "*Olmstead* Plans" that expand community-based supports, including new integrated permanent supportive housing opportunities; or (2) implementing *Olmstead*-related Settlement Agreements that require thousands of new integrated permanent supportive housing opportunities to be created in conjunction with the expansion of community-based services and supports.

ADMINISTRATION

The U.S. Department of Justice (DOJ) is the federal agency charged with enforcing the ADA and *Olmstead* compliance. HUD is working with DOJ and other federal partner agencies to align policies and promote understanding of the integration mandate of the ADA and Section 504 of the Rehabilitation Act of 1973. Other federal agencies, including HUD and the Department of Health and Human Services (HHS), have funding, regulatory, and enforcement roles related to the ADA and *Olmstead*.

HISTORY

In its 1999 decision in *Olmstead v L.C.*, the Supreme Court found that the institutionalization of persons with disabilities who were ready to return to the community was a violation of Title II of the Americans with Disabilities Act (ADA). In its decision, the court found that indiscriminate institutional placement of persons who can handle and benefit from community settings perpetuates unwarranted assumptions that persons so isolated are incapable or unworthy of participating in community life. The court also found that confinement in an institution severely diminishes everyday life activities, including "family relations, social contacts, work options, economic independence, educational advancement, and cultural enrichment."

The court was careful to say that the responsibility of states to provide health care in the community was "not boundless." States were not required to close institutions, nor were they to use homeless shelters as community placements. The court said that compliance with the ADA could be achieved if a state could demonstrate that it had a "comprehensive and effectively working plan" for assisting people living in "restrictive settings," including a waiting list that moved at a "reasonable pace not controlled by the state's endeavors to keep its institutions fully populated."

Historically, "community integration" was "achieved" by moving people out of large, state run institutions into community settings – deinstitutionalization. But, in the past decade, there has been increasing scrutiny that certain types of large, congregate residential settings in the community are restrictive, have characteristics of an institutional nature, and are inconsistent with the intent of the ADA and *Olmstead*. These type of facilities are known by different names in states (e.g., adult care homes, residential care facilities, boarding homes), but have similar characteristics, including: a large number of residents primarily with disabilities; insufficient or inadequate services; restrictions on personal affairs; and, housing that is contingent upon compliance with services. Some states, including North Carolina, Illinois, and New York, have been sued for overreliance on such facilities, and are now implementing Settlement Agreements with DOJ and/or state Protection and Advocacy groups to correct for these issues. Recent *Olmstead* Settlement Agreements, for example New Hampshire and Delaware, also cover people with mental illness who are at-risk of institutionalization, such as those who are homeless or have insufficient services to support integrated community living.

SUMMARY

On its *Olmstead* website, DOJ defines the most integrated setting as:

> "a setting that enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible. Integrated settings are those that provide individuals with disabilities opportunities to live, work, and receive services in the greater community, like individuals without disabilities. Integrated settings are located in mainstream society; offer access to community activities and opportunities at times, frequencies and with persons of an individual's choosing; afford individuals choice in their daily life activities; and, provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible. Evidence-based practices that provide scattered-site housing with supportive services are examples of integrated settings. By contrast, segregated settings often have qualities of an institutional nature. Segregated settings include, but are not limited to: (1) congregate settings populated exclusively or primarily with individuals with disabilities; (2) congregate settings characterized by regimentation in daily activities, lack of privacy or autonomy, policies limiting visitors, or limits on individuals' ability to engage freely in community activities and to manage their own activities of daily living; or (3) settings that provide for daytime activities primarily with other individuals with disabilities."

States with *Olmstead* litigation or Settlement Agreements, as well as states trying to comply with *Olmstead* through proactive strategies, are intently focused on expanding access to integrated permanent supportive housing opportunities for people with significant and long-term disabilities. *Olmstead*-related Settlement Agreements in Illinois, Georgia, North Carolina, Virginia, New Jersey, Delaware, and New Hampshire could result in 30,000-40,000 new permanent supportive housing opportunities. The likelihood of future litigation in other states would increase these estimates.

Housing affordability is a critical issue for states working to comply with ADA requirements because most people with disabilities living in restrictive settings qualify for federal Supplemental Security Income (SSI) payments that average 19% of median income nationally. As federal housing assistance is so difficult to obtain, several states (including Illinois, North Carolina, and Georgia) are creating or expanding state-financed rental subsidies as part of *Olmstead* Settlement Agreements. These state rental subsidies are typically designed as "bridge" subsidies to help people until a permanent HUD subsidy can be obtained.

In June of 2013, HUD issued *Olmstead* guidance to provide information on *Olmstead*, to clarify how HUD programs can assist state and local *Olmstead* efforts, and to encourage housing providers to support *Olmstead* implementation by increasing integrated housing opportunities for people with disabilities. HUD's guidance emphasizes that people with disabilities should have choice and self-determination in housing, and states that "HUD is committed to offering individuals with disabilities housing options that enable them to make meaningful choices about housing, health care, and long-term services and supports so they can participate fully in community life."

HUD also advises that, "For communities that have historically relied heavily on institutional settings or housing built exclusively and primarily for individuals with disabilities, the need for additional integrated housing options scattered through the community becomes more acute." HUD's Section 504 regulations require that HUD, HUD's grantees, and providers of HUD-assisted housing administer their programs and activities in the most integrated setting appropriate to the needs of individuals covered by the ADA. HUD's guidance does not change the requirements for any existing HUD program, but points out that requests for disability-specific tenant selection "remedial" preferences may be approved by HUD's Office of General Counsel (OGC) if they are related to *Olmstead* implementation. Thus far, OGC has approved such remedial preferences for several states including Georgia and Illinois.

FORECAST FOR 2014

The pressure on states to comply with the community integration mandates in the ADA will continue in 2014. States seeking opportunities to comply with *Olmstead* may consider the HUD Section 811 Project Rental Assistance (PRA) Demonstration. In 2012, HUD, in partnership with HHS, launched the new and innovative Section 811 PRA Demonstration, and in 2013, awarded $98 million in competitive PRA funding to 13 states. On March 4, 2014, HUD issued its second Section 811 PRA Notice of Funding Availability (NOFA), which will provide $120 million for state housing agencies to obtain the PRA subsidies that are an ideal mechanism to expand integrated permanent supportive housing. The Administration's FY15 budget proposal only seeks $25 million for new PRA awards.

In addition, HHS's Centers for Medicare and Medicaid Services (CMS) released its final rule regarding home- and community-based services (HCBS) on January 10, 2014. The final rule seeks to ensure that Medicaid HCBS funds are used to reimburse services provided to individuals in integrated settings. States seeking to implement new HCBS services must comply with the final rule from its effective date, and states with existing HCBS services must submit transition plans to CMS addressing how they will comply with the final rule within five years of its effective date. Only persons living in settings as defined in the rule will be eligible for HCBS funded services. The definition requires that the setting meet certain qualifications, including:

- Is integrated in and supports full access to the greater community;
- Is selected by the individual from among setting options;
- Ensures individual rights of privacy, dignity, and respect, and freedom from coercion and restraint;
- Optimizes autonomy and independence in making life choices; and,
- Facilitates choice regarding services and who provides them.

The final rule also includes additional requirements for provider owned or controlled home- and community-based residential settings. These requirements include:

- The individual has a lease or other legally enforceable agreement providing similar protections;
- The individual has privacy in their unit including lockable doors, choice of roommates, and freedom to furnish or decorate the unit;
- The individual controls his/her own schedule including access to food at any time;
- The individual can have visitors at any time; and,
- The setting is physically accessible.

The final rule excludes certain settings as permissible settings for the provision of Medicaid home- and community-based services. These excluded settings include nursing facilities, institutions for mental disease, intermediate care facilities for individuals with intellectual disabilities, and hospitals. The final rule also identifies other settings that are presumed to have institutional qualities, and do not meet the threshold for Medicaid HCBS. These settings include those: in a publicly- or privately-owned facility that provides inpatient treatment; on the grounds of, or immediately adjacent to, a public institution; or, that have the effect of isolating individuals receiving Medicaid-funded HCBS from the broader community of individuals not receiving Medicaid-funded HCBS. If states seek to include such settings in Medicaid HCBS programs, a determination will be made through heightened scrutiny, based on information presented by the state demonstrating that the setting is home- and community-based and does not have the qualities of an institution.

WHAT TO SAY TO LEGISLATORS

Advocates should approach Members of Congress with the message that the extremely low income of people with the most significant and long-term disabilities who rely on SSI, combined with the scarcity of affordable housing and services, is one reason why states have difficulty transitioning from facility-based to community-based care in the most integrated setting. In addition to needing housing assistance, people living in restrictive settings covered by *Olmstead* have a need for comprehensive long-term health care services, including people with mental illness, people with intellectual or developmental disabilities, and people with physical or sensory disabilities. Increased federal support is needed to expand integrated permanent supportive housing options, to reduce reliance on expensive institutional care, and to prevent and end homelessness among people with disabilities. Resources to produce and preserve affordable housing for the lowest income people, like those provided by Section 811 PRA and the National Housing Trust Fund, will make it possible for states to respond to the *Olmstead* decision.

FOR MORE INFORMATION

- Technical Assistance Collaborative (TAC), 617-266-5657, www.tacinc.org
- Department of Justice's (DOJ's) *Olmstead* website, http://www.ada.gov/*olmstead*/q&a_*olmstead*.htm
- HUD's *Olmstead* guidance, http://1.usa.gov/1enDKue
- Center for Medicaid's (CMS's) Home- and Community-Based Services (HCBS) final rule and definition, http://bit.ly/1axtKe3

Resource Efficient "Affordable" Housing

By Todd Nedwick, Assistant Director of Public Policy, National Housing Trust

There are multiple benefits from improving the resource efficiency of affordable housing. Energy costs consume a disproportionate amount of low income families' budgets. On average, higher income households spend 3% of their budgets on energy costs, while lower income families spend 20% of their budgets on household energy costs. This energy burden on low income families is up from 15% in 1998.

Low income seniors and children can be particularly sensitive to the health impacts of substandard, energy inefficient housing. Resource efficient housing can reduce the incidence of the common cold, influenza, chronic bronchitis, asthma and other environmentally related ailments.

Reducing energy costs helps to preserve affordable housing through lower operating costs and saves federal housing resources. HUD spends approximately $7 billion annually to pay for utilities in its assisted housing programs and for utility allowances to voucher holders. Cost savings through energy efficiency improvements would free up resources and allow HUD to better support other housing needs.

PROGRAM SUMMARIES

Efforts to improve the resource efficiency of affordable housing received a boost through economic recovery efforts. The American Recovery and Reinvestment Act (ARRA) provided an additional $16 billion to the Department of Energy (DOE) and HUD to improve the energy efficiency of existing homes. In general, the recent activity in these programs reflects a new level of cooperation between HUD, DOE, and the Environmental Protection Agency (EPA) on green housing issues. Significant progress has been made towards improving the resource efficiency of multifamily affordable housing as a result of ARRA investments in programs such as the Weatherization Assistance Program (WAP), HUD's Green Retrofit Program, and public housing capital funds.

Cooperation among the federal agencies has continued post-ARRA. Recently HUD and DOE announced the expansion of the Better Buildings Challenge to include the multifamily residential sector. The Better Buildings Challenge encourages building owners to improve the efficiency of their properties by 20 percent or more by conducting efficiency assessments of their portfolio, implementing a plan to achieve lasting savings, and sharing efficiency performance data and lessons learned to help spur other owners to take action. As of December 2013, more than 50 multifamily residential owners and managers signed on to the challenge. These groups include leading organizations in market rate (unsubsidized) multifamily housing, Public Housing Authorities, Low-Income Housing Tax Credit (LIHTC) properties, and HUD-assisted multifamily properties.

To encourage participation from owners of HUD-assisted properties, HUD has agreed to provide a series of incentives and policy flexibilities to address some of the market and policy barriers that often prevent owners from investing in efficiency improvements. Incentives enumerated by HUD include:

1. Allow Better Building Section 202 and Section 811 PRAC properties to invoice energy savings payments associated with property and tenant utility allowance reduction as an eligible expense to the property's budget;
2. Temporarily offer additional distributions to for-profit and non-profit owners of Section 8 properties;
3. Management fee inclusion of energy/green measures;
4. Expedited approvals for "stand alone" greening in the field;
5. Invite Better Building participants to send HUD proposals if they want to use on-bill repayment;
6. Mark to Market (M2M) waiver amendment to expand the number of properties eligible for increased owner distributions under HUD's M2M Green Initiative.

In addition to the Better Buildings Challenge, several other federal programs exist to help finance energy efficiency improvements in affordable housing.

Green Refinance Plus. On May 31, 2011 HUD announced the Green Refinance Plus program administered by the Federal Housing Administration (FHA) and Fannie Mae. The program helps owners of rent-restricted multifamily properties to refinance into new mortgages while allowing owners to borrow additional funding to make property improvements that will reduce energy and water use. FHA and Fannie Mae share the risk on the loans to refinance the mortgages. The program is expected to complete $100 million in loan refinance volume and provide an average of $150,000 to $250,000 for improvements per property.

PowerSaver Pilot Program. FHA also launched a new mortgage insurance program aimed at helping homeowners make energy efficiency improvements. FHA is partnering with eighteen national, regional, and local lenders to offer qualified borrowers up to $25,000 in low-cost loans to make energy-saving improvements to their homes. The program offers a range of eligible improvements including improved insulation, duct sealing, replacement of doors and windows, HVAC systems, water heaters, solar panels, and geothermal systems.

LIHTC program. Federal regulations require state allocation agencies to consider the "the energy efficiency of the project" when choosing which projects will receive an LIHTC allocation. Accordingly, every state agency incentivizes certain specific energy efficient products in their tax credit allocation criteria known as the Qualified Allocation Plan (QAP). However, the level of energy efficiency incentivized by state agencies varies by state. In addition, a number of states do not incentivize other green building improvements such as water conservation measures and measures to reduce exposure to environmental toxins.

FORECAST FOR 2014

Improving the resource efficiency of affordable housing has been shown to have multiple benefits for low income families, local economies, and the environment. Funding through ARRA and innovative new financing pilots has resulted in progress towards addressing the energy efficiency needs of low income housing. However, there remains a significant stock of older affordable housing that is resource inefficient and in need of upgrades. Although 125,000 low income multifamily properties have been weatherized through the HUD-DOE Weatherization Assistance Program (WAP), this amounts to less than 4% of HUD's public and assisted housing stock. Now that the ARRA program is over, DOE and HUD energy efficiency programs face steep funding cuts or no funding at all. For FY14, the WAP received $174 million. While this is up from $35 million from FY13 (under the sequester), it is the lowest funding level since 2000.

TIPS FOR LOCAL SUCCESS

Local advocates can encourage public housing agencies and private owners to pursue green housing in renovation, rehabilitation, and new development projects and make certain they are aware of available resources to implement these improvements.

Additionally, local advocates can pursue non-federal funding sources for residential energy efficiency improvements. For example, private utilities spend nearly $7 billion annually on energy efficiency improvements in buildings. Advocates should engage with utilities to create programs for multifamily affordable housing. Advocates should also urge their local HUD office to engage with utilities to the same end.

Local advocates also have a role in making certain that residents are included in the planning and implementation of the green aspects of their developments. This will both assure that the proposals benefit residents, and will increase the likelihood that tenants will understand the changes and maximize the efficiency and other benefits, thus increasing the likelihood of success.

Advocates should also reach out to environmental, energy, and transit advocates to find common ground to create a stronger progressive coalition for green communities and to assist in making certain green investments and benefits reach the lowest income households.

WHAT TO SAY TO LEGISLATORS

Advocates should tell their Members of Congress that:

- It is important to support increased green building and energy efficiency requirements in federally assisted housing that do not increase the housing cost burden of low income tenants, limit the usefulness of the properties to the lowest income households, or hinder the preservation of existing units.
- Energy efficiency and other green investments in low income housing will provide considerable public and environmental benefits, as it is likely to be older housing that is in need of maintenance, with tenants and often owners who lack sufficient resources to make their own investments in greening.
- Investments in energy efficiency in programs such as public housing and assisted housing provide an immediate return to the U.S. Treasury by reducing HUD-paid utility costs.

FOR MORE INFORMATION

- National Housing Trust, 202-333-8931, www.nhtinc.org
- EPA's Green Building, www.epa.gov/greenhomes/index.htm
- DOE's Green Building, www.eere.energy.gov/topics/homes.html
- HUD's Green Building, http://1.usa.gov/13aYjCT
- Enterprise Community Partners, www.greencommunitiesonline.org
- Global Green USA, www.globalgreen.org
- U.S. Green Building Council, www.usgbc.org

Sustainable Communities and Livability Initiatives

by Maya Brennan, Senior Research Associate, and Liza Getsinger, Policy Associate, National Housing Conference

Administering agency: HUD's Office of Economic Resilience (formerly the Office of Sustainable Housing and Communities)
Year program started: 2009
FY14 funding: $0

Sustainable and livable communities incorporate the various components of a healthy, productive, and equitable place, including housing: transportation, economic development, and the environment. An integrated approach to planning and sustaining community assets can reduce commuting time, transportation costs, and environmental impact, while improving equity and accessibility.

HISTORY AND PURPOSE

Federal investments in communities have not historically been coordinated. Instead, they have been delivered through a patchwork of disconnected grants and programs. In 2009, the Obama Administration began to change this by establishing the Interagency Partnership on Sustainable Communities between the U.S. Environmental Protection Agency (EPA), the U.S. Department of Transportation (DOT) and HUD. The Partnership attempts to more efficiently allocate resources to communities by linking investments in affordable housing, transportation, economic development, and the environment.

The Partnership issued six livability principles to guide each partner agency's work:
1. Provide more transportation choices.
2. Promote equitable, affordable housing.
3. Enhance economic competitiveness.
4. Support existing communities.
5. Coordinate and leverage federal policies and investment.
6. Value communities and neighborhoods.

The three core partner agencies have made efforts to align large-scale community development investments to promote the development of ecologically-designed affordable housing near transit centers and employment hubs. HUD launched the Office of Sustainable Housing and Communities (OSHC) in 2010 to serve as the lead coordinating entity within HUD, working with DOT and EPA on livability and sustainable communities.

HUD's Sustainable Communities Initiative was the centerpiece of that office. In FY10 and FY11 HUD awarded 152 grants through the Sustainable Communities Initiative across 48 states, with investments totaling roughly $250 million. In 2013 the Office of Sustainable Housing and Communities was renamed the Office of Economic Resilience (OER). Despite requests in the President's budget, there have been no additional funds appropriated to support HUD's sustainability initiatives since FY11.

DOT continues to support this work through the department's TIGER grant and New Starts programs. Both programs are key funding sources for transit projects and promote the coordination of transportation decision making with housing.

Through these programs, DOT and HUD are coordinating to identify strategies to reduce the combined housing and transportation cost burden, and to place a higher priority on preserving and creating affordable housing near transportation amenities. In 2013 they jointly launched the Location Affordability Portal, an online tool "to provide the public with data and resources on combined housing and transportation costs to help consumers, policymakers, and developers make more informed decisions about where to live, work, and invest."

OUTLOOK FOR 2015

The enacted FY14 appropriations bill provided no funds to support HUD's Integrated Planning and Investment grants (the new name for the Sustainable Communities Initiative), despite a requested $75 million from the President's FY14 budget. Funding in FY 15 does, however, include $600 million for the TIGER grants program, a 20% jump from $500 million in 2013. The budget also funds the public transit New Starts program at $1.94 billion, an $88 million increase from 2013 spending. For FY 15 the President requested $75 million from the Opportunity, Growth, and Security Initiative for Integrated Planning and Investment Grants, which would support coordinated investment in housing, transportation, and infrastructure. The budget request also included $1.25 billion for TIGER grants program, double the amount resources dedicated to the program for the current fiscal year. Also included is $2.5 billion for the new Capital Investment Grants Program, which replaces the New Starts program.

The current hostility to these programs in Congress, specifically in House, means that the funding for many core sustainability programs is in jeopardy. Despite these challenges, the administration and HUD are using investments in the Sustainable Communities Initiative and other initiatives as a platform for the recently unveiled Promise Zones Initiative, a new federal designation that aims to increase opportunity in neighborhoods by facilitating cross-agency collaboration and partnerships at the local level. In addition, HUD has worked to integrate sustainability and livability principles into decision making regarding the allocation of funds in existing programs and continues cross-agency collaboration by promoting housing preservation and development investment as a way to further infrastructure and economic and workforce development goals.

WHAT ADVOCATES NEED TO KNOW

Sustainable Communities grants have been a valuable resource for encouraging collaboration and coordination across the silos of housing, transportation, and environment. Continued coordination would help strengthen local efforts to provide healthy neighborhoods and ladders to opportunity. Coordination between housing and transportation departments, for example, can boost local housing markets while preserving affordability for a mix of incomes. This is crucial because proximity to public transit typically increases home prices and rents, in some cases driving prices up more than 30%.[1] A coordinated development approach can ensure that housing is matched to transportation options, building on local strengths and reducing emissions while preserving equity.

The interagency partnership opportunities for creating sustainable and livable communities extend beyond housing, transportation, and environment. Economic development, schools, public safety, and public health also contribute to and benefit from policies and neighborhood plans that focus on building strong and vibrant places for all.

While Integrated Planning and Investment grants were not funded in FY14, other funding streams can be used to continue this work. The idea behind the Interagency Partnership has potential for improving other federal efforts that affect communities, growing beyond HUD, DOT, and EPA. Interagency coordination is at the cornerstone of the Promise Zones initiative, which includes efforts by HUD, the Department of Health and Human Services (HHS), the Department of Justice (DOJ), and the Department of Education (ED). Coordination of transportation and housing is rewarded in DOT's TIGER grants and New Starts. Existing HUD funding, such as CDBG and HOME grants, can also be used to integrate affordable housing into broader community development and sustainability efforts.

WHAT TO SAY TO LEGISLATORS

The federal government's commitment to work across agencies has strengthened local efforts to build and sustain economically vibrant communities. Joint funding opportunities, such as Promise Zones designation and Integrated Planning and Investment grants, are an important incentive for local governments to work

[1] Wardrip, Keith. 2011. *Public Transit's Impact on Housing Costs: A Review of the Literature.* Washington, DC: Center for Housing Policy.

across agencies toward common goals. Ensuring that federal agencies have the funding and staff necessary for strategic, efficiency-boosting community investments will allow communities to stay on track across a variety of key societal goals. In addition, funding for traditional HUD programs supports sustainable communities and livability in the agency's housing priorities.

A sustained federal commitment provides the fuel for successful interagency partnerships. The federal government can demonstrate this commitment through policies, regulations, and continued interagency funding. It is also essential to incentivize and explicitly allow projects – whether funded by HUD, DOT, EPA, DOJ, HHS, ED, or the U.S. Department of Agriculture (USDA) – that strengthen access to jobs, transportation, housing, strong schools, and healthy, safe environments for people of all incomes.

FOR MORE INFORMATION

- National Housing Conference, 202-466-2121, www.nhc.org
- PolicyLink, 510-663-2333, www.policylink.org
- LISC, 212-455-9800, www.lisc.org
- Partnership for Sustainable Communities, www.sustainablecommunities.gov
- HUD's location affordability portal, www.locationaffordability.info/
- EPA Smart Location Database, www.epa.gov/smartgrowth/smartlocationdatabase.htm
- HUD Office of Sustainable Communities and Housing, http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities
- EPA's Smart Growth Programs, www.epa.gov/smartgrowth/
- FTA Livable and Sustainable Communities, www.fta.dot.gov/about/13747.html
- Smart Growth America, www.smartgrowthamerica.org/policy-work/federal-policy-priorities/
- Reconnecting America's federal grant opportunities page, http://reconnectingamerica.org/resource-center/federal-grant-opportunities/

Veterans Housing

By Althea Arnold, Research Analyst, National Low Income Housing Coalition

The administration of President Barack Obama has pledged to end veteran homelessness by 2015. In order to accomplish this, efforts must also be made to protect veterans and their families from becoming homeless. NLIHC, with the support of the Home Depot Foundation, released *Housing Instability Among Our Nation's Veterans* in November 2013. According to the report, over 1.5 million households headed by a veteran spend more than half of their income on housing costs. For low income veterans and their families, this means they may be one paycheck or one emergency away from being homeless. While overall, veteran households were less likely to experience a housing cost burden than non-veteran households, there were significant disparities among veteran households. In particular, racial minorities, women, persons with disabilities, and those who served after September 11, 2001, have the greatest need among veterans for affordable housing. These trends are significant as these are exactly the subpopulations growing among veterans.

According to HUD's 2013 Point-in-Time estimates, there were 57,849 homeless veterans, a 7.6% reduction since 2012, and a 24.2% reduction since 2010. HUD continues to credit the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program for veterans and the Homelessness Prevention and Rapid Re-Housing Program (HPRP) for these declines. While these successes deserve praise, there are still significant gaps that need to be addressed.

Efforts by federal and state governments as well as nonprofit organizations to address the needs of homeless and at-risk veteran households are on the rise. In November 2013, the National Alliance to End Homelessness launched the Never Another Homeless Veteran campaign. The two-year campaign pushes for the following policies and actions to solve veteran homelessness: permanent supportive housing; temporary housing/services and re-housing; rapid re-housing homeless and at-risk veterans; assessing housing status at discharge and afterwards; and more housing options.

PROGRAM SUMMARIES

The majority of federal programs for veterans are funded through the Department of Veterans Affairs (VA), but the Department of Labor and HUD also operate programs for at-risk and homeless veterans. The current VA definition of homelessness, which is based on Section 103(a) of the McKinney-Vento Homelessness Assistance Act, serves as the basis for eligibility for many programs. The definition covers both literal homelessness and imminent loss of housing. However, when the McKinney-Vento Act was amended in 2009 to include those escaping domestic violence, the VA did not amend its definition accordingly. Further, many programs are not eligible to veterans who left service with anything less than an honorable discharge. There is significant debate over this standard, especially given that veterans may have had less than honorable discharges due to trauma incurred during service.

HUD-Veteran Affairs Supportive Housing

The HUD-VASH program is a joint effort between HUD and the VA to move veterans and their families out of homelessness and into permanent housing. It is considered one of the most successful programs of the ongoing federal plan to end veteran homelessness. Under HUD-VASH, HUD provides Housing Choice Voucher rental assistance, which allows homeless veterans to rent privately owned housing. The VA offers eligible homeless veterans clinical and supportive services at VA medical centers and community-based outreach clinics. According to a March 2012 Government Accountability Office (GAO) report, close to 31,200 veterans live in HUD-VASH supported housing, a utilization rate of 83% of authorized HUD-VASH vouchers. In FY12, 11% of VASH recipients were women, and 14% were veterans with children.

Grant and Per Diem

The Grant and Per Diem (GPD) program funds community-based agencies who provide transitional housing or services for homeless veterans. Through the GPD, the VA offers grants that fund up to 65% of projects for the construction, acquisition, or renovation of facilities that serve homeless veterans. In FY11, there were 600 operational projects nationwide, with 14,600 beds; 32,000 unique veterans were served. GPD supported facilities observed an increase in the percentage of veterans that are discharged to permanent housing, from around 40% in past years to 64% in FY13.

Supportive Services for Veteran Families

The Supportive Services for Veteran Families (SSVF) program offers community-based grants to nonprofits that provide supportive services designed to promote housing stability to very low income (VLI) veteran families in or transitioning to permanent housing. Veteran families with significant barriers to housing, such as being extremely low income (ELI), are given priority. ELI households comprise 75% of all those served. The services provided include health care, daily living services, financial planning, transportation, legal services, housing counseling, and child care. In addition, grantees may also provide time-limited payments to third parties (e.g., landlords, utility companies, moving companies, and licensed child care providers) if these payments help veteran families stay in or acquire permanent housing on a sustainable basis. SSVF received $60 million in funding in FY12 and $100 million in FY13.

Service Members Civil Relief Act

The Service Members Civil Relief Act (SCRA) was signed into law in 2003 and protects service members from certain civil issues that occur while they are on active duty. Mortgage relief is the most commonly known support, but SCRA also protects service members from termination of leases and eviction. During the foreclosure crisis, many active-duty service members and veterans were foreclosed upon in direct violation of SCRA. As part of the $25 billion Homeowner Relief settlement, veterans who had their rights violated are entitled to a payment greater than or equal to their lost equity, along with interest and an additional $116,785.

FORECAST FOR 2014

VA homeless assistance programs received the full amount requested by the President in his FY14 budget proposal. The 2014 Omnibus Act includes nearly $1.4 billion for these programs, including $300 million for SSVF, $75 million for new HUD-VASH vouchers, $278 million for HU-VASH case management, and $250 million for the GPD program.

The President's FY15 budget request includes $500 million for SSVF, $75 million for about 10 million new HUD-VASH vouchers, $321 million for HUD-VASH case management, and $252 million for the GPD program.

WHAT TO SAY TO LEGISLATORS

The success of HUD-VASH and other efforts show that ending veteran homelessness is an achievable goal, but we also need to also address preventing homelessness. Once funded, the National Housing Trust Fund will reduce the shortage of affordable housing for all Americans, including veterans. Advocates should urge Members of Congress, especially if they sit on the House or Senate Committees on Appropriations or Veterans Affairs, to continue to fund veteran homelessness programs. Advocates can also push for updated definitions of veteran homelessness to include those fleeing domestic violence and to consider ways to reach veterans currently ineligible for services.

FOR MORE INFORMATION

- VA Homeless Programs, http://www.va.gov/homeless
- NLIHC's *Housing Instability Among our Nation's Veterans,* www.nlihc.org/veterans
- Never Another Homeless Veteran Campaign, www.neveranotherhomelessveteran.org
- National Alliance to End Homelessness Veterans Project, www.endhomelessness.org/pages/veterans
- National Coalition for Homeless Veterans, www.nchv.org

ADDITIONAL HOUSING PROGRAMS & TOOLS

Affirmatively Furthering Fair Housing

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Fair Housing and Equal Opportunity (FHEO)
Year started: 1968
Population targeted: The Fair Housing Act's protected classes: race, color, religion, sex, national origin, disability and familial status (in other words, households with children).
See also: *Consolidated Planning Process, Public Housing Agency Plan*

States and local governments must certify that they are affirmatively furthering fair housing (AFFH) in their Consolidated Plans (ConPlans) and Public Housing Agency Plans (PHA Plans). In order to comply, these jurisdictions must have an Analysis of Impediments to Fair Housing Choice, also known as an AI.

While these requirements have historically been overlooked, affirmatively furthering fair housing took on new importance in the wake of a court decision on an AFFH case in Westchester County, NY and renewed attention from HUD under the Obama administration. Significant new regulations were proposed on July 19, 2013; final regulations are expected late 2014.

HISTORY

Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) requires HUD to administer its programs in a way that affirmatively furthers fair housing. The laws that establish the Community Development Block Grant (CDBG) program, the Comprehensive Housing Affordability Strategy (CHAS), and the PHA Plan each require jurisdictions to certify in writing that they are affirmatively furthering fair housing. States must assure that units of local government receiving CDBG or HOME funds comply. Further, HUD's *Fair Housing Planning Guide* states that the obligation to affirmatively further fair housing applies to all housing and housing-related activities in a jurisdiction, whether publicly or privately funded.

SUMMARY

Affirmatively furthering fair housing is defined in CDBG and ConPlan regulations as:
• Having an Analysis of Impediments to Fair Housing Choice (AI).
• Taking appropriate actions to overcome the effects of impediments.
• Keeping records reflecting the analysis and showing actions taken.

The regulations for public housing and vouchers are similar.

Analysis of Impediments (AI). In the context of an AI, an impediment to fair housing can be an action or an inaction that restricts housing choice or that has the effect of restricting housing choice. Some policies or practices might seem neutral but in fact can deny or limit the availability of housing. Obvious impediments include outright discrimination based on race or ethnicity, refusing to rent to families with children, or insurance practices that reinforce segregated housing patterns. Less obvious impediments include lack of large rental units, inadequate multilingual marketing, zoning that limits group homes, and insufficient public transportation to areas with affordable housing.

AIs are their own separate documents, the contents of which are not prescribed by HUD. There is no specific term for a PHA's analysis of impediments. They are available to the public. HUD's *Fair Housing Planning Guide* defines an AI as:

1. A comprehensive review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices.
2. An assessment of how those laws, regulations, and practices affect the location, availability, and accessibility of housing.
3. An assessment of conditions, both public and private, affecting fair housing choice for all protected classes. The protected classes are race, color, religion, sex, national origin, disability, and familial status (in other words, households with children).
4. An assessment of the availability of affordable, accessible housing in a range of unit sizes.

The *Fair Housing Planning Guide* explains that analyzing fair housing impediments and taking appropriate actions means:

- Eliminating housing discrimination in the jurisdiction.
- Promoting fair housing choice for all.
- Providing housing opportunities for people of all races, colors, religions, genders, national origins, disabilities and family types.
- Promoting housing that is structurally usable by all people, particularly those with disabilities.
- Fostering compliance with the nondiscrimination features of the Fair Housing Act.

The name of the agency or department that will have an AI varies from locality to locality. Generally, the office that manages the Consolidated Planning (ConPlan) process program should be able to provide a copy, and the public housing agency (PHA) should have a copy of its own analysis. In addition, advocates can contact the Fair Housing and Equal Opportunity (FHEO) staff at their HUD Regional Office.

AIs are not submitted to HUD and they are not a formal piece of the ConPlan's Annual Action Plan or Five-Year Strategy. However, a September 2, 2004 HUD policy memorandum says that a jurisdiction may include in its Annual Action Plan the actions it plans to take in the upcoming year to overcome the effects of impediments to fair housing. Note that this is only a may, not a must; in addition, many jurisdictions do not know this policy memorandum exists. Also, some jurisdictions point to a part of their ConPlan or Action Plan called "barriers to affordable housing" and claim that to be the AI. The law creating the CHAS (the statutory root of the ConPlan) requires such a discussion, but this is not an AI. Examples of barriers to affordable housing in that law include tax policies and building fees.

Timeframe. According to the *Fair Housing Planning Guide*, AIs must be updated on the same timeframe as the ConPlan updates. So, theoretically, if a jurisdiction has to come up with a new ConPlan every five years, then it should also revise its AI on a five-year cycle in time to inform revisions to the ConPlan. However, the September 2, 2004 HUD policy memorandum states that a jurisdiction "should update, where appropriate, its AI… to reflect the current fair housing situation in their community," and that "each jurisdiction should maintain its AI and update the AI annually where necessary." That policy memorandum also implies that jurisdictions that do not make appropriate revisions to update their AIs could face problems. Because much can change before a five-year ConPlan update, advocates might want to be sure that their jurisdiction's AI is up-to-date and reflects all impediments.

Public participation. Unfortunately, the regulations do not directly tie public participation in CDBG, the ConPlan, or the PHA Plan with the AI. However, the *Fair Housing Planning Guide* offers a few words that advocates might be able to use: "Since the FHP [Fair Housing Plan] is a component of the Consolidated Plan, the citizen participation requirements for the Consolidated Plan apply." The introduction to the *Fair Housing Planning Guide* stresses that "all affected people in the community must be at the table and participate in making those decisions. The community participation requirement will never be more important to the integrity, and ultimately, the success of the process."

The *Fair Housing Planning Guide* also suggests that, before developing actions to eliminate the effects of impediments, a jurisdiction "should ensure that diverse groups in the community are provided a real opportunity" to take part in the process of developing actions to be taken. HUD "encourages jurisdictions to schedule meetings [for public comment and input] to coincide with those for the Consolidated Plan."

Monitoring compliance. In order to get CDBG, HOME, or public housing money, jurisdictions must certify that they are affirmatively furthering fair housing before the start of the CDBG, HOME, or public housing program year. All annual plans have this written certification, signed by the authorized official. There must be evidence that supports this pledge, and such evidence must be available to the public.

HUD can disapprove a PHA Plan or a ConPlan (and therefore block receipt of CDBG and HOME dollars) if a certification is inaccurate. The September 2, 2004 policy memorandum gives examples of an inaccurate certification:

1. There is no AI.
2. The AI is substantially incomplete.
3. No actions were taken to overcome the impediments.
4. The actions taken were "plainly inappropriate" to address impediments.
5. There are no records.

Another situation that could cause HUD to look more carefully at an AI is the failure to make "appropriate revisions to update the AI." This can be an important advocacy tool in years between new five-year ConPlans and PHA Plans. If there are major changes in conditions for people who are members of protected classes, advocates should make sure the AI is revised to show those changed conditions.

In general, if advocates think that a jurisdiction's AI is inadequate or that the jurisdiction has not taken reasonable actions to overcome impediments to fair housing, they should write a complaint to the FHEO Regional Office.

CDBG regulations also allow a certification to be challenged if there is evidence that a policy, practice, standard, or method of administration that seems neutral really has the effect of significantly denying or adversely affecting fair housing for persons of a particular race, color, religion, sex or national origin. PHA Plan regulations also claim that a certification can be challenged.

In the Annual Performance Report related to the ConPlan, called the CAPER, a jurisdiction must describe the actions taken in the past year to overcome the effects of impediments in the CAPER template report CR-35.

If advocates think that the actions taken to overcome impediments to fair housing were inadequate, it is important to write a complaint to the jurisdiction and to send a copy to the FHEO Regional Office.

Records to be kept. CDBG regulations require jurisdictions to keep three types of records:

1. Documents showing the impediments and the actions carried out by the jurisdiction with CDBG and other money to remedy or lessen impediments.
2. Data showing the extent to which people have applied for, participated in or benefited from any program funded in whole or in part with CDBG. HOME regulations require similar data reporting. The CDBG and HOME data is in the CAPER template report CR-10.
3. Data indicating the race, ethnicity and gender of those displaced as a result of CDBG use, plus the address and census tract of the housing to which they were relocated.

A February 9, 2007 joint memorandum from the Assistant Secretaries for HUD's Office of Fair Housing and Equal Opportunities (FHEO) and Office of Community Planning and Development (CPD), which administers CDBG and HOME, suggests that a jurisdiction keep for the record: (1) copies of local fair housing laws and ordinances, (2) the full history of the development of its AI, (3) options available for overcoming impediments, (4) a list of those consulted, (5) planned actions and actions taken, and (6) issues that came up when actions were carried out.

The *Fair Housing Planning Guide* also suggests that jurisdictions keep transcripts of public meetings or forums and public comments or input, a list of groups participating in the process, and a description of the financial support for fair housing, including funds or services provided by the jurisdiction.

DEVELOPMENTS IN RECENT YEARS

Since 2009, the Administration has significantly increased its AFFH enforcement activity, much of it quietly behind the scenes and some of it openly. HUD has challenged Westchester County, NY, the State of Texas, Houston, TX, Dallas, TX, Marin County, CA, Joliet, IL, Sussex County, DE, and Dubuque, IA.

FORECAST FOR 2014

The long-awaited proposed rule intended to improve the obligation to affirmatively further fair housing was published for comment on July 19, 2013. Some of the key features of the propose rule are summarized here.

The proposed rule would provide an expansive definition of "affirmatively furthering fair housing" to mean taking proactive steps beyond simply combating discrimination. It would mean fostering more inclusive communities and access to community assets for all protected classes. Specifically it would mean taking proactive steps to:

- Address significant disparities in access to community assets.
- Overcome segregated living patterns.
- Support and promote integrated communities.
- End racially and ethnically concentrated areas of poverty.

The Assessment of Fair Housing (AFH). The proposed rule would replace the current Analysis of Impediments (AI), for which no format or standards exist, with a standardized Assessment of Fair Housing (AFH) requiring it to:

- Have a fair housing analysis based on HUD-provided data and community input.
- Identify fair housing issues across the protected classes within the jurisdiction and region, such as:
    - Integration and segregation patterns and trends;
    - Racially or ethnically concentrated areas of poverty;
    - Significant disparities in access to community assets; and
    - Disproportionate housing needs.
- Identify the most significant factors influencing fair housing issues.
- Determine fair housing priorities and justify those priorities.
- Set goals for mitigating or addressing the most significant factors causing fair housing disparities.

HUD provided data. HUD intends to provide each "program participant" with nationally uniform local and regional (or state-level) data on: patterns of integration and segregation; racial and ethnic areas of concentrated poverty (to be known as RCAPs and ECAPs); disproportionate housing needs based on the protected classes; people with disabilities; and, families with children. HUD also intends to provide data related to education, poverty, transit access, employment, exposure to environmental health hazards, and other important community assets. Additional or better local or regional data could be used to supplement HUD data. HUD has a prototype fair housing data mapping tool. The proposed rule does not mention such a tool, but it does indicate that additional guidance and information will be provided later.

Public participation. The proposed rule would require the public participation provisions of the ConPlan and PHA Plan be followed in the process of developing the AFH, obtaining community feedback, and addressing complaints. ConPlan jurisdictions would have to consult with community and regionally-based (or state-wide) organizations that represent protected class members, organizations that enforce fair housing laws, and fair housing organizations and nonprofits. Consultation would have to occur throughout the fair housing planning process, and would have to seek input regarding how the AFH goals inform the priorities and objectives of the ConPlan.

At least one public hearing regarding AFH-related data and affirmatively furthering housing in a jurisdiction's housing and community development programs would be required before the proposed AFH is published for comment. In addition, the required minimum of two ConPlan hearings for entitlement jurisdictions (and only one for states) would have to address the jurisdiction's proposed strategies and actions for affirmatively furthering fair housing consistent with the AFH.

The proposed rule adds that jurisdictions must encourage participation by residents of public and assisted housing, including Resident Advisory Boards and resident councils, in developing and implementing the AFH. Also, jurisdictions would be required to describe their procedures for assessing residents' language needs, including any need for translation of notices and other vital documents. At a minimum, jurisdictions would have to take reasonable steps to provide language assistance to ensure meaningful access to participation by people with limited English proficiency.

AFH Timing. HUD would require program participants to submit their initial AFH to HUD at least 270 calendar days before the start of the program year prior to the start of a new Consolidated Plan or PHA Plan planning process. Future AFHs would have to be submitted at least 195 days before. The lead time emphasizes HUD's intent that the AFH should inform the Consolidated Plan and PHA Plan process.

Each ConPlan program participant and each PHA participating with a local government in developing an AFH would be required to submit an AFH at least once every five years. PHAs undertaking their own AFH would be required to have annual updates.

HUD review of the AFH. Unlike the AI, the AFH would be submitted to HUD for review and approval. HUD could decide not to accept an AFH, or a portion of one, if it is inconsistent with civil rights laws or if the assessment is substantially incomplete. For example:

- If the AFH was developed without community participation or consultation.
- If the AFH fails to satisfy the required elements of the regulation, such as priorities that are materially inconsistent with data and other evidence.

In order for a ConPlan or PHA Plan to be approved, and therefore a program participant to receive funds, an approved AFH would be necessary.

The AFH and the ConPlan. The ConPlan's "Strategic Plan" (five-year plan) would have to describe how a jurisdiction's priorities and specific objectives will affirmatively further fair housing by having strategies and actions consistent with the goals and other elements of the AFH. The ConPlan's Annual Action Plan would have to describe the actions a jurisdiction plans to carry out in the upcoming year to address fair housing issues identified in the AFH.

The proposed rule would refine the current definition of "certifying" that a jurisdiction will "affirmatively further fair housing" by stating that the jurisdiction "will take meaningful actions to further the goals identified in the AFH…and that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing."

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- NLIHC's Affirmatively Furthering Fair Housing webpage is, http://nlihc.org/issues/affh
- HUD Office of Fair Housing and Equal Opportunity (FHEO), http://1.usa.gov/VFQ4Nk
- HUD Affirmatively Furthering Fair Housing webpage, http://1.usa.gov/VFQbbE
- HUD's *Fair Housing Planning Guide*, Vol. 1 (#HUD-1582B-FHEO), www.hud.gov/offices/fheo/images/fhpg.pdf
- HUD's Office of Affordable Housing has a good chapter summarizing the *Fair Housing Planning Guide*, "Affirmatively Furthering Fair Housing" (page 18) in Fair Housing for HOME Participants, http://1.usa.gov/OZsJTT
- September 2, 2004 Memorandum from HUD's Community Planning and Development Office (CPD), www.hud.gov/offices/fheo/library/finaljointletter.pdf
- February 9, 2007 Joint Memorandum from Assistant Secretaries for CPD and FHEO, http://portal.hud.gov/hudportal/documents/huddoc?id=fairhousing-cdbg.pdf
- July 19, 2013 proposed rule, http://1.usa.gov/1kVYnwe
- HUD's Prototype AFFH mapping tool, www.huduser.org/portal/affht_pt.html#dataTool-tab

Community Reinvestment Act

By Josh Silver, Vice President of Research and Policy, National Community Reinvestment Coalition

The Community Reinvestment Act (CRA) affirms that banks have continuing and affirmative responsibilities to meet the credit needs of low and moderate income neighborhoods in a manner consistent with safety and soundness. Congress has considered updating this critical law to strengthen CRA as applied to banks, and expand CRA to non-bank financial institutions. The federal bank regulatory agencies are also considering revisions to the CRA regulations.

ADMINISTRATION

Three bank regulatory agencies are responsible for ensuring that banks and savings and loan institutions comply with CRA regulations: the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC). The Office of Thrift Supervision (OTS) was formerly the regulatory agency for savings and loans; the OCC assumed the OTS responsibilities for overseeing savings and loans in July 2011.

HISTORY AND PURPOSE

Congress passed CRA in 1977 at a time when many banks and other financial institutions would routinely "redline" communities, refusing to invest in them or to extend credit to their residents. Since its enactment, CRA has been the main law for increasing the flow of private capital and expanding access to banking services in minority and low and moderate income communities.

PROGRAM SUMMARY

The CRA directs the federal bank regulatory agencies to evaluate the extent to which banks and savings institutions are meeting local credit needs. The federal agencies also consider banks' CRA records when ruling on merger applications. A weak CRA record may be grounds for denying a merger application. While denials are rare, federal agencies occasionally approve a merger application subject to specific pledges to improve CRA and fair lending performance.

Under CRA, large banks and saving institutions with assets over $1 billion are evaluated with three tests that measure performance in low and moderate income communities: the lending test, the investment test, and the service test. The lending test evaluates a bank's record of meeting credit needs of its assessment area(s) through home mortgage, small business, and small farm lending, as well as financing of community development projects such as the construction of rental units. The investment test evaluates the number and responsiveness of investments, including Low Income Housing Tax Credits and equity investments in small businesses. The service test evaluates the availability and effectiveness of bank branches, basic banking services such as low-cost deposit accounts, and community development services in low and moderate income communities.

Mid-size banks with assets between $250 million and $1 billion (asset range is adjusted annually for inflation) have a lending test and a community development test that combines elements of the large bank investment and service test. Finally, small banks with assets less than $250 million have a streamlined lending test only.

A bank or thrift with assets greater than $250 million undergoes a CRA exam about once every two years. Small banks with assets less than $250 million are examined about once every four or five years.

CRA exams give one of four ratings: outstanding, satisfactory, needs-to-improve, or substantial noncompliance. The last two ratings are considered failing ratings. On a state or metropolitan level, a bank can also receive a low or high satisfactory rating. Even a passing rating, such as satisfactory or low satisfactory on a state level, can motivate a bank to do better and strive for an outstanding rating since ratings influence banks' public relations and business strategies. For example, banks compete to receive deposits from state and local government agencies; having an outstanding CRA rating helps a bank win substantial business from public agencies interested in promoting neighborhood revitalization. Community groups' comments can influence ratings and therefore motivate banks to bolster their performance.

CRA exams are available to the public and can be obtained online at www.ffiec.gov. The general public is encouraged to comment on CRA exams and the federal agencies post lists every quarter of upcoming CRA exams. In addition, community organizations and members of the general public can comment on bank merger applications being reviewed by the federal regulatory agencies.

Each of the three agencies enforcing CRA provides links to the CRA regulation for download. In addition, the regulatory agencies in combination publish an Interagency Question and Answer on CRA detailing how banks are to report data, CRA exam criteria, and how specific types of bank loans, investments, and services can qualify for points on CRA exams.

RESULTS

Because it holds lenders publicly accountable and empowers citizens and communities to engage in the regulatory process, CRA has been effective in increasing access to credit and capital for traditionally underserved communities.

The U.S. Department of the Treasury found that CRA-covered lenders increased their home mortgage loans to low and moderate income areas and borrowers by 39% from 1993 to 1998, more than twice the increase (17%) to middle and upper income borrowers and areas. Moreover, since 1996, banks have made community development loans totaling more than $657 billion. They also made small business loans of more than $815 billion in low and moderate income neighborhoods.

The Federal Reserve has demonstrated that CRA-covered banks are less likely to issue high-cost and risky loans than independent mortgage companies not covered by CRA. In previous years, the Federal Reserve found that only 6% of all high-cost loans were issued by banks and were considered on bank CRA exams. CRA exams encourage safe and sound lending by penalizing banks for illegal and abusive loans, and awarding banks for counseling and foreclosure prevention. If non-bank lenders had gone through similar exams, they would have made fewer abusive loans, meaning the foreclosure crisis would have been less severe.

PAST LEGISLATION

In March 2009, Representatives Eddie Bernice Johnson (D-TX) and Luis Gutierrez (D-IL) introduced H.R. 1479, the Community Reinvestment Modernization Act of 2009. With 60 co-sponsors, this was a comprehensive bill strengthening CRA as applied to banks, and applying CRA to a variety of non-bank institutions.

One important way to strengthen CRA as applied to banks is by expanding the geographic coverage of CRA exams. H.R. 1479 would ensure that the great majority of loans issued by banks are scrutinized on CRA exams. The bill would require CRA exams to evaluate an institution's lending in geographic areas where they provide loans through brokers, correspondents, or through the internet. Presently, institutions are evaluated only in areas where they have bank branches. Examining a broad range of geographic areas is important because research has shown that banks make more prime, responsible loans to low and moderate income borrowers in geographic areas on CRA exams than in areas not on exams.

Towards the end of the 111th Congress, Representatives Gutierrez, Maxine Waters (D-CA), Al Green (D-TX), and Johnson introduced H.R. 6334, the American Community Investment Reform Act of 2010. Like H.R. 1479, H.R. 6334 would also have applied CRA to a variety of non-bank institutions including independent mortgage companies, mortgage company affiliates of banks, and securities firms. If these non-bank institutions had been subject to CRA requirements sooner, the foreclosure crisis would have been less severe because CRA requires institutions to serve communities in a manner consistent with safety and soundness.

In addition, applying CRA to a large segment of the financial industry would increase responsible lending and investing in communities by hundreds of billions of dollars.

TIPS FOR LOCAL SUCCESS

CRA is vital to promoting safe and sound lending and investing in communities. Community organizations are encouraged to comment on CRA exams and merger applications. These comments should describe the local credit and banking service needs and whether banks are meeting those needs. Additionally, organizations should establish and expand upon dialogues with CRA officers at banks in their service areas to see how banks can increase their support of affordable housing.

On a local level, the National Community Reinvestment Coalition (NCRC) has worked with community organizations to propose and pass responsible banking ordinances (RBOs). In return for receiving city deposits, banks are required to demonstrate commendable CRA and fair lending performance. NCRC has a model bill and other supporting documents available at http://www.ncrc.org/get-involved/hot-issues-take-action.

WHAT TO SAY TO LEGISLATORS

Legislative activity on CRA is not expected this year since Congress will be preoccupied by discussions about the future of Fannie Mae and Freddie Mac. Yet, during the 113th Congress your member should:

- Oppose bills that would weaken or repeal CRA. Representative Jeb Hensarling (R-TX), Chairman of the House Financial Services Committee, introduced a bill in the 111th Congress that would repeal CRA. Expect similar bills in the remainder of the 113th Congress from opponents of CRA;
- Support any proposed bills that update and strengthen CRA.

WHAT TO SAY TO REGULATORS

During the 113th Congress, it is also possible that the federal bank regulatory agencies will propose improvements to CRA exams such as enhancing the consideration of rural areas and small metropolitan areas on exams, and making exam tables more informative and easier to read. NCRC will keep community organizations informed of any developments and will prepare sample comments if the agencies request any comments on proposed changes to examination procedures or guidance.

FOR MORE INFORMATION

- National Community Reinvestment Coalition, 202-628-8866, www.ncrc.org
- For CRA exam results, www.ffiec.gov

Consolidated Planning Process

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Community Planning and Development
Year Program Started: 1990 as Comprehensive Affordability Strategy, and significantly modified in 1994 as the Consolidated Plan.
See also: *Public Housing Agency Plan*

The Consolidated Plan, popularly called the ConPlan, is a tool advocates can use to influence how federal housing and community development dollars are spent in their communities. The ConPlan merges into one process and one document all the planning and application requirements of four HUD block grants: Community Development Block Grants (CDBG), HOME Investment Partnership program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) grants. When final regulations are published for the National Housing Trust Fund, it too would be integrated into the ConPlan. States, large cities, and urban counties that receive any of these grants must have a ConPlan. In addition, Public Housing Agency Plans (PHA Plans) must be consistent with the ConPlan.

HISTORY

The statutory basis for the ConPlan is the Comprehensive Housing Affordability Strategy (CHAS), a provision of the Cranston-Gonzalez National Affordable Housing Act of 1990. The CHAS established a state and local planning process that determined housing needs and assigned priorities to those needs. In order to receive CDBG, HOME, ESG or HOPWA dollars, jurisdictions had to have a CHAS. In 1995, HUD amended the CHAS regulations to create the ConPlan; there is no ConPlan statute.

The ConPlan regulations interwove the planning, application and performance reporting processes of the four block grants and the CHAS, resulting in one long-term plan (the Strategic Plan), one application document (the Annual Action Plan) and one set of performance reports, the Consolidated Annual Performance and Evaluation Report (CAPER), which includes CDBG's Grantee Performance Report (GPR).

SUMMARY

Jurisdictions develop ConPlans at least once every five years in the form of the long-term Strategic Plan, and must update them annually with the Annual Action Plan. The regulations are at 24 CFR Part 91.

There are seven key elements of the ConPlan.

Housing and community development needs. The ConPlan must estimate housing needs for the upcoming five years. It must also describe "priority non-housing community development needs." HUD's regulations say the needs in the ConPlan should reflect the public participation process and the ideas of social service agencies, and must be based on US Census data and "shall be based on any other reliable source." NLIHC's *Out of Reach* and Congressional District Housing Profiles are excellent sources of data.

The ConPlan must estimate housing needs by:

- Income categories, including households with incomes below 30% of the area median income (AMI), called extremely low income; between 30% and 50% of AMI (low income), between 50% and 80% of AMI (moderate income), and between 80% and 95% of AMI (middle income).
- Tenure type (whether the household rents or owns).
- Family type, including large families (5 or more people), individuals, and elderly households.
- A summary of the number of people who have a housing cost burden (pay more than 30% of their income) or severe cost burden (pay more than 50% of their income), live in very poor quality housing, or live in overcrowded housing. Each of these characteristics must be presented by income category and tenure type.

The ConPlan must estimate the housing needs of:
- Victims of domestic violence;
- Persons with disabilities;
- Persons with HIV/AIDS and their families; and,
- Persons who were formerly homeless and receiving rapid re-housing assistance about to expire.

The ConPlan must estimate:
- The need for public housing and Housing Choice Vouchers (Section 8), referring to waiting lists for those programs.
- The supportive housing needs of people who are elderly, have physical or mental disabilities, have addiction problems, are living with HIV/AIDS, or are public housing residents.
- The number of housing units containing lead-based paint hazards occupied by low income households.
- The needs of any racial or ethnic group if their needs are 10% greater than all people in the same income category.

The ConPlan must describe the nature and extent of homelessness, addressing:
- The number of homeless any given night, who have experienced homelessness each year, and the number of days people are homeless.
- The nature and extent of homelessness by racial and ethnic group.
- The characteristics and needs of people, especially extremely low income people, who are housed, but who are threatened with homelessness.

Housing market analysis. The housing market analysis requires a description of key features of the housing market, such as the supply of housing, demand for housing, and the condition and cost of housing. It must also have an inventory of facilities and services for homeless people, with categories for permanent housing, permanent supportive housing, transitional housing, and emergency shelters. A description of facilities and services for people who are not homeless but require supportive housing must be included, along with a description of programs ensuring that people returning from mental and physical health institutions receive supportive housing.

Localities (not states) have additional requirements:
- A description of the housing stock available to people with disabilities, HIV/AIDS, or special needs.
- An estimate of the number of vacant or abandoned buildings, with an indication of the extent they can be rehabilitated.
- A narrative or map describing areas where low income people and different races and ethnic groups are concentrated.
- Public housing developments and the number of units in them must be identified, along with their condition and revitalization needs.
- The number of units assisted with other federal (e.g., Project-Based Section 8), state, or local funds must be described, including the income levels and types of family they serve.
- The housing market analysis must have an assessment of whether any units are expected to be lost, such as through Section 8 contract expiration.

Strategic Plan. This long-term plan must be done at least every five years. It must indicate general priorities for allocating CPD money (encompassing each of the four block grant programs subject to the ConPlan) geographically and among different activities and needs. The Strategic Plan must describe the rationale for the fund allocation priorities given each category of priority needs among the different income categories. Needs may refer to types of activities, such as rental rehabilitation, as well as demographic groups, such as extremely low income. Although the regulations do not specifically require it, past HUD guidance has require jurisdictions to assign to each priority need relative priority of high, medium, or low. Since August 2012, HUD has only required high or low. The ConPlan must identify proposed accomplishments in measurable terms and estimate a timetable for achieving them.

For housing, the regulations add that the Strategic Plan must explain the reasoning behind priority assignments and the proposed use of funds, and how the reasoning relates to the analysis of the housing market, the severity of housing problems, the needs of the various income categories, and the needs of renters versus those of owners. The number of families who will get affordable housing must be shown by the income categories of extremely low, low, and moderate. The Strategic Plan must also describe how the need for public housing will be met.

Priority homeless needs must be shown. The Strategic Plan must also describe strategies for reducing and ending homelessness by: helping people to avoid becoming homeless; reaching out to homeless people to determine their needs; addressing needs for emergency shelter and transitional housing; and, by helping homeless people make the transition to permanent housing.

For people with special needs who are not homeless, the Strategic Plan must summarize the priority housing and supportive service needs of people who are elderly or have disabilities (mental, physical, or developmental), alcohol or drug addiction, or HIV/AIDS or who are public housing residents.

For jurisdictions receiving CDBG funds, the Strategic Plan must summarize non-housing community development needs.

Anti-poverty strategy. The law calls for a description of goals, programs, and policies for reducing the number of people with incomes below the poverty level. It also requires a statement of how affordable housing programs will be coordinated with other programs, and the degree to which they will reduce the number of people in poverty.

Lead-based paint. The Strategic Plan must outline actions to find and reduce lead paint hazards.

Fair housing. Each year the jurisdiction must certify that it is affirmatively furthering fair housing (AFFH). This means that it has an Analysis of Impediments (AI) to fair housing choice, is taking appropriate action to overcome the effects of impediments, and keeps records. The AI is not required to be a part of the Strategic Plan or Annual Action Plan. Although HUD's official Fair Housing Planning Guide says an AI "must be completed/updated in accordance with timeframes for the Consolidated Plan," a more recent memorandum (September 2004) says that each jurisdiction "should maintain its AI and update the AI annually where necessary."

On July 19, 2013, HUD issued a separate set of proposed AFFH regulations intended to improve jurisdictions' obligation to affirmatively further fair housing. If these regulations are finalized, the AI would be replaced by an Assessment of Fair Housing (AFH) that would spell out specific fair housing issues that jurisdictions must identify, prioritize, and take proactive steps to address. The AHF would have to be approved by HUD before a jurisdiction could receive CPD and other HUD funds, and there would be a clearer and more direct inclusion of AFFH in the ConPlan process.

Annual Action Plan. The Annual Action Plan must describe all the federal resources reasonably expected to be available, including those in addition to CDBG, HOME, ESG, and HOPWA, such as Low Income Housing Tax Credits, Continuum of Care funds, and Section 8. The Action Plan must also indicate other private and local and state resources expected to be available. The geographic areas that will get assistance in the upcoming year must be indicated, and the Annual Action Plan must give the reasons these areas have priority.

The Action Plan must describe the activities the jurisdiction will carry out in the upcoming year; states must describe their method for distributing funds to local governments and nonprofits, or the activities the state will undertake itself. The Action Plan must also describe the reasons for making these allocation priorities. Descriptions of uses of CDBG must include enough detail about each activity, including location, that people can determine the degree to which they are affected. States must describe the criteria used to select CDBG applications from localities. States must also describe how all CDBG money will be allocated among all funding categories (e.g., housing, economic development, public works, etc.).

There must be an estimate of the number and type of households expected to benefit from the use of CPD funds (this does not apply to states). In addition, based on any funds available to the jurisdiction, the Action Plan must specify one-year goals for the number of non-homeless, homeless, and special needs households to be provided affordable housing through new construction, rehabilitation, acquisition, and rental assistance

The Annual Action Plan must indicate the activities that will be carried out in the upcoming year to reduce homelessness by: preventing homelessness, especially for those with incomes below 30% of AMI; meeting emergency shelter and transitional housing needs; helping people make the transition to permanent housing and independent living; and, meeting the special needs of people who are not homeless but have supportive housing needs.

The ConPlan calendar includes five discrete steps.

(1) Identify Needs. The CDBG and CHAS laws require a public hearing to gather the public's ideas on housing and community development needs. HUD's regulations require this hearing to take place before a proposed ConPlan is published for comment.

(2) Proposed ConPlan. There must be a notice in the newspaper that a proposed ConPlan is available. Complete copies of the proposed ConPlan must be available in public places such as libraries. A reasonable number of copies of a proposed ConPlan must be provided at no cost. There must be at least one public hearing during the development of the ConPlan (this does not apply to states). The public must have at least 30 days to review and comment on the proposed ConPlan.

(3) Final ConPlan. The jurisdiction must consider the public's comments about the proposed ConPlan, attach a summary of the comments to the final ConPlan, and explain in the final ConPlan why any suggestions were not used. A copy of the final ConPlan must be available to the public.

HUD can disapprove the final ConPlan for several reasons, including a jurisdiction failing to follow public participation requirements, failing to satisfy all of the required elements, or providing an inaccurate certification (for example, a HUD finding that a jurisdiction's certification is not accurate that it took appropriate actions to overcome impediments to fair housing).

(4) The Annual Performance Report. In this report the jurisdiction shows what it did to meet housing and community development needs. The report must include a description of the money available and how it was spent, the location of projects, and the number of families and individuals assisted broken down by race and ethnicity as well as by income category, including incomes below 30% AMI. For CDBG-assisted activities, the performance report must describe the assisted activities and explain how they relate to the ConPlan priorities, giving special attention to the highest priority activities. The Annual Performance Report must describe the actions taken to affirmatively further fair housing.

There are several public participation features related to the Annual Performance Report. There must be reasonable notice that a report is completed, and the report must be available to the public. The public has only 15 days to review and comment on it; nevertheless, the jurisdiction must consider public comments and attach a summary of the comments.

The annual performance reporting requirements of the four block grant programs have been merged into a set of computer-based records called the Consolidated Annual Performance and Evaluation Report (CAPER) for local jurisdictions and called the Performance and Evaluation Report (PER) for states. These performance reports only offer is a general, aggregate picture of what a jurisdiction accomplished. Although no longer a part of the CAPER, local jurisdictions receiving CDBG must still complete a Grantee Performance Report (GPR), which also goes by the term "IDIS Report C04PR03". The GPR, should provide detailed information about each activity funded by CDBG. Although many jurisdictions do not make the GPR known to the public, it must be provided if requested.

(5) Amendments to the ConPlan. The ConPlan must be amended if there are any changes in priorities, or in the purpose, location, scope, or beneficiaries of an activity, or if money is used for an activity not mentioned in the Action Plan. If there is a substantial amendment, then public participation similar to that for Annual Performance Reports is required, but with a 30-day comment period. HUD allows the jurisdiction to define substantial amendment. At a minimum, the regulations say that a substantial amendment must include a change in the use of CDBG funds, and a change in the way a state allocates CDBG money to small towns and rural areas.

Public participation. In addition to the public participation requirements mentioned in the previous paragraphs, each jurisdiction must have a written citizen participation plan available to the public. The plan must provide for and encourage public involvement in the creation of the ConPlan, review of the Annual Performance Report, and any substantial amendment. It must encourage involvement by people with low incomes, especially in low income neighborhoods and areas where CDBG money might be spent. Jurisdictions are expected to take whatever actions are appropriate to encourage involvement by minorities, people with limited English proficiency, and people with disabilities. Jurisdictions must also encourage involvement by residents of public and assisted housing.

There must be reasonable and timely access to information and records relating to the ConPlan. The public must be able to review records from the previous five years that are related to the ConPlan and any use of federal money covered by the ConPlan. For local jurisdictions (not states) the public must have reasonable and timely access to local meetings, such as community advisory committee meetings and council meetings.

Public hearings must be held after adequate notice to the public. "Publishing small print notices in the newspaper a few days before the hearing is not adequate notice," the regulations say, but "two weeks' notice is adequate." Public hearings must be held at times and places convenient for people with low incomes. Where there are a significant number of people who do not speak English, the citizen participation plan must show how they can be involved. The jurisdiction must give written, meaningful and timely responses to written public complaints; fifteen days is considered timely if the jurisdiction gets CDBG funding.

Rollout of new ConPlan template and mapping tools. On May 7, 2012, CPD issued CPD-12-009 describing a new electronic template that must be used for any new ConPlan Strategic Plan submitted after November 15, 2012. For those ConPlans, their subsequent Annual Action Plans and CAPERs must also be submitted electronically using the template. The new electronic template is tied into CPD's management information system, known as IDIS. If a jurisdiction's Strategic Plan is not due until a date well past November 15, 2012, it is not obligated to use the templates for Annual Action Plans until their new Strategic Plan is due. However, jurisdictions may voluntarily use the template at any time.

The template is a combination of data tables and narratives that set, for the first time, a baseline of HUD's expectations for the type and amount of information required. Jurisdictions will be able to customize their templates by adding additional text, data, or images from other sources. The data tables required by the regulations pertaining to housing and homelessness needs and the housing market are automatically pre-populated with the required data; however, jurisdictions may substitute better data if they have it. Some of the data includes the five-year American Community Survey (ACS) from the Census, special 2010 Census CHAS tabulations, public housing resident characteristics from the Picture of Subsidized Housing, and business and employment data from Census.

HUD will eventually post each jurisdiction's ConPlan on the HUD website. Advocates will benefit from reviewing the ConPlan Desk Guide containing the components of the template because it outlines the regulatory requirements that jurisdictions must follow, and because it helps advocates know what the various template tables should look like. Unfortunately, advocates will not be able to use the template to electronically create their own alternative ConPlan because only jurisdictions have access to IDIS. Nevertheless, the Desk Guide provides advocates an outline of what jurisdictions must submit that advocates can use to manually fashion their ideal ConPlan to promote prior to the public participation process.

CPD also launched a mapping tool that allows both grantees and members of the public to access a large amount of data in a user-friendly, web-based format. Jurisdictions are not required to use the maps. Users can search, query, and display information on the map that will help them identify trends and needs in their communities. Some of the features available on the mapping program include the capacity to show where CDBG and HOME activities have been provided, and where public housing and private, HUD-assisted housing and LIHTC housing is located. It is also possible to see housing, economic and demographic characteristics of an area down to the census-tract level. The web-based software enables advocates to draw custom geographies, such as neighborhood boundaries, which might not fit neatly into census tracts.

FORECAST FOR 2014

NLIHC has requested that HUD make a blank version of the ConPlan template available for advocates to use so that they can create their own alternative ConPlan to propose to their jurisdictions well in advance of the formal ConPlan process. HUD is considering this.

TIPS FOR LOCAL SUCCESS

The ConPlan is a potentially useful advocacy tool for directing funds toward activities more beneficial to people with low incomes because jurisdictions must provide for and encourage public participation, particularly by people with low incomes. Advocates and residents should monitor the needs assessment and priority setting processes, making sure that all needs are identified and assigned the level of priority they deserve. With the new mapping tool, advocates can add information and data that the jurisdiction might not include, such as studies conducted by local universities. Advocates can also devise an alternative plan using the mapping tool to draw neighborhood boundaries that more realistically reflect community dynamics. Through the Annual Action Plan's public participation process, advocates and residents can strive to ensure that federal dollars are allocated to activities that will truly meet those high priority needs.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- HUD Consolidated Plan, http://1.usa.gov/Y72rOM, migrating to OneCPD, http://bit.ly/1eoivIL
- ConPlan template Desk Guide, http://1.usa.gov/Y72wC9
- ConPlan mapping tool, http://1.usa.gov/Y72IkA
- End of year reporting, http://1.usa.gov/QkPliJ

Disaster Housing Programs

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

More than eight years after the 2005 Gulf Coast hurricanes, Katrina and Rita, there remains an overall lack of rental housing affordable for Gulf region households with extremely low incomes. In addition to addressing remaining housing needs in the aftermath of the hurricanes, there is also the unfinished business of redesigning how federal, state, and local governments plan for and respond to housing issues in future disasters. The inadequacy of the current system was made apparent in the aftermath of Super Storm Sandy, which hit the Northeast in the fall of 2012.

FEDERAL PROGRAMS

U.S. DEPARTMENT OF HOMELAND SECURITY

The Federal Emergency Management Agency (FEMA), a federal agency since 1979, became part of the U.S. Department of Homeland Security (DHS) in 2003. FEMA's mission under DHS is to lead the effort to prepare the nation for all potential disasters and to manage the federal response and recovery efforts following any national disaster, whether natural or manmade. Agencies and programs under its purview include the National Flood Insurance Program and the U.S. Fire Administration.

FEMA provides immediate, direct financial and physical assistance to those affected by disasters, and has the responsibility for coordinating government-wide relief efforts, all based on the Stafford Disaster Relief and Emergency Assistance Act (Stafford Act, Public Law 100-707). The act was designed to bring a systemic means of federal natural disaster assistance to state and local governments.

Along with other government agencies, FEMA may provide disaster victims with low interest loans, veterans' benefits, tax refunds, excise tax relief, unemployment benefits, crisis counseling, and free legal assistance. Disaster housing and community development programs unique to FEMA include:

Individuals and Households Program (IHP). The Stafford Act authorizes FEMA to provide four types of housing assistance under IHP:
1. Temporary housing assistance, which is split into two subsections:
a. Financial assistance, which provides lodging expenses reimbursement for hotel or motel stays, or rental assistance for a temporary rental unit.
b. Direct assistance, which provides temporary housing units, such as mobile homes, when financial assistance cannot be used due to a lack of sufficient available housing resources. Such assistance can last up to 18 months after a major disaster, but can be extended in extraordinary circumstances.
2. Home repair cash grants, available to homeowners for damage not covered by insurance. It is targeted to repair the home to a living condition, though not necessarily the pre-disaster condition.
3. Home replacement cash grants, available to homeowners for damage not covered by insurance.
4. Permanent or semi-permanent housing construction grants, reserved for areas identified by FEMA as insular or remote areas where the other types of housing assistance are unavailable, infeasible, or not cost-effective.

The total cash grant FEMA can provide per individual or household through IHP is statutorily capped at $28,800 in 2008 dollars, adjusted each year for inflation. Under this program, FEMA can also offer "other needs assistance" to cover: medical, dental, and funeral expenses; transportation costs; and, repair or replacement of personal property, such as household items and clothing.

Public Assistance for Permanent Work Program. FEMA offers grants to state and local governments for restoring damaged facilities, which could include repair funds for public housing agencies (PHAs).

Hazard mitigation programs. In order to reduce the risk of damage and reliance on federal recovery funds in future disasters, FEMA administers two programs of primary importance to housing: the Hazard

Mitigation Grant Program (HMGP) and the Pre-Disaster Mitigation (PDM) program. HMGP provides state and local governments, along with certain eligible nonprofit organizations, the opportunity for long-term mitigation funds following a federally declared disaster. Uses of HMGP include property acquisition and demolition or relocation, structure elevation, and structural retrofitting.
Unlike HMGP, PDM is available to state and local governments independent of the occurrence of a disaster. The program supports sustained pre-disaster mitigation work in communities and can generally be used in the same manner as HMGP funds.

HUD

Under current federal disaster response plans, HUD joins forces with other federal and state agencies to aid in the implementation of disaster recovery assistance. HUD provides housing and community development resources through Federal Housing Administration (FHA) loans and forbearance policies; Public and Indian Housing (PIH) resources, including assistance to PHAs; and the Community Planning and Development (CPD) Community Development Block Grant (CDBG) and HOME funds.

Disaster CDBG. In recent major disasters, including Super Storm Sandy, Congress has made special appropriations of disaster CDBG funds to augment a jurisdiction's regular annual formula allocations of CDBG. Disaster CDBG has become the primary source of housing recovery used by affected states. Only 50% of these recent disaster CDBG (d-CDBG) funds were required to benefit persons with low or moderate income (below 80% of area median income, AMI), lower than the 70% requirement for the regular CDBG program. The disaster appropriations have given HUD the authority to waive even this low or moderate income benefit obligation.

Capital Fund Emergency/Natural Disaster Funding Program. HUD maintains a Capital Fund Emergency/Natural Disaster Funding Program within the Public Housing Capital Fund that can, among other uses, provide PHAs with assistance to rebuild public housing damaged in a disaster.

U.S. SMALL BUSINESS ADMINISTRATION

The U.S. Small Business Administration (SBA) can provide physical disaster loans to cover uninsured or uncompensated losses of a home or personal property. A homeowner can apply for a loan to repair or rebuild a primary residence to its pre-disaster condition based on the verified losses. The loan amount can increase by as much as 20% to help the homeowner rebuild in a manner that protects against damage from future disasters of the same kind, up to a maximum of $200,000. Similar loans are available to business owners, including rental property owners and nonprofit organizations, for real estate and personal property loss up to a maximum of $2 million. Both homeowners and renters can apply for loans, up to $40,000, to replace personal property (anything not considered real estate or part of the structure of the home) lost in a disaster. The interest rate on SBA physical disaster loans will depend upon the applicant's ability to secure credit from another source. The SBA is not able to provide grants or forgivable loans.

U.S. DEPARTMENT OF AGRICULTURE

The U.S. Department of Agriculture (USDA) provides loans, grants, and loan servicing options to its loan borrowers and their tenants or grant recipients.

U.S. DEPARTMENT OF THE TREASURY

Though without a permanent disaster recovery program, the U.S. Department of the Treasury (Treasury) has provided special Low Income Housing Tax Credits (LIHTCs) and other tax incentives after recent major disasters. In the case of hurricanes Katrina and Rita, Treasury established Gulf Opportunity (GO) Zone tax credits, GO Zone tax-exempt bonds, and additional New Markets Tax Credits to help rebuild housing. Legislators in the House and Senate are working to enact similar tax benefits for areas impacted by Super Storm Sandy.

FORECAST FOR 2014

On September 23, 2011, FEMA released its final National Disaster Recovery Framework (NDRF), which outlines the process by which the federal government supports disaster recovery efforts. A companion to the National Response Framework, which focuses on immediate response, the NDRF provides guidance on roles and responsibilities of all stakeholders, from every level of government to affected individuals themselves. It calls for clearer, more comprehensive communication between stakeholders and local government leadership in all recovery, with the federal government providing support. The NDRF creates the concept of a Federal Recovery Coordinator for large disasters, and Recovery Support Functions, each carried out by a variety of federal agencies. HUD would fill the coordinating role for federal support of housing recovery.

Emergency Appropriations. The Administration requested $60.4 billion in emergency appropriations for Super Storm Sandy related needs in late 2012. This request included $17 billion in d-CDBG dollars. While the Senate quickly approved the package, the House of Representatives failed to approve the measure before the end of the 112th Congress. The 113th Congress approved, and the President signed into law (Public Law 113-2), which comes close to allowing all of the emergency funding requested by the President, without offsetting the spending elsewhere. Included in the emergency supplemental is $16 billion in d-CDBG funding. This amount comes close to the $17 billion requested by the Administration in its emergency aid request.

National Disaster Housing Strategy & National Disaster Housing Task Force. FEMA released its National Disaster Housing Strategy (NDHS) in the waning hours of the Bush Administration in January 2009, more than 18 months after it had been required to do so by Congress. The agency released an earlier version of the NDHS on July 21, 2008.

The final NDHS offered more detailed information on the role different federal agencies should play in responding to a disaster than did the earlier version, and recommended that HUD operate any disaster rental assistance programs. However, it still deferred the bulk of responsibility for operational plans and implementation to the National Disaster Housing Joint Task Force at FEMA.

The Task Force's work includes: developing an implementation plan to address sheltering, interim housing, and permanent housing; developing a disaster housing concept of operations (CONOPS), which would create a definitive description of how the emergency management community provides disaster housing; and, creating a practitioner's guide to disaster housing that will provide guidance for state, tribal, territory, and local disaster housing assistance practitioners to develop disaster housing strategies that consider the unique needs of all people displaced by disasters. Of these, only the implementation plan has been released. In January 2011, NLIHC and the Katrina Housing Group (KHG), which NLIHC convened, submitted comments on the proposed CONOPS and looked forward to commenting on the practitioner's guide – which has yet to be released for comment.

Stafford Act Reforms. Senator Mary Landrieu (D-LA) introduced the Disaster Recovery Act (S. 1630 in the 112th Congress) in September 2011 to strengthen and make reforms to the Robert T. Stafford Disaster Relief and Emergency Assistance Act based on lessons learned from Hurricanes Katrina and Rita. Senator Thad Cochran (R-MS) was an original co-sponsor of the legislation. NLIHC and many groups who participated in the KHG endorsed the legislation. Unfortunately, Congress did not act on the legislation before the end of the 112th Congress, and as such, the measure now must be reintroduced. Advocates urge reintroduction and enactment of the bill in the 113th Congress.

As drafted in the 112th Congress, the bill includes many of the recommendations made by the KHG and would take important steps to better meet the needs of low income people after a disaster. First, the Disaster Recovery Act clearly defines when a disaster is considered to be catastrophic and sets up mechanisms to ensure an appropriate federal role.

Second, the bill would make substantial improvements to the existing case management system for disaster victims. One of the most serious flaws in the response to Hurricane Katrina was the chaotic manner in which victims received information about the services and programs to which they were entitled. The KHG identified the disjointed and ineffective case management system as one impediment to survivors moving to permanent housing in the Gulf Coast. As drafted in the 112th Congress, the Disaster Recovery Act would require that FEMA, HHS, and HUD to develop a single, comprehensive case management system, and within one year develop regulations to ensure that every survivor has a single point of contact for case management services.

The bill would also make critical changes to the housing response and recovery activities authorized under the Stafford Act. The KHG argued that any disaster response and recovery effort must minimize the time that households are in temporary housing, and must ensure a seamless transition for these households to new permanent housing. S. 1630 included several provisions that work to meet these goals. The bill would require all federal agencies that provide housing assistance to define the roles and responsibilities of each agency in the provision of disaster housing assistance. The bill would simplify current law to ensure that damaged rental properties could be quickly repaired and reoccupied instead of allowing money to be spent unnecessarily on temporary housing units. Further, the bill would allow for assistance to be provided to more than one household associated with the same pre-disaster address, if the household had to separate for reasons related to the disaster.

FORECAST FOR 2014

It is expected that legislation will be introduced in the remainder of the 113th Congress that provides tax incentives to communities impacted by federally declared disasters in 2012 and 2013. It is unlikely that sweeping reforms of the federal Stafford Act will be enacted, given the limited amount of legislative days left in the 113th Congress.

Supplemental funds to address Super Storm Sandy needs are now being implemented. Advocates must work to monitor funds, and assure that funds intended to address the needs of low income renters are being used for this purpose. Reports show that a smaller percentage of renters report having all needed storm-related repairs completed, compared to homeowners.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to their Members of Congress to deliver the following messages:

- Support enactment of the provisions included in the Disaster Recovery Act (S. 1630 in the 112th Congress) to reform the Stafford Act to reflect lessons learned from Hurricanes Katrina and Rita. The legislation addresses many of the inadequacies in current law and would greatly improve housing outcomes for future low income disaster victims.
- Support emergency appropriations, if requested, to address ongoing needs for victims of Super Storm Sandy and any future disasters.
- Oppose the requirement of offsets to emergency appropriations to address low income housing needs for victims of current and future disasters.
- Support legislation that provides tax incentives to communities impacted by Super Storm Sandy and other federal disasters in 2012 and 2013.
- Congress should work to assure that funds appropriated for rental housing needs in the aftermath of Super Storm Sandy are used properly, and not diverted to other purposes.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- Long-Term Disaster Recovery Working Group, Disaster Recovery Resources, http://1.usa.gov/1gtfrd6
- National Disaster Housing Strategy Resource Center, www.fema.gov/emergency/disasterhousing

Fair Housing Programs

By Jorge Andres Soto, Public Policy Associate, National Fair Housing Alliance

Administering agency: HUD's Office of Fair Housing and Equal Opportunity (FHEO)
Year program started: 1989
Number of persons/households served: In 2012 and 2013, FHIP-funded organizations investigated 38,600 complaints of housing discrimination; National Fair Housing Alliance's FHIP-funded national media campaign materials teaching the public about their fair housing rights were viewed over 700,000 times.
Population targeted: "protected classes" – race, national origin, color, religion, sex, familial status, and disability
FY14 funding: FHIP, $40.3 million; FHAP, $25.6
See also: *Affirmatively Furthering Fair Housing*

The federal Fair Housing Act protects individuals and families from discrimination on the basis of race, national origin, color, religion, sex, familial status, and disability in all housing transactions, public and private. HUD has also provided guidance that interprets the Fair Housing Act's prohibition on sex discrimination to prohibit discrimination based on sexual orientation or gender identity in HUD-assisted housing and housing insured by the Federal Housing Administration in some instances. This may include instances of discrimination based on a person's non-conformity with gender stereotypes.

There are two HUD-funded programs specifically dedicated to the enforcement of the Fair Housing Act: the Fair Housing Initiatives Program (FHIP) and the Fair Housing Assistance Program (FHAP).

ADMINISTRATION

HUD's Office of Fair Housing and Equal Opportunity (FHEO) is responsible for administering FHIP, FHAP, and HUD's investigation of fair housing and fair lending complaints. The Civil Rights Division of the U.S. Department of Justice may also investigate complaints and is responsible for litigating on behalf of the federal government in cases of fair housing and fair lending violations.

HISTORY AND PURPOSE

Residential segregation contributes to economic disadvantage by: reducing home appreciation; limiting access to opportunities such as public benefits, social services, and employment opportunities; and, perpetuating racially separate and unequal schools. Federal fair housing programs are intended to promote integration and eliminate discrimination.

The federal Fair Housing Act was passed in 1968 and amended in 1974 and 1988. FHIP and FHAP were created as a means of carrying out the objectives of the Act.

PROGRAMS SUMMARY

There are two federal programs dedicated solely to fair housing. FHIP funds private fair housing organizations, and FHAP funds the fair housing enforcement programs of state and local government agencies.

Fair Housing Initiatives Program (FHIP). FHIP funds private fair housing organizations to provide education and outreach to the community and the housing industry, and to enforce the Fair Housing Act by investigating allegations of rental, sales, homeowner insurance, and lending discrimination. FHIP is a competitive grant program administered by FHEO. Components of the program include: the Private Enforcement Initiative (PEI) that enables qualified private fair housing organizations to conduct testing and other enforcement activities; the Education and Outreach Initiative (EOI) that funds organizations to educate the general public about fair housing rights, responsibilities and compliance with the law; and, the Fair Housing Organizations Initiative (FHOI) that builds the capacity and effectiveness of fair housing organizations and funds the creation of new organizations.

In 2012 and 2013, FHIP-funded organizations investigated 38,600 complaints of housing discrimination across the country for families and communities, more than twice that of all state and federal agencies combined. During that same period, the National Fair Housing Alliance's FHIP-funded national media campaign materials teaching the public about their fair housing rights were viewed over 700,000 times. Local FHIP-funded agencies also make educational materials for their local housing markets that run in local newspapers, on billboards, and on bus stops, and radio.

Fair Housing Assistance Program (FHAP). State and local government agencies certified by HUD to enforce state or local fair housing laws that are substantially equivalent to the Fair Housing Act receive FHAP funds. HUD funds FHAP agencies by reimbursing them based upon the number of cases they successfully process. In addition, FHAP funds help cover administrative expenses and training. New FHAP organizations receive three years of capacity building funding before moving to the reimbursement phase.

Affirmatively Furthering Fair Housing (AFFH). The federal government has additional tools for ensuring that communities are diverse, inclusive, and remain free from discrimination. All federal housing and community development programs, including, the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships Program, contain provisions requiring recipients to certify that they "affirmatively further fair housing" and conduct Analyses of Impediments to Fair Housing Choice. The federal government has rarely challenged municipalities for failing to comply with these requirements, but it has become more serious about them during the Obama Administration. HUD is expected to release soon data and mapping tools that jurisdictions can use to meet their obligation to analyze impediments; a proto-type is currently available.

There are nearly 1,200 CDBG entitlement jurisdictions nationwide, all of which are required to affirmatively further fair housing. As part of this obligation, these jurisdictions must identify impediments to fair housing choice and take steps to overcome them. It is difficult to enforce this requirement, however, because HUD has failed to promulgate regulations for its implementation, even though the Fair Housing Act was passed in 1968 and the Housing and Community Development Act passed in 1974.

In the summer of 2013, HUD proposed its long-awaited regulation concerning the obligation to affirmatively further fair housing. HUD's proposed rule would make it easier for states, local governments, public housing authorities, and other federal housing and community development recipients to comply with this key provision of the Fair Housing Act. As proposed, the regulation would: build upon existing funding program requirements; provide greater detail on how funding recipients can better expand access to opportunity; and, provide comprehensive GIS data tools that cities and states could use to identify and address barriers to fair housing choice. Advocates have urged HUD's proposed rule to go further by establishing benchmarks against which to measure progress toward addressing the barriers to fair housing identified by funding recipients and the community, and by clarifying the consequences that funding recipients will face for failing to address identified barriers to fair housing. HUD's proposed rule should also make it clear that cities and states must use their funds both to promote affordable housing and other resources to encourage residential integration in areas of "high opportunity," and use other resources to promote community development in communities with fewer access to services.

The requirement to affirmatively further fair housing also applies to many other federal programs, including housing programs run through the Treasury Department such as the Home Affordable Modification Program (HAMP) and the Low Income Housing Tax Credit (LIHTC), and to federal regulators such as the Office of the Comptroller of the Currency (OCC) and the Consumer Financial Protection Bureau (CFPB).

FUNDING

Accounting for sequestration, FHIP received funding of $40.3 million in FY14. FHAP received $25.6 million in FY14. To help put an end to pervasive housing discrimination, funding for FHIP should be at least $57 million, including $5 million for a systemic testing program, and funding for FHAP should be $40 million for FY15. President Obama proposed $45.6 million for FHIP, and $23.3 million for FHAP in FY15.

An increase in FHIP appropriations would: allow FHIP to address additional complaints; encourage those encountering housing discrimination to come forward to file their complaints with greater hope of resolution; and, provide fair housing groups with the capacity to address larger systemic issues, such as discriminatory sales practices and insurance policies, and thereby have a much broader impact on segregation in our country. It would also bring fair housing organizations to communities and states where there are currently no such groups.

FORECAST FOR 2014

The fair housing movement is at a critical time of past and new challenges, as well as new opportunities to better provide for fair housing choice for all. Advocates should support fair housing funding, administrative actions, broader fair housing and lending enforcement, a housing finance system free from discrimination, and the expansion of the Fair Housing Act to protect poor people and lesbian, gay, bi-sexual, and transgender (LGBT) communities.

Last year, HUD took two major steps to advance the mission of the Fair Housing Act with the final release of its disparate impact regulation and its proposed regulation concerning the obligation to affirmatively further fair housing. With the proposal of its AFFH regulation, HUD now has the opportunity to better realize the promise of the Fair Housing Act and ensure that federal housing and community development dollars are spent in a nondiscriminatory way.

Fair housing organizations continue to see housing discrimination in alarming numbers. In 2012, filed fair housing complaints increased to 28, 519. Fair housing violations continue to be underreported. HUD estimates that only 1% of fair housing violations committed are ever reported, but even this number is conservative. Every year, over four million fair housing violations are committed against members of protected classes under the Fair Housing Act. In 2012, most complaints investigated by fair housing organizations were based on disability (47.1%), race (18.3%), and family status (11.5%). The vast majority of fair housing complaints are settled through administrative or conciliation processes.

Efforts to reform the nation's housing finance system are underway. In the lead up to the foreclosure crisis, many highly qualified borrowers of color were targeted for over-priced and unsustainable mortgage products when they actually qualified for better, lower-priced, products. Middle-class communities of color that once thrived have become ghosts of their former selves. While housing prices have begun to rise and a recovery is in sight for many communities, communities of color continue to face the reality of having lost a generation of wealth to the crisis and continue to have ruined credit profiles. This loss of wealth, coupled with a tightened credit market, continues to have a disparate impact on communities of color, making opportunities for homeownership nothing more than a dream. Legislation or executive action to restructure the housing finance system must include provisions to ensure that housing finance is accessible on fair and equal terms for all qualified borrowers, regardless of their personal characteristics. The new housing finance system must include a clear statement of the non-discrimination obligations of the housing finance entities in the system, as well as create a regulatory agency whose structure ensures that the policies and practices of secondary market entities do not create unnecessary or unfair barriers to access for borrowers of color and other underserved borrowers.

Private fair housing organizations remain a critical part of the United States' civil rights enforcement infrastructure. In 2012, private nonprofit fair housing organizations investigated 19,680 (69%) of the fair housing complaints in the United States, more than twice as many complaints as all federal, state, and local government agencies combined. Public FHAP agencies processed 6,986 (24.5%) of complaints, and HUD processed 1,817 (6.4%) of all complaints.

Since 2011, the Consumer Financial Protection Bureau (CFPB) has collected mortgage complaints through its online intake process. Individuals and advocates can submit complaints regarding a mortgage product. While this is a good beginning, complainants are not asked for their race, sex, national origin, or any other protected class, so the CFPB cannot analyze the complaints accurately for fair lending discrimination.

The CFPB has made many complaint data public for the purposes of educating the public and supplying researchers and advocates with near-real-time information about abuses in financial products. However, the CFPB only provides these data at the zip code, making it very difficult for researchers and advocates to determine spatial patterns of fair lending abuses or which borrowers are receiving relief. The CFPB should provide these data along with protected class data to accurately identify trends of fair lending abuses without having to rely on zip codes as proxies and avoid concerns over re-identification of individual complainants.

During the First Session of the 113th Congress, Representative Jerrold Nadler (D-NY) and Senator Sherrod Brown (D-OH) introduced the Housing Opportunities Made Equal (HOME) Act (H.R. 2479, S. 1242). The bill would include sexual orientation, gender identity, source of income (for example Section 8 Housing Choice Voucher), and marital status as protected groups under the Fair Housing Act and Equal Credit Opportunity Act (ECOA). It would also expand the definition of 'familial status' to be more inclusive, as well as make other critical changes to both the Fair Housing Act and ECOA.

TIPS FOR LOCAL SUCCESS

Individuals and advocates who suspect or observe a fair housing violation, including a failure to affirmatively further fair housing, should contact a local fair housing organization or the National Fair Housing Alliance at 800-910-7315, or see a list of fair housing organizations at www.nationalfairhousing.org.

Fair housing complaints can be filed with local fair housing organizations, state or local government agencies, or HUD. HUD recently updated fair housing complaint handling policies to provide greater protections to the LGBT community. Under HUD's new guidance, many complaints of discrimination based on gender identity and sexual orientation can be handled as fair housing complaints of discrimination based on gender.

Advocates working with distressed homeowners who believe they may have been victims of lending discrimination should encourage borrowers to submit mortgage complaints to the CFPB. Individuals and advocates may submit mortgage complaints by visiting www.consumerfinance.gov or by calling 855-411-CFPB (2372). Non-English speakers can receive information and submit mortgage complaints in any one of 200 languages by calling the CFPB. To be sure that a complaint with possible fair lending violations is treated as such, individuals must indicate that they believe their mortgage issue may include discrimination.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to legislators with the message that private fair housing organizations investigate two-thirds of all fair housing complaints each year – twice as many as all government agencies combined. This important service is historically underfunded, and as a result fair housing and fair lending violations remain under-reported and unaddressed. To help put an end to pervasive housing discrimination, funding for FHIP should be at least $57 million, including $5 million for a systemic testing program, and funding for FHAP should be $40 million for FY15.

Legislators interested in ensuring and expanding equal access to housing and housing protections for vulnerable groups, and expanding the fair housing enforcement powers of the DOJ, should support the Housing Opportunities Made Equal Act of 2011 in either chamber of Congress.

FOR MORE INFORMATION

National Fair Housing Alliance, 202-898-1661, 800-910-7315, www.nationalfairhousing.org

Fannie Mae, Freddie Mac, and Housing Finance Reform

By Sham Manglik, Senior Policy Analyst, National Low Income Housing Coalition

The Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), collectively known as the government sponsored enterprises, or GSEs, were established by Congress to provide liquidity and create a secondary market for residential mortgages, both single-family (one- to four- units) and multifamily (five or more units). While Fannie Mae and Freddie Mac were created at different times and for different purposes, they have effectively had identical charters and responsibilities since 1992. Prior to September 7, 2008, when they were placed in conservatorship, Freddie Mac and Fannie Mae were privately owned and operated corporations.

Financial troubles beset both agencies in past years, and in 2008 they were placed under the conservatorship of the Federal Housing Finance Agency (FHFA), their regulator. The Housing and Economic Recovery Act of 2008 (HERA) created the FHFA. In addition to serving as the conservator of the GSEs, FHFA regulates the 12 Federal Home Loan Banks, which are also GSEs. While Fannie Mae and Freddie Mac have since stabilized and returned to profitability, they remain in conservatorship to date.

Today, FHFA has all the authority of each company's directors, officers, and shareholders. Mel Watt was sworn in as Director of FHFA on January 6, 2014. Previously, Edward DeMarco served as Acting Director of the Agency. Until the conservatorship is ended, the FHFA under the direction of the Director operates the companies through appointed management in each company. During conservatorship the enterprises remain critically important to the housing finance system by providing liquidity for new mortgages, assisting in resolving the mortgage crisis, and supporting the multifamily market.

WHAT ARE FANNIE MAE AND FREDDIE MAC

Through their activities as financial intermediaries, Fannie Mae and Freddie Mac help provide liquidity and stability to the conventional (non-government insured) conforming (below applicable loan limits) single-family mortgage market and the multifamily market. By buying mortgages from lenders, Fannie Mae and Freddie Mac ensure that lenders always have funds available with which to make new loans. They primarily purchase single-family, 30-year fixed rate mortgages that are not insured by the federal government, but they also support the multifamily rental market.

The GSEs do not make mortgage loans directly to individual borrowers. Instead, they carry out their secondary market functions by buying mortgages from banks, savings institutions, and other mortgage originators. This allows lenders to free up dollars with which to buy new mortgages. The GSEs either hold the mortgages they purchase in their portfolios or package them into securities, known as mortgage-backed securities (MBS), which they sell to investors.

Although Fannie and Freddie hold some mortgages in their portfolios, most mortgages are placed in mortgage pools to support mortgage-backed securities (MBSs). When the GSEs securitize a mortgage, they are guaranteeing the timely payment of interest and principal to the purchaser of the MBS. In order for single-family mortgages to be packaged and sold as securities, they must meet certain standardized criteria set by the GSEs. As a result, the two GSEs set the lending standards for the conventional, conforming single-family mortgage market. This standardization has the benefit of increasing the liquidity of mortgages meeting the GSE guidelines and thereby decreasing the interest rates on these mortgages, lowering costs for the homebuyer.

Single-family mortgages. Generally, the GSEs provide support for 30-year fixed-rate mortgages on single-family homes. Fannie and Freddie can only purchase mortgages whose principal balance is equal to or less than the conforming loan limit established annually by FHFA. For FY14, the limit is $417,000 generally, with a maximum of $625,500 in areas with high home prices. The limit is also adjusted for property size and different and higher limits apply in Alaska, Guam, Hawaii, and the U.S. Virgin Islands.

Multifamily mortgages. The GSEs also purchase mortgages on multifamily dwellings. These mortgages are generally held in portfolio, but they can be securitized and sold to investors. Currently, Freddie Mac and Fannie Mae's combined purchases represent about 45% of the multifamily market. In the past, Freddie Mac and Fannie Mae have also played a significant role in supporting the Low Income Housing Tax Credit (LIHTC) market; however, since the institution of the conservatorships this support has decreased.

Housing goals. Because they are chartered by the federal government, the GSEs are required to meet certain percentage-of-purchase goals to ensure that they serve the low and moderate income markets, underserved, and special affordable markets. In other words, the GSEs are each required to purchase a certain number of mortgages on properties that meet certain characteristics. These housing goals are set annually, as a percentage of the regulated entity's single family and multifamily business lines. These goals are periodically adjusted.

In November 2012, FHFA published housing goals for the 2012-2014 period. As required by HERA, the new goals include a single family purchase money goal for low income families, a single-family purchase money goal for families residing in low income areas, a single-family purchase money goal for very low income families, a single-family goal for the refinancing of mortgages for low income families and goal for the purchase of multifamily loans affordable to low income families. There is also a multifamily subgoal targeting very low income families. The goals for the 2012-2014 period are lower than those that were set for the 2010-2011 period, in part because FHFA believes that due to the housing market recovery, the GSEs should have a smaller footprint in the market.

HERA also created a new duty to serve, which requires the enterprises to lead the industry in developing loan products and flexible underwriting guidelines for manufactured housing, affordable housing preservation, and rural markets. FHFA has not implemented this requirement.

The GSEs have led on the issue of addressing the needs of renters in foreclosed properties. Freddie Mac and Fannie Mae have also been instrumental in addressing the foreclosure crisis and implementing the Obama Administration's Home Affordable Modification Plan.

ABOUT GSE FUNDING FOR THE NHTF

See also: National Housing Trust Fund: Current Avenues for Funding

The Housing and Economic Recovery Act of 2008 (HERA) established Freddie Mac and Fannie Mae as sources of funding for the National Housing Trust Fund (NHTF; Public Law 110-289, division A, title I, subtitle B, section 1131).

Under HERA, Fannie Mae and Freddie Mac were required to set aside an amount equal to 4.2 basis points for each dollar of total new business purchases. Of these amounts, 65% would be used to fund the NHTF and 35% would be directed to the Capital Magnet Fund (CMF) maintained by the Department of the Treasury.

In 2008, FHFA suspended Fannie's and Freddie's contributions due to the unstable financial condition of the entities. Specifically, the HERA statute allows the contributions to be temporarily suspended if the allocations to the NHTF:

- Are contributing or would contribute to the financial instability of the enterprise;
- Are causing or would cause the enterprise to be classified as undercapitalized; or
- Are preventing or would prevent the enterprise from successfully completing a capital restoration plan under Section 1369C of the law.

Prior to their being placed in conservatorship, the GSEs had received no federal funds to support their operations. Instead, Fannie Mae and Freddie Mac raised money in the capital markets to fund their activities. The GSEs' incomes come from the difference between the interest they receive on the mortgages they hold and the interest they pay on their debt, from the fees they charge to investors for guaranteeing payment on the mortgage-backed securities they issue, and from income earned on non-mortgage investments.

Since the establishment of the conservatorship, both Fannie Mae and Freddie Mac realized substantial losses. These losses have exhausted each enterprise's capital, and as of February 2012, the federal government had provided more than $180 billion in assistance to Fannie Mae and Freddie Mac. The Treasury has also committed to provide an additional support for the GSEs as needed to ensure the strength and security of the mortgage market, to help maintain mortgage affordability and to help keep interest rates low. In addition, both the Treasury Department and the Federal Reserve Bank supported the housing market by purchasing mortgage backed securities and debt securities issued by Freddie Mac and Fannie Mae.

In 2012, Fannie Mae and Freddie Mac returned to profitability, and began to make payments to the Treasury. The 2012 Securities and Exchange Commission's filings show that new business activity for Fannie Mae and Freddie Mac in 2012 was approximately $1.4 trillion. Since then, Freddie Mac has reported a net income of $4.6 billion for the first quarter of 2013 (January – March), marking the company's sixth straight quarter of profits. Fannie Mae reported it had a pre-tax income of $8.1 billion in the first quarter of 2013, the largest quarterly result in the company's history. With this return to profitability, the GSEs began to make payments to the Treasury for the assistance provided by the government to the GSEs. The GSEs have since repaid full amount of assistance received.

NLIHC estimates that since their return to profitability in the first quarter of 2012, Fannie Mae and Freddie Mac should have contributed approximately $760 million to the NHTF. NLIHC, the Right to the City Alliance, and three individual plaintiffs filed suit against the FHFA Director, who at the time was Edward DeMarco, in July 2013 for failure to commence the contributions to the NHTF and revisit the suspension.

The FHFA Director holds the authority to lift the suspension on contributions to the National Housing Trust Fund. Mel Watt was sworn in as Director of FHFA on January 6, 2014. The lawsuit would no longer be necessary if new Director Watt decides to lift the suspension and commence the contributions. Given this improvement in the GSEs' financial conditions, NLIHC, advocates, and members of Congress have called for FHFA Director Mel Watt to lift the suspension and start the contributions, beginning retroactively from the start of 2012.

CURRENT HOUSING FINANCE REFORM PROPOSALS

There is motivation among many in Congress to wind down Fannie and Freddie and create a new housing finance system, with a number of reform proposals offered in the 113th Congress. While it is unlikely that housing finance reform legislation will be enacted in the near future, the work being done now is important groundwork for future Congresses. Advocates should pay attention to the debate as the NHTF is embedded in the GSE statute.

PATH Act

The House Committee on Financial Services approved the Protecting American Taxpayers and Homeowners (PATH) Act (H.R. 2767 in the 113th Congress). The PATH Act calls for a five-year phase out of the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac. As part of this wind-down, the bill would repeal the authorization of the current GSE affordable housing goals as well as the NHTF.

The bill would also make changes to the Federal Housing Administration (FHA), including making FHA a separate agency, no longer part of HUD. The bill would limit FHA's activities to first-time homebuyers with any income, and low and moderate-income borrowers and would lower the FHA conforming loan limit for high-cost areas.

The bill would "establish a new non-government, not-for-profit National Mortgage Market Utility (Utility) regulated by the Federal Housing Finance Administration (FHFA) to develop common "best practices" standards for the private origination, servicing, pooling, and securitizing of mortgages, and operate a publicly accessible securitization outlet to match loan originators with investors." The Utility would not be allowed to originate, service, or guarantee any mortgage or mortgage backed security.

While the bill was approved the Committee on Financial Services, it diverges greatly from Senate proposals, and it is unlikely that the bill will pass the full House of Representatives, let alone be enacted in the 113th Congress.

The Housing Opportunities Move the Economy (HOME) Forward Act

House Committee on Financial Services Ranking Member Maxine Waters (D-CA) has also released draft housing finance reform legislation, the Housing Opportunities Move the Economy (HOME) Forward Act. The measure would wind down Fannie Mae and Freddie Mac over a five year period and replace them with a newly created lender-owned cooperative, the Mortgage Securities Cooperative (MSC). The MSC would be the only entity that could issue government guaranteed securities and would be lender-capitalized, based on mortgage volume. The bill would also create a new regulator, the National Mortgage Finance Administration (NMFA). Under the bill, private capital would have to be in a first loss position to reduce taxpayer risk.

The HOME Forward Act would preserve Fannie and Freddie's multifamily business and transfer it to a new multifamily platform at the MSC. The bill also assesses a 10 basis point user fee to fund the NHTF, the Capital Magnet Fund, and the Market Access Fund.

The Waters bill is not bipartisan, and it is not likely to advance in the 113th Congress, given that it contrasts starkly from the Committee on Financial Services-approved PATH Act. Nonetheless, the bill is an important counter point to the PATH Act, and it is expected that elements of the bill will be integrated into housing finance reform efforts in future Congresses.

Corker-Warner

Senators Bob Corker (R-TN) and Mark Warner (D-VA) introduced The Housing Finance Reform and Taxpayer Protection Act of 2013 (S. 1217), which lays out a bipartisan plan to wind down Fannie and Freddie and replace them with a Federal Mortgage Insurance Corporation (FMIC), modeled after the Federal Depository Insurance Corporation (FDIC). The FMIC would offer an explicit government guarantee, purchase and securitize single and multifamily mortgage portfolios, and provide regulatory oversight of the Federal Home Loan Banks. The bill would assess a 5-10 basis point user fee on all guaranteed securities that would be used to fund the NHTF, the Capital Market Fund, and a new Market Access Fund. Among other provisions, the bill would abolish the affordable housing goals.

The Corker-Warner bill launched a substantive conversation on housing finance reform in the Senate, and after the bill's introduction, the Senate Committee on Banking, Housing, and Urban Affairs held a series of hearings and stakeholder meetings on the content of the bill, to further refine the proposal and to develop a next iteration of the bill.

Johnson-Crapo

Draft legislation offered by Senate Committee on Banking, Housing, and Urban Affairs Chair Tim Johnson (D-SD) and Ranking Member Mike Crapo (R-ID) was released in the Spring of 2013, and reflects the feedback collected by the Committee after the introduction of the Corker-Warner bill. The measure uses the same framework as the Corker-Warner bill, and would replace the GSEs with a new FMIC. To be eligible for reinsurance under the FMIC, any security must have first secured private capital in a 10% minimum first loss position. The bill also establishes a new securitization platform to create a standardized security to be used for all securities guaranteed by the new system. The securitization platform will be regulated by the FMIC.

The bill includes a 10 basis point user fee to fund the NHTF, the Capital Magnet Fund, and the new Market Access Fund. The measure is more favorable to the NHTF than the Corker-Warner bill. While the bill also abolishes the affordable housing goals, it includes a new "flex fee" or "market incentive" to encourage mortgage guarantors and aggregators to business in underserved areas.

The multifamily language in the Corker-Warner bill essentially was a placeholder, and the Johnson-Crapo bill expands on the Corker-Warner language to provide for a secondary market for multifamily housing. The bill largely allows for the Fannie and Freddie multifamily activities to be spun off from the new system established by the bill. The bill would require that at least 60% of the multifamily units securitized must be affordable for low income households (80% AMI or less). The bill would also create a pilot program to promote small (50 or fewer units) multifamily development.

The Johnson-Crapo is the housing finance reform measure most likely to advance in the 113th Congress, although stakeholders on both sides of the aisle see areas where the bill should be improved. Whether or not these concerns can be addressed will be a key determining factor as to whether the bill will be able to advance in this Congress. Specifically, stakeholders on the left seek improvements to assure that underserved communities have access to credit and to assure that existing fair housing and anti-discrimination laws are preserved and not weakened in any bill.

HOUSING FINANCE REFORM AND THE IMPACT ON THE NHTF

It is imperative that any legislation to reform the U.S. housing finance system preserve the principle established in HERA that the system, which benefits from its affiliation with the federal government, should make financial contributions to support housing activities that address the needs of the poorest households, which cannot be met through the housing market.

Among the proposals pending in the House and Senate, the Johnson-Crapo and Waters bills are most favorable to the NHTF. Both bills require a 10 basis point fee assessment on users of the new systems created by the bills, estimated to generate approximately $5 billion a year. Both bills would direct 75% of the amounts collected through this fee to the National Housing Trust Fund (NHTF). This would result in the application of an estimated $3.75 billion to the NHTF per year—the biggest investment in rental housing for extremely low income households in 40 years. Of the remaining funds, 15% would be applied to the Capital Magnet Fund, and 10% would go to a new Market Access Fund.

The PATH Act would abolish the NHTF, and privative the housing finance system. The Corker-Warner bill, while providing funding for the NHTF, would direct far fewer resources to the NHTF than the Johnson-Crapo and Waters bills, and also includes problematic language related to the NHTF that would detract from the original intent and purpose of the program, as established in HERA.

WHAT TO SAY TO LEGISLATORS

Now that the entities are turning profits, FHFA should require them to begin making contributions immediately. HERA called for the contributions to the NHTF to be temporarily suspended if the contributions would be financially harmful to the stability of the GSEs. The GSEs are now once again solvent and making record profits. Legislators should call on Director Watt to revisit the suspension and start the contributions effective from the start of 2012.

Freddie Mac and Fannie Mae play important roles in both the single-family market and in the affordable multifamily market. These functions, as well as the contributions to the NHTF, need to be part of any future secondary market. The NHTF must be retained and funded in any future housing finance system. With respect to the current housing finance reform proposals, advocates should urge their legislators to take the following positions:

- In the House, representatives should oppose the PATH Act and any legislation that proposes to eliminate the NHTF.
- Legislators should support the treatment of the NHTF in the Johnson-Crapo and Waters bills, which supports the NHTF by providing 75% of the 10 basis point user fee to the National Housing Trust Fund.
- Legislators should support housing finance reform legislation that assures access to the market for all credit worthy borrowers, as well as strengthening of the bill's language to assure compliance with current fair housing laws.

FOR MORE INFORMATION

- Learn more about the NLIHC lawsuit at: www.nhtf.org/lawsuit
- Federal Home Loan Mortgage Corporation, www.fanniemae.com
- Federal Housing Finance Agency, www.fhfa.gov
- Federal National Mortgage Association, www.freddiemac.com

The Federal Home Loan Banks' Affordable Housing Program and Community Investment Program

By David Jeffers, Executive Vice President of Policy and Public Affairs, Council of Federal Home Loan Banks

The Federal Home Loan Banks are 12 regional cooperative banks used by U.S. lending institutions to finance housing, community development, infrastructure, small business, and jobs in their communities. The Federal Home Loan Banks System was created by Congress in 1932. The Federal Home Loan Banks are regulated by the Federal Housing Finance Agency (FHFA), the successor to the Federal Housing Finance Board. FHFA was created in the Housing and Economic Recovery Act of 2008 (HERA). FHFA also regulates the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The Home Loan Banks are the largest single source of funds for community lending in the United States.

PROGRAM SUMMARIES

Federal Home Loan Banks administer two housing and economic development programs.

Affordable Housing Program (AHP). Federal Home Loan Banks must contribute 10% of their net income from the previous year to affordable housing through the AHP. The minimum annual combined contribution by the 12 Federal Home Loan Banks must total $100 million. Member banks partner with developers and community organizations seeking to build and renovate housing for low to moderate income households. To ensure that AHP-funded projects reflect local housing needs, each Home Loan Bank is advised by a 15-member Affordable Housing Advisory Council for guidance on regional housing and community development issues.

AHP consists of two programs: a competitive application program and a homeowner set-aside program. Under the competitive application program, a Federal Home Loan Bank member submits an application on behalf of a project sponsor. Each Federal Home Loan Bank establishes a point system to score applications based on nine criteria required by regulation (12 CFR part 1291). AHP competitive awards are made during scheduled funding rounds each year, starting with the highest scoring application until the available money is distributed.

If rental housing is developed with AHP funds, at least 20% of the units must be reserved for and be affordable to households with incomes below 50% of AMI. Owner-occupied housing must be occupied by households with incomes below 80% of the area median income (AMI). AHP is a shallow-subsidy program; the Federal Housing Finance Agency reports that the average subsidy in 2011 was $6,100 per unit.

Under the homeowner set-aside program, a Federal Home Loan Bank member applies for grant funds and disburses the funds directly to the homeowner. A Federal Home Loan Bank may set aside up to $4.5 million, or 35% of its annual HAP contribution, to assist low or moderate income households purchase or rehabilitate homes. At least one-third of a Federal Home Loan Bank's aggregate annual set-aside contribution must be allocated to first-time homebuyers. The maximum grant amount per household is $15,000.

The Affordable Housing Program is designed to help member financial institutions and their community partners develop affordable owner-occupied and rental housing for very low to moderate income families and individuals. Projects serve a wide range of needs. Many are designed for seniors, persons with disabilities, homeless families and individuals, first-time homeowners, and others with limited resources.

Project sponsors partner with financial institutions to seek the competitive grants or low-cost loans. Applicants are encouraged to leverage their awards with other funding sources, including conventional loans, government subsidized financing, tax-credit equity, foundation grants, and bond financing. AHP is a flexible program that uses funds in combination with other programs and funding sources, such as Low Income Housing Tax Credits and Community Development Block Grants. Each Federal Home Loan Bank provides training and application assistance. See individual Home Loan Bank websites for details.

The Federal Home Loan Banks have distributed nearly $4 billion in Affordable Housing Program funds since 1990. Close to 700,000 housing units have been built using AHP funds, including more than 400,000 units for very low income residents.

Community Investment Program (CIP). Each Home Loan Bank also operates a CIP that offers below-market rate loans to members for long-term financing of housing and economic development that benefits low and moderate income families and neighborhoods. CIP finances housing for households with incomes below 115% AMI, including rental projects, owner-occupied housing, and manufactured housing communities. Economic development projects must be located in low and moderate income neighborhoods or benefit low and moderate income households. Under CIP, the Banks have lent nearly $60 billion for a variety of projects since the program's inception two decades ago, creating nearly 700,000 housing units and more than 80,000 jobs.

How the Federal Home Loan Bank System Works. The Federal Home Loan Banks, which are government sponsored enterprises (GSEs), are cooperatives that provide funding for housing through all market cycles. More than 7,500 lenders are members of the Federal Home Loan Bank System, representing approximately 80% of the insured lending institutions in the country. Community banks, thrifts, commercial banks, credit unions, community development financial institutions, insurance companies, and state housing finance agencies are all eligible for membership in the system. The 12 Home Loan Banks are located in Atlanta, Boston, Chicago, Cincinnati, Dallas, Des Moines, Indianapolis, New York, Pittsburgh, San Francisco, Seattle, and Topeka.

Each Federal Home Loan Bank has its own board of directors, comprised of members of that Home Loan Bank and independent (non-member) directors. The boards of directors represent many areas of expertise, including banking, accounting, housing, and community development.

The primary purpose of the Federal Home Loan Banks is to provide members with liquidity. In fact, the Federal Home Loan Banks are the only source of credit market access for the majority of its members. Most community institutions do not have the ability to access the credit markets on their own.

Federal Home Loan Bank loans to members, called "advances," are a nearly instantaneous way for members to secure liquidity. The Federal Home Loan Banks go to the debt markets several times a day to provide their members with funding. The size of the Federal Home Loan Bank System allows for these advances to be structured in any number of ways, allowing each member to find a funding strategy that is tailored to its needs.

In order to qualify for advances, a member must pledge high-quality collateral, in the form of mortgages, government securities, or loans on small business, agriculture, or community development. The member must also purchase additional stock in proportion to its borrowing. Once the member's Home Loan Bank approves the loan request, it advances those funds to the member institution, which then lends the funds out in the community for housing and economic development.

Each of the 12 regional Federal Home Loan Banks is self-capitalizing. During times of high advance activity, capital automatically increases. As advances roll off the books of the Federal Home Loan Banks, capital is reduced accordingly.

During the recent financial crisis, the Federal Home Loan Banks continued to provide liquidity nationwide to members for housing and community credit needs through one of the most challenging periods of economic stress ever. As other sources of liquidity disappeared, and before the coordinated response of the federal government, the System increased its lending to members in every part of the country by 58% between the second quarter of 2007 and the third quarter of 2008. Advances exceeded $1 trillion in the third quarter of 2008.

Member demand for advance borrowings continued to be lower as members' loans outstanding decreased while their deposit base continued to grow, both as a result of the economic contraction. As of the end of the third quarter of 2010, System advances outstanding totaled $500 billion. This is a decline from $631 billion in advances outstanding to start the year, and a decline from the high of $1 trillion in advances for the third quarter of 2008. However, one of the benefits of the System's regional, self-capitalizing, cooperative business model is the ability to safely expand and contract to meet member lending needs throughout various business cycles.

Federal Home Loan Banks are jointly and severally liable for their combined obligations. That means that if any individual Federal Home Loan Banks would not be able to pay a creditor, the other 11 Federal Home Loan Banks would be required to step in and cover that debt. This provides another level of safety and leads to prudent borrowing throughout the System.

FUNDING

No taxpayer funds are involved in the operation of the privately owned Federal Home Loan Banks. The Federal Home Loan Banks' Office of Finance, the clearinghouse for Home Loan Bank debt transactions, accesses the global capital markets daily. Federal Home Loan Bank debt is sold through a broad, international network of about 100 underwriters.

FORECAST FOR 2014

In the wake of the nation's financial crisis, concerns over systemic risk are on the minds of advocates and of all Americans. In eight decades, the Federal Home Loan Banks have never incurred a credit loss on an advance. This record can be attributed to the collateralization of all advances, conservative underwriting standards, and strong credit monitoring policies. In response to the crisis in the U.S. financial market, policymakers will consider proposals to restructure the regulatory system for U.S. financial institutions.

Advocates should look at how any proposed restructuring would affect the Home Loan Banks.
In any discussion about the future of housing finance, advocates should remember that:

- The regional, self-capitalizing Federal Home Loan Bank cooperative model is designed to protect against pursuing risky behavior.
- Federal Home Loan Bank advances to members are fully secured and follow strict underwriting standards.
- The Federal Home Loan Bank mortgage programs require participating lenders to share in the credit risks of their mortgage loans, thereby keeping "skin in the game."
- The Federal Home Loan Banks have fulfilled their role in the housing finance system without any Congressional appropriations or direct federal assistance.

WHAT TO SAY TO LEGISLATORS

The Federal Home Loan Banks have a number of programs and products that can help drive economic recovery. Their community lending programs can be utilized to help drive job growth at the local level. The system's AHP grants have remained a reliable and stable source of much-needed affordable housing funding, even as other sources of affordable housing funding have dried up.

The role the Federal Home Loans Banks play in the financial system is vitally important. In any restructured housing finance system, the Federal Home Loan Banks must continue to function as steady and reliable sources of funds for housing and community development through local institutions.

FOR MORE INFORMATION

- Council of Federal Home Loan Banks, www.cfhlb.org
- Federal Housing Finance Agency, Housing Programs, www.fhfa.gov/Default.aspx?Page=102

Federal Housing Administration

By Sham Manglik, Senior Policy Analyst, National Low Income Housing Coalition

The Federal Housing Administration (FHA) insures mortgages made by lenders, and in doing so helps provide single-family housing and multifamily housing for low and moderate income families. The FHA was established in 1934 under the National Housing Act to expand homeownership, broaden the availability of mortgages, protect lending institutions, and stimulate home construction. In 1965, the FHA was consolidated into HUD's Office of Housing. FHA is now the largest part of HUD. The FHA Commissioner reports directly to the HUD Secretary.

PROGRAM SUMMARY

The FHA provides mortgage insurance to lenders on both single-family dwellings (one- to four-unit) and multifamily dwellings (five units or more). FHA programs do not lend money directly, but instead insure private loans made by FHA-approved lenders. When a loan defaults, lenders make a claim to FHA, triggering an FHA payment to the lender for the claim amount. FHA then takes possession of the property that secured the mortgage loan. The FHA consists of several insurance funds supported by: premium, fee, and interest income; Congressional appropriations if necessary; and, other miscellaneous sources. According to reports to Congress, FHA has insured more than 40 million home mortgages and 53,000 multifamily project mortgages since 1934. In FY13 FHA insured more than 1.3 million single-family forward mortgage loans.

Mutual Mortgage Insurance. FHA's primary single-family programs are within the Mutual Mortgage Insurance (MMI) fund, which is managed by the Office of Single Family Housing. The fund receives upfront and annual premiums collected from borrowers, as well as net proceeds from the sale of foreclosed homes. Each year, the MMI pays out claims to lenders and is able to cover administrative costs without federal subsidies.

FHA insurance allows borrowers to purchase a home with a lower down payment than is often available in the nongovernmental market. Borrowers pay a fee for FHA insurance. For single-family loans, this fee consists of an upfront amount collected at the time the mortgage is closed, and an annual fee that varies with the loan-to-value ratio (LTV) and length of the mortgage. The annual fee is collected with the monthly mortgage payments. FHA borrowers are required to make a minimum down payment of 3.5%. FHA insures loans only in amounts under set loan limits. Generally, the loan limits are set at 115% of area median home prices, with a floor of 65% of the Federal Home Loan Mortgage Corporation (Freddie Mac) loan limit and a ceiling of 150% of the Freddie Mac limit. The limit for high-cost areas is 625,500, down from the previous temporary high-cost area limit of $729,750 which expired at the end of 2013. The mortgage amount also cannot exceed 100% of the property's appraised value.

The fiscal health of the MMI Fund has been a subject of significant concern in 113th Congress. The MMI Fund capital reserve ratio is required to be at or above 2%. In FY13, however, the MMI Fund had a capital reserve ratio of -0.11 %. FHA attributes this to loans insured prior to 2010. FHA has implemented a number of internal changes to strengthen the fund, and FHA expects that the MMI Fund will reach a 2% capital reserve ratio by FY15, earlier than previously anticipated. FHA reports that in the past fiscal year, the value of the fund increased by $15 billion, from negative $16.3 billion at the end of FY12 to negative $1.3 billion in FY13. FHA was required to take a mandatory appropriation of $1.68 billion in FY13 to assure the stability of the fund.

Special Risk Insurance and General Insurance Funds. In addition to the MMI fund, FHA also operates Special Risk Insurance and General Insurance Funds, which insure loans used for the development, construction, rehabilitation, purchase and refinancing of multifamily housing and health care facilities. Unlike the MMI Fund, this insurance requires subsidies from the federal budget.

Manufactured housing. FHA provides insurance for the purchase or refinancing of a manufactured home, a loan on a developed lot on which a manufactured home will be placed, or a manufactured home and lot in combination. The home must be used as the principal residence of the borrower. The insured loan may not exceed $69,678 for a manufactured home, $23,226 for a manufactured home lot, or $92,904 for a combined manufactured home and lot. These limits can be increased by 85% in high cost areas.

Ginnie Mae. The Government National Mortgage Association (Ginnie Mae), also part of HUD, is an important sister agency to FHA. Ginnie Mae guarantees the principal and interest on privately issued securities backed by FHA, the U.S. Department of Veterans Affairs (VA), and the I.S. Department of Agriculture's Rural Housing Service mortgages, thereby enabling a constant flow of capital for mortgage loans. In FY13, Ginnie Mae guaranteed $460 billion in mortgage-backed securities (MBS), representing 1.6 million families.

FORECAST FOR 2014

The downturn in the housing market affected FHA by increasing its default rates and its insurance expenses. These increased losses reduced FHA reserves below statutory minimum requirements and forced FHA to tighten its underwriting requirements and take other steps to reduce losses. Advocates should expect additional Congressional oversight on the health of the MMI fund, and potential Congressional action, such as a mortgage premium increase or an additional infusion of funding from the Treasury, if capital ratio projections change.

A 2012 Center for American Progress analysis showed that in addition, the FHA, along with Freddie Mac and the Federal National Mortgage Association (Fannie Mae), provided the financing for about 95% of the mortgage loans in this country. While private capital is returning to the market, the government has a disproportionately large share, and this level of federal government support for the mortgage market is unsustainable and undesirable over the long run. The 113th Congress is working to reduce the government's role in the housing finance system and return the bulk of mortgage lending to the private sector.

Revenue generated by FHA is used to underpin HUD's annual budget request. In FY14, HUD counted FHA receipts to undergird its budget, keeping HUD from making deep cuts in rental assistance programs. The amount of FHA revenue HUD will count on in FY15 may decrease. FHA's market share has been decreasing as the housing market starts to recover, resulting in a lower level of receipts that can be applied to the HUD budget. The Congressional Budget Office will ultimately determine if HUD's revenue projections for FHA are accurate. Congress ultimately decides whether FHA revenue can be dedicated to HUD's bottom line, or whether these revenues should flow into the general treasury of the United States.

There is a sense of urgency in both the House and Senate to enact FHA reform to assure the stability of the agency and avoid future instances where congressional appropriations are needed to bolster the MMI fund. House and Senate panels have considered draft legislation that would include tools requested by FHA to manage the MMI Fund. While hearings have been held on the proposals, it is unclear if reform legislation will be enacted by the end of the 113th Congress.

FOR MORE INFORMATION

- 2013 FHA Management Report to Congress, http://bit.ly/1qWVVY1
- Ginnie Mae 2013 Annual Report to Congress, http://1.usa.gov/1kYec5z
- *The $5 Trillion Question: What Should We Do with Fannie Mae and Freddie Mac?* from the Center for American Progress, http://bit.ly/WIbPsw.

Healthy Homes and Lead Hazard Control

By Jane Malone, Director of Policy, National Center for Healthy Housing

Administering agency: HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC); Name changing in 2014 to the Office of Lead Hazard Control and Healthy Homes
Year program started: Lead Hazard Control, 1992; Healthy Homes Initiative, 1999
Number of persons/households served: 11,000 households
Population targeted: Low income and very low income families who reside in worst-quality private housing where children under six years of age reside or are likely to reside.
FY14 funding: $110 Million

Indoor pollution and hazards inside our homes typically pose far greater risks to children's health than outdoor exposure. This is due to the fact that children spend as much as 90% of their time indoors, and toxic substances can reach more concentrated levels indoors than they do outside. Older, dilapidated housing with lead-based paint, and the dust and soil it generates, are the biggest sources of lead exposure for children. Often these units have a combination of health dangers that include dust mites, molds, and pests which can cause or trigger asthma; carcinogens, such as asbestos, radon, and pesticides; and other deadly toxins such as carbon monoxide.

ADMINISTRATION

Both programs are administered by HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC). As a result of the FY14 Appropriations Act the name of the administering office will now be called the Office of Lead Hazard Control and Healthy Homes. The Environmental Protection Agency (EPA) and the Centers for Disease Control and Prevention administer complementary programs.

HISTORY AND PURPOSE

Lead Hazard Control. The Residential Lead-Based Paint Hazard Reduction Act, or Title X of the Housing and Community Development Act of 1992, was enacted to focus the nation on making housing safe for children by preventing exposure to lead-based paint that has deteriorated due to moisture problems and poor maintenance, and invisible lead dust caused by repair and painting work that disturbs lead-based paint. The law established the Lead Hazard Control Grants Program to provide grants to communities to control lead-based paint hazards in privately owned, low income, owner-occupied and rental housing. In 2003, Congress created Lead Hazard Reduction Demonstration Grants to target additional lead hazard control grants to the nation's highest-risk cities. Both programs and enforcement of related regulations are housed in HUD's OHHLHC. More than 195,000 homes have been made lead-safe under the lead hazard control programs.

Healthy Homes Initiative. The Healthy Homes Initiative was established by HUD in 1999 to protect children and their families from residential health and safety hazards. The goal of this program is a comprehensive, integrated approach to housing hazards through two grant programs which create and demonstrate effective, low-cost methods of addressing mold, lead, allergens, asthma, carbon monoxide, home safety, pesticides, and radon. These grant programs are housed in HUD's OHHLHC.

While these represent just a fraction of the estimated 35 million U.S. housing units with lead-based paint hazards, the programs have rendered some of the nation's highest-risk homes safe for future occupants and have built lasting capacity to continue to prevent and control lead hazards.

The beneficiaries of the lead hazard control program are low income households. Assisted rental units must be available on a priority basis for at least three years for families with children under age six. Ninety percent of owner-occupied units must house or be regularly visited by a child under age six. Because the funds do not cover all housing eligible under federal policy, each grantee develops its local plan and is permitted to target investment of grant funds based on factors such as the presence of a lead-poisoned child and location in a high-risk neighborhood. The programs' funds are awarded via a competitive combined Notice of Fund Availability (NOFA).

ISSUE SUMMARY

Recent research confirms that housing policy has a profound impact on public health, and for any public health agenda to be effective, it must include a housing component. The statistics and key findings regarding the long-term effects of housing-related health hazards are alarming.

Lead poisoning, chronic low-level carbon monoxide exposure, and asthma all greatly interfere with a child's ability to learn and perform in school. In fact, 10% of juvenile delinquency is attributed to lead poisoning. Elevated blood levels are associated with decreased academic achievement cognition problems, increased incidence of Attention Deficit Hyperactivity Disorder, and other behavior problems. In 2008, the economic costs to society of lead poisoning alone were estimated at $60 billon. Housing-related injuries result in significant costs as well, including: lost learning and earning potential of children; lost work days for parents caring for ill children's medical expenses, including emergency room visits; and, special education costs. Asthma costs the U.S. economy $16 billion each year in direct and indirect expenses.

The burden of housing-related health hazards falls disproportionately on the most vulnerable children and communities, making for striking disparities in health impacts. African-American children are twice as likely to have asthma and are six times more likely to die from it than white children. Households with annual incomes less than $30,000 are twice as likely as others to have lead hazards in their homes. Children of low income families are eight times more likely to be lead-poisoned than those of higher income families, and African-American children are five times more likely than whites to be lead-poisoned. In some locales, African-American and Latino children are eight to nine times more likely to enter school with a history of lead poisoning. Children poisoned by lead are seven times more likely to drop out of school and six times more likely to end up in the juvenile justice system.

Those numbers begin to multiply and add up to even bigger consequences when dealing with the cumulative effects of multiple hazards. Thorough visual assessments, air tests, remediation activities, and a 'whole-house' approach are critical. Inadequate ventilation increases the concentration of lethal indoor air pollutants such as radon and carbon monoxide, and exacerbates moisture and humidity problems. Moisture causes paint deterioration, which puts children at risk of exposure to leaded dust and paint chips. Moisture also encourages growth of mold, mildew, dust mites, and microbes, which contribute to asthma and other respiratory diseases. Asthma is exacerbated by allergic reaction to certain triggers such as dust, mold, pests (such as cockroaches, rats and mice), cold air, and dry heat. Use of common pesticides to control infestations contaminates homes with known carcinogens.

The ballooning costs for medical care and other housing-related health hazards justify investments in primary prevention to address unhealthy housing conditions before they cause illness. A whole-house approach must become the focus since housing-related health hazards often have overlapping causes, effects, and solutions. Additionally, solutions and opportunities may arise through existing weatherization and rehabilitation work. Since improperly disturbing lead-based paint may cause lead poisoning, it is necessary to use lead-safe work practices and comply with EPA's renovation rule. Many weatherization treatments have healthy homes benefits. For example, window replacement can help with lead poisoning prevention, and roof repair and insulation may help reduce moisture intrusion and prevent mold. Improving ventilation to ameliorate the ill effects of tightening a building can help ensure no harm from energy-efficiency measures.

Much of the technical infrastructure to achieve healthy housing is in place, but missed opportunities to make housing healthier occur within some existing programs. Modest adjustments in policies and practices could minimize those missed opportunities, maximize resources, and achieve better results.

PROGRAM SUMMARY

Programs based at HUD include:

Healthy Homes Initiative. The President's FY15 budget proposal seeks $25 million total for healthy homes activities. The Healthy Homes Demonstration /Production grant program funds: preventive and corrective measures to address housing-related health and safety hazards; education and outreach activities to protect children from health and safety hazards; and, capacity building to sustain healthy homes programs. These funds are available via supplemental awards to cities and states that already have lead hazard control grants to enable these programs to address other health hazards in homes with lead hazards. Grants are also awarded through a separate competition open to nonprofits, for-profits, state and local governments, tribes, and colleges and universities.

The Healthy Homes Technical Studies (HHTS) grant program develops and improves cost-effective methods for evaluating and controlling residential health and safety hazards through a separate competition open to academic and nonprofit institutions, state and local governments, tribes, and for-profit organizations. HHTS grantees develop validated assessment tools, improve environmental sampling and Integrated Pest Management protocols, and evaluate interventions. The budget authority for the Healthy Homes Initiative was $20 million in FY10, $25 million in FY11, $10 million in FY12 and FY 13, and $15 million in FY14.

Lead Hazard Control Grants. The typical award of $3 million addresses hazards in several hundred homes and provides needed outreach and capacity-building services. Grants can only be awarded to states, counties, and cities for lead hazard control in private housing. At least 65% of the grant must be used for direct activities such as abatement, interim control, clearance, and risk assessment. Grantees are required to partner with community groups, typically by awarding sub-grants, and to provide a match of 10%-25% from local or CDBG funds. More than $1 billion has been awarded since the program started in 1993. The combined budget authority for Lead-Based Paint Hazard Control Grants and Lead Hazard Reduction Demonstration Grants (described below) was $197 million in FY09, $114 million in FY10, $94 million in FY11, $107 million in FY12 and FY 13, and $95 million in FY14. The President's FY15 budget proposal seeks $93 million.

Lead Hazard Reduction Demonstration Grants. This program targets funds for lead hazard control to the nation's 100 highest-risk cities as defined by the prevalence of lead poisoning and the number of pre-1940 rental housing units. Grants may be as high as $4 million, but 80% of the funds must be spent on direct activities, and HUD requires a 25% local match from local or CDBG funds. High-risk cities can receive demonstration grants in addition to basic lead hazard control grants.

Lead Technical Studies Program (LTS). This program funds academic institutions, nonprofit and for-profit organizations, states, Native American tribes, and local governments to conduct research to gain knowledge on improving the efficacy and cost-effectiveness of methods for evaluation and control of residential lead-based paint hazards. Each year OHHLHC awards between two and four cooperative agreements of up to $500,000 each. The President's FY15 budget proposal seeks $2 million.

Disclosure Law Enforcement. Title X directed HUD to enforce the required disclosure of lead hazards to the potential renter or purchaser of every pre-1978 home. As a result of disclosure enforcement actions, more than 200,000 dwelling units in multifamily rental properties have received ordered repairs. The regulation is published at 24 CFR 35 Subpart A.

Lead-Safe Housing Rule. At least one million federally subsidized homes have been made and kept safe due to requirements under the Lead Safe Housing Rule (24 CFR 35 Subparts B-R).

Programs at Other Federal Agencies include:

Healthy Homes and Lead Poisoning Prevention Program. Until 2012, the Centers for Disease Control and Prevention's (CDC) Childhood Lead Poisoning Prevention Program provided funding to state and local health departments to determine the extent of childhood lead poisoning by: screening children for elevated blood lead levels; helping to ensure that lead-poisoned infants and children receive medical and environmental follow-up; and, developing neighborhood-based efforts to prevent childhood lead poisoning. This program's funding was reduced from $31 million in FY11 to $2 million for a small federal effort in FY12 and FY 13. Congress partially restored the lead poisoning prevention program to $15 million in FY14. With the FY 14 funds, CDC will award grants for surveillance activities to 41 states and cities and support prevention projects in six communities. The President's FY15 budget proposal seeks $15 million.

Renovation, Repair, and Painting Rule. The EPA's Renovation, Repair, and Painting Rule requires contractor certification and use of lead-safe work practices for paint-disturbing work in all pre-1978 residences (and child-occupied facilities) unless there is proof that lead-based paint is not present. The rule took effect on April 22, 2010. The rule provides a framework for educating and regulating the construction industry to work safely in order to prevent health hazards in housing.

Maternal, Infant, and Early Childhood Home Visiting Grants Program. This is a $1.5 billion, five-year, state-based formula grant program for home visiting programs that provide services and support to pregnant women, infants, children up to kindergarten age, and their families. In the program's third year, Congress appropriated $250 million. To secure funding, states completed a needs assessment and developed a plan for addressing these needs. There is growing agreement that programs visiting the homes of high-risk families should include a healthy homes assessment; three states have piloted this approach.

FORECAST FOR 2014

In the first year of the 113th Congress, Senators Jack Reed (D-RI), Mike Johanns (R-NE), Barbara Boxer (D-CA), and Al Franken (D-MN) introduced S. 290, the Title X Amendments Act, to align legislative authority with current needs and practices. Representative Louise Slaughter (D-NY) led a group of other House members in introducing the companion bill, H.R. 1232. This bill would allow lead hazard control grantees to: help families residing in efficiency apartments; address multiple housing-related health hazards; and, accept a family's income eligibility information from other federally funded programs. The bill would also expand the existing Title X statute, which focuses solely on lead hazards, to enable the use of up to 30% of grant funds to correct other health and safety threats. The bill also expands eligibility for grants, presently limited to state and local governments, to include tribal governments, and nonprofit organizations if they have the support of the applicable state or local government.

The Administration's FY15 budget request includes a legislative proposal to provide HUD with subpoena authority for the Lead Disclosure Regulation, allowing HUD to obtain documents from rental housing owners suspected of violating the statute.

TIPS FOR LOCAL SUCCESS

Many communities have improved the quality of their housing stock and have eliminated housing-related health hazards by implementing or better enforcing minimum housing codes. For example, sanitary codes prohibit peeling paint, standing water, chronic moisture, roof and plumbing leaks, and pest infestation. The International Residential Code requires carbon monoxide detectors in new homes with fuel-burning appliances or attached garages. Efforts are underway to: require carbon monoxide detectors in existing housing; add a requirement for radon-resistant new construction; and, prohibit lead hazards and excessive moisture that leads to mold. Increasing public awareness and concern about other housing-related hazards is fueling new attention to state and local regulation of healthy homes issues. The National Healthy Housing

Standard's release in 2014 will provide advocates with a health-centered overlay for the International Property Maintenance Code and a template for comprehensive local healthy housing policy.

WHAT TO SAY TO LEGISLATORS

Advocates should contact their Members of Congress, ask to speak to the person who deals with housing policy, and deliver the message that funding is needed in FY15 to correct health and safety hazards and ensure that privately owned affordable housing is safe and healthy. Advocates should inform legislators of the following ways through which they can lend support for reducing housing-related health problems:

- Fully fund HUD's Lead Hazard Control and Healthy Homes Program through which communities can fix homes with health hazards including lead-based paint problems. Support the President's FY15 proposal for $120 million, including $25 million for healthy homes, $93 million for lead hazard control, and $2 million for technical studies.
- Restore the full level of funding for CDC's $29 million Healthy Homes and Lead Poisoning Prevention Program so local and state health departments can promote prevention and respond to lead-poisoned children.
- Pass and implement the Title X Amendments Acts.

FOR MORE INFORMATION

National Center for Healthy Housing, 202-280-1982, www.nchh.org
National Safe and Healthy Housing Coalition, http://bit.ly/1dvzV04
HUD's Office of Lead Hazard Control and Healthy Homes, http://1.usa.gov/1iOKkas

HOME Investment Partnerships Program

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Community Planning and Development (CPD)
Year program started: 1990
Population targeted: Households with incomes below 80% area median income (AMI); when used to assist renters, 90% of a jurisdiction's rental units must be occupied by households with incomes below 60% AMI
FY14 funding: $1 billion
See also: *Consolidated Plan*

The HOME Investment Partnerships (HOME) program is a federal block grant intended to expand the supply of decent, affordable housing for lower income people.

HISTORY

The HOME Program was authorized in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act.

PROGRAM SUMMARY

HOME is a federal block grant to 643 participating jurisdictions (PJs), which are states and certain localities that use the funds to provide affordable housing to low and moderate income households. States and localities use the funds for a variety of homeownership and rental activities. In general, all HOME money must benefit people with low or moderate incomes, tenant rents must generally be capped at a fixed percentage of the area median income, and units must be occupied by income-eligible households for a set period of time. The HOME program regulations are at 24 CFR Part 92. Numerous changes to the HOME regulations were finalized on July 24, 2013. A summary of key changes are at: http://bit.ly/1qWWD7J

Eligible activities. HOME dollars can be used as a grant or a loan to meet a variety of development costs such as: buying existing housing or vacant land for affordable housing; building new housing; rehabilitating existing housing; demolition to make way for affordable housing; relocation; and, site improvements and soft costs, such as engineering plans, attorneys' fees, title search, and fair housing services. HOME can also be used to help people purchase or rehabilitate a home by offering loans, loan guarantees, or down payment assistance. Tenants can be given grants for security deposits and rental assistance so that they pay no more than 30% of their income for rent and utilities. Although tenant-based rental assistance agreements are limited to two-year terms, they can be renewed without limit.

PJs can spend no more than 10% of their HOME dollars for overall program planning and administration, but there is no set limit on the use of HOME funds for project-specific administrative costs. Among other limitations, PJs cannot spend HOME dollars on public or assisted housing modernization, operation, or preservation, because public housing has its own separate funding accounts.

Community-based Housing Development Organizations (CHDOs). At least 15% of a participating jurisdiction's HOME funds must be spent for housing that is developed, sponsored, or owned by Community-based Housing Development Organizations (CHDOs). Up to 10% of the CHDO set-aside can be used to provide loans for project-specific technical assistance and site control, such as feasibility studies and consultants, as well as for seed money to cover pre-construction costs, such as architectural plans and zoning approval. If a PJ fails to reserve any portion of the minimum 15% CHDO set-aside within two years, the PJ and its low income residents lose that amount of money. Up to 5% of a PJ's HOME funds can be given to CHDOs for operating expenses. This amount is separate and apart from the minimum 15% CHDO set-aside and does not count against the PJ's 10% cap on administrative uses.

Any nonprofit can receive a HOME grant or loan to carry out any eligible activity, but not every nonprofit is a CHDO. In order to be considered a CHDO, changes to the HOME regulations in 2013 require a CHDO that is a developer or sponsor to have paid employees on staff who have housing development experience. However, another change could assist CHDOs by allowing those that own rental housing to operate it even if the CHDO does not have development expertise. The changes to the HOME regulations in 2013 introduced other changes that might make it more difficult for existing small and rural CHDOs to continue.

In addition, the HOME law requires accountability to low income community residents through significant representation on the organization's governing board. However, the regulations merely require that one-third of a CHDO's board members be elected representatives of low income neighborhood organizations, residents of low income neighborhoods, or other low income community residents. Since a low income neighborhood is one where only 51% of the residents have incomes below 80% of the area median income (AMI), it is possible that more affluent people with very different priorities could be on a CHDO board. Also, because the regulations allow 'community' to be defined as broadly as an entire city, county, or metropolitan area, it is possible to construct a CHDO that is not accountable to low income residents in a HOME project's neighborhood.

Formula allocation. A formula based on six factors reflecting measures of poverty and the condition and supply of the rental housing stock determines which local jurisdictions are PJs. Jurisdictions that do not meet the formula's threshold can get together with neighboring jurisdictions to form a consortium in order to get HOME funding.

Each year, the formula distributes 60% of the HOME dollars to local governments and consortia; the remaining 40% is allocated to states. Local PJs are eligible for an allocation of at least $500,000. Each state receives the greater of its formula allocation or $3 million. The state share is intended for small cities, towns, and rural areas not receiving HOME money directly from HUD. Every HOME dollar must be matched by 25 cents of state, local, or private contributions, which can be cash (but not Community Development Block Grant funding), bond financing proceeds, donated materials, labor or property, or other noncash contributions.

Beneficiaries. When HOME is used to assist renters, at least 90% of the PJ's assisted rental units must be occupied by households with incomes below 60% of AMI; the remaining 10% of the rental units can benefit those with incomes up to 80% of AMI, known as low income households. If a rental project has five or more HOME units, at least 20% of the HOME units must be occupied by households with incomes below 50% of AMI, known as very low income households. When HOME is used to assist people who are homeowners or who will become homeowners, all of that money must be used for housing occupied by households with incomes below 80% of AMI. These are minimum standards required by law. Advocates should work to improve HOME's targeting to people with extremely low incomes, those below 30% of AMI.

Affordability. To qualify as affordable rental housing, rent can be no greater than the lower of fair market rent (FMR) or 30% of the adjusted income of a hypothetical household with an annual income of 65% of AMI. In projects with five or more HOME units in which at least 20% of the HOME units must be occupied by households with very low incomes, rent is considered affordable to them if it less than 30% of their adjusted income or less than 30% of the income of a hypothetical household with an annual income at 50% of AMI. Actual rent limit figures are posted on OneCPD's HOME program web page at: http://bit.ly/1iOKVJb

Newly constructed rental projects must remain affordable for 20 years. Existing rental housing that is either purchased or rehabilitated must remain affordable for 15 years if more than $40,000 is spent per unit, 10 years if between $15,000 and $40,000 is spent per unit, and five years if less than $15,000 is spent per unit.

Homeowner-assisted units are considered affordable if, in general, the value of the home after assistance is less than 95% of the median area purchase price. Homeowner units must remain affordable for the same periods mentioned above. PJs must have resale and recapture provisions to ensure affordability during the required periods. A resale provision must require purchase by an income-eligible household if an original homeowner sells before the end of the affordability period. A recapture provision must ensure that all or a portion of HOME assistance is recouped if an owner sells or is foreclosed upon.

As of December 31, 2013, HOME has delivered completed physical units and provided another 274,944 tenant-based rental assistance contracts since 1992. Out of the 1,158,457physical units, only 38.8% (449,365) were rental units, 19.5% (225,516) were homeowner rehabilitation and/or new construction units, and 41.7% (483,576) were homebuyer units.

At the time of initial occupancy, households with incomes below 30% of AMI occupied 42.5% of the physical rental units, but only 16.5% of all 1,158,457physical units. Households with incomes below 30% AMI occupied 30.6% of the homeowner units, and 5.9% of the homebuyer units. In addition, 79.4% of the tenant-based rental assistance units were occupied by extremely low income people.

FUNDING

In FY11, Congress appropriated $1.6 billion for HOME formula grants, but cut it 38% to $1 billion in FY12 and FY13, which with the sequester netted only $948 million for HOME in FY13. Congress appropriated $1 billion again for FY14. The Administration's FY15 budget request for HOME is $940 million, with an additional $10 million set aside for the Self-help and Assisted Homeownership Program (SHOP).

FORECAST FOR 2014

The Administration's FY15 budget request seeks a number of statutory changes that were also proposed for FY14:

- When HOME appropriations are less than $1.5 billion, current law reduces the minimum HOME allocation to PJs to $335,000. HUD maintains that such small allocations are not sufficient to support affordable housing development that has an impact on communities. HUD is proposing amending the statute in order to reduce the number of PJs by establishing a single threshold of $500,000 regardless of the amount appropriated. HUD notes that if $940 million is appropriated in FY15, the formula would allocate less than $500,000 to 280 out of 642 PJs, 133 of which would be allocated less than $335,000.
- Currently, once a PJ's formula allocation falls below the threshold amount of $500,000 or $335,000 it remains eligible to continue receiving HOME funds under the "grandfather" provision. HUD proposes eliminating continuous grandfathering by phasing a PJ out over a five-year period once its formula allocation falls below the threshold for three years out of a five-year period.
- Currently, when PJs do not reserve CHDO funds within 24 months, the statute requires HUD to reallocate those funds to other CHDOs through a national competition. Because HOME funds now have only a three-year period of availability, HUD states that recaptured CHDO funds are not sufficient during any given year to warrant a national competition. Therefore, HUD proposes reallocating recaptured CHDO funds by formula to PJs for non-CHDO activities.
- HUD proposes allowing nonprofit organizations that operate statewide to be eligible for CHDO designation, a measure to assist primarily rural states.
- Tenants of HOME-assisted housing must be given a 30-day written notice when an owner intends to evict or deny renewing a lease. HUD proposes changing that provision of law if a tenant poses a direct threat to the safety of other residents or employees of the housing, of if the tenant presents an imminent threat to the property.

TIPS FOR LOCAL SUCCESS

At the local level advocates will want to continue to be actively involved in the Consolidated Plan's Annual Action Plan public participation process in order to influence the type of housing, location, and beneficiaries of HOME dollars.

Advocates can best influence how HOME dollars are allocated if they know how a jurisdiction has spent its previous allocations. To monitor their local PJ's accomplishments, advocates can access several useful reports on HUD's OneCPD website at: http://bit.ly/1iO2s2L

- The monthly Open Activities report lists each HOME project in a PJ, indicating tenure type (renter or homeowner), type of activity (such as rehabilitation, acquisition, or new construction), ZIP code, number of units, and amount budgeted and spent.
- The Vacant Unit Reports identify units marked vacant in HUD's reporting system.
- SNAPSHOT is a quarterly cumulative report that shows, in the aggregate, income category, race, household size, and household type of beneficiaries, as well as the number of units completed for each type of housing.
- Dashboard Reports are quarterly reports intended to provide a quick overview of a jurisdiction's use of HOME dollars. Using charts and graphs, Dashboard Reports show:
    - Cumulative HOME dollars received and percentage disbursed, committed, and uncommitted.
    - Cumulative number of units completed, and percentage of rental, homeowner rehab, and home buyer units.
    - Net number of units completed in the most recent quarter, with percentage of rental, homeowner rehab, and home buyer units.
    - Cumulative number and the last quarter's net new number of tenant-based rental assistance units.
    - Race and ethnicity percentages among rental, homeowner rehab, and home buyer projects.
    - Average total development cost per unit for rental, homeowner rehab, and home buyer projects.
- The National Production Report offers cumulative information since 1992.

WHAT TO SAY TO LEGISLATORS

The major responsibility of advocates is to continue pushing for increased federal appropriations.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- HOME Program information, 202-708-2470, http://1.usa.gov/XoDfUk
- HOME Program information is migrating to OneCPD, https://www.onecpd.info/home

Housing Bonds

By Mindy La Branche, Legislative and Policy Associate, National Council of State Housing Agencies

Administering Agency: U.S. Department of the Treasury
Year program started: 1954
Number of households served: In 2012, 36,738 with Mortgage Revenue Bonds (MRBs), 5,028 with Mortgage Credit Certificates (MCCs), and 25,740 with multifamily bonds
Population targeted: low and moderate income homebuyers
See also: *Low Income Housing Tax Credits, HOME Investment Partnerships Program*

Housing bonds are used to finance low-interest mortgages for low and moderate income homebuyers, as well as for the acquisition, 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 homebuyers and renters in reduced housing costs.

HISTORY

Private activity bonds (PABs) were established under the Tax Code of 1954. These bonds were known as Industrial Development Bonds until the Tax Reform Act of 1986 and other legislation changed their name.

PROGRAM SUMMARY

Private activity bonds, a category that includes housing bonds, are distinct from other tax-exempt bonds because they are issued for private activities as opposed to governmental activities. The private activities must fulfill public purposes, and each private activity bond issuer must hold public hearings to demonstrate such public purposes. PABs are tax-exempt for the purchaser and are issued by state and local governments to support the stated public purpose. Purchasers, or investors, of PABs can include individuals and corporations. In addition to housing, PABs can be issued for other public purposes that include student loans, infrastructure, and redevelopment activities.

State and local housing finance agencies (HFAs) have authority under the Internal Revenue Code to issue housing bonds to support affordable housing activities in their states. Issuing bonds is a way for HFAs to access private financing. HFAs sell the tax-exempt bonds to individual and corporate investors, who are willing to purchase bonds paying lower than market interest rates because of the bonds' tax-exempt status. This interest savings is passed on through private lenders to support housing purchase and development.

There are two main types of housing bonds: Mortgage Revenue Bonds (MRBs), which finance single-family home purchases for qualified low income homebuyers; and, multifamily housing bonds, which finance the acquisition, construction, and rehabilitation of multifamily developments for low income renters.

Mortgage Revenue Bonds. Proceeds from MRBs finance discount mortgages to support the purchase of single-family homes. By lowering the interest rate, MRBs make homeownership affordable for families who would not be able to meet mortgage payments on a conventional loan. Congress limits MRB mortgages to first-time homebuyers who earn no more than the greater of area or statewide median income. Families of three or more can earn up to 115% of the greater of area or statewide median income. Congress also limits the price of homes purchased with MRB mortgages to 90% of the average area purchase price.

HFAs also use their MRB authority to issue Mortgage Credit Certificates (MCCs), which provide a nonrefundable federal income tax credit for part of the mortgage interest qualified homebuyers pay each year. The MCC program is a flexible subsidy source which can be adjusted depending on the incomes of different homebuyers, and provides a relatively constant level of benefit to first-time homebuyers regardless of the spread between market and MRB rates.

Interested borrowers should contact their state or local HFA for information on obtaining an MRB loan or MCC.

Multifamily bonds. Multifamily bonds provide funding for multifamily housing development that reaches income groups the market might not otherwise serve.

Multifamily housing bonds finance the acquisition, construction, or rehabilitation of affordable rental housing. Multifamily housing developments with bond financing must set aside at least 40% of their apartments for families with income of 60% of area median income (AMI) or less, or 20% for families with income of 50% of AMI or less. The income-restricted apartments financed by those bonds must remain affordable for at least 15 years.

States increasingly combine multifamily bonds with other resources, such as Low Income Housing Tax Credits (LIHTC) and HOME Investment Partnerships (HOME) program funds, to serve even lower income families for longer periods of time than the law requires. Furthermore, many multifamily bonds finance special needs housing, such as housing for formerly homeless people, transitional housing, senior housing, assisted living housing, housing for persons with disabilities, housing for persons with AIDS, migrant worker housing, and rural housing.

ISSUE SUMMARY

In 2012, the most recent year for which data are available, state HFAs used MRBs to provide $4.6 billion to support the purchase of 36,738 homes nationwide. Some bond issuance was used to raise proceeds that were escrowed for use in future years, and to refund prior-year bonds. HFAs also issued 5,028 MCCs in 2012, an increase of over 1,000 from 2011. States issued over $3.02 billion in multifamily bonds, and those bonds financed 25,740 affordable apartments in 2012.

Housing bonds have been an unqualified success in providing lower income Americans a unique and otherwise unavailable chance to own a decent and affordable home and to access quality rental opportunities. Using MRBs, HFAs have made homeownership possible for more than 3 million low and moderate income families. They help another approximately 100,000 families buy their first homes with MRB mortgages in a typical year. In 2012, 79% of MRB borrowers earned less than the area median income. The median MRB borrower income was $46,444, 90% of the national median income.

HFAs have also provided nearly 175,000 lower and moderate income homeowners with critical tax relief through the MCC program. Thirty-eight percent of all MCC borrowers in 2012 earned less than 80% of the area median income.

HFAs have financed an additional 1 million affordable rental apartments with Multifamily Bonds. About 40% of all annual LIHTC rental home production includes Housing Bond financing. HFAs have used the LIHTC to produce more than 2.5 million rental apartments for families earning 60% of AMI or less. They add another 100,000 LIHTC apartments every year.

FUNDING

By law, the annual issuance of PABs, including MRBs and multifamily bonds, is capped based on population and indexed to inflation. The 2014 cap is $100 per capita, with a minimum of $296,830,000 in private activity bonding authority allowed each state.

FORECAST FOR 2014

As Congress continues to consider comprehensive tax reform, the tax exemption for housing bonds, and all municipal bonds, may face its biggest threat since Congress last considered tax reform in 1986.

Throughout the last year, Representative Dave Camp (R-MI), Chair of the House Ways and Means Committee, and Senator Max Baucus (D-MT), the former Chair of the Senate Finance Committee, held a series of hearings examining the tax code and exploring options for reform. Both have expressed support for adopting reform legislation that would substantially lower marginal tax rates, which would require them to eliminate and scale back many tax credits and deductions. Tax reform could include eliminating PABs or limiting the ability of taxpayers to deduct from their income interest earned on municipal bonds.

On February 26, 2014, Camp released his discussion draft of legislation to reform the tax code. The discussion draft proposes to terminate PABs by making interest on PABs issued after 2014 taxable. Camp's draft would also prohibit borrowers from using MCCs issued after 2014 to claim a federal tax credit.

President Obama has several times advanced a proposal to cap the value of income deductions and exemptions for high income taxpayers by limiting the tax value of those deductions and exemptions to 28%. This proposal was included in the President's fiscal year (FY) 2015 Budget request. In addition, the President's National Commission on Fiscal Responsibility and Reform proposed eliminating PABs in its December 2010 report.

Eliminating or capping the tax exemption for municipal bonds would have a significant negative impact on municipal bond investment, directly increasing borrowing costs for HFAs and detracting from their ability to provide affordable housing opportunities to lower income and Americans with special needs. It is estimated that the President's proposal would cause issuers to pay yields of up to half a percent higher to continue attracting investors, resulting in an additional $10 billion annually in debt payments. The ultimate impact, however, would likely fall not on bond issuers and investors but on the bond programs' ultimate beneficiaries, including homebuyers and renters, who would bear the cost of higher interest rates demanded by investors. Further, lower and middle income taxpayers could face increases in taxes if state and local governments are forced to increase revenue to cover higher borrowing costs.

WHAT TO SAY TO LEGISLATORS

Advocates should tell legislators to preserve the tax exemption for housing bonds and other municipal bonds.

Advocates should ask legislators to express their support for the tax exemption for all municipal and private activity bonds, including housing bonds, directly to the leaders of the Senate Finance Committee or House Ways and Means Committee.

Advocates should speak with staff in their Members' offices responsible for housing or tax policy and deliver the message that support is needed for housing bonds in any tax reform or deficit reduction proposal.

Specifically, lawmakers should:

- Preserve the tax exemption for municipal and housing bonds.
- Maintain and strengthen the Mortgage Credit Certificate program.
- Increase the Mortgage Revenue Bond home improvement loan limit by an amount at least adequate to reflect the rise in construction costs since it was first established, and index it for construction cost inflation annually thereafter.

FOR MORE INFORMATION

National Council of State Housing Agencies, 202-624-7710, www.ncsha.org

Housing Counseling

By Sarah Ellis, Program Associate, Policy & Communications, Housing Partnership Network

Administering agency: HUD's Office of Housing Counseling in the Single-Family Support Divi-sion of the Office of Housing
Year program started: 1968; Office of Housing Counseling started in 2012
Number of persons/households served: More than 1.6 million households
Population targeted: Low and moderate income households, rural populations, people of color, and people with Limited English Proficiency (LEP)
FY14 funding: $45 million

Housing counseling agencies are critical resources for communities and low income families. For the past 40 years, housing counselors have worked to help people achieve a broad spectrum of goals related to housing, from renting or purchasing a home to setting a budget and accessing resources to help stay in a home. Housing counselors were on the front lines during the recent housing crisis, working to help families stay in their homes and connect their communities to important resources. Housing counseling agencies are also important providers of affordable, high-quality homebuyer education and counseling and post-purchase counseling, which prepare potential borrowers for the processes of purchasing and owning a home. According to HUD's Office of Housing Counseling (OHC), HUD-approved housing counseling agencies assisted more than 1.9 million households in 2011. The Office of Housing Counseling at HUD provides crucial support for housing counseling agencies, including regulatory guidance, certification and training, and grant funding.

HISTORY

The HUD Housing Counseling program was authorized by the Housing and Urban Development Act of 1968, "to provide counseling and advice to tenants and homeowners, both current and prospective, to assist them in improving their housing conditions, meeting their financial needs, and fulfilling the responsibilities of tenancy or homeownership." HUD is authorized to provide grants and to contract with public and private organization to provide housing counseling services to homeowners and tenants; HUD is also authorized to provide Home Equity Conversion Mortgages (HECM) counseling by the National Housing Act.

The 2010 Dodd-Frank financial reform legislation outlined the creation of a new HUD Office of Housing Counseling, as part of the broader "Expand and Preserve Home Ownership through Counseling Act." OHC was established in 2012, and consists of three offices: the Office of Policy and Grant Administration, the Office of Outreach and Capacity Building, and the Office of Oversight and Accountability. The new office aims to monitor market conditions and program execution, in order to create effective, responsive programming.

PROGRAM SUMMARY

The Office of Housing Counseling is supported by almost 70 staff from the Single Family Support Division of HUD's Office of Housing. OHC staff work at sites across the country, supporting HUD's national network of housing counseling agencies in order to carry out OHC's mission to help families "obtain, sustain, and retain their homes."

OHC provides several key services for housing counseling agencies. OHC is in charge of certifying housing counseling agencies as HUD-approved, and ensuring that HUD-approved agencies continue to meet HUD's performance and service delivery standards. OHC also approves housing counseling intermediaries, which provide housing counseling services through networks of affiliates. Intermediaries manage pass-through funding, ensure compliance with program standards, and cultivate best practice through peer learning. Finally, OHC supports housing counseling agencies through grant funds, which are a key source of financial support for agencies that often provide services free of charge to their clients. In 2013, HUD awarded $40 million in grants to housing counseling agencies, which supported those agencies' work counseling homeowners and tenants.

OHC is working to streamline the process of granting and maintaining HUD-approval for Housing Counseling agencies and the process of distributing grant funds. OHC has also formed several interdisciplinary teams to develop recommendations and solutions to challenges facing housing counselors and housing counseling intermediaries. Finally, OHC also released a proposed rule in late 2013 to certify housing counselors at HUD-approved agencies.

FUNDING

$45 million is appropriated to HUD housing counseling programs for FY14, split between Comprehensive Housing Counseling funds for service provision and Housing Counseling Training funds. This is equivalent to 2013 pre-sequester funding levels and is a significant cut from peak funding levels of $88 million in FY 2011. The Administration's FY15 budget request to Congress seeks $60 million: $52.5 million for direct provision of housing counseling services; $3 million for training; and, $4.5 million for administrative contract services to streamline internal processes.

2014 FORECAST

In 2014, OHC is expected to release a final rule on certification standards for housing counselors working at HUD-approved counseling agencies, and intends to better track industry and program outcomes in 2014 through updated data collection and impact reporting. OHC is also working with the Federal Housing Administration to integrate housing counseling into FHA policy; the FHA sees housing counseling as a potential risk mitigator that can help to strengthen loan portfolios that can also help more families achieve their homeownership goals. Finally, OHC will continue to improve the efficiency of the grant funding process and the performance and visibility of HUD counseling agencies.

TIPS FOR LOCAL SUCCESS

One significant challenge facing housing counseling agencies is a lack of awareness about the existence and advantages of housing counseling and homebuyer education among communities that could benefit greatly from their services. Advocates should find out whether there are HUD-approved housing counseling agencies in their area and raise awareness about the valuable resources that housing counseling agencies can provide to their communities. HUD links to two different search methods, one by state (http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm) and the other by zip code (http://www.consumerfinance.gov/find-a-housing-counselor/).

WHAT TO SAY TO LEGISLATORS

Raising awareness about the value of housing counseling services is especially crucial as housing finance reform efforts move forward in Congress, since opportunities may arise to further integrate housing counseling and homebuyer education in a new housing finance system. Advocates should emphasize the strong evidence backing the value of pre-purchase homebuyer education and post-purchase counseling as tools for mitigating borrowers' risk of default and delinquency. For example the Freddie Mac Working Paper, April 2013 "The Benefits of Pre-Purchase Homeownership Counseling," and the Urban Institute's "National Foreclosure Mitigation Counseling Program Evaluation, Final Reports Rounds 1 and 2," prepared for Neighborworks America, December 2011.

Given cutbacks to housing counseling programs in recent years, advocates should encourage lawmakers to support new housing counseling business models and innovations, including distance learning and online technology-based programs. Advocates should also continue to urge Congress to fully fund HUD programs that provide crucial services to families, including the Office of Housing Counseling and its programs.

FOR MORE INFORMATION

- HUD's Office of Housing Counseling website has relevant resources for housing counselors, advocates, homeowners, and tenants looking for services in their area, http://1.usa.gov/1iiUkem
- The Consumer Financial Protection Bureau recent released a new tool to help consumers find housing counselors in their area, http://1.usa.gov/1qzvVDO
- The National Industry Standards for Homeownership Education and Counseling outline guidelines for high-quality homebuyer education and counseling programs, http://bit.ly/1nmV3eX
- Housing Partnership Network, 617-720-1999, http://www.housingpartnership.net

Low Income Home Energy Assistance Program

By Olivia Wein, Staff Attorney, National Consumer Law Center

Administering agency: U.S. Department of Health and Human Service (HHS), Office of Community Services within the Administration for Children and Families
Year program started: 1981
Number of persons/households served: In FY13, an estimated 6.7 million families received home heating assistance and 996,000 received cooling assistance
Population targeted: Low-income households (below 150% of the poverty threshold or 60% of the state median income) who cannot afford to keep their homes at safe temperatures, particularly households with frail elderly, members with disabilities, or very, young children
FY14 funding: $3.42 billion for the regular LIHEAP program

The Low Income Home Energy Assistance Program (LIHEAP) is a targeted block grant program to help struggling families pay their heating and cooling bills. States have flexibility in setting eli-gibility criteria, benefit amounts, how much to direct to energy crisis situations where the health of the household is in jeopardy, as well as other program components. As more families struggle to pay their heating bills in the winter and afford air conditioning in the summer due to the high price of energy and the weak economy, the main challenge for LIHEAP is securing adequate an-nual appropriations.

HISTORY

LIHEAP was created in response to rising energy prices in the 1970s and the decreasing purchas-ing power of low income households. In 1980, low income energy assistance was part of the Crude Oil Windfall Profit Act, Public Law 96-223, and LIHEAP was authorized in the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35. Since then LIHEAP has been reauthor-ized several times, targeting the assistance within the pool of eligible households, adding new program components, and expanding authorization levels for funding.

PROGRAM SUMMARY

The regular LIHEAP program is a federal block grant program to the states to help low income families meet the costs of heating and cooling their homes. LIHEAP is intended to "assist low income households, particularly those with the lowest incomes, that pay a high proportion of household income for home energy, primarily in meeting their home energy needs" (42 U.S.C. § 8621(a)). States are to target assistance to low income households with the lowest incomes and highest energy needs (i.e., those who pay a large percentage of their income on home energy), and to households with populations vulnerable to extreme heat or cold. These are households with very young children, individuals with disabilities, and the frail elderly. The LIHEAP pro-gram focuses on home energy, which is defined as a source of heating or cooling in residential dwellings.

In order to receive LIHEAP funds, states must submit an annual application (state plan) to the Secretary of Health and Human Services (HHS). All 50 states, the District of Columbia, numer-ous tribes, and the territories participate in the LIHEAP program. In the majority of states, LI-HEAP is administered by the state social services agency. In many states, the state agency con-tracts with local providers, such as community action agencies, to handle intake.

While states have a great deal of flexibility in designing their programs each year, the vast majori-ty of states' LIHEAP grants are used to provide bill payment assistance to eligible low income households to help with heating and cooling costs. LIHEAP benefits cover all forms of residen-tial heating or cooling fuels. This includes a range of fuels from natural gas and electricity for heating or cooling, to home heating oil, propane, kerosene, and wood. Assistance is often in the form of a vendor payment or two-party check (the customer and the utility).

States also have the flexibility to set their program's eligibility criteria in the annual state LI-HEAP plan based on income eligibility. The maximum eligibility for LIHEAP is 150% of poverty or 60% of state median income.

States are prohibited from setting income eligibility below 110% of the poverty level. States can also rely on participation in another means-tested program to de-termine eligibility. Low income households are also eligible for LIHEAP through participation in Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), the Supplemental Nutrition Assistance Program (SNAP, also known as food stamps) and certain needs-tested veterans' benefits.

There are several additional components to LIHEAP:

- Crisis grants. Each fiscal year, states must reserve a reasonable amount of their regular LI-HEAP block grant until March 15 for individual crisis intervention grants. States have the discretion to define what constitutes a crisis for this component. Common definitions include an imminent shut-off, empty heating fuel tank, or broken furnace. The state crisis intervention funds must be made available to a household within 18 hours if the household is in a life-threatening situation, and within 48 hours in other circumstances. The state crisis intervention component is different from the LIHEAP emergency contingency funds that are at the dis-cretion of the President to release.
- Low-cost weatherization or other home energy-related repairs. States may use up to 15% of their annual LIHEAP block grant (or 25% with a waiver) for low-cost residential weatheriza-tion or other home energy-related repair. In 32 states, the same agency administers LIHEAP and the Department of Energy's low income weatherization program.
- Self-sufficiency. States can use up to 5% of their block grant to provide services to encourage and enable households to reduce their home energy needs through activities such as needs as-sessments, counseling, and assistance with energy vendors.

LIHEAP emergency contingency fund. The LIHEAP emergency contingency fund is funded separately from the regular LIHEAP block grant. The President can release LIHEAP emergency contingency funds to help meet low income home energy needs arising from a natural disaster, a significant increase in the cost of home energy, or other emergency.

According to the National Energy Assistance Director's Association (NEADA), in FY13 LI-HEAP provided essential heating assistance to 6.7 million households and essential cooling assis-tance to about 996,000 households. NEADA also reports that the number of veteran households accounted for almost 35% of the total growth in LIHEAP from FY08 to FY11.

FUNDING

H.R. 3547, the Consolidated Appropriations Act of 2014 (Public Law 113-76) includes funding for HHS along with other government agencies. LIHEAP received $3.424 billion for the regular block grant program. No emergency contingency funding was provided. States can allocate the amount of their block grant they would like to receive each quarter. As of January 30, 2014, $3.387 billion has been released to the states and territories and $2.958 million has been set aside for training and technical assistance.

The high water mark for LIHEAP was in FY09 and FY10 when LIHEAP was funded at a total of $5.1 billion: $4.509 billion through the regular formula and $590 million through the LIHEAP emergency contingency fund. The authorized funding level for LIHEAP is $5.1 billion for the regular block grant program and $600 million in LIHEAP emergency contingency funds.

FORECAST FOR 2014

Final funding for LIHEAP in FY14 almost restores LIHEAP to its FY12 funding level of $3.48 billion. It is important to note that funding for LIHEAP has dropped dramatically since the high point of $5.1 billion in FY09 and FY10. The program was scaled back to $4.7 billion in FY11 and then $3.48 billion in FY12. Advocates should also keep in mind that there are no LIHEAP emergency contingency funds to address any unexpected crises in FY14. There could be Con-gressional attempts to secure emergency funding to address this shortfall, as in the past, but it is unclear whether this will be possible given the current budget climate.

The Administration's FY15 budget proposal to Congress seeks $2.8 billion, a 22% ($624,549,000) reduction from the FY14 enacted appropriation. Of the total, the budget would provide $2.55 billion for the LIHEAP block grant, $200 million for the LIHEAP emergency con-tingency fund, and $50 million for Energy Burden Reduction Grants to coordinate strategies to reduce high energy burdens, such as replacing inefficient heating systems.

TIPS FOR LOCAL SUCCESS

Advocates should become involved in the development of their state's annual LIHEAP program. LIHEAP state plans are required to be made available to the public in a manner that facilitates meaningful review and comment, and states are required to hold public hearings on the LIHEAP plan. The plans will set out eligibility criteria and benefit amounts, as well as other aspects of the program, such as the percentage of the state's LIHEAP grant requested in each quarter.

Each state's LIHEAP office is listed at http://1.usa.gov/1hOrHAQ. Please note that some tribes receive their LIHEAP grant directly through the federal agency (as opposed to the state).

Advocates should also become familiar with the other energy assistance programs and utility consumer protections. In addition to LIHEAP, some states and some utilities have separate low income energy assistance programs. For a list of some of the additional assistance programs, see http://bit.ly/1hFfhkJ, or contact the consumer protection division of a state's utility commission. Some states also have charitable energy assistance funds called fuel funds; check with the National Fuel Funds Network at www.nationalfuelfunds.org.

Advocates should also become familiar with certain utility rules. For utilities regulated by the state utility commission (generally, private investor-owned utilities), the commission website should have a link to rules regarding: customer shut-offs (for example, a winter shut-off rule, an extreme temperature rule, or a severe illness shut-off protection rule); payment plans; special pro-tections for low income or LIHEAP customers; and, deposits and reconnection fees. Staff in the consumer protection division of the utility commission may be able to help you find the relevant rules. For municipal utilities or cooperatives, the rules will reside with the municipality or the co-op.

Supporters of LIHEAP should contact the LIHEAP Coalition to receive action alerts on legisla-tive efforts in Congress to provide additional funding for LIHEAP.

WHAT TO SAY TO LEGISLATORS

Advocates should meet with Members of Congress with the following messages:

- LIHEAP is a critical safety net program to help vulnerable households afford residential en-ergy.
- There is significant need in your district (provide, for example, the number of clients seeking help with their utility bills, newspaper clips, or data regarding the number of households be-ing disconnected).
- The current funding level will not be sufficient to meet the record high levels of applications. The total number of households receiving assistance has declined by 17% from FY 2010 to FY 2013, due to funding cuts.

FOR MORE INFORMATION

For advocates seeking more information about LIHEAP program design:

• The LIHEAP Clearinghouse is a wealth of information regarding the various ways states have designed their LIHEAP programs. In addition to LIHEAP, the clearinghouse also tracks states supplemental energy assistance activities (listed as "State Supplements" in the menu on the homepage). View at: www.liheap.ncat.org

For those seeking information about advocacy regarding LIHEAP funding:

- The National Energy Assistance Directors' Association's website provides information on LI-HEAP funding needs and current funding levels. View at: www.neada.org
- The National Fuel Funds Network (NFFN) is an organization of utility and human services or-ganizations focused on charitable energy assistance. NFFN also organizes an annual LIHEAP Day on the Hill in the winter. View at: www.nationalfuelfunds.org
- The Campaign for Home Energy Assistance has helpful fact sheets for advocates that describe the need for increased LIHEAP funding as well as local assistance programs. View at: www.liheap.org
- The LIHEAP Coalition provides email alerts and updates on fast-breaking legislative efforts to increase funding for LIHEAP. The LIHEAP Coalition also coordinates letters to appropriators seeking adequate funding for the program. To be added to the LIHEAP Coalition list, contact Ms. Shirlron Williams at swilliams@nclc.org. Please indicate in the subject line that you would like to be added to the LIHEAP Coalition email alert list.

Low Income Housing Tax Credit Program

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering Agency: Internal Revenue Service (IRS) of the Department of the Treasury
Year program started: 1986
Number of households served: 53,048 in 2011, the latest data available
Population targeted: Households with incomes either below 80% of area median income (AMI) or 50% AMI
FY13 funding: Joint Committee on Taxation estimates $5.9 billion for 2013; 2014 estimates not available at press time
See also: *Qualified Allocation Plan*

The Low Income Housing Tax Credit program (LIHTC) finances the construction, rehabilitation, and preservation of housing affordable to lower income households. The LIHTC program encourages private investment by providing a tax credit: a dollar-for-dollar reduction in federal taxes owed on other income. Although housing tax credits are federal, each state has an independent agency that decides how to allocate the state's share of federal housing tax credits within a framework formed by the Internal Revenue Code.

HISTORY

LIHTC was created by the Tax Reform Act of 1986 and is codified at Section 42 of the Internal Revenue Code, 26 U.S.C. 42, so tax credit projects are sometimes referred to as Section 42 projects. The IRS provides additional guidance through revenue rulings, technical advice memorandums, notices, private letter rulings, and other means.

PROGRAM SUMMARY

The LIHTC program finances the construction, rehabilitation, and preservation of housing affordable to lower income households. LIHTC can be used to support a variety of projects: multifamily or single-family housing; new construction or rehabilitation; special needs housing for elderly people or people with disabilities; and permanent supportive housing for homeless families and individuals. The latest data from HUD indicates that LIHTC has provided more than 2.3 million rental units between 1987 and 2011.

LIHTC is designed to encourage private individuals and corporations to invest cash in housing affordable to lower income people by providing a tax credit over a 10-year period: a dollar-for-dollar reduction in federal taxes owed on other income. The cash investors put up, called equity, is used along with other resources to build new affordable housing or to make substantial repairs to existing affordable housing. Tax credits are not meant to provide 100% financing. The infusion of equity reduces the amount of money a developer has to borrow and pay interest on, thereby reducing the level of rent that needs to be charged.

The Furman Center for Real Estate and Urban Policy at New York University released a report in October 2012 using tenant-level data from 15 states representing 30% of all LIHTC units. The report found that LIHTC recipients tend to have higher incomes than households assisted by other federal rental assistance programs, but that 43% of the households were extremely low income, with incomes below 30% AMI. However, 69% of those extremely low income households also had other forms of rental assistance, such as vouchers. For the 31% of extremely low income LIHTC households who do not have rental assistance, more than half pay more than 50% of their income for rent, have "severe cost burden."

Although housing tax credits are federal, each state has an independent agency, generally called a housing finance agency, or HFA, that decides how to allocate the state's share of federal housing tax credits. Tax credits are allocated to states based on population. For 2014, each state received $2.30 per capita, with small states receiving a minimum of $2.635 million.

Each HFA must have a qualified allocation plan (QAP), which sets out the state's priorities and eligibility criteria for awarding federal tax credits, as well as tax-exempt bonds and any state-level tax credits, to housing projects. Developers apply to an HFA and compete for tax credit allocations. The law requires that a minimum of 10% of an HFA's total tax credits be set aside for nonprofits.

Once awarded tax credits, a developer then sells them to investors, usually to a group of investors pulled together by someone called a syndicator. Syndicators sometimes pool several tax credit projects together and sell investors shares in the pool. The equity that the investors provide is used by the developer, along with other resources such as conventional mortgages, state loans, and funds from the HOME program to construct or substantially rehabilitate affordable housing.

When applying to an HFA for tax credits, a developer has two lower income unit set-aside options, and must stick with the chosen option during a required lower income occupancy period. The two lower income unit set-aside choices are:

- Ensuring that at least 20% of the units are rent-restricted and occupied by households with income below 50% of area median income (AMI).
- Ensuring that at least 40% of the units are rent-restricted and occupied by households with income below 60% AMI.

Rent-restricted units have fixed maximum gross rents, including allowance for utilities, that are less than the rent charged to a hypothetical tenant paying 30% of either 50% AMI or 60% AMI, whichever option the developer chose. Tenants may have to pay rent up to that fixed maximum tax credit rent even if it is greater than 30% of their income. In other words, the maximum rent a tenant pays is not based on 30% of the tenant's income; rather it is based on 30% of the fixed AMI level (50% or 60%).

Consequently, lower income residents of tax credit projects might be rent burdened, meaning they pay more than 30% of their income for rent and utilities. Or, tax credit projects might simply not be financially available to very low and extremely low income people because rents charged are not affordable to them. HUD's tenant-based or project-based vouchers or USDA Rural Development Section 521 Rental Assistance are often needed to fill the gap between 30% of a resident's actual income and the tax credit rent.

Tax credits are available only for rental units that meet one of the above rent-restricted minimums (20/50 or 40/60). With these minimums it is possible for LIHTC projects to have a mix of units occupied by lower income people and moderate and middle income people. These are minimums; projects can have higher percentages of rent-restricted units occupied by lower income people. In fact, the more rent-restricted lower income units in a project the greater the amount of tax credits provided. Some HFAs choose to create deeper targeting in order to serve households with even lower incomes.

The law requires units to be rent-restricted and occupied by income-eligible households for at least 15 years, called the compliance period, with an extended use period of at least another 15 years, for a total of 30 years. Some states require low income housing commitments greater than 30 years or provide incentives for projects that voluntarily agree to longer commitments. Where states do not mandate longer restricted-use periods, an owner can submit a request to the HFA to sell a project or convert it to market rate during year 14 of the 15-year compliance period. The HFA then has one year to find a buyer willing to maintain the rent restrictions for the balance of the 30-year period. If the property cannot be sold to such a preservation purchaser, then the owner's obligation to maintain rent-restricted units is removed and lower income tenants receive enhanced vouchers enabling them to remain in their units for three years.

HFAs must monitor projects for compliance with the income and rent restriction requirements. The IRS can recapture tax credits if a project fails to comply, or if there are housing code or fair housing violations.

There are two levels of tax credit, 9% and 4%, formally known as the applicable percentages. Projects can combine 9% and 4% tax credits. For example, buildings can be bought with 4% tax credits and then substantially rehabilitated with 9% tax credits. Instead of 9% and 4%, tax credits are sometimes referred to by the net present value they are intended to yield, either 70% or 30%. This is just another way of saying, in the case of a 9% credit, that the stream of tax credits over the 10-year credit period has a value today equal to 70% of the eligible development costs.

The 9% tax credit is available for new construction and substantial rehabilitation projects that do not have other federal funds. Federal funds include loans and bonds with below market-rate interest. Rehabilitation is substantial if the greater of an average of $3,000 is spent on each rent-restricted lower income unit or 10% is spent on the eligible basis during a 24-month period.

The 4% tax credit is available for three types of activities:

- Acquisition of existing buildings for substantial rehabilitation;
- New construction or substantial rehabilitation subsidized with other federal funds; and,
- Projects financed with tax-exempt bonds. (Every year, states are allowed to issue a set amount, known as the volume cap, of tax-exempt bonds for a variety of economic development purposes.)

The figures 9% and 4% were only approximate rates. IRS computed actual rates monthly based on Treasury Department interest rates, the applicable percentage. For any given project, the real tax credit rate was set the month a binding commitment was made between an HFA and developer, or the month a finished project was first occupied, placed in service. This applicable percentage is applied to the 'qualified basis' to determine the investors' tax credit each year for 10 years (the credit period). However, for 9% projects, the Housing and Economic Recovery Act of 2008 (HERA) established a fixed 9% value for projects placed in service between July 30, 2008 and January 1, 2014. The American Taxpayer Relief Act of 2012 allowed any project receiving a LIHTC allocation before January 1, 2014 to qualify for the fixed 9% credit. Because there was no Congressional action in 2013 to set a fixed the 9% value, the applicable percentage for March 2014 is 7.60%. The 4% credit continues to float, with an applicable rate of 3.26% in March 2014.

The amount of tax credit a project can receive, and therefore how much equity it can attract, depends on a several factors. First, the eligible basis must be determined by considering cost such as building acquisition, construction, soil tests, engineering costs, and utility hookups. Land acquisition and permanent financing costs are not counted toward the eligible basis. The eligible basis is usually reduced by the amount of any federal funds. The eligible basis of a project can get a 30% increase, or basis boost, if the project is located in a census tract designated by HUD as a low income tract (Qualified Census Tract, or QCT) or a high-cost area (Difficult to Develop Area, or DDA). HERA expanded the use of this basis boost to areas designated by a state as requiring an increase in the credit amount in order to be financially feasible.

Next, the applicable fraction must be determined. This is a measure of rent-restricted lower income units in a project. There are two possible percentages: the ratio of lower income units to all units (the unit fraction), or the ratio of square feet in the lower income units to the project's total square feet (the floor space fraction). The lowest percentage is the applicable fraction. The applicable fraction agreed to by the developer and IRS at the time a building is first occupied is the minimum that must be maintained during the entire affordability period.

The qualified basis is the eligible basis multiplied by the applicable fraction. The amount of annual tax credits a project can get is the qualified basis multiplied by the tax credit rate (9% or 4%).

FUNDING

The LIHTC is a tax expenditure, which does not require an appropriation. The Joint Committee on Taxation estimated that the program would cost $5.9 billion in tax expenditures in 2013. The committee's 2014 estimates are not available as of March 27, 2014.

FORECAST FOR 2014

Chief issues of concern for the LIHTC program last year, tax reform and deficit reduction, have diminished for the time being. Several advisory commissions in previous years recommended either the elimination of or a substantial reduction in tax expenditures. In 2012 there was strong bipartisan support in both the House and the Senate for lowering statutory corporate tax rates. However, as 2013 drew to a close, the likelihood of tax reform diminished for two reasons. First, a proponent of major tax reform and Chair of the Senate Finance Committee, Senator Max Baucus (D-MT), was confirmed to be the next U.S. ambassador to China, disrupting momentum for tax reform. Second, House Ways and Means Committee Chair Dave Camp (R-MI) encountered reluctance from House leadership because of the divisive nature of tax reform. Because the LIHTC is one of the largest corporate tax expenditures, it remains vulnerable to future elimination or substantial reduction to help pay for the lowered rates.

Some advocates continue to seek to permanently set the 9% credit at that level rather than the lower floating rate that took effect when the HERA and American Taxpayer Relief Act of 2012 fixed 9% provisions expired on January 1, 2014. In addition advocates want to establish a fixed rate for 4% credits. On August 1, 2013, Senator Maria Cantwell (D-WA) introduced S. 1442, which would achieve these aims.

On March 15, 2013, Representative Keith Ellison (D-MN) introduced H.R. 1213, a bill to reform the mortgage interest deduction by changing it to a 15% nonrefundable tax credit and lowering the maximum mortgage amount eligible for a tax break from $1 million to $500,000. Such reform is estimated to both make the tax break available to 16 million more households and save the federal government $196 billion over ten years. Mr. Ellison proposed to dedicate 60% of the savings to the National Housing Trust Fund. In addition, Mr. Ellison's bill proposes significant LIHTC provisions. Before determining the 60% in federal savings for the National Housing Trust Fund, the LIHTC per capita allocation would be raised to $2.70 and increased annually by a cost-of-living index. The $2 million minimum allocation for small states would also be increased by an annual cost-of-living adjustment. Most importantly, the LIHTC program would create an incentive to develop units affordable to extremely low income people by providing a 150% basis boost.

The President's budget request for FY15 contains six proposed changes to the LIHTC program:

1. As in previous years, Treasury is proposing an "income-mixing" provision that would add a third rent-restricted category (in addition to the 20/50 and 40/60 options). That option would require that at least 40% of the units in a project to be occupied by households with incomes averaging 60% of AMI, allowing LIHTC units to serve households with income up to 80% AMI. Proponents of this provision think it will provide an incentive to include some units targeted to extremely low income households in a project's mix. For purposes of computing the average, the proposal would treat any unit with an income limit below 20% of AMI as if it were at 20% AMI, a feature that would be a disincentive to provide housing for individuals with Supplemental Security Income (SSI)-level incomes, which is 13.5% of the 2014 national median income for an individual (20% for a couple).
2. Rather than extend the 9% credit floor, the Administration proposes revising the formula to more closely reflects the cost of borrowing when interest rates are very low or very high. The proposed new discount rate would be the average of the mid-term and long-term applicable federal rates, plus 200 basis points.
3. In order to make more LIHTC available to states, the Administration proposes allowing states to convert up to 8% of their private activity bond cap to LIHTCs. For each $1,000 of private activity bond cap foregone, a state would receive additional LIHTC authority amounting to $1,000 x twice the applicable percentage for 4% bond-financed LIHTCs. The Administration explains that 4% credits sometimes do not provide adequate equity for some projects, and that the transaction costs of issuing bonds can be a significant economic impediment to financing smaller projects.
4. Because preservation and rehabilitation of existing properties is often more efficient, the Administration proposes adding preservation of federally assisted affordable housing to the current list of ten selection criteria that every QAP must include.

5. The Administration proposes providing protections similar to those in the Violence Against Women Act (VAWA) for both low income and market-rate units.
6. Finally, the Administration proposes allowing a Real Estate Investment Trust (REIT) to designate as tax exempt some of the dividends it distributes.

On February 26, 2014, the House Ways and Means Chair, David Camp (R-MI), proposed LIHTC changes in his Tax Reform Act of 2014, including:

- Eliminating 4% credits and private activity bonds;
- Changing the length of the tax credit period to 15 years from 10 years;
- Eliminating the 130% basis boost for QCTs and DDAs; and,
- Removing energy efficiency and historic nature of a property from the list of ten required selection criteria in QAPs.

NLIHC and other advocates are seeking to modify the program to deepen the income targeting and modify the rent structure in order to reduce potential rents burdens on extremely low and very low income tenants.

TIPS FOR LOCAL SUCCESS

Low Income Housing Tax Credits are distributed based on a state's Qualified Allocation Plan. See the QAP chapter for advocacy ideas for influencing how LIHTC is used in your state.

WHAT TO SAY TO LEGISLATORS

LIHTC is an important source of funding for affordable housing. Congress should act to protect the program and provide a means to target more units that are affordable to extremely low income residents paying no more than 30% of their income for rent and utilities.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- Affordable Rental Housing A.C.T.I.O.N. Campaign, http://rentalhousingaction.org
- HUD training material about LIHTC, www.hud.gov/offices/cpd/affordablehousing/training/web/lihtc
- HUD's database of LIHTC projects, updated through 2011, www.huduser.org/datasets/lihtc.html
- List of QCTs and DDAs, www.huduser.org/datasets/qct.html
- Novogradac, a consulting firm, lists the HFAs in all states, http://bit.ly/XoOL2b

Qualified Allocation Plan

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering Agency: The Internal Revenue Service (IRS) of the Department of the Treasury
Year program started: 1986
Number of households served: 53,048 in 2011, the latest data available
Population targeted: Households with incomes either below 60% of area median income (AMI) or 50% AMI
Also see: *Low Income Housing Tax Credit*

The federal Low Income Housing Tax Credit program requires each state agency that allocates tax credits, generally called a housing finance agency, to have a Qualified Allocation Plan (QAP). The QAP sets out the state's eligibility priorities and criteria for awarding federal tax credits to housing properties. In some states, the QAP also sets out threshold criteria for noncompetitive 4% tax credits and any state low income housing tax credits.

The QAP is a tool advocates can use to influence how their state's share of annual low income housing tax credits is allocated to affordable housing properties. Advocates can use the public hearing and comment requirements to convince their housing finance agency to better target tax credits to properties that house people with extremely low incomes, locate projects in priority areas, and preserve the existing stock of affordable housing.

SUMMARY

The QAP is a document that states, and a few local agencies, must develop in order to distribute federal Low Income Housing Tax Credits (LIHTCs), which can be awarded only to a building that fits the QAP's priorities and criteria. Each QAP must spell out a housing finance agency's (HFA's) priorities and specify the criteria it will use to select projects competing for tax credits. The priorities must be appropriate to local conditions.

The QAP must also give preference to projects:

- Serving residents with the lowest income;
- Serving income-eligible residents for the longest period of time; and,
- Located in qualified census tracts (QCTs) or difficult development areas (DDAs), as long as the project contributes to a concerted community revitalization plan. QCTs are census tracts with a poverty rate of 25% or in which 50% of the households have incomes below 60% of the area median income (AMI). DDAs are areas in which construction, land, and utility costs are high relative to incomes.

The QAP selection criteria must address 10 items: (1) location; (2) housing needs; (3) public housing waiting lists; (4) individuals with children; (5) special needs populations; (6) whether a project includes the use of existing housing as part of a community revitalization plan; (7) project sponsor characteristics; (8) projects intended for eventual tenant ownership; (9) energy efficiency; and (10) historic nature. These requirements are minimums; states can adopt more rigorous criteria that target advocates' priority populations and locations. Most states establish detailed QAP selection criteria and set-asides based on the characteristics of their state's needs.

HFAs can target tax credits several ways:

- The QAP selection process can give preferences, in the form of extra points, to encourage developers to submit projects more likely to serve particular populations or locations; for example, by awarding 10 points to projects that set aside 20% of the units for special needs populations.
- The QAP can establish a set-aside, reserving a specific percentage or dollar amount of any given year's tax credit allocation for projects more likely to serve particular populations or locations; for example, a $2 million set-aside for rural projects.
- The QAP can establish thresholds, minimum requirements that projects must meet simply to get in the game, thus improving targeting to particular populations or locations; for example, requiring a 50-year income-eligible compliance period.

FORECAST FOR 2014

Because preservation and rehabilitation of existing properties is often more efficient, the Administration's FY15 budget request proposes adding preservation of federally assisted affordable housing to the current list of ten selection criteria that every QAP must include.

TIPS FOR LOCAL SUCCESS

Because each state receives a new allocation of LIHTCs each year, QAPs are usually drafted annually. This gives advocates regularly scheduled opportunities to influence QAP priorities. LIHTCs are often in high demand among developers; therefore, developers propose projects that address the priorities set forth in the QAP to give themselves an advantage in the selection process.

Advocates should assess the QAP. If it only has a general statement of goals, advocates can work to get very specific set-asides or preference points for their priorities. If the QAP has too many priorities, this will render individual priorities less meaningful. Advocates should work to narrow the number of priorities or work to establish relative priorities so their priorities can compete more effectively.

If there are types of assisted housing that should be at the top of the priority list, advocates should work to ensure that they are positioned to better compete. For example, if there is a great need for units with more than two bedrooms, advocates might promote a QAP policy offering bonus points for projects providing units with two or more bedrooms for at least 10% of all low income units. To facilitate rural projects, advocates might try to secure QAP policies that give points to projects with fewer than 50 units in rural areas.

Advocates can also argue for features that protect tenants, for example a QAP policy precluding tax credit assistance for projects that do not provide one-for-one replacement of units lost through redevelopment. Advocates should review the QAP to find out how long targeted units must serve people with lower incomes. If the QAP only requires the basic 15 years, plus and extended use period of another 15 years, advocates should try to get the compliance period lengthened as a threshold issue, or try to get point preferences or set-asides for projects that voluntarily agree to a longer compliance period.

All states are required to have a public hearing about their proposed QAP before it is approved by the unit of government overseeing the HFA, but there are no specific requirements for the public hearing. Although not required, most states also provide for a public review and comment period for a proposed QAP.

Advocates should contact the HFA early to learn about its annual QAP process and build this into their work plan for the year. In addition, advocates should be sure to get on any notification list the HFA might have about the QAP and public hearing. Advocates should also develop relationships with the HFA's governing board and communicate the advocate's priorities throughout the year. Not all communication has to take place in the context of the formal QAP process. Informal contacts can be used effectively to advance an advocate's priorities. In fact, the most effective means of advocating for any particular priority is to be in contact with the HFA long before a draft QAP is publicly released.

Once an HFA decides to award tax credits to a building, it must notify the chief executive officer of the local jurisdiction where the building is located, such as the mayor or county executive. That official must have a reasonable opportunity to comment on the project. Advocates should ask the executive's office and any relevant housing department at the locality to notify them as soon as the HFA contacts the executive about a proposed project. Even better, advocates should seek a local policy requiring public notice and comment, along with public hearings, about a proposed project.

Before tax credits are allocated, there must be a comprehensive market study of the housing needs of low income people in the area a project is to serve. The project developer must hire a disinterested third party approved by the HFA to conduct the market study.

If a building that does not fit the QAP's priorities is to get tax credits, the HFA must provide a written explanation and make it available to the public.

Most states post a list of properties that have won tax credits after each round of competition. These lists can often be found on an HFA's website.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- List of state HFAs, http://bit.ly/XoOL2b
- State QAPs, http://bit.ly/W2dvjX

Native American, Alaska Native, and Native Hawaiian Housing Programs

By David Sanborn, Executive Director, National American Indian Housing Council

The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) is the main piece of federal legislation designed to address Native American housing issues. NAHASDA has three major components: (1) the Indian Housing Block Grant (IHBG) program; (2) Title VIII Housing Assistance for Native Hawaiians, which includes the Native Hawaiian Housing Block Grant (NHHBG) program and the Section 184A Native Hawaiian Housing Loan Guarantee program; and, (3) Title VI Tribal Housing Activities Loan Guarantee program.

Enacted in 1996, NAHASDA provides assistance to Indian tribes to allow affordable housing-related activities for low income families residing on reservations and other tribal areas. The act, which became effective in October 1997, resulted in the largest change in the history of federal housing programs available to tribal housing entities, and it recognized tribal sovereignty and self-determination. NAHASDA recipients act as beneficiaries of this federal housing program, and are free to exercise their authority throughout the NAHASDA process; before NAHASDA, a tribal housing program was often separate from the tribe.

NAHASDA's reauthorization was due in 2013. A unified position from Indian tribes on NAHASDA reauthorization was developed 2012 and presented to Members of Congress for consideration at the outset of the 113th Congress. To this end, the National American Indian Housing Council (NAIHC) concluded a series of regional outreach sessions throughout the U.S. to gather policy recommendations and input from the individuals and tribes responsible for administering NAHASDA programs. March 1, 2013, NAIHC published a NAHASDA discussion draft bill and shared it with Members of Congress, essentially providing a beginning point for legislative drafting. This resulted in development of several legislative proposals, S.1352 and its counterparts in the House of Representatives, H.R. 4277 and H.R. 4329. Indian country remains unified in backing reauthorization efforts on Capitol Hill and we are confident that a reauthorization measure will pass both chambers and be signed into law this year.

Other housing programs that address Native American housing issues include the Indian Community Development Block Grant (ICDBG) program and the Indian Home Loan Guarantee program (Section 184), both of which are part of the Housing and Community Development Act of 1992.

HISTORY AND PURPOSE

Stemming from treaties with Indian tribes, federal statutes, court decisions, executive agreements, and the course of dealings and other federal policy from the early 1800s, the United States has a trust responsibility to Native American tribes and people. This unique legal and political relationship with Indian tribes is fiduciary in nature, with the federal government serving as trustee with a duty of protection toward tribes as beneficiaries. The trust responsibility extends to areas of health care, education, natural resources, and housing. Under the U.S. Housing Act of 1937, Congress addressed the housing needs of low income Americans, and in 1961 Indian tribes became eligible for assistance under programs operated by HUD.

HUD regional offices administered programs to tribes in their areas. By the mid-1970s, HUD had created Offices of Indian Programs in Denver and in San Francisco to exclusively administer Indian housing programs. Finally, in 1992, Section 902 of the Housing and Community Development Act created the current entity, the Office of Native American Programs.

NAHASDA was enacted in 1996 and consolidated multiple federal housing assistance programs into a single block grant for Indian tribes or tribally designated housing entities to provide affordable housing for low income families residing on reservations and tribal areas. On October 14, 2008, NAHASDA was amended and reauthorized through FY13 and we are looking forward to reauthorization in the coming months.

The face of housing in Native American communities is as diverse as the communities it serves. Overcrowding, poverty, unemployment, low household incomes, rapidly increasing population, and lack of infrastructure are just some of the challenges that vex American Indians, Alaska Natives, and Native Hawaiians. The chronic problems associated with needs far outstripping resources beget creativity and unique leveraging of funding to address extraordinary housing needs.

According to the U.S. Census Bureau's 2006-2010 American Community Survey, of the approximately 142,000 housing units in tribal communities, 8.6% lack plumbing facilities, 7.5% lack kitchen facilities, and 18.9% lack telephone service (compared to national rates of less than one percent).

PROGRAM SUMMARY

NAHASDA fundamentally reformed how the federal government meets its trust responsibility when it comes to the housing needs of Native Americans. NAHASDA addresses the need for affordable homes in safe and healthy environments on Indian reservations, Alaska Native villages, and on Native Hawaiian home lands.

NAHASDA enhances tribal capacity to address the substandard housing and infrastructure conditions in tribal communities by encouraging greater self-management of housing programs and by encouraging private sector financing to complement limited IHBG dollars. The amount of annual IHBGs are based on a formula that considers need and the amount of existing housing stock. The grants are awarded to eligible Indian tribes or their tribally designated housing entities (TDHEs) for a range of affordable housing activities that primarily benefit low income Indian families living on Indian reservations or in other Indian areas.

Activities eligible to be funded with NAHASDA assistance include new construction, rehabilitation, acquisition, infrastructure, and various support services. Housing assisted with these funds may be either rental or homeowner units. NAHASDA funds can also be used for certain types of community facilities if the facilities serve eligible low income Indian families who reside in affordable housing. Generally, only families whose income does not exceed 80% of the area median income are eligible for assistance.

The NAHASDA Reauthorization Act of 2008 had broad bipartisan support in both chambers of Congress. Amendments to the program included: removing competitive procurement rules for purchases under $5,000; recognizing tribal preference laws for NAHASDA hiring and contracting; permitting tribes to carry over funds to a subsequent grant year; and, establishing a reserve account for up to 20% of a tribe's annual NAHASDA grant amounts. Before these changes could go into effect, tribes and HUD had to complete a Negotiated Rulemaking Process. In 2010, a Negotiated Rulemaking Committee was formed and six sessions were held to discuss and negotiate a proposed rule. In 2011, the proposed rule was sent to tribes for comment and review before the regulations became effective early 2013.

NATIVE HAWAIIANS

In 2000, NAHASDA was amended to create a separate title addressing the housing and related community development needs of native Hawaiians. Title VIII Housing Assistance for Native Hawaiians includes the Native Hawaiian Housing Block Grant (NHHBG) program and the Section 184A Native Hawaiian Housing Loan Guarantee program. The NHHBG program provides eligible affordable housing assistance to low income native Hawaiians eligible to reside on Hawaiian home lands. Since 2005, Title VIII has not been reauthorized. NHHBG has, however, been funded each year.

The Department of Hawaiian Home Lands (DHHL), the sole recipient of NHHBG funding, uses the funds for new construction, rehabilitation, acquisition, infrastructure, and various support services. Housing can be either rental or homeownership. The NHHBG can also be used for certain types of community facilities if the facilities serve eligible residents of affordable housing. DHHL also uses the funds to provide housing services, including homeownership counseling and technical assistance, to prepare families for home purchase and ownership.

The Hawaiian Homelands Homeownership Act of 2000 added a new Section 184A to the Housing and Community Development Act of 1992, authorizing the Native Hawaiian Housing Loan Guarantee program. The purpose of the Section 184A loan guarantee is to provide access to sources of private financing on native Hawaiian home lands. The program is designed to offer homeownership, property rehabilitation, and new construction opportunities for eligible native Hawaiian individuals and families wanting to own a home on Hawaiian home lands.

FUNDING

The IHBG program was funded at $700 million in FY10, $648 million in FY11, $650 million in FY12, $650 million in FY13, and $650 million in FY14. The Administration proposed $650 for FY 15. The NHHBG program was funded at $13 million in FY10, FY11, and FY12 and FY13 and $10 million in FY14. The Administration proposed $13 for FY 15. Federal programs may experience funding cuts over the coming years which will add to the existing difficult environment on Capitol Hill.

FORECAST FOR 2014 & WHAT TO SAY TO LEGISLATORS

NAHASDA reauthorization. First and foremost, NAHASDA is up for reauthorization as of the end of FY 13. NAHASDA programs are currently being administered without reauthorization and we strongly urge Congress to pass legislation to reauthorize these vital housing program dollars. Advocates should be aware of tribal positions identified throughout 2012 and 2013 in the reauthorization process and support enactment in the 113th Congress, please visit www.nigc.net for additional information, including copies of NAIHC draft legislation and S. 1352, H.R. 4277 and H.R. 4329.

Protecting and increasing funding for NAHASDA is an ongoing issue for advocates to be aware of, but of nearly equal importance is the act's implementation, which has been plagued by delay and lack of consultation with tribes.

Tribes across the country are striving for sustainability without federal subsidies to complement the values of sovereignty and self-determination. The federal government must fulfill its trust responsibility in supporting tribal development. NAHASDA and the Low income Housing Tax Credit Program have created new and exciting opportunities for tribes to improve their communities. It is vital that the federal government work in partnership with tribal governments to improve housing and economic development conditions in tribal communities.

Native Hawaiian reauthorization. The Title VIII program was included in the House version of NAHASDA reauthorization in 2008, but not in the final bill. The Hawaiian Homeownership Opportunity Act of 2011 (H.R. 2648 and S. 65) was introduced in the 112th Congress and would have reauthorized Title VIII. Housing advocates should push for reauthorization of native Hawaiian programs in their efforts to ensure native Hawaiians have access to critical resources for housing and community development. Currently, a provision to reauthorize Title VIII is included in legislation being considered by Congress.

Resources for tribal housing programs. Funding for tribal housing is the lifeblood of community development in Indian Country. For many years, funding has leveled off, failing even to keep pace with inflation and ever-increasing costs of energy, materials, and construction. Advocates should ask Congress to fully fund tribal housing and tribal housing-related programs, including the Indian Housing Block Grant program, the Indian Community Development Block Grant program, the Native Hawaiian Housing Block Grant program, and the Section 184, 184A, and Title VI Loan Guarantee programs.

FOR MORE INFORMATION

- National American Indian Housing Council, 202.789.1754, www.naihc.net
- HUD Office of Native American Programs, www.hud.gov/offices/pih/ih
- Department of Hawaiian Home Lands, http://hawaii.gov/dhhl

Section 3: Job Training, Employment, and Business Opportunities Related to HUD Funding

By Catherine M. Bishop, former Staff Attorney, National Housing Law Project

Section 3 of the Housing and Urban Development Act of 1968, titled "Economic Opportunities for Low and Very Low Income Persons," requires recipients of HUD housing and community development funding to provide "to the greatest extent feasible" job training, employment, and contracting opportunities for low and very low income residents and eligible businesses.

The Section 3 obligation is too often ignored by the recipients of HUD funds and not enforced by HUD or the local recipients; therefore, the potential of the program is unrecognized or underused by low and very low income people and qualified businesses and their advocates. However in recent years, both lawmakers and current HUD officials have expressed interest in strengthening the program.

ADMINISTRATION

Oversight responsibility for Section 3 rests with HUD's Office of Fair Housing and Equal Opportunity (FHEO). HUD is charged with monitoring and determining if local recipients of HUD housing and community development funds are meeting their obligations. In addition, those local recipients have the responsibility to ensure that the obligations and goals of Section 3 are met by local contractors.

HISTORY

The Section 3 obligation was created as part of the Housing and Urban Development Act of 1968, which at the time was described as "the most farsighted, the most comprehensive, the most massive housing program in all American history." Section 3 was a component of that act which strove to improve the quality of life of all Americans. The Section 3 statute has been amended four times; each time the amendments primarily sought to expand the reach of Section 3 and to benefit low income families. Nevertheless, the potential of this program has largely been ignored throughout its history.

SUMMARY

Section 3 is a federal obligation that is tied to HUD funding. It applies to all HUD funding for public housing and Indian housing, such as the public housing operating fund and capital fund, Resident Opportunity and Self-Sufficiency (ROSS) grants, Family Self-Sufficiency (FSS) grants, HOPE VI, and the Rental Assistance Demonstration (RAD) program. Section 3 also applies to other housing and community development funding including Community Development Block Grant (CDBG), HOME, Housing Opportunities for Persons with AIDS (HOPWA), and Neighborhood Stabilization Program (NSP) funds. Section 3 states that recipients of HUD housing and community development funding must provide "to the greatest extent feasible" job training, employment, and contracting opportunities for low and very low income residents and Section 3 businesses.

HUD regulations set numerical goals for all entities subject to Section 3. Low and very low income individuals should be given a preference for at least 30% of all new hires that arise from the HUD funding. At least 10% of the total dollar amount of all Section 3 contracts for building trades work and 3% of all other contracts, should be for Section 3 businesses. A Section 3 business is defined as a business: owned by low income individuals; or which hires a substantial number of low income individuals; or which commits to contract at least 25% of the dollars awarded to Section 3 businesses.

The Section 3 regulations spell out orders of preference that should be given to residents and businesses. A preference should mean that if the Section 3 business or individual meets the job qualifications or the bid requirements, the individual should be hired or the business should get the contract. The order of resident preferences for Section 3 activities at public housing is: residents of the public housing development that is assisted; residents of other public housing developments in the service area of the public housing agency

(PHA); YouthBuild participants; and, finally, other low income people in the metropolitan area (or non-metropolitan county). The order of resident preference for other housing and community development activities is: low income people living in the service area or neighborhood where the assisted project is located; YouthBuild participants; homeless people in the service area of neighborhood of the assisted project; and, other low income people in the metropolitan area (or non-metropolitan county). There are also orders of preferences regarding Section 3 businesses pertaining separately to public housing and to other housing and community development projects.

For both public housing and the other housing and community development funding, the Section 3 obligation is applicable to the entire project regardless of the amount of funding subject to Section 3. For example, a project may receive funds from many sources, public and private, but if there are any public housing funds in the project, the Section 3 obligation applies to the entire project.

For public and Indian housing funding, Section 3 is applicable to any jobs and contracting opportunities that arise in administration, management, service, maintenance and construction. For the other housing and community development funding, Section 3 is applicable to jobs that arise in connection with construction or rehabilitation and only if the funding is more than the established threshold. Examples of eligible types of other housing and community development projects include housing construction or rehabilitation; public works projects, such as waterfront redevelopment; retail and restaurant development; landscaping; development of entertainment facilities; and, other related infrastructure.

One HUD administrative decision regarding the program is of special note. In April 2004, HUD issued a decision that the City of Long Beach, CA, violated Section 3 because Section 3 new hires worked significantly less than 30% of the hours worked by all new hires. This decision is important because the standard of 30% of new hires can be easily manipulated with a hiring surge at the end of the contract period and therefore frustrate the purpose of Section 3. Using the standard of 30% of the hours worked each year by the new hires is much better and is consistent with the Section 3 goal of creating employment opportunities for low income individuals to the "greatest extent feasible."

Section 3 complaint procedure. There is a HUD-established complaint procedure for individuals and businesses to use for violations of Section 3. Complaints are filed with the FHEO Regional offices. HUD has responded favorably to some complaints that have been filed. There is no publicly available data on the number of complaints that have been filed or their resolution, but HUD could make such information available.

FUNDING

There is no independent funding for Section 3. The number of jobs created or contracts provided to Section 3 individuals or businesses depends upon the level of funding for the applicable public housing or housing or community development program.

FORECAST FOR 2014

HUD's Fall 2013 Semi-Annual Regulatory Agenda states it will issue proposed Section 3 rules in April 2014 to "(1) Reflect certain changes in the design and implementation of HUD programs that are subject to the section 3 regulations; (2) clarify the obligations of covered recipient agencies; and (3) simplify the Department's section 3 complaint processing procedures." In the past, HUD has stated that it will revise the Section 3 rules and failed to follow through. Nevertheless, hope remains that HUD will publish the rules this year and that the affected parties will comment on them. Policies that should be supported include that recipients and their contractors, which are subject to Section 3 have a workforce that is 30% low and very low income at the time that such individuals begin the Section 3 work and that 10% of the total dollars contracted are with Section 3 businesses.

HUD stated that pursuant to the Rental Assistance Demonstration (RAD), Section 3 applies to construction, rehabilitation, and repair work that arises from the conversions of public housing and Moderate Rehabilitation units to project-based vouchers and to project-based Section 8. In the coming year, jobs and contracting opportunities at these converting developments should benefit public housing residents and low and very low income workers.

For the past several years HUD has increased its efforts to get recipients of HUD funds who are subject to Section 3 to report their compliance with Section 3 on the form HUD 60002. HUD reports that nearly 80% of all recipients currently file these reporting forms. However as noted by a June 2013 HUD Office of Inspector General (OIG) report, HUD did not verify the accuracy of the forms or follow up on clearly non-compliant information, leading OIG to conclude that for 2011, 1,650 PHAs "could be falsely certifying compliance."

In December 2013, FHEO announced in a webinar that it had revised the HUD 60002 form to address these problems for PHAs and all HUD grant recipients. FHEO intended to make mandatory, the requirement to explain efforts taken when the statutory and regulatory goals were not met. FHEO also created a system that would prevent the submission of clearly non-compliant or inaccurate information. Unfortunately, HUD suspended the roll out in January 2014 due to unforeseen technical difficulties; as of April 1, 2014 the system is still not operational.

The issues for advocates include when will the technical difficulties be resolved and how HUD will respond to local agency reports that do not reasonably explain why there were no or too few new Section 3 hires, or no or too few dollars under contract with Section 3 businesses. In addition advocates should be interested in how HUD works to get those local agencies that have completely ignored the prior reporting requirements to comply. Will HUD establish, as recommended by the OIG, a system of remedies and sanctions for PHAs (and presumably other HUD grant recipients) that do not submit HUD-60002 forms?

In accordance with the HUD Strategic Plan for 2010-2015, HUD's Notices of Funding Availability (NOFA) process was improved by informing applicants that HUD was interested in proposals that focus on skills training and partnerships with community-based organizations to develop pathways to career ladders for low income populations. The FY13 NOFA continued that emphasis and states that HUD is interested in activities that are more comprehensive than Section 3 and outcomes "beyond just the number of jobs created." The FY 14 NOFA no longer contains such emphasis.

In 2011 HUD selected five pilot locations to determine the feasibility of HUD monitoring a registry of self-certified Section 3 businesses. There is no information as to whether HUD will expand the pilot program.

Legislation to Improve Section 3. Representative Nydia Velazquez (D-NY) has repeatedly sought to improve Section 3. In prior years, she has held hearings and proposed or introduced legislation. But these efforts have not been supported by many of her colleagues. It is not likely that things will change in the coming year.

TIPS FOR LOCAL SUCCESS

The successes of Section 3 are almost exclusively attributed to local staff of recipient agencies implementing the goals, as well as to oversight, monitoring, and advocacy by local advocates and community groups.

Advocates should contact local unions, resident organizations, minority and women-owned businesses, community development corporations, and employment and training organizations to discuss how they and their members or clients can use the Section 3 goals and preferences to increase employment and contracting opportunities for the targeted low and very low income individuals and Section 3 businesses.

In addition, advocates should meet with local PHAs and other local recipients of housing and community development dollars (often cities and counties) to discuss whether they are meeting their Section 3 obligations with respect to public housing funds, or the CDBG, HOME, and the RAD programs. Locally, advocates should seek information on the number of low and very low income individuals trained and hired in accordance with Section 3, and the dollar amounts contracted with Section 3 businesses. Advocates should create or improve upon a local plan to fully implement Section 3. Because of the continuing initiative to get recipients to submit the form HUD 60002, advocates should ask local recipients of HUD funds or HUD for copies of the submitted forms and take the necessary action. Compliance with Section 3 could be addressed in the annual PHA plan process or the Consolidated Plan (ConPlan) process.

If compliance is a problem locally, advocates should urge HUD to monitor and conduct a compliance review of the non-complying recipients of federal dollars for public housing or housing and community development, including public housing agencies and local community development agencies. Low income persons and businesses with a complaint about recipients of HUD funds or contractors' failure to comply with or meet Section 3 goals or preferences should consider filing an official complaint with HUD.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to legislators about the connection between HUD funding and jobs. They should also encourage Ms. Velazquez to reintroduce a bill, such as the Earnings and Living Opportunities Act (ELOA), that reforms Section 3 and addresses some of its weaknesses. They should also encourage their member of Congress to inform Ms. Velazquez of their interest in Section 3 and to inform her of the member's willingness to cosponsor such a bill and to support it when introduced. In addition, advocates should urge Ms. Velazquez to reintroduce the Together We Care Act and request their member of Congress to support it.

FOR MORE INFORMATION

- HUD's FHEO Section 3 website, http://1.usa.gov/YJPOIi
- The National Housing Law Project publication, "An Advocate's Guide to the HUD Section 3 Program: Creating Jobs and Economic Opportunity," and other materials available at: http://nhlp.org/resourcecenter?tid=115
- National Housing Law Project, 415-546-7000, www.nhlp.org

Self-Help Homeownership Opportunity Program

By Leslie R. Strauss, Senior Housing Analyst, Housing Assistance Council

Administering agency: HUD's Office of Community Planning and Development (CPD)
Year program started: 1996
Number of persons/households served: 28,000
Population targeted: Households with incomes below 80% of the area median income
FY14 funding: $10 million

The Self-Help Homeownership Opportunity Program (SHOP) is a competitive grant program that provides funds to national and regional nonprofits that assist low income families in building their own homes using a "sweat equity" or self-help model. The homes are sold to the homebuyers at below-market rates.

HISTORY AND PURPOSE

Congress first authorized the SHOP program in 1996. SHOP was created for the purpose of alleviating one of the largest obstacles faced by self-help housing developers in the production of affordable housing – the high cost of acquiring land and developing infrastructure before home construction begins.

PROGRAM SUMMARY

SHOP is a competitive grant program run by HUD that provides funds to national and regional nonprofits that assist low income families in building their own homes using a sweat equity or self-help model. Funds are re-stricted to paying for land and infrastructure costs associated with building the homes, including such items as sewer connections, streets, utilities, and environmental remediation. These funds must result in one home for each $15,000 awarded. Each low income family receiving assistance through SHOP is required to invest at least 100 hours of work in building its home and the homes of others, although many families work far more than the required hours. The homes are sold to the homebuyers at below-market rates.

National or regional nonprofit organizations or consortia can apply to HUD annually for SHOP funds. There are currently two SHOP recipients that operate nationwide: Habitat for Humanity and the Housing Assistance Council. HUD awards grants competitively based upon an organization's experience in managing a sweat equity program, community needs, its capacity to generate other sources of funding, and the soundness of its program design. The HUD-funded organizations may develop self-help housing themselves or act as intermediaries; that is, make SHOP loans to local organizations that work with self-help home buyers.

All families receiving SHOP funds must earn less than 80% of the area median income (AMI), although many of the organizations that facilitate the distribution of these funds work with families who have income well be-low that threshold. SHOP funds have been used to support the work of self-help housing organizations in every state, resulting in the development of thousands of affordable homes for ownership.

FUNDING

SHOP was appropriated $27 million in FY11, $13.5 million in FY12, $13.5 million in FY13 (before sequestration was applied), and $10 million in FY14.

FORECAST FOR 2014

SHOP, created in 1996, received steady support from Congress and the Clinton and George W. Bush Administrations. The Obama Administration's budget proposed no funding for the program in FY12 and FY13, and then proposed $10 million for FY14 and the same for FY15. The budget would make SHOP a set-aside in the HOME program. For FY14, Congress chose to keep the programs separate. SHOP is one of the few federal housing programs to receive an effective rating, the highest rating possible, on the Program Assessment Rating Tool developed by the Office of Management and Budget (OMB).

TIPS FOR LOCAL SUCCESS

Local organizations can access SHOP funding by partnering with one of the national or regional funding recipi-ents. The strongest applicants have self-help experience.

WHAT TO SAY TO LEGISLATORS

Members of the House and Senate should be asked to support continued SHOP funding at $20 million per year. The program has many positive aspects:

- Self-help housing provides families a hand up. The families who ultimately use the program's funds will put at least 100 hours, and often more, into building their own homes. For example, through the Housing Assis-tance Council's first 10 years of SHOP funding, participating homebuyers averaged over 1,000 hours of la-bor.
- Because owners' sweat equity reduces mortgage amounts, the self-help process makes homeownership af-fordable to people with low and very low incomes.

FOR MORE INFORMATION

- Habitat for Humanity International, 202-628-9171, www.habitat.org
- Housing Assistance Council, 202-842-8600, www.ruralhome.org
- HUD, 202-708-2684, www.hud.gov/offices/cpd/affordablehousing/programs/shop

Services for Residents of Low Income Housing

By Judith Chavis, Executive Vice President/Public Policy, American Association of Service Coordinators

HUD currently has three distinct service coordinator programs, each with its own federally-appropriated funding stream:

1. The Resident Opportunities and Self Sufficiency (ROSS) Service Coordinator program;
2. The Family Self-Sufficiency (FSS) program; and,
3. Service Coordinators in Multifamily Housing for the Elderly/Disabled.

HUD's Office of Public and Indian Housing (PIH) administers the ROSS Service Coordinator and FSS programs. The Service Coordinators in Multifamily Housing for the Elderly/Disabled program funds the work of service coordinators in Section 202 housing and is administered by HUD's Office of Multifamily Housing Programs.

A service coordinator is defined as a social service staff person hired or contracted by a property owner, housing management company, public housing agency (PHA), resident association (RA), or Tribal Housing entity. The service coordinator's primary role is to coordinate the provision of supportive services and provide access to benefits, entitlements, and community-based resources for low-income residents.

In general, a service coordinator is a social service professional who acts as an information and referral resource for families, seniors, and persons with disabilities residing in publicly funded subsidized apartments or other affordable housing environments. Specifically, service coordinators help the residents in these settings to remain independent and increase their assets and self-sufficiency by connecting them with community-based services and other income-related benefits.

HISTORY

Service coordination is a growing profession that has expanded from an initial beginning when Congress created HUD's Service Coordinator program through Section 808 of the National Affordable Housing Act of 1990 (also known as the Cranston-Gonzalez Affordable Housing Act, Public Law 101-625). This law gave HUD the authority to use Section 8 funds to employ service coordinators in Section 202 Multifamily Housing for the Elderly/Disabled. The Act also enacted the FSS program.

Service coordination programs received additional authority through the 1992 Housing and Community Development Act (HCDA; Public Law 102-550). The HCDA Amendments of 1992 amended Section 808 through Sections 674 and 677 and added Sections 675 and 676. Section 851 of the American Homeownership and Economic Opportunity Act of 2000 (Public Law 106-569, further amended these Acts, allowing Service Coordinators to serve low-income elderly and disabled persons living in the vicinity of the development, and expanded the program by broadening authority for funding of service coordinators in most HUD-assisted and conventional public housing developments designated for the elderly and people with disabilities.

As a response to the Quality Housing and Work Responsibility Act of 1998 (the Public Housing Reform Act), ROSS is a redefined and restructured combination of programs funded in prior years: The Tenant Opportunities Program (TOP); Economic Development and Supportive Services Program (EDSS); and, Public Housing Service Coordinators.

PROGRAM SUCCESSES

National research over the past 30 years has chronicled the widely recognized preference by older adults to remain independent and in their own homes and communities for as long as possible. A research study on service coordination offers some exciting information on the benefits of service coordination across the country. Additionally, national data from the AASCOnline documentation system has shown the benefits of service coordination in terms of: providing access to services and supports; increased length of independent living; and, most recently, cost-savings for the residents from their access to needed services, benefits, and supports.

In terms of cost savings, a comparison of the national average monthly cost of nursing home care versus keeping a low income, frail elderly person in their own apartment with access to benefits, supports, and services at a property with a service coordinator reveals some startling data. According to the March 2013 "Tenth Edition of the Genworth 2013 Cost of Care Survey of Home Care Providers, Adult Day Health Care Facilities, Assisted Living Facilities and Nursing Homes," the average monthly cost of a semi-private room in a nursing home is $6,296. Keeping a frail elderly person independent in her own subsidized apartment with supportive services and public benefits can reduce spending of taxpayer dollars to approximately 66% less than the monthly average cost of nursing home care. This figure is based on: the average SNAP (food stamp) benefit for seniors of $121/month; 70% of the national average of HUD's 2014 fair market rent (FMR) for a one-bedroom apartment; and, the average monthly cost of a service coordinator based on AASC 2014 Service Coordinator Salary Survey.

HUD's Office of Policy Development and Research (PD&R) evaluated the level of satisfaction among property managers in multifamily housing properties with the provision of service coordination. The report, *Multifamily Property Managers' Satisfaction with Service Coordination*, was based on a survey of property managers in multifamily developments who have or did not have a service coordinator program in place.

Overall, the report found a high level of satisfaction from property managers regarding the service coordinator program, as well as a strong belief that service coordinators improve the quality of life for the residents in their housing properties. The report also goes on to find resident occupancy appears to be longer in properties with a service coordinator when compared to properties without the position. Specifically, the report stated that the length of occupancy at developments with a service coordinator was 10% longer than at developments without a service coordinator. This increased length of independent living serves to reduce the long-term care costs for this population.

SUMMARIES OF THE PROGRAMS

Service Coordinators in Multifamily Housing for the Elderly/Disabled, and ROSS Service Coordinators

The service coordinator position is funded to carry out the following activities:

- Assessing each elderly resident's needs in Activities of Daily Living (ADLs) and determining their respective service needs.
- Assisting residents with obtaining needed community-based services and/or public benefits.
- Monitoring and evaluating the effectiveness of the supportive services provided to residents individually and collectively.
- Identifying and networking with appropriate community-based supports and services.
- Advocating on behalf of residents individually and collectively to ensure their needs are met.
- Assisting residents with establishing and working with Resident Associations/Resident Councils, as requested.
- Assisting residents to set up informal support networks.
- Assisting residents with resolving problems with their tenancy.
- Developing and acquiring appropriate health and wellness programs for the housing community.
- Developing after-school youth, job readiness, literacy, volunteer, and financial management programs for residents and their families.
- Performing other functions to eliminate barriers to enable frail and at-risk low income elderly, people with disabilities, and families to live with dignity and independence

Service coordinators are specifically prohibited from directly providing support services, serving as an activities director, or coordinator or assisting with other administrative work of the property. However, based on the collective needs of the residents of the property or properties where they work, service coordinators will develop health, wellness, financial literacy, after-school programs, and other beneficial group presentations or programs at the property. Additionally, service coordinators assist residents at a property with starting a residents' or tenants' association, and will provide guidance, contacts, and strategies for planning events, conducting effective meetings, and completing tasks. However, they do not conduct the meetings, nor do they regularly attend these meetings unless they are invited to do so.

Eligible applicants for Service Coordinator in Housing for the Elderly and Disabled funds include owners of HUD-assisted multifamily housing, namely developments built with or subsidized by the following programs: Section 202, project-based Section 8, Section 236, and Section 221(d)(3) Below-Market Interest Rate. All housing must be designed or designated for sole occupancy by elderly persons aged 62 and older, or by people with disabilities aged 18 to 61. Funds are distributed by national competitive grant processes through HUD Notices of Funding Availability (NOFAs).

Eligible applicants for ROSS Service Coordinator funds include PHAs, Tribes/tribally designated housing entities (TDHEs), resident associations (RAs) such as resident management corporations, resident councils, and intermediary resident organizations and nonprofit organizations supported by residents and/or PHAs. Funds are distributed by national competitive grant processes through HUD Notices of Funding Availability (NOFAs).

While HUD allows service coordinators to be funded through a property's residual receipts funds or to be incorporated into the property's operations budget, most federally assisted properties and PHAs do not have sufficient resources in their operating budgets to staff service coordinators.

Family Self-Sufficiency (FSS)

The Family Self-Sufficiency (FSS) program helps housing choice voucher (HCV) holders and public housing (PH) residents to build assets, increase their earnings, and achieve other individual goals including homeownership, if desired. FSS supplements stable, affordable housing in two ways: (1) with case management to help families overcome barriers to work and develop individualized skills training and services plans, and (2) with escrow accounts that grow as families' earnings rise. The program is voluntary and allows participants up to five years to achieve their goals and "graduate" from the program.

The FSS program is administered through public housing agencies (PHAs) that elect to participate in FSS by filing an FSS Action Plan with HUD. Housing agencies may also choose to apply for funding for FSS coordinator costs as part of an annual competitive grant process. Some agencies are required to continue to participate in FSS until they graduate a sufficient number of families to satisfy mandates associated with receipt of incremental housing assistance in the mid-1990s. For all other agencies and for mandated agencies once they satisfy their mandate, participation is voluntary.

Each family participating in the FSS program works with a coordinator/case manager who assists the family in developing an individual training and services plan and helps the family access work-promoting services in the community, such as résumé building, job search, job counseling and education and training. The nature of the services varies based on families' needs and local program offerings.

A significant component of the FSS program is the escrow account that serves as both a work incentive and an asset-building tool. Like most families in public or assisted housing, participants in the FSS program must pay higher rental payments if their incomes increase. FSS participants, however, have an opportunity to obtain a refund of some or all of these increased rent payments. As the rent of an FSS participant increases due to increased earnings, an amount generally equal to the rent increase is deposited into an escrow account. Upon graduation, the participant receives all of the escrowed funds to meet a need he or she has identified. If the housing agency agrees, the participant may also make an interim withdrawal when needed to meet expenses related to work or other goals specified in the participant's FSS plan. A participant who fails to successfully complete the FSS program loses the funds in his or her escrow account.

FUNDING

For FY14, Congress appropriated $72 million for the Service Coordinators in Multifamily Housing for the Elderly and Disabled grant program. This was a reduction in funding that may only fund one-year grant extensions for existing service coordinator grants.

The President's FY15 budget request, if passed by Congress would only appropriate $70 million for the Service Coordinators in Multifamily Housing for the Elderly and Disabled grant program. This funding level would not fully fund one-year grant extensions. There is no money identified for new grants.

For ROSS Service Coordinator grants, FY14 funds were appropriated at a level of $45 million. The FY15 budget request does not include any funding for the ROSS Service Coordinator grant program.

The FY14 appropriations bill also provided $15 for a Jobs-Plus Pilot program as a set- aside in the Public Housing Capital Fund. The HUD Secretary was granted the authority to provide additional pilot funding by setting-aside and decreasing ROSS funding. The Administration's FY15 budget request includes $25 million for the Jobs-Plus Pilot and an additional $125 million through the President's Opportunity, Growth, and Security Initiative (OGSI) budget request.

In the FY14 Omnibus Appropriations Act, the FSS program was consolidated into one program and funded at a $75 million level to pay the salary and benefits of FSS coordinators/case managers. This funding level constitutes "flat funding," meaning there was no increase in funding for the FSS program. Previously, there were two separate FSS programs with separate funding streams – one specifically for HCV holders (funded at the $60 million level for the past few funding cycles) and another for public housing residents with funding carved out of ROSS funds (approximately $15 million out of a total ROSS funding level of $50 million for the past few funding cycles).

For HCV participants, FSS escrow deposits are eligible expenses for reimbursement under the housing assistance payments that HUD makes to PHAs. For public housing residents, PHAs are compensated for FSS escrow deposits through the public housing operating subsidy calculation.

The President's FY15 budget requests level funding for the consolidated FSS programs at $75 million but proposes expanding the program to also serve households in Project-Based Rental Assistance funded housing, which would decrease the amount of funding provided to the residents in public housing and housed with Section 8 Tenant-Based Rental Assistance.

FORECAST FOR 2014

Service Coordinators in Multifamily Housing for the Elderly and Disabled grant program

There continues to be a need for a multifaceted strategy for funding service coordinators that includes maintaining the service coordinator grant programs and increasing the ability for routine staffing of service coordinators from a property's operating budget or through modest rent adjustments or the property's residual receipts. While statutory authority exists to allow HUD to fund service coordinators, many senior housing facilities have not been able to secure the necessary rent adjustments to accommodate them.

There is also a need to expand the funding for housing-based service coordinators to assist frail seniors and non-elderly people with disabilities in the surrounding community where the property is located. While Section 851 of the American Homeownership and Economic Opportunity Act of 2000 (Public Law 106-569) granted authority to enable service coordinators to assist residents in the surrounding community, there are insufficient funds to enable service coordinators to effectively assist these residents.

Additionally, Section 515 of the American Housing Act of 1949 (Public Law 81-171) provided preliminary language for the use of service coordinators at rural multifamily housing developments administered by the U.S. Department of Agriculture (USDA). In the 515 program, the service coordinator can be funded through the property's operations budget. Again, lack of sufficient resources in the operations budgets at these properties has prevented many properties from staffing a service coordinator.

ROSS Service Coordinator grant program

The need for service coordination in PHAs continues to be a critical concern. For the past few funding cycles, the Operating and Capital Funds appropriated to PHAs have decreased to the point that funds are insufficient to meet public housing operating and repair needs, much less fund a service coordinator. It is imperative that PHA residents have access to the information, assistance, and case management of a service coordinator that would enable them to gain or maintain their independence and achieve economic self-sufficiency. If the FY14 $45 million funding level could be maintained there would be a modest amount available to fund new ROSS Service Coordinators in additional PHAs.

FSS grant program

For the FSS program, the key issue is expanding and making effective use of the FSS program to help families build assets and make progress toward self-sufficiency. There is no limit to the number of families that may be enrolled in FSS, so one key goal for local advocacy is expansion of current programs to serve additional families. For housing agencies without an FSS program, advocates may wish to focus on starting a new FSS program.

At the same time, there is a limit to the number of families that can be effectively served with a given number of coordinators. There is no formal caseload standard, but HUD generally uses 50 families per coordinator as a rule of thumb. Caseloads vary dramatically from agency to agency, and in some cases, it may be more important to add coordinator staff to reduce caseloads to manageable levels at the outset and then work to expand the number of enrolled families. Advocates should work collaboratively with local housing agencies to find local in-kind or cash resources to expand the number of FSS program coordinators/case managers to serve additional families.

The key federal advocacy issue related to FSS is funding stability, principally for FSS coordinators. Congress should renew and expand funding for FSS coordinators. The American Association of Service Coordinators (AASC) continues to advocate for a change in the program's funding restrictions and an increase in funding for FSS coordinators to cover the costs of training, computer equipment, and case management software for FSS coordinators/case managers. It should be noted that shortfalls in Section 8 and public housing funding hurt FSS by making it more difficult for housing agencies to rely on HUD funding to cover the costs of escrow deposits for FSS participants.

In this current and previous Congressional sessions, a number of legislative proposals have sought to streamline the FSS program and stabilize its funding, including S. 454, The Family Self-Sufficiency Act sponsored by Sen. Jack Reed (D-RI). In addition to simplifying the funding, these proposals would also open up funding to additional housing types and agencies that wanted to start or expand their FSS programs. Unfortunately, S. 454 is the only legislative initiative pending in the current Congress, and it has not made significant progress through the federal legislative process of the 113th Congress.

WHAT TO SAY TO LEGISLATORS

Service Coordinators in Multifamily Housing for the Elderly and Disabled grant program

Advocates are encouraged to contact Members of Congress with the message that Service Coordinators in Multifamily Housing for the Elderly/Disabled save taxpayer dollars by keeping frail, low-income seniors living independently in cost-effective housing instead of being placed in costly institutional (nursing home) care. Funding for service coordinators remains very limited despite the critical need and cost-effectiveness of service coordinators in helping low income elderly people and others with special needs to gain access to supportive services, and to help low income families to become more self-sufficient and economically independent.

Members of Congress should be urged to:

- Restore the $91 million funding level in FY15 for service coordinators in federally-assisted housing, particularly to ensure adequate funds for expiring grants for existing service coordinator positions and to expand the number of properties with a service coordinator.
- Fully fund Section 8, PRAC, other rent subsidies and project operating funds to permit the staffing of a service coordinator as a routine part of the housing property's operating budget.
- Appropriate a minimum of $10 million in FY15 to fund a competitive grant for service coordinators in Section 514, 515, and 516 programs under USDA.
- Direct HUD and its field offices to provide necessary budget adjustments and regulatory relief to remove any barriers restricting the staffing of service coordinators through a property's operating budget.

ROSS Service Coordinator Grant Program

Advocates are urged to contact Members of Congress with the message that service coordination in public housing is a critical need. Residents of PHAs should be afforded access to information, assistance, and linkages to community-based supports and services afforded by a service coordinator to enable them to gain or maintain their independence and achieve economic self-sufficiency.

Members of Congress should be urged to:

- Maintain the $45 million funding level as a stand-alone appropriations line item for ROSS Service Coordinator grants without any carve-outs for other programs. This would ensure more PHAs have access to grant funds for service coordinators.

FSS Coordinators grant program

Advocates should speak to the person in the office of their Member of Congress who deals with housing policy with the message that:

- HUD's FSS program is critical for helping families in subsidized housing build assets and make progress toward self-sufficiency and economic independence.
- To better support FSS in the near term, Congress should increase funding for FSS program coordinators to $85 million for FY15 so as to include training for FSS coordinators as well as needed computer equipment as allowable expenses.
- Congress should pass legislation that strengthens and expands the FSS program, and stabilizes funding for FSS coordinators, their training, and necessary equipment to effectively perform their case management duties.

FOR MORE INFORMATION

- American Association of Service Coordinators, 614-848-5958, www.servicecoordinator.org
- HUD's Office of Public and Indian Housing's ROSS and FSS website is, http://1.usa.gov/1gxezRs
- HUD's Office of Multifamily Housing Program's Service Coordinator's website is at, http://1.usa.gov/1qzW0Tf
- The HUD report Multifamily Property Managers' Satisfaction with Service Coordination, http://bit.ly/XoZo5d

State and Local Housing Trust Funds

By Mary E. Brooks, Housing Trust Fund Project Director, Center for Community Change

State and local housing trust funds are created when ongoing, dedicated sources of public funds are committed by ordinance or legislation to support the production and preservation of homes for lower income households. This single key characteristic of housing trust funds advances the way this country funds affordable housing by guaranteeing that revenues are available each year to support critical affordable housing needs.

HISTORY AND PURPOSE

Since the 1980s, state and local housing trust funds have employed the model of committing public funds to address our communities' most critical affordable housing needs. With nearly 700 housing trust funds in cities, counties, and states, these funds have become important elements in an overall housing policy, and are well-known for their flexibility, sustainability, and success in addressing critical housing needs. Forty-seven states have created state housing trust funds.

ISSUE SUMMARY

Because state and local housing trust funds are distinct funds created through the dedication of public revenues, they are essentially public funds, and this shapes how they operate. There are three key elements to any state and local housing trust fund:

1. **Administration.** Most housing trust funds are administered by a public or quasi-public agency. Housing advocates are not always comfortable with the performance of local agencies and may not find this an easy condition to accept. While there are alternatives, such as a community foundation administering the fund, there are very few examples of such models. In the long run, it is desirable for elected officials to accept ownership and responsibility for addressing critical housing needs and designate the housing trust fund as one way in which they intend to do this.
2. **Board.** One administrative characteristic of housing trust funds that usually improves upon this arrangement is the creation of an appointed oversight board. Most housing trust funds have such boards. They are typically broadly representative of the housing community, including banks, realtors, developers, nonprofit development organizations, housing advocates, labor, service providers, and low income residents. These boards can be merely advisory, but it is preferable to delegate some decision-making authority to them, including determining which projects receive funding from the trust fund, overseeing policies, and evaluating and reporting on performance of the fund.
3. **Programs.** The basic programmatic issues for housing trust funds should be defined in the ordinance or legislation that establishes the fund. This ensures that the key operating components of the trust fund are not subject to the whims of changing administrations. Staff and board members will need to develop an application cycle, program requirements, and administrative rules.

State and local housing trust funds are created locally to address the most critical housing needs that exist. In order to ensure that the trust fund succeeds, several decisions must be made about what gets funded through it. This includes determining eligible applicants, eligible activities, and requirements that must be met to receive funding. Most housing trust funds provide loans and grants through a competitive application process, although some establish distinct programs. Grants are important to ensure that housing can be provided to meet the needs of those with the lowest incomes. Eligible applicants typically include nonprofit developers, for-profit developers, government entities, Native American tribes, and public housing agencies. Eligible activities are usually quite broadly defined, including new construction, rehabilitation, acquisition, emergency repairs, accessibility, first time homeownership, operating and maintenance costs, and many others. Rental assistance is provided by some housing trust funds. There are a few state and local housing trust funds that serve only the needs of the homeless population and define their activities accordingly.

Key decisions to make. Among the most important decisions to be made regarding programs are what requirements projects must meet to be eligible for funding. Chief among these is the income level of those who benefit from the housing provided. Most housing trust funds serve populations earning no more than 80% of the area median income (AMI), but many serve lower income households either entirely or in part by setting aside a portion of the funds to serve these populations in particular. Without setting aside funds to serve very low and extremely low income households, these most critical needs continue to be ignored. It is important to give serious consideration to set-asides and other programmatic issues that enable funding for those with the most critical needs.

Another key concern is the long-term affordability requirements that must be met. Many state and local housing trust funds require that the units supported through the trust fund remain affordable to the targeted population for a defined amount of time, or in perpetuity. Housing advocates may identify other requirements to incorporate, including accessibility, mixed-income, green housing principles, transit-oriented housing, rural housing, and housing-related services requirements.

Revenue sources. Identifying public revenue sources that can be committed to a local housing trust fund is what makes creating these trust funds difficult. Different revenue sources are available to different jurisdictions, because each controls specific taxes and fees. Research must be done to identify appropriate funding sources. The most common revenue source for a city housing trust fund is introducing a linkage program as part of the zoning ordinance. These are impact fees placed on non-residential developers to offset the strain the development's employees may have on the housing supply. Along with linkage fees, many jurisdictions also use inclusionary zoning in-lieu fees. Other cities have committed various fees, such as condominium conversion fees or demolition fees, along with taxes, including property taxes, real estate excise taxes, and hotel and motel taxes.

The best and most common revenue source for a county housing trust fund is a document recording fee, a fee paid upon filing various types of official documents with a state or local government. This is one of the few revenue sources that most counties can commit. Other sources used by counties include sales taxes, developer fees, real estate transfer taxes, and real estate excise taxes.

State housing trust funds are most commonly funded by real estate transfer taxes, but states have committed nearly two dozen different revenue sources to housing trust funds. Other options include interest from state-held funds (such as unclaimed property funds and budget stabilization funds), interest from real estate escrow or mortgage escrow accounts, and document recording fees.

Often, housing advocates study alternative revenue sources themselves and propose the best options. These are not difficult studies, but it takes time and some diligence to obtain the necessary information. Some housing trust funds were created through specially designated task forces with responsibility for doing the background research and making recommendations on how best to create the proposed housing trust fund. Regardless, it is important for advocates to advance their own proposals for a housing trust fund with a specific revenue source recommendation, instead of leaving this critical element up to elected officials to determine.

Necessary research. Each state is unique in its treatment of taxes and fees. Research into what the state constitution and statutes permit with regard to dedicating public revenues to a specific purpose must be conducted. Research should determine what, if any, limitations are placed on specific revenue options, including caps on the rate of a tax or fee applied, and the uses to which the revenue may be applied, among other questions. New ideas are constantly being explored, so it pays to be creative in searching for potential public revenue sources.

As the search for revenue sources is undertaken, it is extremely important that a goal identifying the amount of revenue needed each year for the housing trust fund be established. This can be based on actual need, a realistic assessment of what can be secured, or an evaluation of the capacity to use new funds. This goal will be the measure by which each potential revenue source will be judged as sufficient. A combination of revenue sources may be necessary.

It is critical to keep the focus on dedicated sources of public funding that will provide an ongoing stream of revenue for the housing trust fund. Other alternatives will be proposed, such as a one-time appropriation, bond revenues, or private sources, but advocates must keep their sights on establishing an ordinance or legislation that will change the future of affordable housing.

Reporting. Once a housing trust fund is established and becomes operational, it is critically important and beneficial for the administering agency, the oversight board, and/or housing and homeless advocates to report annually on the accomplishments of the fund. This helps ensure sustained, if not increased, funding, and improves the understanding and support for effective affordable housing programs. These reports typically not only show how the trust fund made advances in specific affordable housing or homeless objectives, but also highlight the impact these expenditures have in creating jobs, adding to the tax base, and extended economic benefits. Many such reports have included stories sharing the impact that having a safe affordable home has on individual families.

Relationship between state and local housing trust funds. One of the most innovative recent advances in the state and local housing trust fund field is state legislation that enables local jurisdictions to create housing trust funds. There are several models in place. States can enact legislation that opens a door for local housing trust funds by: providing matching funds to encourage and support local housing trust fund efforts; enabling cities or counties to utilize a specific revenue source for local housing trust funds; sharing a new public revenue source with local jurisdictions; or, establishing a process whereby local jurisdictions can decide to commit specific funds to a local housing trust fund.

FORECAST FOR 2014

During 2013, housing and homeless advocates succeeded in securing more than $50 million in additional new revenues for local and state housing trust funds, creating several new housing trust funds. Advocates also sustained or added more than $400 million to existing housing trust funds. This is in addition to the millions of dollars that go into existing housing trust funds each year because they are dedicated. Advocates are deservedly proud of these victories at a time that still makes revenue a challenging issue.

With nearly 700 such funds created and implemented over the past thirty years, housing trust funds are well established as a vital part of the affordable housing field. Cities, counties, and states have developed models that work, supported innovative approaches to all aspects of addressing affordable housing and homelessness needs, and demonstrated that decent, affordable homes can be provided for everyone if communities are willing to commit the resources to do so. This commitment expands local economies, reveals new partnerships, and builds local capacity to engage in public policy initiatives. Creating a state and local housing trust fund is a proactive step that housing advocates can take to make systemic change in the housing world.

TIPS FOR LOCAL SUCCESS

While it is relatively easy for the public at large, and elected officials in particular, to nod toward the need to provide more affordable homes, committing precious resources to make it happen requires an active campaign. Advocates face the challenge of making affordable housing enough of a priority that elected officials can make the right decision. Housing trust fund campaigns have made important contributions in reframing affordable housing as a policy priority that is integral to the success of our communities. Not only is there an obvious connection between jobs and housing, but building housing also fuels the economy in a number of direct and indirect ways. Housing has a direct relationship to education, health, the environment, and neighborhood quality. Personal stories and connections to real family experiences have given the issue a face that is far more powerful than statistics reflect. Campaigns have created effective communication strategies based on the value frame that everyone should have a place to call home.

Housing trust fund campaigns have found numerous ways to boast about what housing programs can accomplish. There is no reason to be bashful about this. There are thousands of remarkable and outstanding examples of good, well-managed, integrated affordable housing. Housing advocates have an obligation to educate the public and elected officials about the new face of affordable housing. Rarely have housing trust funds been created without the pressure applied by such a campaign. Housing advocates have succeeded in making the point that providing decent, safe, affordable homes is no longer an arbitrary decision to which we can simply choose to devote resources or not. Rather, it is an ongoing, essential part of every community – no less important than streets, sewers, health centers, police or fire protection, schools, and other basic components of a viable community.

One of the most exciting aspects of housing trust funds are how they demonstrate that housing advocates can engage in progressive campaigns to make a change in the way this country supports affordable housing. Campaigns have been waged by local faith-based organizations, city-wide coalitions of nonprofit developers, state-wide housing advocacy groups, and many others. Coalitions engaging the full spectrum of the housing industry have been built. Their stories are as unique as they are uplifting and full of promise.

Today, there are easily 30 housing trust fund campaigns underway in cities, counties, and states across the country. Some are focused on creating new housing trust funds; many are working to increase resources for existing housing trust funds. The housing trust fund model can be adapted in many ways to make it possible to dedicate public funding toward addressing critical housing needs. Trust funds have been created in many states, small cities, rural counties, and large metropolitan areas.

One exciting and very promising advance in the housing trust fund movement is the embrace of the public voice in advancing housing trust funds. For example, the recent success of ballot campaigns in Bellingham, Washington and San Francisco (along with the passage of bonds in Rhode Island, Austin, Texas, and elsewhere) suggests that public support for affordable housing is a viable avenue. There is more encouraging evidence in Seattle, where the Housing Levy has been approved by voters four times over now. In addition, in Massachusetts, local voter-approved trust funds are part of the Community Preservation Act (CPA) program that allows adopting jurisdictions to raise funds to create a local dedicated fund to support affordable housing and other community uses; 44% of the Commonwealth's cities and towns – 155 communities – have passed a CPA program.

Whether a housing trust fund requires a public vote or not, as affordable housing and homeless advocates it might well be prudent to be very strategic about integrating an expression of public support in campaigns – through organizing initiatives, listening sessions, storytelling, social media networks, public events, postcard campaigns, among many other examples – to let elected officials hear that their constituents will speak up for the need for all people to have secure affordable homes.

FOR MORE INFORMATION

Housing Trust Fund Project of the Center for Community Change, 661-245-0318, www.housingtrustfundproject.org

COMMUNITY DEVELOPMENT RESOURCES

Capital Magnet Fund

By Kristin Siglin, Vice President, Policy, Housing Partnership Network

Administering Agency: Community Development Financial Institutions (CDFI) Fund at the U.S. Department of the Treasury
Year Program started: 2008 (one funding round in FY10)
Number of persons/ households served: 6,800 affordable homes, 15 community facilities
Population targeted: Households with income below 120% area median income (AMI); at least 51% with income below 80% AMI
FY 14 funding: $0
Also see: *Community Development Financial Institutions*

The Capital Magnet Fund (CMF) provides competitive grants to community development financial institutions (CDFIs) and nonprofit housing developers to develop and finance affordable housing, as well as community facilities and economic development projects that support affordable housing. CMF grants are used to fund financing tools like loan loss reserves or loan guarantees, and must be matched at least 10 to 1 with funding from other sources. Moving forward, the Administration should support funding for the CMF under current law, and Congress should preserve the program as the housing finance reform system evolves.

HISTORY

The CMF was enacted as part of the Housing and Economic Recovery Act of 2008 to provide flexible public funds to attract private investment into affordable housing projects. As originally envisioned, the CMF (along with the National Housing Trust Fund) would have received funding through assessment on Fannie Mae and Freddie Mac securities. In the fall of 2008, however, financial losses at the two Government Sponsored Enterprises (GSEs), the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) caused them to be placed in conservatorship and their obligation to contribute to the CMF and to the NHTF was suspended. The legislation creating the CMF also allowed it to be capitalized through regular appropriations, which occurred in FY10 with an appropriation of $80 million to kick off the program. This has been the only round of CMF funding.

During the FY10 round of the CMF, the CDFI Fund received applications requesting over $1 billion in grants. In October 2010, the CDFI Fund announced the inaugural CMF awardees. Out of 230 applicants, 23 organizations received awards; 13 awardees were nonprofit housing developers, nine were CDFIs, and one was a tribal housing authority.

According to the CDFI Fund, in this first and only round of CMF grants, each dollar of CMF funding attracted over $12 in other capital for affordable housing. Thus $80 million in CMF grants created over $1 billion in investment in affordable housing and community facilities, creating over 6,800 homes.

PROGRAM SUMMARY

The CMF is administered by the CDFI Fund at the Department of the Treasury (Treasury) as a competitive grant program to attract private capital for and increase investment in the development, preservation, rehabilitation, or purchase of affordable housing for low income families. Unlike other federal programs such as HOME, the CMF is not a block grant to state or local governments or housing authorities. The purpose of the CMF is to increase private investment in affordable housing built and operated by high-performing nonprofits. This improves the delivery system for affordable housing and community development.

A minimum of 70% of CMF money must be used for housing. One hundred percent of housing eligible project costs must be for units for households with income below 120% of the area median income (AMI); at least 51% of housing eligible project costs must be for units for households with income below 80% of AMI. If CMF finances rental housing, then at least 20% of the units must be occupied by households with income below 80%

of AMI. Maximum rent is fixed at 30% of either 120% AMI, 80% AMI, 50% AMI, or 30% AMI, depending on the household's income. For example, if an assisted household has income at 120% AMI, their maximum rent is 30% of 120% AMI. Assisted housing must meet the above affordability requirements for at least 10 years.

Eligible recipients are Treasury-certified CDFIs or nonprofit organizations that have as at least one of their purposes the development or management of affordable housing. Applications for the competitive grants are required to include a detailed description of the types of affordable housing and economic and community revitalization projects for which the entity would use the grant, and the anticipated timeframe in which they intend to use it. No institution can be awarded more than 15% of all capital magnet funds available for grants in a given year, and those receiving grants must spend the funds within two years of the date they were received.

In order to leverage funds, CMF dollars may be used to: provide loan loss reserves; capitalize a revolving loan fund or an affordable housing fund; or make risk-sharing loans. The CMF can also be used to finance economic development activities or community service facilities, such as day care centers, workforce development centers, and health care clinics, which in conjunction with affordable housing activities, implement a concerted strategy to revitalize low-income or underserved rural areas.

Prohibited uses include political activities, advocacy, lobbying, counseling services, travel expenses, and endorsement of a particular candidate or party. Each grantee must track its funds by issuing periodic financial and project reports, and by fulfilling audit requirements.

The Secretary of the Treasury must submit a periodic report describing the activities for which these funds are being used to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services.

FUNDING

The CMF's funding source was to be a percentage of new business for Fannie Mae and Freddie Mac. Under current law there is a 4.2 basis point assessment on each company's new business, of which 25% must go to a reserve fund at the Treasury, with the remaining 75% divided between the CMF which receives 35%, and the NHTF which receives the other 65%.

However, these assessments have been suspended due to the government conservatorship. Fannie Mae and Freddie Mac have been quite profitable in recent years and have repaid the government funds that were necessary to keep them functioning. For this reason, 33 senators have sent a letter to the Federal Housing Finance Agency (FHFA), the regulator who manages the conservatorship, suggesting that the obligation to fund the CMF and the NHTF be reinstated. This matter is also the subject of litigation brought by NLIHC and Right to The City.

As was the case in FY10, if authorized by Congress, the CMF is also able to collect funding from other dedicated revenue sources or receive appropriated funds.

FORECAST FOR 2014

The CMF was designed to use a small government subsidy as a magnet to attract much larger amounts of private capital to support affordable housing and community development. The overwhelming interest from applicants in the first round of funding demonstrates the appeal of this capital magnet model for expanding the nation's supply of affordable housing in a cost-effective manner. The CMF could be funded if the FHFA decides to apply the assessment to the now profitable GSEs or if Congress passes housing finance reform. Proposed housing finance reform legislation by the leadership of the Senate Banking Committee does include an assessment on government guaranteed mortgage backed securities with 15% of the funds going to the CMF. There is no funding for the CMF in the Administration's FY15 budget request.

TIPS FOR LOCAL SUCCESS

The CMF represents a significant source of capital to support affordable housing and related community economic development.

WHAT TO SAY TO LEGISLATORS

Advocates should urge the Administration and Congress to press Fannie Mae and Freddie Mac's regulator (the Director of the Federal Housing Finance Agency) to impose the assessment required under current law to fund the CMF and the NHTF. Furthermore, as the debate on housing finance reform continues, advocates need to support the provisions in the legislation drafted by Senate Banking Committee chairman Tim Johnson (D-SD) and Ranking Minority Member Mike Crapo (R-ID) that funds the CMF and the NHTF.

FOR MORE INFORMATION

- The CDFI Fund, 202-622-6355, www.cdfifund.gov
- Housing Partnership Network , 202 677-4294 , www.housingpartnership.org

Community Development Block Grant Program

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Administering agency: HUD's Office of Community Planning and Development (CPD)
Year program started: 1974
Population targeted: Households with incomes below 80% area median income (AMI)
FY14 funding: $3.03 billion
Also see: *Consolidated Plan*

The Community Development Block Grant (CDBG) program is a federal program intended to strengthen communities by providing funds to improve housing, the living environment, and economic opportunities, principally for persons with low and moderate incomes. At least 70% of the CDBG funds received by a jurisdiction must be spent to benefit people with low and moderate incomes.

HISTORY

The CDBG program was established under Title I of the Housing and Community Development Act of 1974, which combined several existing programs, such as Urban Renewal and Model Cities, into one block grant. This change was designed to provide greater flexibility in the use of federal dollars.

PROGRAM SUMMARY

The primary objective of the CDBG program is to have viable communities by providing funds to improve housing, the living environment, and economic opportunities principally for persons with low and moderate incomes. The regulations for entitlement jurisdictions are at 24 CFR Part 570, and the states and small cities regulations are at 24 CFR Part 570, Subpart I.

Eligible activities. CDBG funds can be used for a wide array of activities, including: rehabilitating housing (through loans and grants to homeowners, landlords, nonprofits, and developers); constructing new housing (but only by certain neighborhood-based nonprofits); providing down payment assistance and other help for first-time home buyers; detecting and removing lead-based paint hazards; purchasing land and buildings; constructing or rehabilitating public facilities such as shelters for people experiencing homelessness or victims of domestic violence; making buildings accessible to those who are elderly or disabled; providing public services such as job training, transportation, healthcare and child care (public services are capped at 15% of a jurisdiction's CDBG funds); building the capacity of nonprofits; rehabilitating commercial or industrial buildings; and making loans or grants to businesses.

Formula allocation. The program's emphasis on people with low incomes is reinforced by the formulas that determine how much money local jurisdictions and states receive. The formulas are based on factors heavily weighted by the degree of poverty and indicators of poor housing conditions in a jurisdiction. Seventy percent of each annual appropriation is automatically distributed to cities with populations of more than 50,000 and counties with populations of more than 200,000. These are called entitlement jurisdictions. The remaining 30% goes to states for distribution to their small towns and rural counties.

Beneficiaries. At least 70% of the CDBG funds received by a jurisdiction must be spent to benefit people with low and moderate incomes. The remaining 30% can also benefit people with lower incomes, or it can be used to aid in the prevention or elimination of slums and blight (often used by local governments to justify downtown beautification) or to meet an urgent need such as hurricane, earthquake, or flood relief.

Low and moderate income is defined as household income below 80% of the area median income (AMI), which can be quite high. In FY14, for instance, 80% of AMI in Chicago is $57,900. AMI in some jurisdictions is so high, as in the Lowell, MA, metropolitan area where the AMI is $90,700, that HUD caps the qualifying household income at the national median income, which in FY14 is $63,900 for a four-person household.

A CDBG activity is counted as benefiting people with low and moderate incomes if it meets one of four tests:

(1) Housing Benefit. If funds are spent to improve a single-family home, the home must be occupied by a low or moderate income household. In multifamily buildings, at least 51% of the units must be occupied by low or moderate income households. In addition, the housing must be affordable, as defined by the jurisdiction. Jurisdictions' definition of affordability can vary greatly. In FY12, only 24% of CDBG was allocated for some type of housing program. Key housing-related uses included: 12.24% for single-unit rehabilitation; 3.72% for code enforcement; 3.25% for rehabilitation administration; 1.72% for multi-unit rehabilitation; and, 0.48% for new construction. In recent decades about 26% was allotted for some type of housing program, a decline from 35% in CDBG's early decades.

(2) Area Benefit. Some CDBG-eligible projects, such as road and park improvements, can be used by anyone. To judge whether such a project primarily benefits people with lower incomes, HUD looks at the project's service area. If 51% of the residents in the activity's service area are people with lower incomes, then HUD assumes people with lower incomes benefit. The regulations provide several ways to challenge that assumption. The primary challenge is to show that the full range of direct effects of the activity do not benefit people with lower incomes.

(3) Limited Clientele. A service or facility assisted with CDBG funds must be designed so that at least 51% of its users have lower incomes. The three most common ways to meet this test are to: (a) limit participation to people with lower incomes; (b) show that at least 51% of the beneficiaries are lower income; or (c) serve a population that HUD presumes is lower income, including abused children, domestic violence victims, people with disabilities, illiterate individuals, migrant farm workers, and seniors. Advocates can challenge a presumed benefit claim if an activity does not really benefit people with low incomes.

(4) Job Creation or Retention. If job creation or retention is used to justify spending CDBG money, then at least 51% of the resulting jobs on a full-time-equivalent basis must be filled by or be available to people with lower incomes. Available to means either the job does not require special skills or a particular level of schooling, or the business agrees to hire and train people with lower incomes. Those with lower incomes must receive first consideration for the jobs.

Public participation. Every jurisdiction must have a public participation plan that describes how the jurisdiction will provide for and encourage involvement by people with lower incomes. Public hearings are required at all stages of the CDBG process. Hearings must give residents a chance to articulate community needs, review the proposed uses of CDBG funds, and comment on past uses of these funds. There must be adequate public notice to people who are likely to be affected by CDBG-funded projects, and people must be given reasonable and timely access to information. In particular, advocates should get a copy of the draft Annual Action Plan and the latest Grantee Performance Report (GPR). Many jurisdictions will try to deny the public copies of the GPR; it must be made available. The GPR also goes by the name IDIS Report C04PR03 as part of the larger Consolidated Annual Performance and Evaluation Report (CAPER).

FUNDING

The FY14 appropriation for the CDBG formula program is $3.03 billion, less than the FY13 amount of $3.08 billion (including sequestration) and less than the President's $2.8 billion FY14 budget request. The FY14 is a 24% reduction from FY10's $3.99 billion.

TIPS FOR LOCAL SUCCESS

Because only 70% of CDBG funds must benefit people with low or moderate incomes, and because all of the funding could benefit people with moderate incomes, many of the lowest income households realize little benefit from the program. Locally, people can organize to get 100% of a jurisdiction's CDBG dollars to be used for activities that benefit people with lower incomes and can strive to have more of the dollars used to benefit people with extremely low incomes.

The public participation process can be used to organize and advocate for more CDBG dollars to be used for the kinds of projects people with lower incomes really want in their neighborhoods, and then to monitor how funds are actually spent. To do this, advocates should obtain and study the jurisdiction's Annual Action Plan, which lists how a jurisdiction plans to spend CDBG funds in the upcoming year, and the Grantee Performance Report (C04PR03), which lists how CDBG money was spent in the previous year. These documents must be available to the public from the staff in charge of CDBG in local jurisdictions.

FORECAST FOR 2014

The Administration's proposed FY15 budget seeks $2.8 billion for CDBG, a 7.6% reduction from FY14. The Administration will send to Congress a legislative package to make several reforms to the CDBG program. Specifics are not available at the time of publication, but in general the Administration intends to propose: targeting funds to areas of greatest need; reducing the number of small grantees; providing more options for regional coordination, administration, and planning by allowing grantees to band together; and, prohibiting jurisdictions to sell, trade, or otherwise transfer all or any of their entitlement funds to other entities.

FOR MORE INFORMATION

- National Low Income Housing Coalition, 202-662-1530, www.nlihc.org
- HUD's CDBG webpage, http://1.usa.gov/zG0EkI, migrating to OneCPD, https://www.onecpd.info/community-development
- HUD's Entitlement Cities Division, 202-708-1577, http://1.usa.gov/AzWYqh, migrating to OneCPD, https://www.onecpd.info/cdbg-entitlement
- HUD's States and Small Cities Division, 202-708-1322, http://1.usa.gov/AeQ3YQ, migrating to OneCPD, https://www.onecpd.info/cdbg-state

Community Development Financial Institutions Fund

By Eva Wingren, Policy Associate, Mercy Housing and Mercy Loan Fund

Administering agency: U.S. Department of the Treasury (Treasury)
Year program started: 1994
FY14 funding: $226 million
Also see: *Capital Magnet Fund*

The Community Development Financial Institutions (CDFI) Fund is comprised of seven programs designed to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States.

HISTORY

The CDFI Fund and the legal concept of CDFIs were authorized by the Riegle Community Development Banking and Financial Institutions Act of 1994.

OVERVIEW

To understand the CDFI Fund it is first necessary to describe CDFIs and what they do. Community Development Financial Institutions are specialized private sector financial institutions that serve economically disadvantaged communities and consumers. As of December 2013, there were 808 CDFIs, according to the CDFI Fund. CDFIs assume many different forms, including banks (76), credit unions (177), nonprofit loan funds (492), and venture capital funds (13). CDFI customers include small business owners, nonprofits, affordable housing developers, and low income individuals. Nearly 70% of CDFI customers are low income persons, 59% are racial minorities, and 52% are women. CDFIs operate in all 50 states and the District of Columbia.

United by a primary mission of community development, CDFIs work where conventional financial institutions do not by providing financial services, coupled with financial education and technical assistance, to help alleviate poverty for economically disadvantaged people and communities. CDFIs offer responsible, innovative, below market rate financing that banks would not typically offer. CDFIs also provide basic financial services to the unbanked, offering responsible alternatives to predatory lenders. CDFIs implement capital-led strategies to fight poverty and to tackle tough economic infrastructure issues such as quality affordable housing, job creation, wealth building, financial literacy and education, community facility financing, and small business development and training.

PROGRAM SUMMARIES

The CDFI Fund operates seven primary programs designed to both build the capacity of CDFIs and increase private investment in distressed communities nationwide. These programs include: the CDFI Program, the Native Initiatives Program, the Bank Enterprise Award Program, the New Markets Tax Credit Program, the Capital Magnet Fund Program, the Healthy Food Financing Initiative, and the CDFI Bond Guarantee Program. The CDFI Fund is the largest single source of funding for CDFIs and plays an important role in attracting and securing non-federal funds for CDFIs.

The CDFI Fund is unique among federal programs because it takes an entrepreneurial approach to its programming, funding, and strengthening of institutions rather than specific projects. CDFIs match the federal investment from the CDFI Fund multiple times over with private money, using these funds to revitalize communities through investment in affordable housing, small businesses, and community facilities, and by providing retail financial services to low income populations.

CDFI Program. The CDFI Program is comprised of two components: Financial Assistance (FA) and Technical Assistance (TA). Through these two components, the CDFI Program provides loans and grants to CDFIs to support their capitalization and capacity building, enhancing their ability to create community development opportunities in underserved markets. CDFIs compete for federal support based on their business plans, market analyses, and performance goals.

FA awards are for established, certified CDFIs and are used for economic development, affordable housing, and community development financial services. FA awards must be matched at least one-to-one with non-federal funds. TA awards are for start-up or existing CDFIs and are used to build capacity to serve their target market through the acquisition of goods and services such as consulting services, technology purchases, and staff or board training. The FY14 funding level for this program was $171 million.

Native Initiatives (NACA) Program. The NACA program is the cornerstone of the CDFI Fund's Native Initiatives, designed to overcome identified barriers to financial services in Native Communities (including Native American, Native Alaskan, and Native Hawaiian populations. Through technical and financial assistance, the CDFI Fund seeks to foster the development of new Native CDFIs and strengthen the capacity of existing Native CDFIs. Financial education and asset building programs, such as matched savings accounts, are particularly important to Native Communities. Despite being founded in 1994, the first technical assistance grants were not made until 2002 after a comprehensive study of the capital and credit needs of Native Communities had been performed. Financial assistance followed in 2004. The CDFI Fund continues to collaborate with tribal governments and tribal community organizations through ongoing research and analysis that informs the recommendations for Native CDFIs. The FY14 funding level for this program was $15 million.

Bank Enterprise Award (BEA) Program. The BEA program was created in 1994 to support FDIC-insured financial institutions around the country that are dedicated to financing and supporting community and economic development activities. The BEA program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities. Providing monetary awards for increasing community development activities leverages the fund's dollars and puts more capital to work in distressed communities throughout the nation. The FY14 funding level for this program was $18 million.

New Markets Tax Credit (NMTC) Program. Congress established the New Markets Tax Credit program as part of the Community Renewal Tax Relief Act of 2001 to encourage investors to make investments in low income communities that traditionally lack access to capital. Conventional access to credit and investment capital for developing small businesses, retaining jobs, and revitalizing neighborhoods is often limited in economically distressed communities or in communities with large low income populations. The NMTC provides investors (financial institutions, corporations, etc.) with a tax credit for investing in a Community Development Entity (CDE) that, in turn, reinvests the funds in qualified low income communities. CDEs are domestic partnerships or corporations with a primary mission of serving or providing investment capital for low income communities or low income persons. CDEs use capital derived from the tax credits to make loans to or investments in businesses and projects in low income areas.

The NMTC program is administered by the CDFI Fund, which allocates tax credit authority—the amount of investment for which investors can claim a tax credit—to CDEs that apply for and obtain allocations. To date, the CDFI Fund has made 749 awards totaling $36.5 billion in allocation authority. Under the current statute, the NMTC expires at the end of each calendar year, unless Congress acts to extend the program. Awards for the 2012-2013 round are expected to be announced in the spring of 2014.

Extension of the NMTC program needs Congressional action for FY14 and beyond. The FY15 President's Budget makes the NMTC permanent with $5 billion of allocation available in each round. In the House, Ways and Means Chairman Dave Camp (R-MI) released a comprehensive tax reform draft that would lower individual rates to 25% and simplify the tax code. The NMTC was one of a handful of business tax credits not explicitly identified for repeal, a deliberate signal that its status was still to be determined. A temporary extension is expected to be included in the Senate's forthcoming FY14 tax extenders legislation, though details are unknown at this time.

Capital Magnet Fund (CMF) Program. The CMF was created through the Housing and Economic Recovery Act (HERA) of 2008. Through the CMF, the CDFI Fund provides competitively awarded grants to CDFIs and qualified nonprofit housing organizations. CMF awards can be used to finance affordable housing activities as well as related economic development activities and community service facilities. Awardees will be able to utilize financing tools such as loan loss reserves, loan funds, risk-sharing loans, and loan guarantees to produce eligible activities whose aggregate costs are at least 10 times the size of the award amount.

A minimum of 70% of CMF money must be used for housing. One hundred percent of housing-eligible project costs must be for units for households with income below 120% of the area median income (AMI); at least 51% of housing eligible project costs must be for units for households with income below 80% of AMI. If CMF finances rental housing, then at least 20% of the units must be occupied by households with income below 80% of AMI. Maximum rent is fixed at 30% of either 120% AMI, 80% AMI, 50% AMI, or 30% AMI, depending on the household's income. For example, if an assisted household has income at 120% AMI, their maximum rent is 30% of 120% AMI. Assisted housing must meet the above affordability requirements for at least 10 years.

As with the National Housing Trust Fund (NHTF), funding for the CMF is intended to be provided in part by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). Since Fannie Mae and Freddie Mac went into conservatorship soon after the authorizing statute creating those programs became law, for FY10 the Administration requested and Congress approved an initial appropriation of $80 million to capitalize the CMF. Two hundred and thirty CDFIs and nonprofit housing organizations applied, requesting more than $1 billion. Twenty-three awards were made, which leveraged at least $1.6 billion for the financing of affordable housing within underserved communities, and helped put under-served neighborhoods on the path to recovery and revitalization. There have been no further appropriated funds for the CMF.

Funding was included in The Housing Finance Reform and Taxpayer Protection Act of 2014 by Senators Tim Johnson (D-SD) and Mike Crapo (R-ID). The CMF would receive 15%of a user fee of 10 basis points included in the Johnson-Crapo bill, which could amount to as much as $750 million each year once the housing finance system has fully transitioned.

CDFI Healthy Foods Financing Initiative. The CDFI Healthy Food Financing Initiative, launched in 2011 as part of the multi-agency Healthy Food Financing Initiative (HFFI), provides grants to CDFIs focused on developing solutions for increasing access to affordable healthy foods in low income communities. The HFFI is an interagency initiative involving the U.S. Department of the Treasury, the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services. HFFI represents the federal government's first coordinated step to eliminate 'food deserts' by promoting a wide range of interventions that expand the supply of and demand for nutritious foods, including increasing the distribution of agricultural products, developing and equipping grocery stores, and strengthening producer-to-consumer relationships. The FY14 funding level for this program was $22 million.

CDFI Bond Guarantee Program. Enacted through the Small Business Jobs Act of 2010, the Treasury may issue up to $1 billion each year in fully guaranteed bonds to support CDFI lending and investment. Long-term, patient capital such as this is difficult for CDFIs to obtain. The program experienced regulatory delays related to making it cost neutral to the federal government, so to date there has only been one bond issue of $500 million in 2013. The CDFI Bond Guarantee Program is authorized through FY 2014 at $750 million, but advocates are encouraging Congress to extend it at $1 billion, particularly since several years of allocations were missed while the program was being created.

Authorized uses of the loans financed may include a variety of financial activities, such as: supporting commercial facilities that promote revitalization, community stability, and job creation/retention; community facilities; the provision of basic financial services; housing that is principally affordable to low-income people; businesses that provide jobs for low income people or are owned by low-income people; and, community or economic development in low-income or underserved rural areas. Since the bonds are issued in $100 million chunks that are larger than most CDFIs can readily invest, a larger entity becomes the Qualified Issuer that distributes capital to a predetermined group of eligible CDFIs.

FUNDING

The appropriation for the CDFI Fund in FY14 was $226 million, an increase of $4 million in a tough budget environment. The President's budget requested $224.9 million, a $1.1 million decrease from the previous year. Although the NMTC Program had $7 billion allocated between 2012 and 2013, to date no awards have been made, and the program has yet to be renewed in 2014. Considering the austere budget environment for all domestic discretionary funds, these funding levels represents a dramatic turnaround from budgets only a few years ago that called for elimination of the CDFI Fund. The George W. Bush Administration demonstrated opposition to the continued existence of the CDFI Fund, but with broad bipartisan support, the CDFI Fund remained funded, although at lower appropriations levels.

Applications for CDFI Fund awards consistently exceed the supply of funds. Since 1996, applicants to the CDFI Program have requested more than four times the amount awarded. The CDFI Fund received 310 applications for the 2012-2013 round of the NMTC Program, representing $25.8 billion in NMTCs, 3.6 times the available funding.

FORECAST FOR 2014

Given the constraints, it is good news that the FY14 CDFI Fund appropriation was higher than the previous year. Housing Finance Reform could take place in 2014, which would determine future funding for the Capital Magnet Fund. While it is unlikely that Congress will take on comprehensive tax reform and make the NMTC program permanent, it is hoped that it will be renewed in FY14 tax extender legislation. Finally, the CDFI Bond Guarantee Program will complete its first round of awards, and the lessons learned will set the stage for a campaign to extend the program beyond 2014.

WHAT TO SAY TO LEGISLATORS

Advocates should contact Members of Congress, especially members of the Senate and House Financial Services and General Government Appropriations Subcommittees, to encourage support for sustained funding for FY15 at $226 million each year for the CDFI Fund ("flat funding"), to help meet the demand for financial services and capital in low income communities.

In addition, the NMTC expired on December 31, 2013. Advocates should urge Members of Congress to include a NMTC allocation in tax extenders legislation and make the NMTC a permanent part of the tax code. Advocates should also thank Congress for including funding for the Capital Magnet Fund in the Johnson-Crapo legislation and support efforts to apply the affordable housing fund fee to as many mortgages as possible.

Finally, CDFIs design innovative below market products that banks would not offer, providing homeownership and financial opportunities to underserved individuals and communities. Advocates can play an active role in helping to communicate the positive role of CDFIs in low-wealth markets.

FOR MORE INFORMATION

- The CDFI Fund, 202-653-0300, www.cdfifund.gov
- Opportunity Finance Network, 215-923-4754, www.opportunityfinance.net
- CDFI Coalition, 202-393-5225, www.cdfi.org
- Find local CDFIs at http://bit.ly/yf7c5w.

INCOME PROGRAMS AND LAWS

Earned Income Tax Credit

John Wancheck, EITC Campaign Coordinator, Center on Budget and Policy Priorities

Administering agency: Internal Revenue Service (IRS)
Year program started: 1975
Number of persons/households served: 28 million tax filers in 2013
Population targeted: low and moderate income workers

The Earned Income Tax Credit (EITC) is a federal tax credit that benefits low and moderate income workers. EITC benefits are particularly valuable for workers raising children, but very low income workers not raising children may also qualify for a smaller credit.

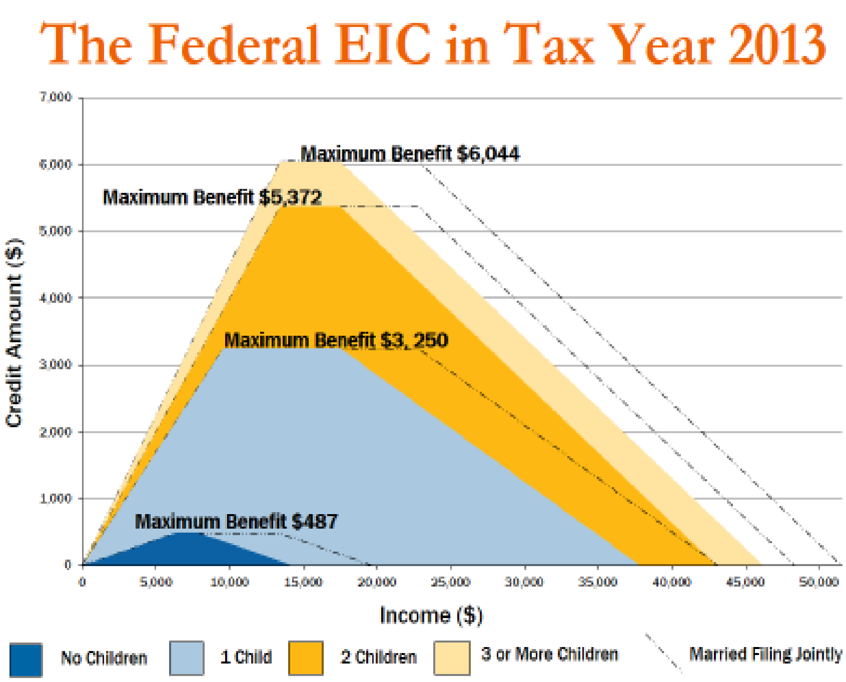
HISTORY

Congress established the EITC in 1975 under Section 32 of the Internal Revenue Code. The EITC has been expanded by Congress several times with the support of both Republican and Democratic presidents. In 2009, a substantial expansion of the EITC was enacted in the American Recovery and Reinvestment Act (ARRA). Important expansions of the Child Tax Credit and a higher education credit were also enacted through ARRA. In January 2013, these expansions were extended through 2017 in the American Tax Reform Act (ATRA), the legislation to avoid the "fiscal cliff" at the end of 2012.

The EITC was designed to offset the payroll and income tax burdens of low income workers raising children. Expansion of the EITC now also provides an income supplement to such workers earning very low wages. The EITC has historically enjoyed bipartisan support, reflecting Congressional and public preferences to support increased work efforts and reduce dependency on welfare programs for low income families. The EITC provides strong incentives for full-time work.

PROGRAM SUMMARY

According to analyses of Census data by the Center on Budget and Policy Priorities (CBPP), in 2012 the EITC lifted an estimated 6.5 million people out of poverty, including 3.3 million children. The EITC lifts more children in working families out of poverty than any other single program or category of programs. It also enables near-poor parents and children to maintain incomes above the poverty line.



The EITC is received as a refund from the Internal Revenue Service (IRS). Workers who claim children for the EITC must file tax form 1040 or 1040A, and attach IRS "Schedule EIC." The amount of the EITC varies according to workers' earnings and number of children. A new, larger benefit for workers with three or more children was enacted in 2009. For work in 2013, they can receive up to $6,044 if they have income less than $46,227. Workers with income less than $43,038 raising two or more children in 2013 can receive up to $5,372. Workers with income less than $37,870 raising one child in 2013 can receive up to $3,250. For a family with three children and very low wages, the EITC equals 45% of the first $13,430 in earnings in 2013. (see graph)

In addition to sons and daughters, qualifying children for the EITC may include grandchildren, step-children, adopted children, brothers and sisters (or their descendants), and foster children officially placed with workers.

Workers who do not claim children for the EITC may be eligible for a modest EITC of up to $489. Such workers must be between 25 and 64 years old at the end of 2013, with income less than $14,340. They are not required to file Schedule EIC with their tax form.

EITC income limits above are now $5,340 higher for married workers, providing a higher EITC for many married workers.

Families who work and also receive public benefits, such as cash assistance, food stamps, SSI, Medicaid, or federal housing assistance do not need to worry that receiving the EITC will affect these benefits. EITC is not counted as income to determine eligibility for any federally funded programs and, beginning in 2010, does not count against resource limits for 12 months after receipt. For 2013, 25 states including the District of Columbia offer a state EITC in addition to the federal credit; and three localities, New York City, San Francisco, and Montgomery County, MD, offer a local EITC.

Child Tax Credit. Many workers who claim the EITC may also qualify for the Child Tax Credit (CTC), worth up to $1,000 for each qualifying child under age 17. As a result of the expansion of the CTC in ARRA, many more families who earn too little to owe federal income tax still receive a refund. To be eligible for this "additional CTC" in 2013, workers must have taxable earned income above $3,000.

The poverty rate among children would have been nearly one-third higher without the EITC and CTC combined. For example, a single worker in 2013 who earns $18,000 with three qualifying children under age 17 can claim a CTC refund worth $2,250 and an EITC of $5,945. As with the EITC, CTC refunds are not counted as income in determining eligibility for any federally funded program and do not count toward resource limits for 12 months after receipt.

Higher Education Tax Credit. The American Opportunity Tax Credit was enacted by ARRA as a revised version of the HOPE credit for higher education expenses. It was also extended through 2017 by the American Tax Reform Act. It is worth a total of $2,500, compared to $1,800 for the HOPE credit. The key new feature is that up to $1,000 of the credit can be claimed even if the individual does not earn enough to owe income tax; such filers could not claim the HOPE credit. Lower-income parents of college students and adult students may now benefit.

FUNDING

The EITC and other tax credits are components of the Internal Revenue Code. Consequently, the benefits of these credits do not require annual appropriations decisions. Funding for EITC administration is part of the IRS budget and is not separately appropriated. In 2012, nearly 28 million low and moderate income workers received $62.9 billion from the EITC.

FORECAST FOR 2014

Despite the five-year extension by ATRA of the recent expansions of the EITC and other credits, they are still at serious risk as Congress pursues deficit-reduction and tax reform issues in 2014-15. In addition, proposed legislation, previously passed in the House, reemerged in 2014 which would disqualify immigrant workers from claiming the Child Tax Credit refund if they file returns using an Individual Taxpayer Identification Number (for tax filers unable to obtain a Social Security number), changing law established in the mid 1990's. This would deny the credit to millions of children in immigrant families, the majority of whom are U.S. citizens.

TIPS FOR LOCAL SUCCESS

CBPP closely monitors Congressional action on the EITC and the other tax credits, publishes analyses of proposals, and issues legislative action alerts to advocates. The National Community Tax Coalition supports the EITC and other expanded credits. It provides specific legislative action materials designed for state and local advocacy.

While participation in the EITC is higher than in public benefit programs with more burdensome eligibility procedures, each year several million eligible workers do not claim their EITC. About 60% of EITC recipients pay commercial tax preparers to do their tax returns, draining hundreds of dollars from their refunds and risking exposure to predatory refund loan practices.

Here are resources for helping people to receive their EITC:

- The IRS sponsors the Volunteer Income Tax Assistance (VITA) program to provide free tax filing assistance by trained community volunteers at local community sites.
- CBPP provides local organizations with training and technical assistance in building tax credit outreach campaigns and VITA programs. CBPP annually distributes a tax credit community outreach kit with posters, flyers, fact sheets, and examples of effective outreach strategies. These materials, and flyers translated in 19 languages, as well as other materials for specific constituencies and analyses of the EITC are posted at www.eitcoutreach.org,
- A state-by-state directory of local EITC outreach and free tax assistance coalitions is available at www.centeronbudget.org/eitc-partnership/directory.htm. Such programs are often leading local advocates defending against cuts to tax credits for low income workers.
- The National Community Tax Coalition provides organizations more detailed information and technical assistance on the nuts and bolts of developing strong community VITA programs.
- Resources are also available from the IRS (www.irs.gov/eitc). The IRS and HUD partner to promote these credits and the VITA program.
- Community organizations and local agencies may qualify to apply for annual Community VITA grants, a matching grant program administered by the IRS to expand VITA to underserved communities (search for "VITA Grants" at www.irs.gov).

WHAT TO SAY TO LEGISLATORS

The EITC is designed to encourage and reward work. Beginning with the first dollar, a worker's EITC grows with each additional dollar of earnings until the credit reaches the maximum value. This creates an incentive for people to leave welfare for work and for low-wage workers to increase their work hours.

The EITC reduces poverty by supplementing the earnings of workers who have low wages and low earnings. There has been broad bipartisan agreement that a two-parent family with two children with a full-time, minimum-wage worker should not have to raise its children in poverty. At the federal minimum wage's current level, such a family can move above the poverty line for an average family of four only if it receives the EITC as well as SNAP (food stamp) benefits.

For young children, moving out of poverty is particularly important. Research has found that lifting income in early childhood not only tends to improve a child's immediate educational outcomes, but also is associated with more schooling, more hours worked, and higher earnings in adulthood.

FOR MORE INFORMATION

Center on Budget and Policy Priorities, 202-408-1080, www.cbpp.org
National Community Tax Coalition, 312-252-0280, www.tax-coalition.org

Minimum Wage Laws

By Douglas Hall, Director of EARN, Economic Policy Institute

The Federal Minimum Wage: $7.25 (effective July 24, 2009)

State Minimum Wages for 2014 range from $5.15 in Wyoming to $9.32 in Washington State (California has raised their minimum wage to $10.00, effective January 1, 2016, with an interim step to $9.00 July 1, 2014).

The federal minimum wage, designated by the Fair Labor Standards Act, is a labor standard that ensures a basic level of compensation for workers in the United States. As costs go up, the buying power of the minimum wage is eroded, resulting in millions of workers who struggle to afford their most basic needs, such as housing. Increasing the minimum wage puts more money in the hands of low wage workers, thereby contributing to economic recovery. The 2008 and 2009 increases to the federal minimum wage boosted consumer spending by about $8.6 billion.

Most recently raised in 2009, the federal minimum wage is currently set at $7.25 per hour. Because of the ongoing impact of inflation, five years of inflation have already significantly eroded the value of the minimum wage.

The U.S. Department of Labor enforces federal minimum wage laws, while state labor departments handle state laws.

HISTORY AND PURPOSE

The federal minimum wage was established in 1938 during the Great Depression as a measure to prevent the exploitation of workers and to limit income inequality.

Although the nominal level of the minimum wage has increased over time, prices have also increased, eroding the wage's buying power over the years. This buying power peaked in 1968 at $9.40 in 2013 dollars (inflation adjusted using the CPI-U-RS). In 2007, after 10 years of inaction on this issue, Congress passed a three-step increase to the federal minimum wage, raising it from $5.15 to $5.85 in 2007, to $6.55 in 2008, and to $7.25 in 2009. This restored much of the buying power of the minimum wage to its historical levels, but it remains well below the peak reached in 1968, and its value is further eroded with each passing day.

ISSUE SUMMARY

Federal minimum wage legislation ensures that employers, both private and public, provide their employees with a minimum level of compensation for hours worked. Almost all workers are covered by this law, with exemptions for teenagers during their first 90 days of employment, some seasonal workers, and a few other groups.

A full-time minimum wage worker takes home just $14,500 a year, well below the poverty line for a family of three. According to a study by the Economic Policy Institute (EPI), there are about 5 million workers who earn at or near the federal minimum wage, with more than 70% of this group 20 years old or older. In addition, almost 25% of these workers have children; over two million children depend on parents who are earning close to the minimum wage. More than half of minimum wage workers have a family income of less than $35,000 a year. A 2012 U.S. Bureau of Labor Statistics report shows that more than two-thirds (72.2%) of those earning the federal minimum wage or less have completed high school, with more than a third (34.6%) having completed some college or an associate's degree.

As NLIHC's report, *Out of Reach*, shows, there is no jurisdiction in the United States in which a worker earning the federal minimum wage can afford even a one-bedroom apartment at the fair market rent (FMR).

According to the 2014 edition of *Out of Reach*, a minimum wage worker would have to work 104 hours a week, the equivalent to 2.6 full-time jobs, in order to afford a two-bedroom apartment at the national average FMR.

FORECAST FOR 2014

A lot has changed since the President indicated in the 2013 State of the Union address that he would support raising the federal minimum wage to $9.00. Today, the President and Congressional leaders in the House and Senate have publicly thrown their support behind proposals to increase the federal minimum wage to $10.10. Representative George Miller (D-CA) and Senator Tom Harkin (D-IA), long-time leaders on this issue, continue to push for a $10.10 minimum wage and an increase in the federal tipped minimum wage to 70% of the regular minimum wage. The tipped minimum of $2.12 has not been increased since 1991 (not a typo – that's 23 years!).

Indexing the minimum wage. The lack of a strong minimum wage contributes to growing wage inequality. Workers today are better educated and more productive than ever before, but real wages for minimum wage workers are now lower than they were 40 years ago. Although the purchasing power of the minimum wage has fallen, it can be restored to help working families support themselves.

Ten states have ensured that the real value of the minimum wage will not decline over time by indexing it to inflation, and Congress should follow their lead. This is an improvement over the current system whereby the minimum wage is raised only when it is politically expedient. In addition to maintaining a constant real value of the minimum wage, indexing also ensures that each increase is small and predictable. Indexing the minimum wage to a level equal to 50% of average, non-supervisory workers' wages (as suggested in a 2009 EPI paper, *Fix it and Forget it: Index the Minimum Wage to Growth in Average Wages*), would result in even more stable increases, and would do a better job of promoting wage equality.

Stimulating the economy. Because minimum wage workers typically come from low income families, any wage increases given to them will likely be spent quickly, providing a boost to the local economy. Analysis of the most recent proposal to increase the minimum wage to $10.10 per hour indicates that such an increase would add $22 billion to the economy over the phase-in period.

TIPS FOR LOCAL SUCCESS

As the federal minimum wage stagnated from 1984 to 2007, several states decided to take up this issue themselves and set their own minimum wages higher than the federal minimum. In 1984, only one state, Alaska, had a minimum wage higher than the federal minimum. By the end of 2007, 31 states and the District of Columbia had set their minimum wages above the federal level. In addition, many of these states have indexed their minimum wage to inflation so that the purchasing power of the minimum wage does not decline over time. This strategy has proven successful at the state level, and should be adopted at the federal level as well.

Advocates interested in fair wages in their states or localities can contact the groups listed below to connect with campaigns to enact a higher state or local minimum wage. In 2013, five states – New York, New Jersey, Connecticut, Rhode Island, and California, either passed legislation or approved ballot initiatives to increase the minimum wage. There were also successful local campaigns in SeaTac, Washington and the District of Columbia (including neighboring Montgomery and Prince George's Counties in Maryland). 2014 campaigns are underway in several states, with 28 states considering legislative increases, as of February 17, 2014.

WHAT TO SAY TO LEGISLATORS

Advocates should urge their Members of Congress, as well as state elected officials, to increase the minimum wage. Working Americans should be duly compensated for their labor with a wage that allows them to provide for their families. Even after the latest increase in the minimum wage, its inflation-adjusted value is significantly lower than historic levels, and it is still at a level that makes it nearly impossible for these workers to pay for basic necessities, including housing.

Advocates should tell their federal and state legislators that the way forward has two steps: first, increase the minimum wage to a livable level, and second, index it to protect against inflation.

Increasing the minimum wage, at either the federal or state level, contributes to economic growth at a time when the economy remains in need of further expansion. Increasing the minimum wage improves the well-being of low income workers, while improving the economy for all. Increasing the minimum wage is smart public policy.

FOR MORE INFORMATION

- Economic Policy Institute, 202-775-8810, www.epi.org
- National Employment Law Project, 212-285-3025, www.nelp.org

Supplemental Security Income

By Kathy Ruffing, Senior Fellow, Center on Budget and Policy Priorities

Supplemental Security Income (SSI) is a means-tested program that provides cash benefits for low income people who are disabled, blind, or elderly.

The Social Security Administration (SSA) runs the program.

HISTORY

Congress created SSI in 1972 to replace the former program of grants to states for aid to the aged, blind, or disabled.

PROGRAM SUMMARY

SSI provides monthly cash assistance to persons who are unable to work due to age or medical conditions and have little income and few assets. In 2014, the basic monthly SSI benefit is $721 for an individual and $1,082 for a couple. Beneficiaries who live in another person's household and receive in-kind maintenance and support receive one-third less than this amount, while beneficiaries who receive long-term care in a Medicaid-funded institution receive $30 per month. Many states supplement the federal SSI benefit, though state budget cuts are severely constraining those additional payments.

SSI benefits are reduced when recipients have other income. Each dollar of so-called unearned income over $20 per month, such as Social Security benefits, pensions, or interest income, reduces SSI benefits by a dollar. Each dollar of earned income over $65 a month (or $85 for someone with no unearned income) reduces SSI benefits by 50 cents, a provision that is meant to encourage work. SSI benefits are unavailable to people whose assets exceed $2,000 for an individual or $3,000 for a couple (with certain exceptions).

Although run by the same agency, SSI is distinct from the Old-Age, Survivors, and Disability Insurance (OASDI) programs commonly known as Social Security. To collect Social Security, recipients must have worked a certain number of quarters and paid the requisite payroll taxes, besides meeting certain age or disability requirements. Many SSI recipients have worked long enough to collect Social Security but their Social Security benefit is low enough that they also qualify for SSI. Nearly one-third of adult SSI recipients under age 65, and almost three-fifths of recipients over 65, also get Social Security.

In most states, anyone who receives SSI benefits is automatically eligible for Medicaid. About half of SSI recipients also get food stamps, except in California, which pays an extra cash supplement in lieu of food stamps.

Over 90% of SSI recipients are U.S. citizens. The 1996 welfare reform law eliminated most noncitizens' eligibility for SSI unless they fall into one of three main groups: lawful residents who entered the United States by August 1996; refugees who entered after that date, who can receive SSI only on a temporary basis, currently for seven years; or immigrants who entered after August 1996 and have earned 40 quarters of coverage under Social Security.

Individuals may apply for SSI online, by phone, or in person at one of SSA's field offices. SSA will verify the applicant's identity, age, work history, and financial qualifications. In the case of disability applications, state agencies called Disability Determination Services (DDSs) weigh the medical and related evidence to judge whether the applicant meets the criteria set out in law; basically, whether he or she suffers from a severe impairment that will last at least 12 months or result in death and that makes it impossible to engage in substantial work. A slightly different definition applies to disabled children under age 18. If the DDS initially denies the application, claimants have several levels of appeal, and may choose to be represented by an attorney.

Although SSI benefit levels are low, they are critical to obtaining and maintaining housing for many recipients. SSI benefits enable some homeless recipients to qualify for supportive housing programs, subsidized housing vouchers or units prioritized for people with disabilities. Supportive housing providers may also receive Medicaid reimbursement for certain services provided to clients who qualify for Medicaid via SSI.

In December 2013, nearly 8.4 million people received SSI benefits: 1.3 million children under age 18, 4.9 million disabled adults aged 18-64, and 2.1 million people 65 or older.

FUNDING

As an entitlement program, SSI is available to anyone who meets its eligibility requirements. Total SSI outlays were $56.5 billion in 2013, including about $3.6 billion for administrative costs (which are subject to annual appropriation).

FORECAST FOR 2014

While SSI payments may allow recipients to obtain subsidized housing, they are insufficient to enable residents to afford market-rate housing. Congress should consider a number of enhancements to SSI, such as increasing the basic benefit, liberalizing the treatment of other income, both earned and unearned, and raising and indexing the resource limits, which have not changed since 1989. Those proposals, however, may cost significant amounts of money at a fiscally challenging time.

Although SSI benefits provide critically needed resources to people with disabilities, they can be difficult to obtain. Nationwide, about one-fourth of adult disability claims are approved at the initial level, a rate that rises to about 40% after all appeals. Allowance rates for disabled children are slightly higher. The process is especially challenging for people who are homeless. Barriers include difficulty obtaining medical documentation and in making and keeping appointments. SSA requires evidence of a disability to come from an "acceptable medical source" such as a physician or psychologist. The list of acceptable medical sources excludes such providers as physicians' assistants, nurse practitioners, and licensed clinical social workers, although such professionals often provide supporting documentation.

Disability claimants often face an extended wait for a decision. Initial review of a disability application typically takes three to four months, although there is a fast-track program for certain severe conditions; appeals to the Administrative Law Judge (ALJ) level may take a year or more to be processed. SSA is working hard to eliminate the hearings backlog, but record numbers of applications and tight resources have hampered progress. Some states and localities offer interim assistance while an applicant awaits a decision on SSI, eventually recouping the money from any retroactive benefits.

Some initiatives have demonstrated success in increasing SSI access for homeless people with disabilities. The Social Security Outreach and Access to Recovery (SOAR) program has used a train-the-trainer model combined with technical assistance to teach caseworkers how to conduct outreach and assist homeless applicants. SOAR is an interagency initiative involving SSA, HUD, and the Department of Health and Human Services' Substance Abuse and Mental Health Services Administration (SAMHSA). Through 2011, clients at SOAR-trained sites in 44 states had an average initial approval rate of 71%.

WHAT TO SAY TO LEGISLATORS

Advocates should urge Congress to continue funding for the SOAR program within SAMHSA's Programs of Regional and National Significance. Advocates should also ask legislators to extend SSI for refugees who lose their benefits when their temporary eligibility ends. Congressional appropriators should ensure that SSA offices, including ALJ services, are adequately staffed; these are among the vital government activities that are being squeezed by the discretionary caps and sequestration procedures in the Budget Control Act of 2011 that some in Congress actually threaten to tighten further. Finally, advocates should urge Congress to improve benefits in the SSI program, while recognizing fiscal realities.

FOR MORE INFORMATION

Center on Budget and Policy Priorities • www.cbpp.org
National Law Center on Homelessness & Poverty • www.nlchp.org
National Health Care for the Homeless Council • www.nhchc.org
National Senior Citizens Law Center • www.nsclc.org
SOAR • www.prainc.com/soar
Social Security Administration • www.socialsecurity.gov

Temporary Assistance for Needy Families

By Sharon McDonald, Director for Families and Youth, National Alliance to End Homelessness

Temporary Assistance for Needy Families (TANF) is a federal block grant program that provides funds to states to assist low income families. TANF was last reauthorized under the Deficit Reduction Act of 2005 (DRA). The program was scheduled to be reauthorized in 2010. Congress has instead extended authorization for the program under existing statute through periodic continuing resolutions since 2010.

HISTORY AND PURPOSE

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) replaced Aid to Families with Dependent Children (AFDC), an entitlement program established by the Social Security Act of 1935, with the TANF block grant. TANF is used by states to provide cash assistance and work supports, such as child care, transportation, and job training, to assist low income families with children.

The purpose of the TANF program is to reduce dependence on cash assistance for low income families with children by promoting work and marriage, preventing out-of-wedlock pregnancies, and promoting the formation and maintenance of two-parent families. Its purposes also include providing assistance to families "so that children may be cared for in their own homes or in the homes of relatives."

PROGRAM SUMMARY

TANF dollars are distributed to states on a formula basis that reflects the states' historical spending on assistance for low income families. States are required to provide their own funding toward meeting the purposes of the block grant, known as the Maintenance of Effort (MOE). To meet the MOE requirement, states must maintain 75 to 80% of their historical spending on assistance to low income families. The program may be administered by the state- or county-level TANF agency.

Programs can vary widely because states have a lot of flexibility in how the funds are used. Cash assistance comprises approximately 30% of how states use federal and state TANF funds. States typically commit substantial portions of their TANF dollars toward meeting child care needs. States also use the funds for work preparation activities including job training, education, rehabilitative services, and subsidized employment. With the availability of additional TANF resources provided for a short period of time through the American Recovery and Reinvestment Act (ARRA), states significantly increased their use of subsidized employment to assist families, which is credited with helping thousands of families from falling into deeper poverty during the recession.

Some states use TANF resources to help meet the housing needs of low income families, including through the use of short- or medium-term rental assistance, eviction prevention assistance, and security deposit and first month's rent to help families exit shelter. TANF resources are also used in states to support shelters and transitional housing programs serving families. In February 2013, the U.S. Department of Health and Human Services (HHS) issued an Information Memorandum (ACF-2013-01) to TANF administrators outlining how states can use TANF resources to meet the housing needs of homeless families.

Eligibility criteria for TANF cash assistance and TANF-funded services are largely determined by the state. Typically, households with children and very limited incomes are eligible for TANF cash assistance. Legal resident immigrant families cannot receive federally funded TANF assistance unless they have resided in the United States for more than five years.

Receipt of TANF cash assistance is time-limited for families. States cannot use federal TANF resources to provide cash assistance to families for more than five years, although 20% of a state's caseload can be exempted from the five-year time limit. Many states have adopted shorter time limits. Families receiving cash assistance are expected to participate in 20-35 hours in approved work activities each week. Families who do not meet the required number of hours in work activities may be sanctioned, which reduces or suspends the families' cash assistance grants. States can choose to use MOE funds to support families who cannot be supported with federal TANF assistance, including immigrant families and families who have exceeded federal time limits for receipt of TANF assistance.

TANF cash assistance is an important source of financial support for families without other sources of income. Benefit levels are set by each state, and are well below what families need to pay for housing. The average cash assistance benefit for a family of three leaves them with incomes below 30% of the poverty level. A family of three with no other income received less than $500 a month in 35 states. Families served by TANF programs have high rates of housing instability and homelessness, likely due to their very low incomes. The loss of TANF cash assistance due to sanctions or time limits can further increase the risk of housing instability and homelessness.

Nationally, 1.9 million families receive TANF cash assistance each month. In 1995, 84 percent of eligible families received assistance from AFDC. In 2009, 32% of eligible families received assistance from the TANF program. Recent research indicates that some of the poorest families are not receiving assistance. Approximately 40% of families entering homeless shelters report income from TANF cash assistance. Poor families who are not receiving cash assistance include those who have been sanctioned off because they have not complied with program requirements or who have reached their state's time limit. Studies have found that families who have lost TANF cash assistance through sanctions are more likely than other families to include a person with a disability which can hinder their ability to find or maintain employment.

FUNDING

The TANF block grant provides $16.5 billion annually to states. States are required to provide their own funding for the purposes of the block grant, known as the Maintenance of Effort.

FORECAST FOR 2014

State-level advocates should look for opportunities to preserve and expand financial support to low income families under the TANF program. Housing advocates should support state and local efforts to improve TANF for low income families because a strong performing income and employment support program can help low income families access and maintain housing in their community.

State advocates should also explore opportunities to use TANF resources to meet the housing needs of at-risk and homeless families. Advocates may use information outlined in the HHS Information Memorandum (ACF-2013-01) to educate welfare advocates and TANF administrators about opportunities to use TANF resources more effectively to help families avoid or escape homelessness.

TIPS FOR LOCAL SUCCESS

Local homelessness and housing advocates should develop partnerships with state and local organizations advocating for improved TANF income and employment supports for low income families. Through collaboration, housing and welfare advocacy organizations can propose solutions that meet the holistic needs of low income families.

WHAT TO SAY TO LEGISLATORS

Local advocates should educate their Congressional delegation about how TANF resources are being used to meet the needs of families in their state and the need for more funding for the TANF block grant.

FOR MORE INFORMATION

Center on Budget and Policy Priorities, 202-408-1080, www.cbpp.org
Center on Law and Social Policy, 202-906-8000, www.clasp.org
National Alliance to End Homelessness, 202-638-1526, www.endhomelessness.org

ABOUT NLIHC

Become an NLIHC Member

The National Low Income Housing Coalition is a membership organization, and has been since its earliest days. Over the past 40 years, members have been a critical part of the organization. Without members, it would be impossible to achieve NLIHC's mission.

WHO ARE OUR MEMBERS?

Anyone can be an NLIHC member. Our membership base is broad and diverse, including low income renters, professionals who work in the housing field, tenant associations and tenant organizing projects, community development corporations, housing authorities, and individuals who believe in NLIHC's mission and want to support our work. Our members care about a range of housing issues, such as: accessibility and affordability for people with disabilities; homeless services; fair housing; the preservation of existing housing resources; community development; and more.

WHY OUR MEMBERS ARE CRITICAL

Members keep the organization alive. Membership contributions are significant to NLIHC's annual budget. The financial support of members keeps our work going. Members also provide valuable feedback about the real issues facing low income residents and the people who work with them. Most importantly, members are advocates. Members represent those most active in the field – the people we know we can count on to reach out to their Members of Congress when action is needed. As constituents, their voices are critical to the legislative process. A wide membership network makes NLIHC's advocacy more meaningful and effective.

MEMBERSHIP BENEFITS

NLIHC members receive:

- Periodic "Calls to Action," alerting them to the issues that need attention and action;
- *Memo to Members*, NLIHC's acclaimed weekly newsletter which provides important updates and analysis of federal housing issues;
- Discounted rates to NLIHC's annual housing policy conference and annual housing leadership awards reception;
- Free or discounted publications;
- Consultations with research staff on using NLIHC data;
- Telephone resource referrals with linkage to state and regional networks; and,
- The opportunity to participate in NLIHC's policy-setting decisions.

BECOME A MEMBER TODAY

Joining NLIHC is easy. Our membership rates are flexible, and tiered by member type. All rates are suggested. To join, please use the accompanying membership form or visit the NLIHC website at www.nlihc.org/membership. You can also contact your NLIHC Outreach Associate for assistance with joining, or to learn more about membership. Email outreach@nlihc.org to learn who your outreach associate is.

Please join NLIHC and work with us to realize our mission of achieving socially just public policy that assures people with the lowest income in the United States have affordable and decent homes.

Support NLIHC

Contributions to NLIHC directly support our efforts to achieve socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes. The financial support we receive through donations is crucial to helping us achieve our mission.

WHAT CAN YOU DONATE?

A contribution at any level makes a difference. You can support our work by making an end-of-year gift, a general contribution, or a donation to our scholarship fund, which helps subsidize low income membership rates and low income conference registration rates. You can also sponsor the Annual Housing Leadership Awards Reception, or contribute to the Cushing Niles Dolbeare Endowment Fund.

HOW CAN YOU DONATE?

To donate, visit our website at www.nlihc.org/donate. You can also contact NLIHC's Development Coordinator, Christina Sin, at christina@nlihc.org, for assistance donating, or to learn more.

YOUR SUPPORT MAKES A DIFFERENCE

The generosity of our donors makes it possible for us to produce our acclaimed weekly newsletter Memo to Members, and publications like Out of Reach, Tenant Talk, and the Advocates' Guide. Your contributions support our efforts to fund the National Housing Trust Fund, advocate for housing programs in the budget and appropriations process, ensure protections for renters at foreclosure, and more. Each contribution brings us one step closer to realizing our mission. Please donate to NLIHC today!

NLIHC Resources

In addition to the *Advocates' Guide,* NLIHC offers many other resources for advocates, policymakers, students, and others in order to provide information on the most relevant housing and housing-related programs and issues. Here are ways to get the most out of your relationship with NLIHC.

OUTREACH

Your first point of contact at NLIHC is your Outreach Associate. Outreach Associates are members' best direct resource for answers to federal policy or membership questions. The outreach team also coordinates responses from NLIHC's field when there is a federal housing issue that needs attention. NLIHC's Outreach Associates are assigned specific states. Find the contact information for your state's Outreach Associate at www.nlihc.org/whatwedo/outreach/team, or e-mail outreach@nlihc.org.

Tenant Talk. Tenant Talk is NLIHC's quarterly newsletter geared toward residents and tenants. *Tenant Talk* provides NLIHC's low income resident members and others with updates about the policies affecting them, ways to take action and get involved, tips for effective organizing, local tenant victories, and other resources. *Tenant Talk* is distributed through email and mail. To be added to the mailing list, email tenanttalk@nlihc.org. To view past issues of *Tenant Talk*, visit http://nlihc.org/library/tenanttalk.

POLICY

NLIHC's policy team tracks, analyzes, and advocates for NLIHC's policy priorities. The policy team updates Fact Sheets on NLIHC's policy initiatives and priority legislation on a monthly basis. NLIHC's policy priorities can be found at www.nlihc.org/issues. NLIHC also convenes a policy advisory committee, comprised of NLIHC board members and individual members. The policy advisory committee informs NLIHC's policy agenda. Committee information is available on the website at http://nlihc.org/about/policycomm.

RESEARCH

NLIHC's research team publishes resources on housing-related topics throughout the year. Access the latest research and reports in our "Resource Library" online at www.nlihc.org/library.

Out of Reach. NLIHC's flagship research publication, *Out of Reach*, offers a side-by-side comparison of wages and rents in every county, metropolitan area (MSAs and HMFAs), combined nonmetropolitan area and state in the United States. Advocates across the country use the data in this report to show the extent of housing need in their communities. For each jurisdiction, the report calculates the amount of money a household must earn in order to afford a rental unit at a range of sizes (0,1,2,3, and 4 bedrooms) at the area's Fair Market Rent (FMR), based on the generally accepted affordability standard of paying no more than 30% of income for housing costs. *Out of Reach* is available on NLIHC's website at www.nlihc.org/oor.

Housing Spotlight. This series of occasional research briefs uses data from different sources to highlight a variety of housing issues. NLIHC members receive each issue of *Housing Spotlight* by email and by mail. Find them online in the Resource Library at www.nlihc.org/library/housingspotlight.

Congressional District Housing Profiles. NLIHC's Congressional District Housing Profiles offer a snapshot of housing needs for each Congressional district in the country. Each profile pulls from a variety of sources and illuminates several dimensions of housing affordability for renter households in each district, the surrounding area, and the state. The profiles can be found at www.nlihc.org/library/CDP.

State Housing Profiles. This resource illustrates the housing needs of low income renter households for each state in the country. The profiles include visual representations of housing affordability issues as well as key facts about housing in each state. The profiles can be found at www.nlihc.org/library/SHP.

National Housing Preservation Database. NLIHC and the Public and Affordable Housing Research Corporation (PAHRC), maintain an inventory of all federally assisted multifamily housing in the country. It includes information on properties subsidized by HUD, the USDA, and the Treasury Department. Advocates can use this database to get a clear picture of the subsidized stock of housing in their community and to identify properties that might be at risk of losing a subsidy. The National Housing Preservation Database can be found at www.preservationdatabase.org. For more information on the database and background on its development, visit http://nlihc.org/library/other/preservation.

CONTACT YOUR ELECTED OFFICIALS

To find contact information for your state or federal elected officials, visit www.nlihc.org and enter your zip code in the “Contact Congress” box on the lower left side of the page. Access NLIHC’s entire Legislative Action Center at www.capwiz.com/nlihc/home.

NLIHC STATE COALITION PARTNERS

NLIHC maintains close ties with our state partners, housing and homeless advocacy organizations who serve statewide or regional areas. To find a list of State Coalition Partners, visit http://nlihc.org/partners/state. For information on becoming a State Coalition Partner, visit http://nlihc.org/whatwedo/outreach/state/apply. To find out what’s happening in your state, visit www.nlihc.org/involvement/local/events.

ANNUAL HOUSING POLICY CONFERENCE AND LOBBY DAY

NLIHC hosts a conference every spring in Washington, D.C. The conference offers federal housing policy related workshops, plenary sessions, and keynote speakers, as well as a lobby day at which advocates have the opportunity to weigh in with Members of Congress and their staffs. For more information, visit www.nlihc.org/conference.

NLIHC ON SOCIAL MEDIA

Twitter. Follow @NLIHC on Twitter for daily updates at www.twitter.com/NLIHC.

Facebook. Like NLIHC on Facebook and get instant updates on the latest housing news and information at www.facebook.com/NationalLowIncomeHousingCoalition.

LinkedIn. Connect with NLIHC on LinkedIn and interact with some of the people who are part of our work. http://www.linkedin.com/company/national-low-income-housing-coalition.

Blog. NLIHC’s blog, On the Home Front, features news and analysis from our staff, guest posts from state and national partners, and opinion on the latest developments in housing policy. Join the discussion at www.nlihc.wordpress.com.

NLIHC State Coalition Partners

NLIHC's 64 state coalition partners in 41 states and the District of Columbia are an integral part of the work we do. Our state partners are housing and homeless advocacy organizations serving statewide or regional areas, and are the organizations with which we work most closely. Please join the partner or partners where you live, as well as NLIHC, to strengthen state and national advocacy for more affordable housing.

ALABAMA

Alabama Arise
334-832-9060
www.arisecitizens.org

Low Income Housing Coalition of Alabama (c/o Collaborative Solutions)
205-939-0411
www.collaborative-solutions.net/Programs/lihca.html

ALASKA

Alaska Coalition on Housing and Homelessness
907-743-5726
www.alaskahousing-homeless.org

ARKANSAS

Arkansas Coalition of Housing and Neighborhood Growth for Empowerment
501-776-3941
www.achange.org

Housing Arkansas
501-626-9220
www.housingar.org

ARIZONA

Arizona Housing Alliance
480-788-4180
www.azhousingalliance.org

CALIFORNIA

California Coalition for Rural Housing
916-443-4448
www.calruralhousing.org

California Housing Partnership Corporation
415-433-6804
www.chpc.net

Housing California
916-447-0503
www.housingca.org

Non-Profit Housing Association of Northern California
415-989-8160
www.nonprofithousing.org

Southern California Association of NonProfit Housing
213-480-1249
www.scanph.org

COLORADO

Colorado Coalition for the Homeless
303-293-2217
www.coloradocoalition.org

Housing Colorado
303-863-0124
www.housingcolorado.org

CONNECTICUT

Connecticut Housing Coalition
860-563-2943
www.ct-housing.org

DELAWARE

Delaware Housing Coalition
302-678-2286
www.housingforall.org

DISTRICT OF COLUMBIA

Coalition for Nonprofit Housing and Economic Development
202-745-0902
www.cnhed.org

FLORIDA

Florida Coalition for the Homeless
850-412-0021
www.fchonline.org

Florida Housing Coalition, Inc.
850-878-4219
www.flhousing.org

GEORGIA

Georgia State Trade Association of Nonprofit Developers
404-526-1260
www.gstand.org

HAWAII

Affordable Housing and Homeless Alliance
808-782-6864
www.hawaiihomeless.org

ILLINOIS

Housing Action Illinois
312-939-6074
www.housingactionil.org

INDIANA

Indiana Association for Community Economic Development
317-454-8533
www.iaced.org

KANSAS

Kansas Statewide Homeless Coalition
785-354-4990
www.kshomeless.com

KENTUCKY

Homeless and Housing Coalition of Kentucky
502-223-1834
www.hhck.org

LOUISIANA

Louisiana Housing Alliance
225-381-0041
www.lahousingalliance.org

MAINE

Maine Affordable Housing Coalition
207-553-7777
www.mainehousingcoalition.org

MASSACHUSETTS

Citizens' Housing and Planning Association
617-742-0820
www.chapa.org

MICHIGAN

Community Economic Development Association of Michigan
517-485-3588
www.cedam.info

Michigan Disability Rights Coalition
616-821-2517
www.copower.org

MINNESOTA

Minnesota Housing Partnership
651-649-1710
www.mhponline.org

Minnesota Coalition for the Homeless
651-645-7332
www.mnhomelesscoalition.org

MISSOURI

Missouri Association for Social Welfare
573-634-2901
www.masw.org

NEBRASKA

Nebraska Housing Developers Association
402-435-0315
www.housingdevelopers.org

NEW HAMPSHIRE

Housing Action New Hampshire
603-828-5916
www.housingactionnh.org

NEW JERSEY

Housing and Community Development Network of New Jersey
609-393-3752
www.hcdnnj.org

NEW MEXICO

New Mexico Coalition to End Homelessness
505-217-9570
www.nmceh.org

Supportive Housing Coalition of New Mexico
505-255-3643
www.thehousingcoalition.org

NEW YORK

Coalition for the Homeless
212-964-5900
www.coalitionforthehomeless.org

Neighborhood Preservation Coalition of New York State
518-432-6757
www.npcnys.org

New York State Rural Housing Coalition
518-458-8696
www.ruralhousing.org

Supportive Housing Network of New York
646-619-9640 or 518-465-3233
www.shnny.org

New York State Tenants & Neighbors Information Service
212-608-4320
www.tandn.org

NORTH CAROLINA

North Carolina Coalition to End Homelessness
919-755-4393
www.ncceh.org

North Carolina Housing Coalition
919-881-0707
www.nchousing.org

NORTH DAKOTA

North Dakota Coalition for Homeless People
701-390-1635
www.ndhomelesscoalition.org

OHIO

Coalition on Homelessness and Housing in Ohio
614-280-1984
www.cohhio.org

OREGON

Housing Alliance (c/o Neighborhood Partnerships)
503-226-3001
www.oregonhousingalliance.org

PENNSYLVANIA

Housing Alliance of Pennsylvania
215-576-7044
www.housingalliancepa.org

RHODE ISLAND

Housing Action Coalition of Rhode Island
401-521-1461
www.housingactionri.org

Housing Network of Rhode Island
401-521-1461
www.housingnetworkri.org

Rhode Island Coalition for the Homeless
401-721-5685
www.rihomeless.com

SOUTH CAROLINA

Affordable Housing Coalition of South Carolina
803-808-2980
www.affordablehousingsc.org

TEXAS

Texas Association of Community Development Corporations
512-916-0508
www.tacdc.org

Texas Homeless Network
512-482-8270
www.thn.org

Texas Low Income Housing Information Service
512-477-8910
www.texashousing.org

UTAH

Utah Housing Coalition
801-364-0077
www.utahhousing.org

VERMONT

Vermont Affordable Housing Coalition
802-660-9484
www.vtaffordablehousing.org

VIRGINIA

Virginia Coalition to End Homelessness
703-250-4904
www.vceh.org

Virginia Housing Coalition
804-497-3060
www.vahousingcoalition.org

WASHINGTON

Washington Low Income Housing Alliance
206-442-9455
www.wliha.org

WEST VIRGINIA

West Virginia Coalition to End Homelessness
304-269-8600
www.wvceh.org

WISCONSIN

Housing for All (c/o Independence First)
414-291-7520

Wisconsin Partnership for Housing Development, Inc.
608-258-5560
www.wphd.org

WYOMING

Wyoming Coalition for the Homeless
307-634-8499
www.wyhomeless.org

APPENDICES

List of Abbreviated Statutory References

Section 3, Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, economic opportunities for low and very low income persons.

Section 8, United States Housing Act of 1937, 42 U.S.C. 1437f, low income rental housing assistance.

Section 9, United States Housing Act of 1937, 42 U.S.C. 1437g, funding for public housing.

Section 18, United States Housing Act of 1937, 42 U.S.C. 1437p, demolition and disposition of public housing.

Section 42, Internal Revenue Code of 1986, 26 U.S.C. 42, low income housing tax credit.

Section 104(d), Title I, Housing and Community Development Act of 1974, 42 U.S.C 5304(d), anti-displacement provisions for CDBG and HOME.

Section 108, Housing and Community Development Act of 1974, 42 U.S.C. 5308, CDBG loan guarantees.

Section 202, Housing Act of 1959, 12 U.S.C. 1701q, elderly and handicapped housing.

Section 203, National Housing Act, 12 U.S.C. 1709, single-family mortgage insurance.

Section 203k, National Housing Act, 12 U.S.C. 1709(k), single-family mortgage insurance for rehabilitation.

Section 207, National Housing Act, 12 U.S.C. 1713, multifamily mortgage insurance.

Section 221, National Housing Act, 12 U.S.C. 1715, multifamily mortgage insurance.

Section 221(d)(3), National Housing Act, 12 U.S.C. 1715(d)(3), below-market interest rate (BMIR) rental hous-ing mortgage insurance.

Section 221(d)(4), National Housing Act, 12 U.S.C. 1715(d)(4), mortgage insurance refinancing.

Section 221(g)(4), National Housing Act, 12 U.S.C. 1715(g)(4), assignment of mortgages to HUD.

Section 223(a)(7), National Housing Act, 12 U.S.C. 1715n(a)(7), insurance for refinancing.

Section 223(d), National Housing Act, 12 U.S.C. 1715n(d), insurance for multifamily operating loss loans.

Section 223(f), National Housing Act, 12 U.S.C. 1715n(f), mortgage insurance for multifamily refinancing.

Section 231, National Housing Act, 12 U.S.C. 1715v, mortgage insurance for elderly and handicapped rental housing.

Section 235, National Housing Act, 12 U.S.C. 1715z, home mortgage interest reduction payments.

Section 236, National Housing Act, 12 U.S.C. 1715z-1, rental and cooperative housing interest reduction payments.

Section 241, National Housing Act, 12 U.S.C. 1715z-6, multifamily supplemental loans.

Section 502, Housing Act of 1949, 42 U.S.C. 1472, rural direct and guaranteed single-family housing loans.

Section 504, Housing Act of 1949, 42 U.S.C. 1474, rural very low income home repair loans and grants.

Section 504, Rehabilitation Act of 1973, 29 U.S.C. 794, prohibits disability discrimination, requires accessibility standards.

Section 514, Housing Act of 1949, 42 U.S.C. 1484, farm labor housing loans.

Section 515, Housing Act of 1949, 42 U.S.C. 1485, rural rental and cooperative housing.

Section 516, Housing Act of 1949, 42 U.S.C. 1486, farm labor housing grants.

Section 521, Housing Act of 1949, 42 U.S.C. 1490a, rural rental assistance.

Section 533, Housing Act of 1949, 42 U.S.C. 1490m, rural housing preservation grants.

Section 538, Housing Act of 1949, 42 U.S.C. 1490p-2, guaranteed rural rental housing loans.

Section 811, Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. 8013, supportive housing for persons with disabilities.

Title V, McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11411-11412, excess federal properties available to assist homeless.

FOR MORE INFORMATION

HUD list of programs frequently identified by statute: http://1.usa.gov/13i1mt5

Selected List of Major Housing and Housing-Related Laws

Age Discrimination Act of 1975, P.L. 101-336.

AIDS Housing Opportunity Act (Housing Opportunities for Persons with AIDS [HOPWA]), title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

Americans with Disabilities Act of 1990, P.L. 110-325.

American Recovery and Reinvestment Act of 2009, P.L. 111-5, 123 Stat. 115.

Civil Rights Act of 1964, P.L. 88-352, 78 Stat. 241.

Fair Housing Act, title VIII, Civil Rights Act of 1968, P.L. 90-284, 82 Stat. 81.

Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

Department of Housing and Urban Development Act, P.L. 89-117, 79 Stat. 667.

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, P.L. 111-203, 124 Stat. 1376.

Frank Melville Supportive Housing Investment Act of 2010, P.L. 111-374.

HOME Investment Partnerships Act, title II, Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

Home Mortgage Disclosure Act, P.L. 94-200, 89 Stat. 1125.

Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH), Division B,

Helping Families Save Their Homes Act of 2009, P.L. 111-222, 123 Stat. 1633.

Housing Act of 1949, P.L. 81-171, 63 Stat. 413.

Housing Act of 1959, P.L. 86-372, 73 Stat. 654.

Housing and Community Development Act of 1974, P.L. 93-383, 88 Stat. 633.

Housing and Community Development Act of 1987, P.L. 100-242, 101 Stat. 1815.

Housing and Community Development Act of 1992, P.L. 102-550, 106 Stat. 3672.

Housing and Economic Recovery Act of 2008, P.L. 110-289, 122 Stat. 2654.

Housing and Urban Development Act of 1965, P.L. 89-117, 79 Stat. 451.

Housing and Urban Development Act of 1968, P.L. 90-448, 82 Stat. 476.

Housing and Urban Development Reform Act of 1989, P.L. 101-235, 103 Stat. 1987.

Housing and Urban-Rural Recovery Act of 1983, P.L. 98-181, 97 Stat. 1153.

Lead-Based Paint Poisoning Prevention Act, P.L. 91-695, 84 Stat. 2078.

Multifamily Assistance and Housing Reform and Affordability Act of 1997, P.L. 105-65, 111 Stat. 1384.

Multifamily Housing Property Disposition Reform Act of 1994, P.L. 103-233, 108 Stat. 342.

National Housing Act, P.L. 73-479, 48 Stat 1246.

National Housing Trust Fund, §1338 to the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, P.L. 102-550 (FHEFSSA), as amended by §1131 of the Housing and Economic Recovery Act of 2008, P.L. 110-289, 122 Stat. 2654

Protecting Tenants at Foreclosure Act, Division A, title VII, Helping Families Save Their Homes Act of 2009, P.L. 111-22, 123 Stat. 1633.

Quality Housing and Work Responsibility Act of 1998, P.L. 105-276, 112 Stat. 2461.

Rehabilitation Act of 1973, P.L. 93-112, 87 Stat. 355

Section 202 Supportive Housing for the Elderly Act of 2010, P.L. 111-372, 124 Stat. 4077

Stafford Disaster Relief and Emergency Assistance Act, P.L. 100-707, 102 Stat. 4689.

Stewart B. McKinney Homeless Assistance Act, P.L. 100-77, 101 Stat. 482.

Supportive Housing for Persons with Disabilities, Section 811, Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

United States Housing Act of 1937, P.L. 75-412, 50 Stat. 888.

Violence Against Women Act, P.L. 109-162, 119 Stat. 2960.

FOR MORE INFORMATION

Key HUD Statutes: http://1.usa.gov/13i1SY1

Glossary

ADVANCE APPROPRIATION. Budget authority or appropriation that becomes available in one or more fiscal years after the fiscal year for which the appropriation was enacted. For example, an advance appropriation in the FY14 appropriations act would become available for programs in FY15 or beyond. The amount is not included in the budget totals of the year for which the appropriation act is enacted but rather in those for the fiscal year in which the amount will become available for obligation.

AFFORDABLE HOUSING. Housing that costs an owner or renter no more than 30% of household income.

AMORTIZE. Decrease an amount gradually or in installments, especially in order to write off an expenditure or liquidate a debt.

AFFORDABLE HOUSING PROGRAM (AHP). A program of the Federal Home Loan Bank system, AHP provides subsidized cash advances to member institutions to permit them to make below-market loans for eligible housing activities.

ANNUAL ADJUSTMENT FACTOR. The mechanism for adjusting rents in certain types of Section 8-assisted properties, including Section 8 New Construction/Substantial Rehab. HUD publishes annual percentage factors by unit type and region.

ANTI-DEFICIENCY ACT. A federal law forbidding federal employees from spending money or incurring obligations that have not been provided for in an appropriation.

APPROPRIATION. A provision of law providing budget authority that enables an agency to incur obligations and to make payments out of the Treasury for specified purposes. Non-entitlement programs are funded through annual appropriations.

AREA MEDIAN INCOME (AMI). The midpoint in the income distribution within a specific geographic area. By definition, 50% of households, families, or individuals earn less than the median income, and 50% earn more. HUD calculates family AMI levels for different communities annually, with adjustments for family size. AMI is used to determine the eligibility of applicants for both federally and locally funded housing programs.

ASSISTED HOUSING. Housing where the monthly costs to the tenant are subsidized by federal or other programs.

AUTHORIZATION. Legislation that establishes or continues operation of a federal program or agency either indefinitely or for a specific period of time, or that sanctions a particular type of obligation or expenditure within a program.

BELOW MARKET INTEREST RATE (BMIR). See Section 221(d)(3) BMIR.

BLOCK GRANTS. Grants made by the federal government on a formula basis, usually to a state or local government.

BORROWING AUTHORITY. The authority to incur indebtedness for which the federal government is liable, which is granted in advance of the provision of appropriations to repay such debts. Borrowing authority may take the form of authority to borrow from the Treasury or authority to borrow from the public by means of the sale of federal agency obligations. Borrowing authority is not an appropriation since it provides a federal agency only with the authority to incur a debt, and not the authority to make payments from the Treasury under the debt. Appropriations are required to liquidate the borrowing authority.

BROOKE RULE. Federal housing policy that limits a tenant's contribution to rent in public housing and under the Section 8 program to 30% of income. This amount is considered to be the maximum that one should have to pay for rent without becoming 'burdened.' The rule is based on an amendment sponsored by then Senator Edward Brooke (R-MA) to the public housing program in 1971. The original Brooke amendment limited tenant contributions to 25%. The limit was increased from 25% to 30% in 1981.

BUDGET AUTHORITY. The legal authority to enter into obligations that will result in immediate or future outlays of federal funds. Budget authority is provided in appropriation acts.

BUDGET ENFORCEMENT ACT (BEA). An expired 1990 Act of Congress credited in part with creating a budget surplus by establishing limits on discretionary spending, maximum deficit amounts, pay-as-you-go rules for revenue and direct spending, new credit budgeting procedures, and other changes in budget practices. Congress has wrangled over the re-establishment of pay-as-you-go rules and whether such rules should apply to both spending and taxation or only to spending.

BUDGET RESOLUTION. A concurrent resolution passed by both houses of Congress that does not require the signature of the president. The budget resolution sets forth various budget totals and functional allocations and may include reconciliation instructions to specific House or Senate committees.

COLONIAS. The rural, mostly unincorporated communities located in California, Arizona, New Mexico, and Texas along the U.S.-Mexico border. Colonias are characterized by high poverty rates and substandard living conditions, and are defined primarily by what they lack, such as potable drinking water, water and wastewater systems, paved streets, and standard mortgage financing.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO). A federally defined type of nonprofit housing provider that must receive a minimum of 15% of all federal HOME Investment Partnership Funds.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG). The annual formula grants administered by HUD that are distributed to states, cities with populations of 50,000 or more and counties with populations of 200,000 or more. CDBG funds are to be used for housing and community development activities, principally benefiting low and moderate income people. The CDBG program is authorized by Title I of the Housing and Community Development Act of 1974.

COMMUNITY DEVELOPMENT CORPORATIONS. Community Development Corporations (CDCs) are nonprofit, community-based organizations that work to revitalize the neighborhoods they are located in by building and rehabilitating housing, providing services, developing community facilities, and promoting or undertaking economic development.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI). A specialized financial institution that works in market niches that have not been adequately served by traditional financial institutions. CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities, and financial services needed by low income households. Some CDFIs also provide technical assistance. To be certified as a CDFI by the CDFI Fund of the Treasury Department, an institution must engage in community development, serve a targeted population, provide financing, have community representatives on its board, and be a non-governmental organization.

COMMUNITY REINVESTMENT ACT (CRA). The Act prohibits lending institutions from discriminating against low and moderate income and minority neighborhoods. CRA also imposes an affirmative obligation on banks to serve these communities. Banks must proactively assess community needs, conduct marketing and outreach campaigns in all communities, and consult with community stakeholders in developing financing options for affordable housing and economic development activities.CRA has formal mechanisms for banks and regulators to seriously consider community needs and input. Members of the community can comment at any time on a bank's CRA performance in a formal or informal manner. When federal agencies conduct CRA examinations of banks' lending, investing, and service activities in low- and moderate-income communities, federal agencies are required to consider the comments of members of the public concerning bank performance. Likewise, federal agencies are required to consider public comments when deciding whether to approve a bank's application to merge or open and relocate branches.

CONGRESSIONAL BUDGET OFFICE (CBO). An organization created by Congress that provides staff assistance to Congress on the federal budget.

CONSOLIDATED PLAN. The Consolidated Plan, or ConPlan, merges into one process and one document all the planning and application requirements of four HUD block grants: Community Development Block Grants (CDBG), HOME Investment Partnership, Emergency Solutions Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) grants.

CONTINUING RESOLUTION (CR). Spending bill that provides funds for government operations for a short period of time until Congress and the President agree on an appropriations bill.

CREDIT UNION. A nonprofit financial institution typically formed by employees of a company, labor union, or religious group and operated as a cooperative. Credit unions may offer a full range of financial services and pay higher rates on deposits and charge lower rates on loans than commercial banks. Federally chartered credit unions are regulated and insured by the National Credit Union Administration.

DISCRETIONARY SPENDING. Budget authority, other than for entitlements, and ensuing outlays provided in annual appropriations acts. The Budget Resolution sets limits or caps on discretionary budget authority and outlays.

EARMARKS. Appropriations that are dedicated for a specific, particular purpose. The funding of the Community Development Fund typically has earmarks as part of the Economic Development Initiative.

EMERGENCY LOW INCOME HOUSING PRESERVATION ACT (ELIHPA). The 1987 statute authorizing the original federal program to preserve federally assisted multifamily housing. The program was active 1987-1992.

ENHANCED VOUCHERS. The tenant-based Section 8 assistance provided to eligible residents when owners prepay their subsidized mortgages or opt out of project-based Section 8 contracts. Rents are set at market comparable levels, instead of the regular voucher payment standard, as long as the tenant elects to remain in the housing.

ENTITLEMENT JURISDICTION. Under the Community Development Block Grant, cities with populations of 50,000 or more and counties with populations of 200,000 or more are 'entitled' to receive funding under the program.

ENTITLEMENTS. Entitlements are benefits available to people if they meet a certain set of criteria. Entitlement programs, such as Social Security, are not constrained by the appropriations process.

EXIT TAX. The taxes paid on the recapture of depreciation and other deductions experienced upon sale of a property. In some affordable housing transactions, sellers may face a significant exit tax even when they do not receive net cash at sale.

EXPIRING USE RESTRICTIONS. The low and moderate income affordability requirements associated with subsidized mortgages under Section 221(d)3 BMIR and Section 236, which terminate when the mortgage is prepaid.

EXTREMELY LOW INCOME. A household income below 30% of area median, as defined by HUD.

FAIR MARKET RENTS (FMR). HUD's estimate of the actual market rent for a modest apartment in the conventional marketplace. Fair market rents include utility costs (except for telephones). Every year, HUD develops and publishes FMRs for every MSA and apartment type. FMRs are currently established at the 40th percentile rent, the top of the range that renters pay for 40% of the apartments being surveyed, with the exception of some high-cost jurisdictions, where it is set at the 50th percentile.

FANNIE MAE (FEDERAL NATIONAL MORTGAGE ASSOCIATION). A federally charted government-sponsored enterprise that purchases mortgages from originators to facilitate new mortgage lending. Similar to Freddie Mac.

FARMERS HOME ADMINISTRATION (FmHA). The former name of the Rural Housing Service.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The federal agency established in 1933 that guarantees (within limits) funds on deposits in member banks and thrift institution, and that performs other functions such as making loans to or buying assets from member institutions to facilitate mergers or prevent failures.

FEDERAL HOUSING ADMINISTRATION (FHA). A part of the Department of Housing and Urban Development that insures lenders against loss on residential mortgages. It was founded in 1934 to execute the provisions of the National Housing Act in response to the Great Depression.

FEDERAL HOUSING FINANCE AGENCY (FHFA). Created in 2008 to take over the functions of the Office of Federal Housing Enterprise Oversight (OFHEO) and the Federal Housing Finance Board (FHFB). OFHEO was the regulator for Freddie Mac and Fannie Mae, and the FHFB regulated the Federal Home Loan Banks.

FEDERAL HOUSING FINANCE BOARD (FHFB). Federal agency created by Congress in 1989 to assume oversight of the Federal Home Loan Bank System from the dismantled Federal Home Loan Bank Board. The FHFB was merged into the Federal Housing Finance Agency (FHFA) in 2008. The FHFA also regulates Freddie Mac and Fannie Mae.

FEDERAL RESERVE BOARD (FRB). The governing board of the Federal Reserve System. Its seven members are appointed by the president, subject to Senate confirmation, and serve 14-year terms. The Board establishes Federal Reserve System policies on such key matters as reserve requirements and other bank regulations, sets the discount rates, and tightens or loosens the availability of credit in the economy.

FEDERAL RESERVE SYSTEM. The system established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System ('the Fed') consists of 12 regional Federal Reserve Banks, their 24 branches, and all national and state banks that are part of the system. National banks are stockholders of the Federal Reserve Bank in their region. The Federal Reserve System's main functions are to: regulate the national money supply; set reserve requirements for member banks; supervise the printing of currency at the mint; act as clearinghouse for the transfer of funds throughout the banking system; and, examine member banks' compliance with Federal Reserve regulations.

FINANCIAL INSTITUTION. An institution that collects funds from the public to place in financial assets such as stocks, bonds, money market instruments, bank deposits, or loans. Depository institutions (banks, savings and loans, saving banks, credit unions) pay interest on deposits and invest the deposit money, mostly in loans. Non-depository institutions (insurance companies, pension plans) collect money by selling insurance policies or receiving employer contributions and pay it out for legitimate claims or for retirement benefits. Increasingly, many institutions are performing both depository and non-depository functions.

FISCAL YEAR (FY). The accounting period for the federal government. The fiscal year for the federal government begins on October 1 and ends the next September 30. It is designated by the calendar year in which it ends; for example, FY14 began on October 1, 2013, and ends on September 30, 2014.

FLEXIBLE SUBSIDY. A direct HUD loan or grant for rehabilitation or operating losses, available to eligible owners of certain HUD-subsidized properties. Owners must continue to operate the project as low and moderate income housing for the original mortgage term. Not currently active.

FORECLOSURE. The process by which a mortgage holder who has not made timely payments of principal and interest on a mortgage loses title to the home. The holder of the mortgage, whether it be a bank, a savings and loan, or an individual, uses the foreclosure process to satisfy the mortgage debt either by obtaining the proceeds from the sale of the property at foreclosure or taking title to the property and selling it at a later date. Foreclosure processes vary from state to state and can be either judicial or non-judicial.

FORMULA ALLOCATION. The method by which certain programs distribute appropriated funds to state and local governments. The parameters for the formula are established by statue and are generally based on demographics (poverty) and housing conditions (overcrowding) in the jurisdiction. CDBG and HOME are formula allocation programs.

FREDDIE MAC (FEDERAL HOME LOAN MORTGAGE CORPORATION). A federally charted government-sponsored enterprise that purchases mortgages from originators to facilitate new mortgage lending. Similar to Fannie Mae.

FREEDOM OF INFORMATION ACT (FOIA). The law providing for a means of public access to documents from HUD or other federal agencies.

GOVERNMENT ACCOUNTABILITY OFFICE (GAO). Formerly known as the General Accounting Office, the GAO is a Congressional agency that monitors the programs and expenditures of the federal government.

GINNIE MAE (GOVERNMENT NATIONAL MORTGAGE ASSOCIATION). An agency of HUD, Ginnie Mae guarantees payment on mortgage-backed securities, which represent pools of residential mortgages insured or guaranteed by the FHA, the Veterans Administration, or the Rural Housing Service.

GOVERNMENT SPONSORED ENTERPRISE (GSE). An enterprise established by the federal government but privately-owned and operated. Fannie Mae and Freddie Mac are GSEs, as are the Federal Home Loan Banks.

GUARANTEED LOAN. A loan in which a private lender is assured repayment by the federal government of part or all of the principal, interest, or both, in the event of a default by the borrower.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME). Administered by HUD's Office of Community Planning and Development, this program provides formula grants to states and localities (see also PARTICIPATING JURISDICTIONS) to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low income people. The HOME program is authorized by Title II of the 1990 Cranston-Gonzalez National Affordable Housing Act.

HOME MORTGAGE DISCLOSURE ACT (HMDA). Created in 1975, HMDA requires most financial institutions that make mortgage loans, home improvement loans, or home refinance loans to collect and disclose information about their lending practices.

HOMELESS EMERGENCY ASSISTANCE AND RAPID TRANSITION TO HOUSING (HEARTH) Act of 2009. This law revises the McKinney-Vento Homeless Assistance Grant programs and provides communities with new resources and better tools to prevent and end homelessness. The legislation: increases priority on homeless families with children; significantly increases resources to prevent homelessness; provides incentives for developing permanent supportive housing; and, creates new tools to address homelessness in rural areas.

HOUSING ASSISTANCE PAYMENTS (HAP). HAP is the payment made according to a HAP contract between HUD and an owner to provide Section 8 rental assistance. The term applies to both the Housing Choice Voucher program and Section 8 Project-Based Rental Assistance Program. The local voucher program is administered by a public housing agency (PHA), while a Section 8 contract administrator makes payments in the Multifamily Housing Programs.

HOUSING BONDS. Bonds that are generally issued by states and secured by mortgages on homes or rental properties. Homeowner housing financed by bonds are typically targeted to families or individuals with incomes below the median for the area or the state, while rental housing is targeted to lower income families or individuals.

HOUSING CHOICE VOUCHERS (HVC). Also known as Section 8 or Section 8 vouchers, this is a rental assistance program funded by HUD. The program helps some families, primarily extremely low income families, rent private housing. Families pay a percentage of their monthly adjusted income toward monthly rent and utilities (generally not more than 30%); the balance of the rent to the owner is paid with the federal subsidy.

HOUSING COSTS. Essentially, they are the costs of occupying housing. Calculated on a monthly basis, housing costs for renters include items such as contract rent, utilities, property insurance, and mobile home park fees. For homeowners, monthly housing costs include monthly payments for all mortgages or installment loans or contracts, as well as real estate taxes, property insurance, utilities, and homeowner association, cooperative, condominium, or manufactured housing park fees. Utilities include electricity, gas, fuels, water, sewage disposal, garbage, and trash collection.

HOUSING FINANCE AGENCY. The state agency responsible for allocating and administering federal Low Income Housing Tax Credits as well as other federal and state housing financing sources.

HOUSING STARTS. An indicator of residential construction activity, housing starts represent the start of construction of a house or apartment building, which means the digging of the foundation. Other measures of construction activity include housing permits, housing completions, and new home sales.

HOUSING TRUST FUNDS. Distinct funds, usually established by state or local governments, that receive ongoing public revenues which can only be spent on affordable housing initiatives, including new construction, preservation of existing housing, emergency repairs, homeless shelters, and housing-related services.

HUD INSPECTOR GENERAL. The HUD official appointed by the president who is responsible for conducting audits and investigations of HUD's programs and operations.

INCLUSIONARY ZONING. A requirement or incentive to reserve a specific percentage of units in new residential developments for moderate income households.

INDEPENDENT AGENCY. An agency of the United States government that is created by an act of Congress and is independent of the executive departments. The Securities and Exchange Commission is an example of an independent agency.

LEVERAGING. The maximization of the effects of federal assistance for a project by obtaining additional project funding from non-federal sources.

LOW INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT (LIHPRHA). The 1990 statute prohibiting the sale of older HUD-assisted properties for market rate use, compensating the owners with financial incentives. The program was active 1990 - 1996.

LOW INCOME HOUSING TAX CREDITS (LIHTC). Enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years. The amount of the annual credit is based on the amount invested in the affordable housing.

LOW INCOME. As applied to most housing programs, household income below 80% of metropolitan area median, as defined by HUD, is classified as low income. See also EXTREMELY LOW INCOME, VERY LOW INCOME.

MARK-TO-MARKET. HUD program that reduces above-market rents to market levels at certain HUD-insured properties that have project-based Section 8 contracts. Existing debt is restructured so that the property may continue to be financially viable with the reduced Section 8 rents.

MARK-UP-TO-MARKET. A federal program to adjust rents on Section 8 assisted housing up to the market rate.

METROPOLITAN STATISTICAL AREA (MSA). The basic census unit for defining urban areas and rental markets.

MORTGAGE INTEREST DEDUCTION. The federal tax deduction for mortgage interest paid in a taxable year. Interest on a mortgage to acquire, construct, or substantially improve a residence is deductible for indebtedness of up to $1 million.

MORTGAGE. The debt instrument by which the borrower (mortgagor) gives the lender (mortgagee) a lien on property as security for the repayment of a loan. The borrower has use of the property, and the lien is removed when the obligation is fully paid.

MOVING TO WORK (MTW). A demonstration program for public housing agencies (PHAs) that provides them with enormous flexibility from most HUD statutory and regulatory requirements. The flexibilities, regarding key programmatic features such as rent affordability and income targeting requirements, can impact residents in both the public housing and Housing Choice Voucher programs. Authorized in 1996, the demonstration program continues even though it has not been evaluated on a broad scale.

MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT (MAHRA). The 1997 statute authorizing the Mark-to-Market program and renewals of expiring Section 8 contracts.

MULTIFAMILY. A building with five or more residential units.

NEW CONSTRUCTION/SUBSTANTIAL REHAB. A form of project-based Section 8 assistance used in the original development and financing of some multifamily housing. Projects could be both insured and uninsured (with conventional or state/local bond financing). These contracts were long-term (20-40 years). Active 1976 - 1985.

NOTICE OF FUNDING AVAILABILITY (NOFA). A notice by a federal agency, including HUD, used to inform potential applicants that program funding is available.

OFFICE OF AFFORDABLE HOUSING PRESERVATION. Formerly the Office of Multifamily Housing Assistance Restructuring (OMHAR), HUD established this office to oversee the continuation of the Mark to Market program and provide assistance in the oversight and preservation of a wide spectrum of affordable housing programs.

OUTLAYS. Payments made (usually through the issuance of checks or disbursement of cash) to liquidate obligations. Outlays during a fiscal year may be for payment of obligations incurred in the previous year or in the same year.

PARTICIPATING JURISDICTION (PJ). A HUD-recognized entity that is an eligible recipient of HOME funding.

PAY-AS-YOU-GO or PAYGO. A requirement that Congress offset the costs of tax cuts or increases in entitlement spending with increased revenue or savings elsewhere in the budget.

PAYMENT STANDARD. Payment standards are used to calculate the housing assistance payment (HAP) that a public housing agency (PHA) pays to an owner on behalf of a family leasing a unit. Each PHA has latitude in establishing its schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published fair market rent (FMR) for the area in which the PHA has jurisdiction. A PHA may set its payment standard amounts from 90 percent to 110 percent of the published FMRs, and may set them higher or lower with HUD approval.

PERFORMANCE FUNDING SYSTEM. Developed by HUD to analyze costs of operating public housing developments, used as the basis for calculating the need for operating subsidies.

PERMANENT SUPPORTIVE HOUSING. Decent, safe, and affordable permanent community-based housing targeted to vulnerable very low income households with serious and long term disabilities that is linked with an array of voluntary and flexible services to support successful tenancies.

PREPAYMENT PENALTY. A fee that may be levied for repayment of a loan before it falls due.

PROJECT-BASED VOUCHERS (PBVs). A component of a public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development for lower income families. In general, no more than 25% of the units in a property can be subsidized with PBVs.

RENTAL ASSISTANCE DEMONSTRATION (RAD). As part of its FY12 HUD appropriations bill, Congress authorized the Rental Assistance Demonstration (RAD), which allows HUD to approve the conversion of up to 60,000 public housing and moderate rehabilitation units into either project-based Section 8 rental assistance contracts or project-based vouchers by September 2015. In addition, an unlimited number of units in three smaller programs administered by HUD's office of Multifamily Housing Programs may convert before December 31, 2014; the three programs are Rent Supplement (Rent Supp), the Rental Assistance Program (RAP), and the Moderate Rehabilitation program (Mod Rehab).

REAL ESTATE ASSESSMENT CENTER (REAC). The office within HUD responsible for assessing the condition of HUD's portfolio, both public housing and private, HUD-assisted multifamily housing. REAC oversees physical inspections and analysis of the financial soundness of all HUD housing, and REAC scores reflect physical and financial condition.

REAL ESTATE INVESTMENT TRUST (REIT). A business trust or corporation that combines the capital of many investors to acquire or finance real estate, which may include assisted housing. Cash flow generated by the properties is distributed to investors in the form of stock dividends. The REIT can also provide an attractive tax deferral mechanism by enabling investors to exchange their partnership shares for interests in the REIT, a nontaxable transfer.

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA). A statute that prohibits kickbacks and referral fees that unnecessarily increase the costs of certain settlement services in connection with real estate transactions and provides for disclosures in connection with such transactions. HUD enforces RESPA.

RECONCILIATION BILL. A bill containing changes in law recommended by House or Senate committees pursuant to reconciliation instructions in a budget resolution.

RENT SUPPLEMENT. An older HUD project-based rental subsidy program used for some Section 221(d)(3) and Section 236 properties. The subsidy contract is coterminous with the mortgage. Most rent supplement contracts in HUD-insured projects were converted to Section 8 in the 1970s.

RESIDUAL RECEIPTS. Cash accounts maintained under joint control of the owner and HUD (or Housing Finance Agency) into which is deposited all surplus cash generated over and above the allowable limited dividend or profit. The disposition of residual receipts at the end of the Section 8 contract and/or mortgage is governed by the Regulatory Agreement.

RIGHT OF FIRST REFUSAL. The right of first refusal means the right to match the terms and conditions of a third-party offer to purchase a property, within a specified time period.

RURAL DEVELOPMENT (RD). A mission area of the U.S. Department of Agriculture (USDA), RD administers grant and loan programs to promote and support housing, public facilities and services such as water and sewer systems, health clinics, emergency service facilities, and electric and telephone service in rural communities. RD also promotes economic development by supporting loans to business, and provides technical assistance to help agricultural producers and cooperatives.

RURAL HOUSING SERVICE (RHS). An agency of the Department of Agriculture's (USDA) Rural Development (RD), RHS is responsible for administering a number of rural housing and community facilities programs, such as providing loans and grants for single-family homes, apartments for low income people , housing for farm workers, child care centers, fire and police stations, hospitals, libraries, nursing homes, and schools.

RURAL. As used in this guide, areas that are not urbanized. The Census Bureau defines an urbanized area as "an incorporated place and adjacent densely settled (1.6 or more people per acre) surrounding area that together have a minimum population of 50,000." The Census Bureau defines rural as an area with a population of less than 2,500. The U.S. Department of Agriculture (USDA) definition of rural has several factors, including population: under 20,000 in nonmetro areas, under 10,000 in metro areas, or under 35,000 if the area was at one time defined as rural but the populations has grown (a "grandfathered" area).

SAVINGS AND LOAN ASSOCIATION (S&L). A depository financial institution, federally or state chartered, that obtains the bulk of its deposits from consumers and holds the majority of its assets as home mortgage loans. In 1989, responding to a massive wave of insolvencies caused by mismanagement, corruption, and economic factors, Congress passed a savings and loan "bailout bill" that revamped the regulatory structure of the industry under a newly created agency, the Office of Thrift Supervision.

SAVINGS BANK. A depository financial institution that primarily accepts consumer deposits and makes home mortgage loans. Historically, savings banks were of the mutual (depositor-owned) form and chartered in only 16 states; the majority of savings banks were located in the New England states, New York, and New Jersey.

SECONDARY MARKET. The term secondary market refers to the market in which loans and other financial instruments are bought and sold. The Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), for example, operate in the secondary market because they do not deal directly with the borrower but instead purchase loans from lenders.

SECTION 202. A HUD program created in 1959 to provide direct government loans or grants to non-profits to develop housing for the elderly and handicapped. Currently, the program provides capital grants and project rental assistance contracts.

SECTION 221(d)(3) BELOW MARKET INTEREST RATES (BMIR). A HUD program under which the federal government provided direct loans at a below market interest rate (3%) and FHA mortgage insurance to private developers of low and moderate income housing. Active 1963 - 1970.

SECTION 236. A program under which HUD provided interest subsidies (known as Interest Reduction Payments or IRP subsidies) and mortgage insurance to private developers of low and moderate income housing. The interest subsidy effectively reduced the interest rate on the loan to one percent. Active 1968 - 1975.

SECTION 514 LOANS AND SECTION 516 GRANTS. Administered by USDA RD's Rural Housing Service (RHS) and may be used to buy, build, improve or repair housing for farm laborers. Authorized by the Housing Act of 1949.

SECTION 515 RURAL RENTAL HOUSING PROGRAM. Provides funds for loans made by USDA RD's Rural Housing Service (RHS) to nonprofit, for profit, cooperatives, and public entities for the construction of rental or cooperative housing in rural areas for families, elderly persons, persons with disabilities, or for congregate living facilities. Authorized by the Housing Act of 1949.

SECTION 533 HOUSING PRESERVATION GRANT PROGRAM (HPG). This program, administered by USDA RD's Rural Housing Service (RHS), provides grants to promote preservation of Section 515 properties. Authorized by the Housing Act of 1949.

SECTION 538 RENTAL HOUSING LOAN GUARANTEES. USDA RD's Rural Housing Service (RHS) may guarantee loans made by private lenders for the development of affordable rural rental housing. This program serves a higher income population than that served by the Section 515 program. Authorized the Housing Act of 1949.

SECTION 8 PROJECT-BASED RENTAL ASSISTANCE (PBRA). Administered by HUD's Office of Multifamily Housing, Section 8 Project-Based Rental Assistance takes the form of a contract between HUD and building owners who agree to provide housing to eligible tenants in exchange for long-term subsidies. Project-Based Assistance limits tenant contributions to 30% of the household's adjusted income. Assistance may be provided to some or all of the units in a project occupied by eligible tenants. Assistance is attached to the unit and stays with the unit after the tenant moves.

SECTION 8 PROJECT-BASED VOUCHERS (PBV). Public housing agencies (PHAs) are allowed to use up to 20% of their housing choice voucher funding allocation to project base, or tie, vouchers to a property. PHAs may contract with property owners to project base vouchers to up to 25% of the units in a property. These vouchers remain with the project even if the assisted tenant moves. The effect is similar to the project-based section 8 program in that the place-based funding helps preserve the affordability of the units. One difference between the two programs is the mobility feature of the project-based voucher program which allows a tenant to move with continued assistance in the form of a housing choice voucher. This program is administered by HUD's Office of Public and Indian Housing and local PHAs.

SECTION 8 VOUCHERS. Administered by HUD's Office of Public and Indian Housing and local public housing agencies (PHAs), housing choice vouchers (HCVs) are allocated to individual households, providing a rent subsidy that generally limits tenant contribution to rent to 30% of adjusted household income. PHAs can attach a limited number of their housing choice vouchers to individual units, thereby 'project basing' them. See Section 8 project-based vouchers (PBVs).

SECTION 811. The Section 811 Supportive Housing for Persons with Disabilities is a federal program that assists the lowest income people with the most significant and long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports. The program provides funds to nonprofit organizations to develop rental housing, with supportive services, for very low income adults with disabilities, and it provides rent subsidies for the projects to help make them affordable. Two new approaches to creating integrated permanent supportive housing were recently introduced: the Modernized Capital Advance/Project Rental Assistance Contract (PRAC) multi-family option, and the Project Rental Assistance (PRA) option. Both options require that properties receiving Section 811 assistance limit the total number of units with permanent supportive housing use restrictions to 25% or less. Congress directed that all FY 12, FY13, and FY14 funding for new Section 811 units be provided solely through the PRA option.

SEVERE HOUSING PROBLEMS. As used by HUD in defining priorities, severe housing problems are homelessness, displacement, housing cost burden above 50% of income, and occupancy of housing with serious physical problems. Data on severe housing problems drawn from the American Housing Survey measures only cost burden and physical problems.

SINGLE-FAMILY. A single-family property is a residential property with fewer than five units.

STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT (STAFFORD ACT, P.L. 100-707). Provides a systemic means of providing federal natural disaster assistance to state and local governments. The act establishes the Presidential declaration process for major emergencies, provides for the implementation of disaster assistance, and sets forth the various disaster assistance programs.

STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT. Enacted in July 1987, the McKinney Act, P.L. 100-77 established distinct assistance programs for the growing numbers of homeless persons. Recognizing the variety of causes of homelessness, the original McKinney Act authorized 20 programs offering a multitude of services, including emergency food and shelter, transitional and permanent housing, education, job training, mental health care, primary health care services, substance abuse treatment, and veterans' assistance services. The Act was renamed the McKinney-Vento Homeless Assistance Act, in 2000 to reflect the late Representative Bruce Vento's (D-MN) work to improve housing for the poor and homeless. The Act was revised in 2002 and again in 2009. See Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

TAX CREDIT. A provision of the tax code that specifies an amount by which a taxpayer's taxes will be reduced in return for some behavior.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF). Provides block grants to states administered under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which established a new welfare system. The TANF block grant replaced Aid to Families with Dependent Children (AFDC). The chief feature of TANF was the abolition of a federal entitlement to cash assistance.

THRIFT. See SAVINGS AND LOAN ASSOCIATION (S&L).

VERY LOW INCOME (VLI). A household with income is at or below 50% of area median, as defined by HUD.

VOUCHER. A government payment to, or on behalf of, a household to be used solely to pay a portion of the household's housing costs in the private market. Vouchers are considered tenant-based assistance because they are not typically connected to a particular property or unit (although they may be 'project based' in some cases) but are issued to a tenant.

WORST CASE HOUSING PROBLEMS. Unsubsidized very low income renter households with severe housing problems. HUD is required to submit a periodic report to Congress on worst case housing problems.

Advocates' Guide Authors

ALTHEA ARNOLD

Althea joined NLIHC as Research Analyst in March 2013. Prior to NLIHC, Althea was a research associate at the Institute for Women's Policy Research, a think tank focusing on domestic women's issues, where she analyzed data on women's economic and housing security. Althea earned her Master of Public Policy degree from Georgetown University, where she was the Waldemar A. Nielsen graduate fellow. Her graduate thesis focused on women veterans' barriers to healthcare access, including homelessness. Althea moved to Washington, DC to pursue her graduate studies after spending five years in research and management positions in New York. Althea also holds a B.A. from Connecticut College.

STEVEN R. BERG

Steve Berg is Vice President for Programs and Policy at the National Alliance to End Homelessness, where he works to end homelessness by promoting effective public policies and local practices regarding housing, employment, and human services. He oversees most of the programmatic work of the Alliance. He came to the Alliance from the Center on Budget and Policy Priorities, where he worked on state-level welfare reform and employment. Before coming to Washington, Steve spent 14 years as a legal services attorney in California and Connecticut, working on housing, government benefits, employment and family integrity issues. His experience includes nonprofit management and staff training and development.

NANCY BERNSTINE

Nancy Bernstine has served as executive director of the National AIDS Housing Coalition (NAHC) since 2003. NAHC is a national housing advocacy and policy organization which focuses on the housing and housing-related support service needs of people with HIV/AIDS. Previously, she was a member of a Washington, D.C. law firm providing legislative and administrative representation for nonprofit housing organizations and housing industry trade associations. She has worked in senior policy positions in U.S. nonprofit housing organizations including the National Housing Law Project and the McAuley Institute. Nancy is a member of the District of Columbia Bar and the American Bar Association Affordable Housing Forum.

CATHERINE BISHOP

Catherine Bishop is a former senior staff attorney with the National Housing Law Project and now does contract work. NHLP is dedicated to advancing housing justice for the poor by using the power of the law to increase and preserve the supply of decent affordable housing, to expand and enforce low-income tenants' and homeowners' rights, and to increase opportunities for racial and ethnic minorities. Catherine has over 30 years of experience in federal housing law and is a recognized legal expert in the field. A veteran litigator, trainer and advocate, Ms. Bishop has an expertise in issues relating to the preservation of public housing, the Rental Assistance Demonstration (RAD) program and public housing residents' rights and participation. She also has a substantial familiarity with the Section 8 voucher program, issues involving access to federally assisted housing by disadvantaged individuals and economic opportunities attached to federal housing, such as Section 3.

ELINA BRAVVE

Elina joined the NLIHC staff in September 2010. Prior to joining NLIHC, Elina worked on affordable housing policy for the U.S. Green Building Council and undertook a housing market study for the Washington, DC Office of Planning. She completed her undergraduate studies in sociology and politics at Brandeis University and earned a master's degree in city and regional planning from the University of North Carolina–Chapel Hill.

MAYA BRENNAN

Maya Brennan is a Senior Research Associate at the National Housing Conference's Center for Housing Policy. Since her start at NHC in 2007, she has focused on best practices in state and local housing policy as well as housing's role in advancing other social goals. She entered the housing field as a landlord-tenant hotline counselor and has also served as a research assistant at the Community Development Research Center at the New School. She received a master's of science in urban policy analysis and management from the New School and a bachelor's in liberal arts from St. John's College.

MARY BROOKS

Mary E. Brooks has worked as a low income housing advocate for more than 30 years. The majority of her work has involved policy advocacy advancing affordable housing, land use and zoning, community development, and civil rights issues. She holds a Master's Degree in City and Regional Planning from Ohio State University, where she received the College of Engineering Distinguished Alumna Award. She was awarded the Community Housing Leadership Award by the National Low Income Housing Coalition in 2004. Currently, she directs the Housing Trust Fund Project of the Center for Community Change.

SARAH BRUNDAGE

Sarah was promoted to Communications Director in April 2013. Sarah first came to NLIHC in the fall of 2009 as a communications and outreach intern. She then worked as Database Assistant before joining the staff full-time as Executive Assistant in April 2010. Sarah transitioned to the Communications team as Communications Associate in February 2011. Sarah also spent time as a development intern for the Arlington Free Clinic and continues to volunteer at the clinic and serve on the communications committee. She graduated from the University of Florida with a B.A. in political science and minors in French and anthropology.

JUDITH P. CHAVIS

Judy Chavis has more than 25 years of association, legislative and administrative policy experience related to programs and services for low-income people. Prior to starting at AASC, Judy was the Assistant Executive Director of the Ohio Job and Family Services Directors' Association where she co-directed governmental relations for the organization. She also provided policy development and advocacy; technical assistance; training on public assistance and social services "safety net" programs (e.g., Medicaid, Food Stamps, child care, TANF, etc.); and, issues affecting low-income families including workforce development, adult protective services, child support enforcement, and child protective services. Judy holds a Master's degree in Public Administration from Ohio University and a Bachelor's degree with honors in Political Science/Sociology from The Ohio State University.

LINDA COUCH

Linda has worked at NLIHC since 1995 except for three years at LeadingAge (formerly the American Association of Homes and Services for the Aging), where she worked on affordable housing for low income seniors. Linda works on public and assisted housing issues, budget and appropriations and NLIHC's campaign to capitalize a national housing trust fund, among other issues. She also has a background in state governmental affairs, working for a private consulting firm and as a fellow in the Connecticut General Assembly's Office of Legislative Research. Linda has a Master of Public Affairs degree from the University of Connecticut and a B.A. from the George Washington University. She lives in Mount Rainier, Maryland with her husband and two young children.

SHEILA CROWLEY

As the President and CEO of the National Low Income Housing Coalition, Sheila heads a membership organization dedicated solely to ending the affordable housing crisis in America. She joined the staff in December 1998, after two decades in Richmond, Virginia in organizational leadership, direct service, policy advocacy, and scholarship. She is a social worker with a bachelor's (1976), master's (1978), and Ph.D. (1998) from the School of Social Work at Virginia Commonwealth University. She is an adjunct faculty member for the VCU School of Social Work and for George Mason University Department of Social Work, teaching social policy, social justice, policy advocacy, and community and organizational practice. She was the 1996-1997 Social Work Congressional Fellow, where she served on the Democratic staff of the Housing Subcommittee of the United States Senate Banking Committee. From 1984-1992, she was the Executive Director of The Daily Planet, a multipurpose homeless service and advocacy organization in Richmond.

JOHN DRISCOLL

John Driscoll served in the U.S. Army from 1970-1980, including a tour as an air-evac medic and platoon sergeant with the 575th Medical Detachment during the Vietnam War. After returning home, he served as the senior clinical specialist on the Surgical Intensive Care Unit of the Walter Reed Army Medical Center in Washington, D.C., from 1973-1980. Driscoll graduated from the University of Maryland with a Bachelor of Arts degree in journalism in 1988, and spent 14 years as a group newspaper editor for the Chesapeake Publishing Corporation before joining the NCHV staff as Communications Director. Driscoll is responsible for the development of the NCHV website (www.nchv.org) into the most comprehensive homeless veteran assistance on-line resource in the nation, providing information and service referrals to more than 90,000 visitors each month. His work with veteran assistance programs gave rise to the nation's first Veteran Homelessness Prevention Platform in 2006. He has testified before the U.S. Congress on a number of landmark veteran initiatives and is frequently invited to speak as a subject matter expert on homeless veteran issues and assistance programs at conferences and symposia nationwide.

SARAH ELLIS

Sarah Ellis is a Policy and Communications Program Associate at the Housing Partnership Network. Sarah has a Master in Public Policy Degree from Harvard University's Kennedy School of Government and a Bachelor's degree from the University of Toronto.

DAN EMMANUEL

Dan Emmanuel has joined NLIHC as an outreach associate serving members and states in the Southeastern United States and parts of the Midwest. Dan completed his Master of Social Work degree from Saint Louis University in May 2013 with a concentration in community and organization practice. Since 2008, he has worked in a wide range of housing and community development contexts, including work at Saint Louis University's Doerr Center for Social Justice and Community Housing Partners in Williamsburg, Virginia. Dan earned his B.A. in Philosophy and Psychology from the College of William & Mary.

LANCE GEORGE

Lance George is the Director of Research and Information at the Housing Assistance Council (HAC). Prior to becoming the HAC's Research Director, Lance served as the organization's Senior Research Associate for 10 years. Before HAC, Lance worked for Frontier Housing, Inc., a nonprofit organization that builds affordable homes for low income families in Appalachian Eastern Kentucky. Lance's research and policy analysis at HAC encompasses a wide array of issues and topics related to rural housing, including manufactured housing, poverty and high need rural areas, rural definitions and classifications, mortgage access and finance, and general demography, mapping, and data analysis of rural people and their housing conditions.

LIZA GETSINGER

Liza Getsinger is a policy associate at the National Housing Conference where she works on a variety of NHC's policy and advocacy efforts focused on advancing federal housing policy to assist low- and moderate-income people through meeting with Members of Congress and their staff on budget and tax issues, improving HUD's regulatory and programmatic functioning, and focusing efforts on restoring neighborhoods and greening affordable housing. Liza began her career at the Urban Institute's Metropolitan Housing and Communities policy center where she worked on a diverse range of projects focused on the foreclosure crisis and public and assisted housing. She holds a master's degree from the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin with a concentration in social and economic policy.

ED GRAMLICH

Ed Gramlich has been at NLIHC since October 2005. For his first two years Ed staffed the RegWatch Project, an endeavor to expand the Coalition's capacity to monitor federal regulatory and administrative actions, with a focus on preserving the affordable housing stock, both public and assisted. Between October 2007 and January

2010 he was the Director of Outreach. Prior to joining the staff of the Coalition, he worked for 26 years at the Center for Community Change (CCC) where his primary function was to provide technical assistance about CDBG to low income community-based groups. While at CCC, Ed also devoted considerable time to providing technical assistance to groups concerned about the negative impacts of UDAGs in their community.

DOUG HALL

Doug Hall has been the Director of the Economic Analysis and Research Network (EARN) since July 2009. Hall previously served as director of operations and research for the Connecticut EARN partner, Connecticut Voices for Children, where he played a leading role in work related to family economic security and state tax and budget issues. He is the author or co-author of dozens of reports, including several reports on state economic trends, child poverty, and the minimum wage. His work has been extensively cited by statewide media, and he has contributed several op-ed pieces for publication in newspapers such as the Florida Sun-Sentinel, the Hartford Courant and the Kentucky Post. He has also appeared as an expert on public affairs shows in both Connecticut and Kentucky. Hall's blogs appear on the EPI Blog, Working Economics, and he's active on Twitter @halldjh.

REBEKAH HOROWITZ

Rebekah Horowitz is the Senior Policy Associate at the National AIDS Housing Coalition (NAHC). NAHC is a national housing advocacy and policy organization which focuses on the housing and housing-related support service needs of people with HIV/AIDS. Previously, she was the Policy and Advocacy Manager at The Women's Collective, a DC-based direct service organization serving women and girls living with and affected by HIV/AIDS. Rebekah has also worked in the reproductive health and justice movement and has her Juris Doctor and a Masters of Public Health with a focus on women's health. She is a member of the New York State Bar.

KELLY HUNT

Kelly Hunt is a consultant for Innovative Housing Institute, focusing on expanding the organization's policy agenda and national presence in the inclusionary housing arena. Kelly has an extensive background in affordable housing development and finance and holds a Master of Public Administration from Harvard University's John F. Kennedy School of Government.

DAVID JEFFERS

David Jeffers is Executive Vice President of Policy and Public Affairs for the Council of Federal Home Loan Banks. The Council is the public voice of the America's Federal Home Loan Banks. Before joining the Council, Jeffers was President and CEO of Collingwood Communications. Previously Jeffers was Fannie Mae's Vice President for Corporate Relations.

MARY KOLAR

Mary joined the NLIHC staff in January 2011. She is the Outreach Associate for New England and the Midwest. Originally from the Washington, DC area, she graduated from Fordham University, after which she spent time with the Jesuit Volunteer Corps. Following this experience, she worked for several years as an organizer for the New York City-based Tenants & Neighbors, an NLIHC partner. There, she focused on tenant issues in project-based Section 8 developments. Most recently, Mary worked with a grassroots community-based organization in Arlington, Virginia.

MINDY LA BRANCHE

Mindy La Branche is a legislative and policy associate at the National Council of State Housing Agencies, where she has worked since 2007. La Branche focuses on issues including appropriations, the HOME program, and special needs housing. La Branche received bachelor's degrees in business administration and global leadership from Huntingdon College and a master's degree in business administration from Georgetown University.

JOSEPH LINDSTROM

Joseph first worked with NLIHC in 2000 while organizing Wisconsin advocates in support of the National Housing Trust Fund Campaign. He led campaigns in Madison, WI, on issues such as the local minimum wage, funding for homeless services, and eliminating housing discrimination against Housing Choice Voucher recipients. In addition to his advocacy and campaign work, Joseph has also worked in various direct service capacities including as a homeless outreach coordinator, tenant's rights counselor, and workforce development professional. Joseph received his Bachelor's Degree from the University of Wisconsin with majors in political science and religious studies.

PATRICK MAIER

Patrick Maier is the Executive Director of the Innovative Housing Institute (IHI), a nonprofit consulting organization that is a nationally recognized leader in the field of inclusionary housing. The Institute provides research, consultation, and information on the best practices to local and state governments faced with housing affordability challenges. IHI is currently preparing the Regional Housing Plan for the Baltimore Region's Opportunity Collaborative, a federal Sustainable Communities Initiative Grantee. Under Mr. Maier's direction, IHI is the lead partner of the National Inclusionary Housing Conference, which serves to provide the educational and inspirational leadership of the Inclusionary Housing Movement.

JANE MALONE

Jane Malone joined the National Center for Healthy Housing as Policy Director in 2010 after working for the Alliance for Healthy Homes for 12 years. Her current work focuses on advancing commitments to healthy homes by Congress and federal agencies, supporting local partners' policy change work, and improving model housing codes and standards. Prior to focusing on indoor environmental health concerns, she led efforts in Philadelphia to eliminate homelessness and improve public education. She attended the University of Pennsylvania.

SHAM MANGLIK

Sham received a Master of Public Policy and Management degree from Carnegie Mellon University and joined the staff of NLIHC in May 2011. In her second year of graduate school, Sham worked at the Homelessness Research Institute, the research and education arm of the National Alliance to End Homelessness. Prior to her graduate studies, Sham worked as a legislative assistant to Congresswoman Lucille Roybal-Allard (D-CA), where she advised the congresswoman on HUD appropriations and other housing issues. Sham has a B.A. in politics from the University of California, Santa Cruz.

KEVIN MARTONE

Kevin Martone is Executive Director at TAC, a non-profit consulting firm that provides technical assistance on behavioral health, Medicaid, affordable, supportive housing and other human services to government agencies, national associations and direct service providers. Kevin has 20 years of experience in executive leadership at the national, state government and nonprofit levels, with expertise in public mental health and human services administration. He specializes in a range of issues related to behavioral health, including policy strategy, system financing and design, Olmstead and community integration, health reform, and the design and delivery of permanent supportive housing. Prior to joining TAC, Kevin served as President of the National Association of State Mental Health Program Directors where he advanced key policy issues on behalf of the nation's public mental health systems before Congress and federal agencies, including the U.S. Centers for Medicare and Medicaid Services, the U.S. Department of Housing and Urban Development, and the Substance Abuse and Mental Health Services Administration. Kevin also served as Deputy Commissioner of the New Jersey Department of Human Services overseeing the state mental health and substance abuse system. Upon his arrival, Kevin negotiated the State's Olmstead Settlement Agreement and led a statewide transformation of the public behavioral health system that included a significant expansion of supportive housing. Previously, Kevin was CEO for Advance Housing, a non-profit supportive housing provider, and Vice President for the Supportive Housing Association of New Jersey. He has taught at Tufts University School of Medicine and the Rutgers University School of Social Work on mental health policy and various social work issues.

SHARON MCDONALD

Sharon McDonald is the Director for Families and Youth at the National Alliance to End Homelessness, where her primary focus is on policy and program strategies to prevent and end family and youth homelessness. Before joining the Alliance in 2001, Sharon was a direct practitioner in a Richmond, Virginia community-based service center for people experiencing homelessness. She has experience providing and supervising the delivery of social work services to families in a service-enriched subsidized housing development for low income families. Sharon was the 1999 National Association of Social Workers/Council on Social Work Education Congressional Fellow and served in Senator Paul D. Wellstone's office, where she focused on welfare and housing issues. Sharon holds an M.S.W and a Ph.D. in Social Work and Social Policy from Virginia Commonwealth University.

MONICA MCLAUGHLIN

Monica joined NNEDV in 2007 and is the Senior Public Policy Specialist. She chairs national collaborations working to improve federal legislation and increase resources to address and prevent domestic violence. Monica leads national efforts to improve the safe and confidential housing options available for survivors. As a life-long activist in the women's movement, Monica began her career as a domestic violence advocate in Montana, Chicago and England. Her work with survivors afforded her a unique perspective on the issues that impact women's lives and fueled her desire to advocate for survivors at a macro level. While completing her Master's in Communication Studies, she was the Public Relations and Advocacy Coordinator for a women's substance abuse treatment program, where she coordinated the agency's first legislative call-to-action campaign and initiated a speaker's bureau of women in recovery.

TODD NEDWICK

Todd Nedwick is the Housing and Energy Efficiency Policy Director for the National Housing Trust (NHT). He oversees the execution of state policy advocacy campaigns aimed at preserving and greening existing affordable housing. He has worked closely with national and state partners to develop and advocate best practices for using the Weatherization Assistance Program to improve the energy efficiency of multifamily housing. He currently directs NHT's engagement with private utilities in eight states in order to increase resources and improve energy efficiency programs for multifamily affordable housing. Mr. Nedwick holds a B.A. in Political Science from American University and a Master of Public Policy from the University of Maryland School of Public Policy.

ANN O'HARA

Ann is co-founder and Senior Policy Analyst of the Technical Assistance Collaborative (TAC). Ann is nationally known for her public policy work to expand affordable and permanent supportive housing opportunities for people with disabilities and her expertise in housing and supportive services programs and models for people who are homeless or at risk of homelessness. She has over 30 years' experience in federal, state and local affordable housing and human services policy and is an expert in the use of federal affordable and subsidized housing programs to meet the needs of vulnerable extremely low income populations. Working with the Washington, D.C.-based Consortium for Citizens with Disabilities Housing Task Force, Ann has successfully advocated for national housing policy initiatives and developed legislative proposals leading to the creation of more than 80,000 new subsidized housing opportunities for people with the most significant and long-term disabilities She has testified on these issues in the United States Congress on many occasions and is the author of numerous articles, monographs and studies related to expanding affordable and permanent supportive housing opportunities for persons with disabilities. Ms. O'Hara led recent successful effort to reform the HUD Section 811 Supportive Housing program through the enactment of the Frank Melville Supportive Housing Investment Act of 2010. Prior to founding TAC in 1992, Ms. O'Hara served as Assistant Secretary for Housing and Director of Rental Assistance for the Commonwealth of Massachusetts.

MELISSA QUIRK
Prior to joining NLIHC, Melissa was the Assistant Director of the Emergency Shelter Commission in Mayor's Office in the City of Boston, focusing on homelessness policy and planning. She also worked at Citizens' Housing and Planning Association, NLIHC's Massachusetts state partner, and for NLIHC organizational member TAG Associates, a consulting company providing technical assistance to public housing authorities throughout the country. Melissa holds a B.A. in Urban Studies from Vassar College in New York and an M.A. in Urban and Environmental Policy and Planning from Tufts University in Massachusetts.

JEREMY ROSEN
Jeremy Rosen is the Policy Director for the National Law Center on Homelessness & Poverty. Mr. Rosen previously served as Executive Director of the National Policy and Advocacy Council on Homelessness (NPACH), as Director for Homelessness and Mental Health in the National Office of Volunteers of America, and as a Staff Attorney at Legal Services of Greater Miami. He received his B.A. from the University of Wisconsin-Madison in 1994, and his J.D. from The George Washington University Law School in 1998. Mr. Rosen is an expert on federal, state, and local affordable housing policy, with a focus on homelessness, veterans housing, and housing for children, youth, and families. Mr. Rosen's work also focuses on access to government benefits for low income people, prisoner reentry, and the intersection of affordable housing policy and the education and child welfare systems. He is a frequent speaker on these topics, and has published numerous journal articles and papers.

KATHY RUFFING
Kathy Ruffing is a Senior Fellow at the Center on Budget and Policy Priorities, specializing in federal budget issues. Ruffing spent 25 years at the Congressional Budget Office, where she analyzed a wide range of topics including interest costs and federal debt, federal pay, immigration, and Social Security. Upon her departure, the Congressional Record praised her as a dedicated public servant who worked tirelessly to advance the legislative process and whose analyses displayed the best characteristics of CBO reports: impartiality, clarity, and comprehensiveness. Before joining CBO, Ruffing spent several years at the Department of Labor and the Social Security Administration. More recently, she helped launch a budget study at the National Academy of Sciences. Ruffing earned a B.A. in economics and political science at the University of Pittsburgh, and an M.A. in economics at The George Washington University.

DAVID SANBORN (PENOBSCOT INDIAN NATION)
David Sanborn is the Executive Director of the National American Indian Housing Council (NAIHC). NAIHC was founded in 1974 and is composed of 278 members representing 468 tribes and housing organizations. It is guided by a 10-member Board of Directors representing tribal housing programs in nine geographical regions across the United States. David is responsible for carrying out the Board of Director's policies and initiatives, and to advocate for and support American Indians, Alaska Natives and Native Hawaiians in their self-determined goal to provide culturally relevant and quality affordable housing for native people. David has spent his entire professional career working as an advocate for Indian Country. Previously, he was the Senior Advisor and Liaison for Native American Affairs at the U.S. Department of Defense in the Office of Secretary of Defense. He was responsible for the development and implementation of the department's American Indian, Alaska Native and Native Hawaiian Consultation Policies, and advising the department on issues relating to Native Americans. He also worked at the Smithsonian National Museum of the American Indian in the Public Programs department planning and designing special projects and initiatives for the Director.

BARBARA SARD
Barbara Sard rejoined the Center as Vice President for Housing Policy in 2011 after 18 months as Senior Advisor on Rental Assistance to HUD Secretary Shaun Donovan. She previously held the director's position at the Center between 1997 and 2009. She has written extensively on welfare, homelessness and housing issues and is considered a leading expert on the housing voucher program, rental assistance, and issues concerning

the intersection of housing and welfare policy. Prior to working at the Center, she was the Senior Managing Attorney of the Housing Unit at Greater Boston Legal Services, where she worked for more than 19 years. Sard has a B.A. in Social Studies from Radcliffe College/Harvard University and a J.D. from the Harvard

GINA SCHAAK

Gina has over 10 years experience helping nonprofit housing and service agencies navigating federal, state and local programs in order to access an create more permanent supportive housing for the most vulnerable populations. In addition to being a skilled TA and training provider, Gina serves as TAC's national policy researcher and public liaison.

KRISTIN SIGLIN

Kristin Siglin is currently Vice President, Policy at Housing Partnership Network, a business collaborative of 98 high-performing nonprofits that finance, develop and manage affordable housing and community development projects. She helps formulate and present the views of Housing Partnership Network members to federal policymakers. Before coming to HPN, Kris was a Vice President at Enterprise Community Partners, a community development intermediary and syndicator of the Low Income Housing Tax Credit. Kris had various roles at Enterprise including Vice President and Senior Policy Advisor, Vice President for Economic Opportunities, and Vice President for Knowledge Sharing. She managed a special project that commissioned and disseminated original research on school-centered community revitalization. Initially she was Vice President for Policy and opened Enterprise's Washington advocacy office. In 2001-2003 Kris was the Policy Director of the Millennial Housing Commission, a 22-member bipartisan commission charged by Congress with examining the nation's housing policy and making recommendations to improve the affordable housing delivery system. Kris worked on Capitol Hill for ten years, including a stint as the Minority Staff Director, Subcommittee on Consumer and Regulatory Affairs of the Senate Committee on Banking, Housing and Urban Affairs.   She also served on the personal staff of Senator Christopher S. Bond (R-MO) and Representative Jim Leach (R-IA). She has an AB in History, Magna Cum Laude, Brown University, Providence, Rhode Island.

JOSH SILVER

Josh Silver has 20 years' experience in the housing and community development field. As Vice President of Research and Policy, Mr. Silver develops the National Community Reinvestment Coalition's (NCRC) policy positions, produces various research studies, engages in proposal writing and fundraising, and supervises a staff of research and policy analysts. He has written NCRC testimony submitted to the Senate and House Banking Committees on topics including financial modernization, predatory lending, and the effectiveness of the Community Reinvestment Act (CRA). He has also written several comment letters to federal banking agencies on subjects ranging from the merger application process, the content and accuracy of home and small business data, and fair lending issues. Mr. Silver has testified before Congress, municipal and state legislative bodies and has represented NCRC on television and radio. Prior to NCRC, Mr. Silver worked at the Urban Institute for five years, where he specialized in housing market analysis and program evaluation. Mr. Silver holds a master's degree in public affairs from the Lyndon Johnson School of Public Affairs at the University of Texas in Austin and earned a bachelor's degree in economics from Columbia University in New York City. He lives in Bethesda, Maryland with his wife and daughter.

CHRISTINA SIN

Christina joined NLIHC as Executive Assistant to the President in July 2012, and was promoted to Development Coordinator in April 2013. Prior to coming to NLIHC, Christina was the Executive Assistant in the Office of Student Rights and Responsibilities and the Office of Civility and Community Standards at the George Washington University. Christina received her BA in International Affairs and Women's Studies with minors in Geography and History, and her MA in American Studies, both from the George Washington University. She is originally from New York City.

LISA SLOANE

Lisa has over 30 years of experience working with federal, state and local governments as well as nonprofit agencies, to address the supportive housing needs of people with disabilities, including homeless individuals and their families. Lisa is Project Manager of TAC's Section 811 Technical Assistance contract with HUD.

JORGE ANDRES SOTO

Jorge Andres Soto is a Public Policy Associate with the National Fair Housing Alliance (NFHA). Jorge represents the interests of NFHA and its member organizations before Congress and federal regulatory agencies and coordinates efforts with advocacy and industry groups on civil rights matters concerning housing and housing finance. Prior to NFHA, Jorge was at Relman, Dane & Colfax PLLC where he worked as a civil rights paralegal on the development and litigation of several housing, lending, and public accommodations cases involving discrimination, as well as on public policy matters concerning employment and contracting diversity in federal financial regulatory agencies. Jorge also previously worked as a social justice intern organizer at Service Employees International Union (SEIU) in Houston, TX and as a community organizer with CRECEN/American Para Todos, also in Houston. Jorge earned his B.A. in History and American Studies from Wesleyan University.

ANDREW SPERLING

Andrew Sperling is the Director of Federal Legislative Advocacy for NAMI, the National Alliance on Mental Illness. In this position, he leads NAMI's legislative advocacy initiatives in Congress and before federal agencies. Mr. Sperling works on issues affecting the mental health community with a focus on improving the lives of people with severe mental illnesses. Since 1994, Mr. Sperling has also served as Co-Chair of the Consortium for Citizens with Disabilities (CCD) Housing Task Force. Prior to joining NAMI, Mr. Sperling held the position of deputy director of government relations for the National Community Mental Healthcare Council and was a legislative assistant for U.S. Representative Dick Swett (D-NH). Mr. Sperling earned his bachelor's of arts degree from Tulane University. After graduating from Tulane, Sperling attended George Washington University where he received a masters of arts, and in 1992, he earned a law degree from the Franklin Pierce Law Center.

LESLIE STRAUSS

Leslie R. Strauss is Senior Housing Analyst at the Housing Assistance Council. She began working at HAC in 1991 as Research and Information Director and has also served as HAC's Communications Director. Currently she is responsible for a variety of policy and information activities, including much of HAC's work on rental housing preservation. She has a law degree and practiced real estate law for several years before joining HAC. She serves on the board of the National Rural Housing Coalition.

NORM SUCHAR

Norm Suchar joined the staff of the National Alliance to End Homelessness in 2002. He directs the Alliance's Center for Capacity Building, which helps communities implement system-wide strategies that prevent and end homelessness. His prior experience includes work on federal policy for the Alliance related to housing and homelessness programs, three years in the Budget Office at the U.S. Department of Housing and Urban Development, where he focused on homelessness and community development programs, and two years working in child welfare for the State of Utah.

LA'TEASHIA SYKES

La'Teashia became State Partner Project Director in April 2012, after working on NLIHC's Outreach Team for almost four years. La'Teashia was hired in September 2008 after serving as Legislative intern for the Fall 2007 and Spring 2008 semesters while finishing her Master of Social Work degree from Howard University. La'Teashia has been involved in urban projects in Los Angeles, CA; New Orleans, LA; and her home state of Oregon. La'Teashia graduated from Oregon State University with a Bachelor of Science in Psychology in 2005.

ERIC TARS

Eric Tars currently serves as the Director of Human Rights and Children's Rights Programs with the National Law Center on Homelessness & Poverty. Before coming to the Law Center, Mr. Tars was a Fellow with Global Rights' U.S. Racial Discrimination Program, and consulted with Columbia University Law School's Human Rights Institute and the U.S. Human Rights Network. Mr. Tars currently serves as the Chair of the Training Committee of the U.S. Human Rights Network and on the Steering Committee of the Human Rights at Home Campaign. Mr. Tars received his J.D. as a Global Law Scholar at Georgetown University Law Center, his B.A. in Political Science from Haverford College, and studied international human rights the Institute for European Studies, Vienna, and at the University of Vienna.

ALAYNA WALDRUM

Alayna Waldrum is a Legislative Representative for LeadingAge, an organization that represents not-for-profit long-term care providers of housing and services. She joined LeadingAge in 2004 and advocates on affordable senior housing issues before Congress. Prior to joining LeadingAge she was the Associate Director of Policy at the Aging Services of California, the LeadingAge state partner. There she represented non-profit affordable housing providers before the state legislature, local HUD offices, the tax credit allocation agency and with state regulatory agencies. She began her work in affordable housing in 1994 working with first time home buyer's program in Baltimore, Maryland, where she developed and conducted homebuyer education sessions for low-income, first-time buyers. Alayna holds BA from the University of Maryland, College Park, and a JD from the University of California, Davis. She resides in DC where she volunteers for a local not-for-profit that provides affordable housing to families living with HIV/AIDS.

JOHN WANCHECK

John Wancheck is the Earned Income Credit Campaign Coordinator for the Center on Budget and Policy Priorities, a Washington-based nonprofit organization that conducts research and policy analysis on issues that have an impact on low income Americans. The Center has spearheaded a national public education campaign on low income tax credits each year since 1989 and distributes a widely-used community outreach kit for the Earned Income Tax Credit and Child Tax Credit. John assists local agencies and community groups to organize outreach efforts and to promote free tax filing assistance programs.

OLIVIA WEIN

Olivia Wein is a staff attorney at the National Consumer Law Center (NCLC) focusing on low income energy and utility issues. She is co-author of the fifth edition of NCLC's manual Access to Utility Service and co-author of The Rights of Utility Consumers. She co-chairs the LIHEAP Coalition. Ms. Wein serves on the Federal Communication Commission's Consumer Advisory Committee and is a member of the Board of Directors for the Universal Services Administrative Company. She was an Economic Justice Fellow at Consumers Union prior to her work at NCLC.

RUTH ANNE WHITE

Ruth White is one of the nation's leading experts on the nexus between housing policy and child welfare. She is co-founder and Executive Director of the National Center for Housing and Child Welfare and former director of Housing and Homelessness for the Child Welfare League of America (CWLA). At the Child Welfare League, she co-edited the landmark issue of the League's journal, Child Welfare, documenting the extent to which children are needlessly held in foster care because their parents lack decent housing. Through White's advocacy, $50 million in new funding for the Family Unification Program has been made available for families and youth in child welfare since 2009. Prior to working at CWLA, White managed the front-door family shelter and redesigned the triage system in Columbus, OH, reducing shelter entries by over 60 percent. White is also certified as an Assisted Housing Manger. White has a Master of Science Degree in Social Administration from Case Western Reserve University and a Bachelor of Science degree in Social Work from Ohio State University. She is currently a Furfey Scholar and doctoral candidate at the Catholic University of America and currently co-chairs the National Homeless Advocates Group.

EVA WINGREN

Eva Wingren has been Mercy Housing's Policy Associate for almost three years. She assists the Senior Vice President in representing Mercy's viewpoint, as a reputable national low income housing developer, manager, and owner working daily with federal programs, to federal policymakers. She also helps convene discussions among Mercy Housing practitioners to strategize about policy changes that will help them further Mercy's mission of creating stable, vibrant and healthy communities. In addition, she is the Grants Manager for Mercy Loan Fund, a national CDFI that has provided critical financing for over 19,000 units of affordable rental housing where developers could not get favorable financing from banks or other traditional sources. Prior to her current role, Eva was a Mercy Housing intern in Seattle, WA, creating a policy analysis of the recapitalization prospects of a scattered site rural multifamily portfolio subsidized by USDA. She graduated from the Evans School of Public Affairs at the University of Washington with a Masters of Public Administration in 2011. She also holds a BA in Anthropology from Arizona State University, where she was inspired to pursue a career in public service by evaluating a program that connected climate scientists and land use decision makers to promote the sustainability of the Southwest region. She has served as a Fulbright English Teaching Assistant in rural Malaysia.

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O Individual with low income, or student	$3
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O Organization, <$250,000 operating budget	$200
O Organization, $250K - 499,999	$350
O Organization, $500K - 999,999	$500
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