

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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HUD

2007 HUD Income Limits Announced

On March 20, HUD released the FY2007 Median Family Incomes for all jurisdictions. Included are the figures for “low income,” or 80% of the areawide median income (AMI), and “very low income,” or 50% of AMI, which are used to determine eligibility in the CDBG and HOME programs. The estimated median family income for the United States as a whole for FY2007 is \$59,000.

HUD also released the Income Limits for the Section 8 and Section 221(d) (3) BMIR, Section 235 and Section 236 programs.

According to the transmittal notice, these are “the first to be able to take advantage of the first full Census American Community Survey (ACS) sample sizes collected in 2005.”

As a result, in the case of the Median Family Incomes, HUD warns, “Comparisons between FY2006 HUD median family incomes and FY2007 HUD median family incomes are not valid as indicators of local median family income changes because of the differences in the underlying surveys.” The ACS produces generally lower estimates of incomes than the 2000 Census, and this difference is reflected in the FY2007 Median Family Incomes. As an indication of the scale of the change, HUD reports the FY2007 national median family income estimated by HUD is 1% lower than the FY2006 estimate.

Program income limits, however, are subject to a number of adjustments and additionally HUD assures readers that the FY2007 Income Limits “have been frozen at the FY2006 level in those cases where the Income Limit would otherwise be lower.” Thus, with the FY 2007 numbers HUD appears to maintain its practice of applying an upward ratchet to its income limits.

NLIHC will continue to evaluate the changes and methodology and report on relevant findings in future issues of Memo. The FY 2007 Income Limits can be found at: www.huduser.org/datasets/il/il07/index.html.

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Capitol Hill

House and Senate Budget Resolutions Move Forward

The House Budget Committee approved its FY08 budget resolution on March 22, providing \$417.8 billion in domestic discretionary spending, \$12.3 billion more than the FY07 domestic spending level, including inflation, and \$5 billion more domestic discretionary spending than the Senate Budget Committee’s budget resolution.

The Senate budget resolution was passed by the full Senate on March 23 on a vote of 52-47, with all Democrats, joined by Senators Olympia Snowe (R-ME) and Susan Collins (R-ME), voting in support. The full House is expected to take up the resolution the week of March 26. The House is in recess during the first two weeks of April.

The budget resolution sets the overall spending limits and funding framework for the appropriations bills, which actually fund federal programs such as housing.

As the House resolution moves to the House floor, advocates will continue to push for even greater domestic spending levels so that when the amount is divvied up among all of the appropriations subcommittees, there is enough to provide adequate funding for all human needs programs, including housing.

Both the House and Senate committees’ resolutions would provide room in the federal budget for an Affordable Housing Fund within the government sponsored enterprises (GSEs) regulatory reform legislation (see article elsewhere in *Memo* and *3/16 Memo*) and fully fund the community development block grant (CDBG) program.

Low Income Housing Tax Credit (LIHTC) and Federal Housing Administration (FHA) single-family programs are in the commerce and housing credit function of the budget, function 370. The CDBG program is in the community and regional development function of the budget, function 450. Most HUD housing programs are in the income security function of the budget, function 600. Compared to FY07, both the House and Senate resolutions provide increases for FY08.

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NATIONAL LOW INCOME
HOUSING COALITION

Capitol Hill *(cont'd from p. 1)*

GSE Bill Mark-up Scheduled in Financial Services Committee

Chairman Barney Frank (D-MA) has announced the mark-up of H.R. 1427, the Federal Housing Finance Reform Act of 2007, for Wednesday, March 28, at 10:00am in Room 2128 of the Rayburn House Office Building. Time is reserved for the committee to continue its mark-up on Thursday, March 29, if necessary.

H.R. 1427 includes an Affordable Housing Fund, which is expected to generate around \$500,000,000 a year. With the exception of a 12.5% set-aside for housing-related infrastructure improvements, and 25% to REFCORP to make the fund budget neutral, the Fund will be used to make grants to states to be used for production and preservation of housing affordable for extremely low and very low income households, with a preference for rental housing affordable for extremely low income households. The funds will be managed by the new regulator of the Government Sponsored Enterprises that the bill creates. In the first year, the funds will go to Louisiana and Mississippi for reconstruction of housing damaged and destroyed by the Gulf Coast hurricanes.

NLIHC is requesting two amendments at mark-up. One will set a cap on the amount of the funds that can be used for home-ownership as the primary intent of the fund is renew public investment in rental housing affordable for extremely low income people. The second will also give a portion of the first year funds to Texas and Alabama, both of which sustained losses of housing occupied by the lowest income people that has not been addressed by the states' use of CDBG discovery funds. NLIHC is also supporting an amendment proposed by the Rural Housing Coalition to allow the deep income targeting to be 30% of area median income or the federal poverty level, whichever is higher in rural areas.

Senate Banking Committee Investigates Predatory Lending

The Senate Banking, Housing, and Urban Affairs Committee met on March 22 to question regulators and leading mortgage lenders on the recent rash of foreclosures as a result of predatory and subprime mortgage practices. It was the second hearing that Chairman Christopher Dodd (D-CT) has held on the issue.

Representatives of federal regulators, ranging from the Federal Deposit Insurance Corporation (FDIC) to the

Office of the Comptroller of the Currency, testified, but the majority of the Senators' questions and ire went to Federal Reserve Director of the Division of Banking Supervision and Regulation Roger T. Cole.

Senator Dodd strongly criticized the Federal Reserve because even though it was aware of problems in the subprime market as early as 2004, it actively encouraged subprime lending. Then, it began to raise interest rates. "Our nation's financial regulators were supposed to be the cops on the beat," Senator Dodd said. "Yet, they were spectators for far too long. ... The fact that the country's financial regulators could allow these loans to be made for years after warning flags appeared is equally unconscionable."

Regulators and mortgage industry representatives insisted that subprime loans are safe and valuable products necessary to make homeownership possible for Americans who would otherwise not have access to capital.

A "tsunami of foreclosures is on the horizon transforming the dream of homeownership into a nightmare," Senator Robert Menendez (D-NJ) said. He said that minorities were being targeted unfairly by predatory lenders. He aggressively questioned Mr. Cole about why the Federal Reserve had not taken significant action against predatory lenders sooner.

Mr. Cole said that the Federal Reserve had taken action against three predatory lenders and pressured many others indirectly, but finally admitted, "Given what we know now, yes, we could have done more sooner."

Possible solutions discussed were promoting financial literacy, requiring hybrid loans to be underwritten at the full index rate, banning in most cases mortgages that require less or no documentation to verify income and other key eligibility thresholds, requiring lenders to verify that a borrower can afford the mortgage offered, and regulating mortgage brokers.

Two Upcoming Hearings

The House Financial Services Subcommittee on Financial Institutions and Consumer Credit will hold a hearing on March 27 titled "Protecting Home Ownership: How Current Subprime Mortgage Practices and Products Affect Foreclosures." The hearing will be at 10:00 a.m. in room 2128 of the Rayburn House Office Building.

The House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Re-

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Capitol Hill *(cont'd from p. 2)*

lated Agencies will hold a hearing on March 27 on HUD's project-based and tenant-based Section 8 programs. This hearing was rescheduled from March 20. The hearing will be at 10:00 a.m. in room 2358 of the Rayburn House Office Building.

Briefing on Rural Housing Issues

The National Rural Housing Coalition, together with the Congressional Rural Housing Caucus, will hold a briefing on rural housing issues on March 28. The briefing will be held from 8:00 a.m. to 10:00 a.m. in room B-339 of the Rayburn House Office Building.

New Legislation

Second Chance Act Reintroduced

On March 20, Representative Danny Davis (D-IL), together with 14 bipartisan cosponsors, introduced H.R. 1593, the Second Chance Act of 2007. The bill would reauthorize the Department of Justice's funding of demonstration projects that provide ex-offenders with a continuum of housing, education, health, employment and mentoring services. An additional component of the bill would establish a federal task force to examine issues preventing the successful reintegration of people leaving prison into the community.

The Justice Department estimates that more than 650,000 individuals will be released from prison in 2007. "Unfortunately, as a nation, we have not prepared for these individuals as they come back to neighborhoods and communities," Mr. Davis said. "What happens to a man or woman who cannot find an employer willing to give them a second chance, is refused TANF benefits, cannot receive subsidized housing, educational or medical assistance?" An estimated 60% re-offend within 18 months of release from prison, according to the Justice Department. "It is time to break that cycle," Mr. Davis said.

This bill is a reintroduction of the Second Chance Act of 2004 and 2006. When Mr. Davis introduced the 2004 bill, the White House released a statement in support of it. According to that statement, the legislation includes key elements of the President's prisoner re-entry initiative. "The President strongly supports their efforts, and commends the Congressmen for their leadership."

H.R. 1593 has been referred to the House Committee on the Judiciary. A markup of the bill by the Subcommittee on Crime, Terrorism and Homeland Security is

scheduled for March 27. The Full Judiciary Committee may vote on the bill on March 28.

Senator Clinton Introduces FHA Modernization Bill

On March 21, Senator Hillary Rodham Clinton (D-NY) introduced legislation to modernize the Federal Housing Administration (FHA). The bill, S. 947, would allow the FHA to make increased investments in both personnel and information technology infrastructure, increase the FHA loan limits in high cost housing markets and allow the FHA to develop "reasonable, alternative mortgage products" such as reduced down payments and longer term mortgages.

"With the meltdown in the subprime housing market, it is clear that there needs to be a real alternative for more working families who want to achieve the dream of homeownership without having to jeopardize their financial futures with a risky mortgage product," Senator Clinton said in a press release on the bill's introduction.

The bill was referred to the Senate Banking, Housing, and Urban Affairs Committee.

Current information on legislation being tracked by NLIHC is available through NLIHC's legislative action center, at www.capwiz.com/nlihc/issues/bills/.

HUD (cont'd from p. 1)**Notice Offers Overview of VAWA Requirements for Key HUD Programs**

The March 16 *Federal Register* contained a notice providing an overview of compliance requirements for various HUD programs under the Violence Against Women Act (VAWA). There is no major new information in the notice; however, the notice is useful for advocates because it contains, in a single document, key VAWA provisions pertaining to Section 8, Public Housing, PHA Plans, Consolidated Plans and the McKinney-Vento Homeless Management Information System (HMIS). The notice repeats guidance provided in previous separate notices (see *Memo*, 6/30/06, 1/5, 1/19 and 2/9).

HUD will amend the regulations of the programs covered by VAWA, but in the meantime it reminds the public that the law's provisions have been in effect since January 5, 2006.

The March 16 *Federal Register* notice (72 FR 12695) can be found here: www.nlihc.org/doc/032307vawa.pdf.

Revised Property Acquisition Guidance in URA Handbook

On March 16, HUD released another in a series of changes to the Uniform Relocation Act (URA) Handbook (see *Memo*, 1/27/06 and 2/16). Handbook 1378 Change 8 is a complete rewrite of Chapter 5, which provides policies and guidance pertaining to the acquisition of real property. This revision contains expanded guidance and brings the chapter into line with regulatory amendments made in 1999 and 2005.

The URA Handbook's new Chapter 5 is available at www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm.

Hurricane Recovery**House Approves Gulf Coast Hurricane Housing Recovery Act**

On March 21, the House voted, 302-125, to approve H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007. House Financial Services Committee Chair Barney Frank (D-MA) and Representative Maxine Waters (D-CA), Chair of the Subcommittee on Housing and Community Opportunity, introduced the bill on February 28.

NLIHC and other national and local Gulf Coast housing advocates and concerned citizens mobilized a successful effort to push the bill through the House and to make key improvements to the bill on the House floor.

The Manager's Amendment, offered by Mr. Frank and approved by the House, added two important provisions to the bill. First, Texas, Alabama, Louisiana and Mississippi would be required to submit quarterly reports on the state's use of disaster Community Development Block Grant (CDBG) funds. Second, the amendment directs the Government Accountability Office (GAO) to conduct a study of households that received federal housing assistance in connection with Hurricanes Katrina and Rita to determine how many households were wrongfully or erroneously terminated. The report is due before Congress not later than June 1, 2007 and must include an estimate of the number of wrongfully terminated households who would be eligible for the Section 8 voucher program.

Representative Al Green (D-TX) introduced an amendment that would extend the deadline for Federal Emergency Management Agency (FEMA) housing assistance for all households affected by Hurricanes Katrina, Rita or Wilma through December 31, 2007. Upon termination of the FEMA rental housing assistance program, Mr. Green's amendment would transfer all income eligible households remaining on the program to the Section 8 voucher program. Households would continue to receive Section 8 voucher assistance for as long as they remain eligible. Upon termination of a household's Section 8 voucher, the voucher would not be reissued. The amendment would also require that HUD offer to each income eligible household living in a FEMA trailer or mobile home the option of receiving a Section 8 voucher in lieu of FEMA's direct housing assistance.

"HUD, not FEMA, is best suited to meet the mid- to long-term housing needs of displaced people," Mr.

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Green said. "FEMA, by definition, shouldn't be managing long-term housing needs." He added, "It is past time to get FEMA out of the Katrina long-term housing crisis and put HUD in charge." He said that the vast majority of households still receiving FEMA rental assistance are extremely low income, with 70% of these households having annual incomes of less than \$15,000.

The House approved Mr. Green's amendment by a vote of 242-184, with 14 Republicans joining all Democrats voting yea.

A significant part of H.R. 1227 would require that any redevelopment of public housing owned by the Housing Authority of New Orleans (HANO) or any Gulf Coast public housing agency (PHA) include one-for-one replacement and a right to return for all displaced tenants. The bill would prohibit project-based housing assistance payments contracts from expiration or termination due to damage from Hurricanes Katrina or Rita and support relocation of such assistance to new buildings.

The bill would provide important protections for all displaced families who had been living in HUD-assisted housing prior to the hurricanes. The Disaster Voucher Program (DVP) would be extended through January 1, 2008, after which all households remaining in the program would be transferred into the Section 8 voucher program. This means that households who choose not to return to public or assisted housing in the Gulf when units become available will be able to stay in the communities in which they have resettled.

The bill would require HUD to make appropriate adjustments to ensure the voucher funding formula included in the FY07 joint funding resolution does not negatively affect any PHA impacted by Hurricanes Katrina, Rita or Wilma.

The bill would also authorize funding for 4,500 project-based vouchers to be used for the provision of permanent supportive housing units. Up to 3,000 of these vouchers would be available to Louisiana upon request. Mr. Green's initial request was for funding for 25,000 project-based vouchers.

Representative Corrine Brown (D-FL) successfully offered an amendment to allow recipients of Disaster Vouchers to receive additional funds to cover the costs of utilities.

Amendments to impose work requirements on recipients of disaster assistance (offered by Representative

Jeb Hensarling (R-TX), to repair or replace only public housing that was occupied at the time of evacuation, not all units, (offered by Representative Judy Biggert (R-IL), and to deny transfer to Section 8 vouchers for displaced HUD-assisted households (offered by Representative Randy Neugebauer (R-TX) were defeated.

"Today, the House of Representatives took a big step in removing many of the obstacles to the recovery faced by Hurricane Katrina victims by passing a bill that will expedite housing opportunities, return residents to public housing and make permanent rental assistance for all of those people on temporary rental assistance for so long," Ms. Waters said upon passage of the bill. "We are extremely pleased with the progress that we made today and we look forward this bill getting signed into law."

"We finally have a concrete, long-term plan to address the critical housing needs of low income Gulf Coast evacuees who need this help the most," Sheila Crowley, NLIHC president said in a press release applauding the passage of H.R. 1227. "This legislation provides important protections for displaced people who have lived with uncertainty for far too long."

An overview of H.R. 1227 as approved by the House is available at: www.nlihc.org/doc/032107katrina.pdf.

The bill now moves to the Senate, where it will be referred to the Committee on Banking, Housing, and Urban Affairs. Advocates are calling on Committee Chair Christopher Dodd (D-CT) to take up the bill with all due speed.

Houston Mayor Wins JFK Profile in Courage Award

Houston Mayor Bill White won the John F. Kennedy Profile in Courage Award on March 12 for his political courage in leading a compassionate and effective government response to Hurricanes Katrina and Rita.

The John F. Kennedy Library Foundation in Boston each year honors public servants who make courageous decisions of conscience without regard for the personal or professional consequences.

"Mayor White's quick actions evacuating thousands of families displaced by hurricanes Katrina and Rita most certainly helped to save lives," Caroline Kennedy, the foundation's president, said.

Mayor White marshaled the resources and goodwill of his city to provide refuge and essential services to

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hundreds of thousands of people who fled the Gulf Coast after the 2005 hurricanes. He mobilized more than 100,000 Houstonians in the public, private, business and faith-based communities to help evacuees rebuild their lives, risking public criticism to meet the challenges of a sudden, massive influx of evacuees and the subsequent large, permanent increase in Houston's population.

A Profile in Courage Award also goes to Doris Voitier, Superintendent of Schools for St. Bernard Parish, LA, who overcame federal bureaucracy to rebuild and reopen the public schools despite the complete destruction of the parish.

Mayor White and Ms. Voitier will be presented the prestigious award by Ms. Kennedy and Senator Edward M. Kennedy during a ceremony at the John F. Kennedy Presidential Library and Museum in Boston on May 21.

On February 27, NLIHC honored Mayor White with a 2007 Housing Leadership Award for his generous response to the needs of people displaced by the 2005 hurricanes.

Supplemental Bill Continues to Move; Very Little Disaster Housing Money Included

On March 22, the Senate Appropriations Committee passed its version of the emergency supplemental spending bill, primarily to fund the wars in Iraq and Afghanistan. As with the House version of the bill (see *Memo*, 3/16), very little disaster housing money is included.

The language for the bill is not yet available; further details will be available in the March 30 edition of *Memo*. What is known at this time is that the only housing-related funding in the Senate supplemental bill is for the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund (DRF). The Senate bill would provide \$4.6 billion for the DRF, \$1.2 billion above the President's request. Some of these funds would be used to continue FEMA's housing assistance programs.

Other disaster related provisions in the Senate supplemental bill are similar to those included in the House version: a waiver of the 10% state or local match requirement for disaster assistance dollars related to Hurricanes Katrina and Rita, forgiveness of Community Disaster Loans, and \$1.3 billion for Louisiana levees.

The House passed its supplemental spending bill by a vote of 218-212 on March 23. The Senate bill may come to the Senate floor as early as March 26, and several days of debate are expected. Advocates will work with Gulf Coast Senators in an effort to have more disaster housing dollars included in the bill through floor amendments.

House Committee Passes Bill To Extend GoZone LIHTCs

On March 20, the House Ways and Means Committee approved H.R. 1562, the Katrina Housing Tax Relief Act of 2007. The bill would extend through December 31, 2010 the "placed-in-service" date for Gulf Opportunity Zone (GoZone) Low Income Housing Tax Credits (LIHTC) and the 30% basis boost for these credits. The bill now goes to the full House for consideration. Committee Chair Charles Rangel (D-NY) and Ranking Member Jim McCrery (R-LA) introduced the bill on March 19.

The Gulf Opportunity Zone Act of 2005 provided additional LIHTCs for the states in the Katrina Gulf Opportunity Zone (GoZone), the Rita GoZone and the Wilma GoZone (see *Memo*, 12/23/05). The states in these zones are authorized to allocate additional dollars for low income housing projects that exceed the amount allowed under the Internal Revenue Code. Currently, all units built with GoZone LIHTCs must be placed-in-service, or ready for occupancy, by the end of 2008.

Many of the tax credits have not yet been awarded, and most developers and low income housing advocates agree that the current deadline of 2008 is unrealistic. If units are not completed by that time or tax credits are not awarded, the units and the states are no longer eligible for the remaining credits (see *Memo*, 2/23, 3/16).

"This bill is a small but very important step toward helping the people of the Gulf Coast literally rebuild their lives," Mr. Rangel said. "From the beginning, Washington handled the crisis of Katrina poorly and only exacerbated the suffering. Today, we are doing our part to make things right and that begins with helping people get back into their homes."

Hearing Held on Post-Katrina Temporary Housing

On March 20, the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on post-Katrina housing. The hearing was held

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to examine the process by which the Federal Emergency Management Agency (FEMA) disposes of surplus property and the treatment of Hurricane Katrina evacuees housed in trailers and mobile homes. The hearing also focused on FEMA's overall housing policies and the recent tornadoes and severe weather in Arkansas.

Hearing witnesses were Representative Mike Ross (D-AR), FEMA Director David Paulison, Michael A. Molino, Recreation Vehicle Dealers Association, Pamela Williams, Resident of Yorkshire Mobile Homes in Hammond, LA, Ben Dupuy, The Cypress Cottage Partners, LLC, and Margery Austin Turner, Director of Metropolitan Housing and Communities Policy Center at the Urban Institute.

Mr. Paulison testified that the closure of the Bonner/Albin Trailer Park in Hammond, LA and the rapid relocation of its 54 families to other trailer sites, which received widespread negative publicity, were necessary due to health and safety concerns. "The situation at the trailer park was detrimental to the health and well-being of its residents – many with children and some with fragile health," he said. He cited the loss of electricity at the park on several occasions as one of his reasons for moving families out of the trailer park. Most importantly, Mr. Paulison said, the park's sewer system was leaking, causing an overabundance of standing, fetid water. "This is a situation that FEMA brought to the attention of the State Department of Health and Hospitals, who were likewise concerned with its implications for the health of its residents," he said.

Mr. Paulison disputed media reports that residents were unhappy about the move. "Contrary to media reports, all residents were provided an opportunity to identify a preferred location, and the vast majority were very grateful to be relocating," he said. Also, the residents were not left to fend for themselves, he said. "FEMA provided oversight of the moving process, and residents were provided assistance to help them in the move," he said.

Mr. Paulison conceded that the residents were not given ample time to prepare for the relocation. FEMA's intentions were good, and the move was initiated out of genuine concern and compassion for the health and welfare of the residents, he said. However, the level of communication, consideration and consultation should have been better, and FEMA is currently working with HUD to get evacuees into HUD programs and out of trailers and mobile homes, he said.

Mr. Dupuy requested additional funding for Gulf Coast modular housing. Representatives from The Cypress Cottage Partners are seeking to build homes that allow households to make the transition from temporary housing to permanent communities. "The homes we will build are affordable, permanent, quickly constructed, appropriate for various sizes of families and able to withstand winds of up to 140 miles per hour," Mr. Dupuy said. He said the homes would be adaptable to local zoning laws, building codes and architectural styles. Several models of single-family and multi-family homes will be built. His organization plans to build homes at four sites in southern Louisiana using the state's \$74 million Alternative Housing Pilot Program grant from FEMA (see *Memo*, 1/12).

Ms. Williams testified that she and other evacuees are not comfortable in their new living situations. They miss their homes and cite a myriad of problems with the Yorkshire Mobile Home Park, including raw sewage in the ditches, constant flooding, incompetent landlords and recurring power outages.

Ms. Williams also testified that, due to FEMA's decision to abruptly relocate the residents to Yorkshire, many people are out of work and school due to extremely long commutes that require cars. Ms. Williams said that residents of Yorkshire are tired of the instability that comes with being in temporary housing and would like FEMA, Congress and the state of Louisiana to help them find permanent homes. "I would like to transition from temporary housing to permanent housing and am looking forward to working with FEMA to return to my life," she said.

Appropriations Committee Holds Hearing on Gulf Coast Rebuilding

The House Appropriations Subcommittee on Homeland Security held a hearing on Gulf Coast rebuilding on March 14. Gil Jamieson, Deputy Director for Gulf Coast Recovery at the Federal Emergency Management Agency (FEMA), Donald Powell, Federal Coordinator for Gulf Coast Rebuilding, and Matt Jadacki, Deputy Inspector General for Disaster Assistance Oversight at the Department of Homeland Security (DHS), testified.

"The President has made it abundantly clear that the vision and plans for rebuilding the entire Gulf Coast should take a 'bottom-up' approach that starts from local and state leadership," Mr. Powell said. He also said that his role as the federal coordinator for Gulf Coast rebuilding is to ensure that the federal government provides support to the state and local leaders

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who are driving the long-term recovery. He said he communicates needs voiced by the local level to the President to ensure “the most effective, integrated and fiscally responsible strategies for a full and vibrant recovery.”

Mr. Powell said that the Administration understands the emphasis that must be placed on the construction of rental and affordable housing in the Gulf and noted the disaster Community Development Block Grant (CDBG) and Low Income Housing Tax Credit (LIHTC) allocations that have been provided to Gulf States. He also talked about HUD’s plans to renovate 3,000 units of New Orleans public housing.

“It is important to note that FEMA’s temporary housing assistance programs and authorities were not designed to provide long-term housing solutions ... but rather to provide temporary accommodations while households work with other ... Federal agencies to find a permanent housing solution,” Mr. Jamieson said. Representative David Price (D-NC), chair of the subcommittee, agreed. “There are 90,000 households still living in trailers, 19 months after the storm,” Mr. Price said. “This isn’t what your agency is set up to do. Presumably, some other agency, such as HUD, should take a leadership role.” He said that because many of the households living in FEMA trailers are likely eligible for HUD programs such as the Section 8 voucher program, they should be linked up with those programs and provided vouchers.

Mr. Price questioned Mr. Jamieson and Mr. Powell on HUD’s role to date and asked how quickly HUD has brought damaged units from within its subsidized portfolio back online and whether the delay in doing so is part of the reason that so many households remain in FEMA temporary housing programs. Mr. Powell said that HUD has brought 2,000 units of public housing back online since the hurricane, but 1,000 of them remain vacant. Mr. Powell attributed the vacancies to some households choosing not to return and other households wanting to return but having difficulty doing so. He said that his office has “constant conversations” about how to transfer households in FEMA housing assistance programs to more permanent housing solutions.

“Through our ongoing reviews, we determined that FEMA’s housing program was inadequate, and efforts to house victims in travel trailers and mobile homes were not well managed,” Mr. Jadacki said. He noted that changes to the Stafford Act made in the FY07 Homeland Security Appropriations Act (see *Memo*, 9/22) would allow for significant improvements to

FEMA’s provision of housing after future disasters. Specifically, he noted that FEMA can now provide “semi-permanent or permanent” housing, allowing them to provide funding to repair apartments in disaster areas. “This cost effective solution may be preferable to the high cost of travel trailers and mobile homes,” he said.

From the Field

South Carolina Makes Progress on Local Housing Trust Fund Bill

The Affordable Housing Coalition of South Carolina, NLIHC’s State Coalition partner in South Carolina, has played an integral role in developing and garnering widespread support for legislation that would allow local governments to establish housing trust funds.

The bill was championed in the House with the strong leadership of its sponsor, Representative Harold Mitchell (D). Earlier this month, South Carolina mayors testified in support of the bill, and it passed the House with strong bipartisan support. The Senate has not yet acted on the bill.

The bill would allow a city or county government to create and operate housing trust funds, individually or by region, or join an existing trust fund. A government would finance the trust fund with money from its budget, including, but not limited to, donations, bond proceeds, and grants and loans from a state, federal or private source. The bill would not create or allow local governments to levy new or additional taxes.

Local trust fund dollars could be used to leverage significant levels of federal and state money. The money could be used for rental assistance programs, the rehabilitation of dilapidated housing, transitional housing, homeless and domestic violence shelters, and first-time home buyer programs. The bill would require that preference be given to programs and projects that address the needs of individuals and families earning 50% or below the area median income.

“This bill lays an important foundation that would make it possible to meaningfully address the housing needs of the 42% of South Carolinians who do not earn enough money to pay for safe, affordable housing,” Gloria Bowden, executive director of the Affordable Housing Coalition of South Carolina, said.

For more information: Gloria Bowden, Affordable Housing Coalition of South Carolina, 803-808-2980, gjbowden@affordablehousingsc.org.

Resources

Poll Results Released Showing Affordable Housing a High Priority

Nine out of 10 Americans cite affordable housing as a high priority, and only 39% believe housing policy is on the right track to achieving “a decent home and suitable living environment for every American family,” according to a new Zogby America poll.

The poll was commissioned by a coalition of public, private and non-profit advocacy groups, including the NLIHC, in conjunction with “Housing America 2007,” a nationwide affordable housing awareness campaign sponsored by the National Association of Housing and Redevelopment Officials (NAHRO).

The poll results underscore the importance Americans place on solving America’s affordable housing crisis. Seventy-five percent said that presidential candidates’ ideas for providing more affordable housing were important in determining their vote. Nearly seven in 10 said they would be more likely to vote for a candidate who had articulated a detailed plan for providing affordable housing. The poll can be found here: www.nahro.org/pressroom/2007/zogby.pdf

The Housing America 2007 campaign aims to raise public consciousness of the critical role of housing and community development initiatives and the fundamental benefits the nation receives from these activities. From March 21 to April 9, advocates across the country will sponsor events or activities to highlight the critical affordable housing shortage and the need for programs, policies and resources to more effectively address local housing needs. The groups kicked off the campaign with a press conference on March 21 at the National Press Club.

Speaking at the press conference, NLIHC Sheila Crowley said that there are only 6.2 million homes renting at prices affordable to the 9 million extremely low income renter households – a shortage of 2.8 million units. Housing is considered affordable if it costs no more than 30% of household income. However, 71% of all extremely low income renter households in the United States pay more than half of their income for their homes.

“Higher income people may not have the choice of homes that they would prefer and, in some markets, there may be a shortage of units affordable to people in higher income categories,” Ms. Crowley said. “But these 9 million families are the only ones playing this dangerous game of musical chairs.”

Lagena Smith, a former recipient of Section 8 assistance in Montgomery County, MD, talked about the time in her life when she was a young, single mother, when “the only things that grounded me at that time were my housing voucher and my grandmother telling me that I will be successful one day.” The combination of housing and other assistance, including welfare and child care, allowed her to attend night school and receive a bachelor’s in pre-law and business management. Eventually, she got her MBA. She now works as a deputy director for facilities at a law firm in Washington, DC and serves as a mentor to low income families.

She said having a stable and productive life begins with one’s housing situation. “If one’s housing situation is unstable, suspect and a source of daily worry and upheaval, most people don’t have the resilience or perseverance to press on and succeed in life,” she said.

Others who spoke at the event about the need for affordable housing were Don Cameron, president of NAHRO and executive director of the Housing Authority of the City of Charleston (SC), Jim Inglis, executive director of Livonia (MI) Housing Authority, Jerry Howard, executive vice president and CEO of the National Association of Home Builders, and Conrad Egan, president and CEO of the National Housing Conference.

More information about the campaign can be found here: www.nahro.org/legislative/housing_america/toolkit.pdf

Contact: Mary Barron, NAHRO, (202) 289-3500 ext. 7223, mbarron@nahro.org. www.nahro.org

HUD Releases Subprime and Manufactured Home Lender List

The Subprime and Manufactured Home Lender List released by the HUD shows that in 2005, there were 210 Home Mortgage Disclosure Act (HMDA) reporters specializing in subprime loans.

The 2004 and 2005 lists differ from previous lists because since 2004 HMDA reporting practices have required lenders to identify loans for manufactured housing and loans in which the APR exceeds a comparable Treasury APR. Although this new channel has eliminated the need for HUD to include manufactured housing loans in its own list, the department has continued to maintain a list of subprime lenders because higher APR loans do not necessarily indicate a subprime lender.

(See **Resources** on p. 10)

Resources *(cont'd from p. 9)*

The list and accompanying description are available here: www.huduser.org/datasets/manu.html.

Spending on Children Declines as Share of Federal Budget

Kids' Share 2007, an Urban Institute report measuring historical trends and future projections of federal spending on children, finds that spending on programs benefiting children has declined as a portion of the federal domestic budget since 1960 and will continue to decline into the foreseeable future. Children's share of the domestic budget was 15% in 2006, down from 20% in 1960, and is expected to decrease to 13% by 2017.

Programs included in the analysis fell into the following categories: income security, nutrition, housing, tax credits and exemptions, health, social services, education, and training. Between 1960 and 2006, the percentage of gross domestic product (GDP) spent on such programs grew from 1.9% to 2.6% while the percent-

age spent on the non-child portions of Social Security, Medicare and Medicaid grew from 2% to 7.6%. By 2017, children's spending is expected to fall to 2.1% of GDP while adult entitlement spending will grow to 9.5% of GDP; as a share of the economy, children's spending will drop 17%, and adult entitlements will increase 25%. Housing, which accounts for 6.7% of spending on children, will drop 24% as a share of GDP.

The authors argue that spending on children tends to fall behind because, whereas other entitlement programs grow automatically with wage and price increases, most children's programs are indexed either to keep pace with inflation or not at all. Sixty-five percent of the growth in children's spending since 1960 is attributable to new programs rather than the expansion of existing programs. Other historical trends in children's spending include a shift from cash to in-kind transfers, with the share of benefits provided in-kind rising from 15% to 54%, and increased targeting of assistance to poor children, with the share of benefits to low income children rising from 11% to 61%.

The full report is available from www.urban.org/UploadedPDF/411432_Kids_Share_2007.pdf.

Fact of the Week

Housing Policy Dissatisfaction High for Voting Age Americans

A historical goal of American housing policy has been a decent home and suitable living environment for every American family. Do you believe as a nation we are on the right track or the wrong track towards the achievement of this goal?

Age	"Right Track"	Race	"Right Track"	Live in	"Right Track"
18-29	54%	White	40%	Lrg city	32%
30-49	33%	Hisp	50%	Sm city	47%
50-64	37%	AfrAm	31%	Suburbs	44%
65+	39%	Asian	16%	Rural	34%

Source: *Housing America 2007 Poll*. Retrieved March 22, 2007 from www.nahro.org/pressroom/2007/zogby.pdf.

Telephone survey of 1,205 US adults conducted March 3-March 9, 2007. The margin of error is +/- 2.9 percentage points. Margins of Error are larger in the subgroups presented above.

NLIHC News

New Outreach Director Joins the Coalition

Kat Diaz joined NLIHC as Outreach Director last week. She has worked on social justice issues and coalition movements for more than 20 years. Diaz is originally from the Soundview area of the Bronx. She recently returned from Southeast Asia where she worked as a researcher and advocate for Burmese ethnic minorities on issues concerning land confiscation, migration and human rights. Prior to that, she worked as a community organizer, project director and researcher on environmental justice, federal housing policies and displacement pressures on low income communities. Diaz received her General Equivalency Diploma (GED) in 1981 and continued her education at Bronx Community College. She earned a B.A. in English from Smith College in 1987 and a master's degree in urban planning from the Massachusetts Institute of Technology in 2002.

NLIHC is Hiring

Housing Policy Analyst: NLIHC is hiring a Housing Policy Analyst to track, analyze, and advocate on federal legislative issues related to NLIHC's mission of ending America's affordable housing crisis. The Analyst will be responsible for educating Congressional offices on low income housing policy issues and informing NLIHC members, policy advisory committees and partners of opportunities to impact legislative actions. The Analyst will work with NLIHC's policy team and other staff to achieve NLIHC's mission. The Analyst will report to the Deputy Director.

Qualifications include highly developed communication and policy analysis skills, knowledge of federal housing policy, and commitment to social justice. Direct experience with the legislative process a plus. Masters' preferred.

The position is based in Washington, DC. NLIHC offers competitive salary and benefit package. NLIHC is an equal opportunity, affirmative action employer.

Send resume and cover letter to Deputy Director, National Low Income Housing Coalition, 727 15th Street NW 6th Floor, Washington, DC 20005 or fax to: 202-393-1973.

NLIHC is Seeking Summer Interns

Resumes are being accepted for the following intern positions for summer 2007:

Communications Intern: Works with the Communications Director. Intern assists the Communications Director with the planning of press events and media awards, the preparation and distribution of written press materials, maintenance of the media list and tracking press hits, and other duties as assigned. Excellent writing skills required.

Legislative Intern: Works with the legislative team. Interns will track new legislation, attend and summarize Congressional hearings for weekly newsletter, participate in visits to Congressional offices and develop materials for use in lobbying the House and Senate to accomplish NLIHC's mission. The legislative intern will also update Congressional database.

Outreach Intern: Works with the Outreach Director and staff. Interns will help coordinate the grassroots organizing efforts for the National Housing Trust Fund Campaign, Voterization and legislative campaigns. Will also assist with membership recruitment/retention efforts and internal database upkeep.

Research Intern: Works with the Research Director and staff. Interns assist in ongoing quantitative and qualitative research projects, write weekly articles on current research for NLIHC newsletter, attend briefings, and help staff respond to research inquiries.

All interns will contribute articles to our weekly newsletter, *Memo to Members*, and other duties as assigned. Interns are highly valued and fully integrated into the staff work of NLIHC. We seek students passionate about social justice issues, with excellent writing and interpersonal skills. There is a small stipend. In your cover letter, please specify which position(s) you would prefer and that you are interested in a summer 2007 internship.

Interested students should send a resume and cover letter to:

Internship Coordinator
National Low Income Housing Coalition
727 15th Street NW, 6th Floor
Washington DC 20005
or via email to info@nlihc.org, via fax at 202-393-1973.

Please call 202-662-1530 x 228 with any questions.

NLIHC Staff

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 Sidra Carman, Communications Intern, x252
 Linda Couch, Deputy Director, x228
 Sheila Crowley, President, x224
 Kat Diaz, Outreach Director, x232
 Ed Gramlich, Housing Policy Analyst, x314
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 Dawn Johnson, Assistant to the President, x224
 Michael Lenington, Legislative Intern, x243
 Nicole Letourneau, Communications Director, x227
 Beth McClimens, Outreach Associate, x229
 Elisa Ortiz, Outreach Associate, x222
 Danilo Pelletiere, Research Director, x237
 Christian Pulley, Outreach Associate, x247
 Kim Schaffer, Special Advisor to the President
 Michelle Goodwin Thompson, Director of
 Finance & Information Technology, x234
 Carol Vance, Receptionist/Office Assistant, x221
 Rebecca Warden, Research Intern, x239
 Keith Wardrip, Research Analyst, x245
 Diane Yentel, Housing Policy Analyst, x230



National Low Income Housing Coalition
Memo to Members
March 23, 2007
Vol. 12, No. 12

The **National Low Income Housing Coalition** is dedicated solely to ending America's affordable housing crisis. Established in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone. NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions.