



MEMO MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

NATIONAL HOUSING TRUST FUND

House Bill Would Abolish NHTF

Among a second set of bills intended to dismantle Fannie Mae and Freddie Mac unveiled by Republican Members of the House Committee on Financial Services late on Friday, May 13, is one that would abolish the National Housing Trust Fund. The bill is sponsored by Representative Ed Royce (R-CA).

Six other bills are in the latest package to come from the Subcommittee on Capital Markets and Government Sponsored Enterprises (GSEs), chaired by Representative Scott Garrett (R-NJ). In a press statement, Mr. Garrett said, “while special interest groups and the guardians of the status quo may not want to admit it, Fannie and Freddie’s days are numbered. It’s not a matter of if, but when – the quicker we begin the process of dismantling them the better off we’ll be.” These bills follow eight bills introduced in March that address particular issues with the GSEs. Having determined they cannot move a comprehensive housing finance reform bill, the House Republicans are attempting to whittle away at the GSEs. All eight of the earlier bills were voted out of Mr. Garrett’s subcommittee on April 6, but have yet to be taken up by the full committee.

The NHTF was created in 2008 in the Housing and Economic Recovery Act (HERA), the last Fannie and Freddie reform bill. The NHTF’s initial funding source was to be contributions from Fannie and Freddie, but the GSEs were taken into conservatorship two months after HERA passed and no contributions were ever made. However, the legislation creating the NHTF did not limit its revenue source to the GSEs. The statute also provides that the NHTF can be funded by other dedicated sources of revenue, such as any appropriations, transfers, or credits that Congress may designate in the future. This part of the bill serves as the basis for the effort to identify other ways of capitalizing the NHTF.

Mr. Royce said of his bill: “As long housing activists are lobbying Congress, there will be a push to finance the Housing Trust Fund. Eliminating this fund is a necessary step in moving beyond the era of crony capitalism that kept the GSEs alive despite their reckless risk-taking.” The press release went on to call the NHTF “nothing more than a slush fund for special interest housing groups.”

The NHTF campaign will send a letter to Mr. Royce and other members of the Financial Services Committee explaining

the need for and purpose of the NHTF and objecting to his characterization of the NHTF as a slush fund.

A subcommittee hearing on the new bills is expected to be called during the week of May 20.

To read the press release, go to: <http://garrett.house.gov/News/DocumentSingle.aspx?DocumentID=241309>

NHTF Funding Bill Gains Cosponsors

Senators Carl Levin (D-MI), Patty Murray (D-WA), and Daniel Akaka (D-HI) are the newest cosponsors of S. 489, “The Preserving Homes and Communities Act of 2011,” which would provide \$1 billion to the National Housing Trust Fund.

The bill, introduced by Senator Jack Reed (D-RI) would provide \$1 billion for the NHTF from the profits made on the sale of “warrants,” which were established in the 2008 bill that created the Troubled Asset Relief Program (TARP). These warrants, held by the U.S. Treasury, are the right to purchase one share of stock at a specified price. Treasury has begun to sell these stocks as the economy strengthens, bringing proceeds back to the federal government. So far, the sale of warrants has yielded almost \$9 billion.

The number of S. 489 cosponsors is now 14. The NHTF campaign urges advocates to continue to seek cosponsorship by their Senators, as well as cosponsorship of its companion bill, H.R. 1477, in the House.

FEDERAL BUDGET

House Committee Threatens More HUD Cuts; Representatives and Advocates Take Action

The U.S. House of Representatives took another step toward extracting deep funding cuts from domestic discretionary programs when the House Appropriations Committee released its draft 302b subcommittee allocations on May 11. The 302b allocations establish the maximum amount that each subcommittee can spend on the departmental budgets within its jurisdiction.

The House Appropriations Subcommittee on Transportation, Housing and Urban Development and Related Agencies’

(T-HUD) 302b allocation for FY12 is \$47.6 billion, 36% below the President's FY12 request allocation and 14% below the total FY11 appropriation for this subcommittee.

The House passed an FY12 budget resolution on April 15 that would significantly lower spending levels for FY12 (see Memo, 4/15). The Budget Committee's paper describing the committee's vision for the FY12 budget included time limits and work requirements for tenants of subsidized rental housing. The subcommittee allocations indicate the committee's priorities within the larger budget framework already established by the budget resolution.

In a May 13 press release, NLIHC President and CEO Sheila Crowley expressed the Coalition's opposition to the 302b allocations. "The Members of the House of Representatives who voted for the Ryan budget plan apparently prefer evicting residents of public and assisted housing, half of whom are elderly or disabled, to asking people who are well-off to pay more in taxes," Ms. Crowley said. "Already, only 1 in 4 households who are eligible for federal housing assistance receive it, because of funding for HUD does not approach meeting the need. Low income people simply cannot survive one more cut."

The Senate likely will vote on, and defeat, the House's budget resolution. Then, Senate Budget Chair Kent Conrad (D-ND) is expected to introduce his budget resolution the week of May 16. He released a draft framework for his funding proposal the week of May 9, which would make more cuts to discretionary spending as well as raise revenue. Senator Conrad, a member of the so-called "Gang of Six," the bipartisan group of senators crafting a deficit reduction proposal, continues to attempt to reach an agreement that can gain bipartisan support (see Memo, 4/29).

The House Committee on Appropriations scheduled two hearings on FY12 HUD funding. The Appropriations T-HUD subcommittee will hold a Community Planning and Development hearing on May 24 at 2 pm. HUD Assistant Secretary for Community Planning and Development Mercedes Marquez will testify. The subcommittee will then hold a hearing on Public Housing on May 25 at 10 am with HUD Assistant Secretary for Public and Indian Housing Sandra Henriquez as the sole witness. Both hearings will be in room 2358 of the Rayburn House office building.

The T-HUD subcommittee is scheduled to mark up the FY12 bill on July 14, followed by the full Appropriations Committee mark-up on July 26.

The House Appropriations Committee also issued guidance on how individual Members can request funding for specific HUD programs in FY12. With earmarks no longer permitted, Members must use the sign on letter process to request funding for programs that are valued in their districts. Members have

until May 20 to make funding or language requests via a "dear colleague" sign on letter.

Representative Jerrold Nadler (D-NY) is circulating a sign on letter to increase Tenant Based Rental Assistance to \$19.2 billion for FY12, the level requested in the President's budget. This request includes fully funding existing vouchers and providing new Veterans Affairs Supported Housing (VASH) vouchers and Housing and Services Vouchers through a collaborative demonstration between HUD and the Department of Health and Human Services. Supporters must sign onto this letter by May 17.

Representative Gwen Moore (D-WI) is circulating a letter in support of the McKinney Vento Homeless Assistance Grants. The letter calls for at least funding the program at the President's request of \$2.37 billion to implement the HEARTH Act. The deadline to sign onto this letter is May 20.

Representative Robert Brady (D-PA) is circulating a sign on letter supporting funding the CDBG program at \$3.9 billion, above the amount requested by the President in FY12. This letter closes on May 17.

Representative Nadler also circulated a HOPWA funding sign on letter that closed the week of May 9 and received more than 60 signatures from members.

Other sign on letters are expected prior to the May 20 deadline for submission of requests.

View NLIHC's May 13 press release: http://nlihc.org/detail/article.cfm?article_id=7882&id=48

View the Section 8 letter: http://www.nlihc.org/doc/Nadler_S8_Sign_On_Letter.pdf

View the McKinney Vento letter: http://nlihc.org/doc/Moore_Sign_On_Letter.pdf

View the CDBG letter: http://nlihc.org/doc/CDBG_Sign_On_Letter.pdf

View the HOPWA letter: http://www.nlihc.org/doc/FY12_HOPWA_Funding_Letter_5-11-11.pdf

MORE CONGRESS

New Bills

[S.Res. 162 on Housing and AIDS](#)

On May 4, Senator Robert Menendez (D-NJ) introduced S.Res. 162, a resolution to highlight the critical role stable and affordable housing plays in the strategy to address HIV.

The resolution expresses the sense of the Senate to commit to provide adequate funding for the development of housing as a response to the AIDS pandemic. The resolution currently has 10 cosponsors and has been referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Advocates will contact their Senators to ask them to cosponsor S.Res. 162.

For more information, contact Nancy Bernstine, National AIDS Housing Coalition, 202-347-0333, www.nationalaidshousing.org

H.R. 1671, the Andrew Connolly Veterans' Housing Act

On May 2, Representative Bruce Braley (D-IA) introduced H.R. 1671, the Andrew Connolly Veterans' Housing Act. The bill would extend for five years a federal grant program that helps injured and disabled veterans retrofit their homes once they return from combat. On May 5, the measure was unanimously approved by the House Veterans' Affairs Subcommittee on Economic Opportunity and now awaits action by the full House Committee on Veterans' Affairs.

S. 887, the CDBG Public Services Flexibility Act of 2011

On May 4, Senator Bill Nelson (D-FL) introduced S. 887, the CDBG Public Services Flexibility Act of 2011. The bill would increase from 15% to 25% the portion of Community Development Block Grant (CDBG) funds that may be used to provide public services. Public services include grants to local agencies that provide a range of social services. The bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs and has no cosponsors.

HUD

HUD Seeks Ideas for ConPlan Improvements

HUD's Office of Community Planning and Development (CPD) is asking for ideas regarding its recently announced Consolidated Plan (ConPlan) enhancement effort (see Memo, 5/6). This endeavor is intended to support jurisdictions' planning for the use of CPD formula grant funds (CDBG, HOME, ESG, and HOPWA). The improvements include providing expanded planning data, easy to use mapping tools, and an electronic template integrated with IDIS (CPD's management information system) to facilitate creation of ConPlans and performance reports.

To gather feedback, HUD created an interactive, online forum at www.hud.gov/ideasinaction. Although the forum is targeted

to jurisdictions, CPD welcomes ideas from all interested stakeholders.

Currently the forum asks:

1. What types of data and mapping capability would be helpful when preparing your ConPlan?
2. How can HUD make the ConPlan more useful and meaningful to grantees?
3. How can HUD simplify and streamline preparation, submission, and performance reporting?

This particular forum will only be active until May 31. CPD will host additional forums that build on input received from the initial forum.

The prototype mapping system is at <http://egis.hud.gov/cpdmaps>

HUD Updates Small Area Fair Market Rent Data File

HUD has updated the FY11 Small Area Fair Market Rent (SAFMR) data file in order to incorporate the American Community Survey (ACS) 2005-2009 ZIP code data. This update appears to be in response to comments from NLIHC and others (see Memo, 7/16/10), who were concerned that using 10-year old Census data to determine the rent levels at the ZIP code level would not give a true representation of local rental markets. NLIHC and others suggested using more recent data from the ACS. HUD has done so with this recent update.

To view the updated data file, see <http://www.huduser.org/portal/datasets/fmr.html>

To view NLIHC's comments on the proposed SAFMR program, see <http://www.nlihc.org/doc/FMR-Comments-7-12-10.pdf>

If you wish to discuss this program and how to evaluate its potential in your region, please contact Danilo Pelletiere, NLIHC's Research Director and Chief Economist at danilo@nlihc.org

HUD Hosts Choice Neighborhoods Initiative Funding Webcast

HUD will host a webcast June 3 to discuss FY11 funding for its Choice Neighborhoods Initiative planning grants. In FY10, CNI's first year of funding, Congress approved \$65 million for the CNI program. So far, HUD has released \$4 million of these funds through planning grants to 17 communities and has announced six finalists for an additional \$61 million for

implementation grants, which HUD says it will announce late this summer.

HUD Assistant Secretary for Public and Indian Housing Sandra Henriquez and Deputy Assistant Secretary for Multifamily Housing Carol Galante will host the webcast. It will be held at 1pm Eastern on June 3, viewable online at <http://portal.hud.gov/hudportal/HUD?src=/press/multimedia/videos>.

RSVP for the webcast and receive access information by sending an email to choiceneighborhoods@hud.gov. HUD is also inviting questions on the CNI prior to the webcast, which can also be sent to choiceneighborhoods@hud.gov.

FROM THE FIELD

KY Advocates Make Progress Toward Payday Lending Reform

The Homeless and Housing Coalition of Kentucky (HHCK), an NLIHC state coalition partner, has partnered with a broad coalition of advocates to support passage of H.B. 182, legislation to cap payday loan interest rates at 36% in Kentucky. Although the state House Banking and Insurance Committee voted against the bill (13-10) in February, advocates count this as advancement because the issue received more legislative support this year than in previous years.

For several years, housing, domestic violence, senior, faith based, family, and youth advocates, lead by Kentucky Coalition for Responsible Lending (KCRL) have worked to reform the state's payday lending industry. Advocates accuse the industry of targeting vulnerable Kentuckians by setting up business in poor neighborhoods and offering customers loans they cannot afford to repay.

During the 2010 legislative session, a bill was passed to limit borrowers from rolling over loans, and to authorize an electronic database to collect information on payday lending trends. The database shows that from May to September 2010, 83% of the payday loan industry's revenue in Kentucky was generated by borrowers who took out five or more loans, despite the new rollover law. Advocates believe this trend exists because borrowers, after paying off their loan, are unable to pay their living expenses, and have no choice but to take out another loan. With annual interest rates on these loans reaching nearly 400%, housing advocates in particular are concerned because the payday loan borrowing cycle perpetuates housing vulnerability among households that already struggle to pay rent.

Advocates established a grassroots effort to develop support for H. B. 182, which included outreach to each organization's networks by email, phone, and the internet to provide updates

on major developments of the campaign, and to keep them apprised of the right times to contact their state legislators. KCRL reached out to the state's Consumer Advisory Committee for support on payday lending reform, which resulted in an endorsement from the committee. The endorsement was sent to the General Assembly.

An opinion poll was developed by KCRL to gauge Kentuckians' support for the legislation. The results, which yield support for a 36% interest rate cap among 73% of poll voters, were used to urge legislators to vote for the cap. Advocates also utilized media, receiving positive attention from two local newspapers.

The payday lending industry mounted significant opposition to the legislation. In addition to hiring lobbyists to build support for their industry, payday lenders made significant financial contributions to both political parties.

"Advocates for fair lending practices are regrouping and will back at work during the 2012 General Assembly to get this cap passed," said Penny Young, HHCK Executive Director. "Our will to do the right thing has not been broken."

For more information contact: Penny Young, HHCK Executive Director, pyoung@hhck.org

RESOURCES

Rate of Housing Choice Voucher Portability in Illinois Limited by Administrative Challenges

A study conducted by the Illinois Housing Action Research Project (IHARP) finds that Housing Choice Voucher (HCV) holders across the state tend to stay within jurisdictional boundaries, and only a limited number of households use their vouchers to move to areas with reduced rates of poverty. The IHARP study found that 9,155 households took advantage of the "portability" of voucher assistance to cross jurisdictional lines from 2000 to 2007. In Illinois, 130,697 households utilized vouchers in this period, thus 7% of all voucher holders "ported" using their voucher.

According to the study, two jurisdictions, Chicago and Cook County, accounted for more than 55% of all portability moves in Illinois during the eight-year study period. Portability moves between the Chicago Metropolitan region and the rest of the state were found to be infrequent. Among 117 public housing agencies (PHAs) in Illinois, only 43 had any portability moves to Chicago. Few Chicago voucher holders moved outside the metro area using their voucher; 34 of 117 PHAs across the state had no voucher holders who had ported in from Chicago, and 67 PHAs documented fewer than 30 over the study period.

The IHARP study underscores the limitations of voucher portability, particularly the complicated administrative procedures. Among the complications, voucher households pursuing a portability move are given between 60 and 90 days to complete their housing search, and many risk losing their voucher if their search is not successful. Limited resources prevent program managers from providing voucher holders with support during the search process. In addition, some housing authorities are not able to cover the elevated costs of administering portable vouchers. Lastly, large differences between payment standards across different jurisdictions often complicate billing processes.

With these limitations in mind, to improve voucher portability rates, the authors recommend that cooperative agreements between housing authorities across the state are key to solving current administrative issues that limit the portability of vouchers. Cooperative efforts to standardize procedures are already underway in the Chicago area. The authors also recommend dedicating staff resources within housing authorities specifically to voucher portability, and providing a more robust program of mobility counseling to support relocation efforts. Fair housing regulations and landlord education are mentioned as important tools to increase the number of property owners in high-opportunity communities who are willing to rent to voucher holders.

Portability is an important component of the Housing Choice Voucher Program because it provides families with a greater choice of housing as well as an opportunity to rent homes in areas with higher-quality housing, schools and services, two objectives of the program. The IHARP study concludes that well-managed portability programs are an important step towards expanding housing choice for voucher holders.

The study, "*Moving or Moving Up? Understanding Residential Mobility for Housing Choice Voucher Families in Illinois*" is available on Housing Action Illinois' webpage at: http://www.housingactionil.org/downloads/IHARP_State_report_JS_Final_4-6-11.pdf

EVENTS

NLIHC President Joins Other National Experts on Child and Family Homelessness Webinar

On June 1 at 2 pm, the Campaign to End Child Homelessness, an initiative of The National Center on Family Homelessness, will present a webinar on its federal policy priorities for FY11 and FY12. During the webinar, speakers will lay out priorities on issues related to child and family homelessness including

access to services and supports, housing, early childhood and education, and mental health care. Sheila Crowley, President and CEO of NLIHC, will speak on the call.

To register for the webinar, go to <https://www3.gotomeeting.com/register/192086334>

To view the Campaign to End Child Homelessness Federal Policy Agenda for 2011-2012, visit www.HomelessChildrenAmerica.org.

NLIHC NEWS

NLIHC Welcomes New Staff Member

Sham Manglik is the new Housing Policy Analyst at NLIHC. Sham recently received a master's degree in Public Policy and Management from Carnegie Mellon University. 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 holds a BA in Politics from the University of California, Santa Cruz.

2011 Advocates' Guide to Housing & Community Development Policy Available

The *Advocates' Guide* is here! The National Low Income Housing Coalition's *2011 Advocates' Guide to Housing and Community Development Policy* provides advocates, policymakers, students, and others with information on the most relevant housing and housing-related programs and issues at the federal level, as well as information related to the community planning process.

The *Guide* can help anyone become an effective housing advocate, and we believe readers will find the *Guide* to be a useful reference to which they will turn often all year long. To order your copy, please fill out and submit our Publications Order Form available at <http://nlihc.org/doc/Publications-Order-Form.pdf>.

For bulk rates options, contact Shannon Faulk, Executive Assistant at shannon@nlihc.org.

To view the *2011 Advocates' Guide* in PDF format, visit <http://www.nlihc.org/doc/2011-Advocates-Guide.pdf>.

FACT OF THE WEEK

Voucher Households Who Move Between Jurisdictions and Those Who Do Not

Selected characteristics of Voucher holders who ported* and all Voucher holders in Illinois in the 2000 to 2007 period

	Porting Households (post-move)	All Voucher Households
Poverty Rate	14.3%	20.2%
Public Assistance Receipt	5.8%	8.4%
Unemployment Rate	5.6%	6.8%
Income > 200% Poverty	68.8%	60.0%
Percent Post-HS Education	50.8%	46.0%

*Porting Voucher Households have used their housing voucher to rent housing outside of the jurisdiction where they initially received a housing voucher.

Source: Illinois Assisted Housing Action Research Project. (April 2011). *“Moving or Moving Up: Understanding Residential Mobility for Housing Choice voucher Families in Illinois.”* Retrieved from: http://www.housingactionil.org/downloads/IHARP_State_report_JS_Final_4-6-11.pdf

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ABOUT NLIHC

The National Low Income Housing Coalition is dedicated solely to achieving equitable federal policy that assures affordable, accessible, and healthy homes for the people with the lowest incomes in the United States.

Established in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone.

TELL YOUR FRIENDS!

NLIHC membership is the best way to stay informed about affordable housing issues, keep in touch with advocates around the country, and support NLIHC's work.

NLIHC membership information is available at www.nlihc.org/join. You can also e-mail us at outreach@nlihc.org or call 202-662-1530 to request membership materials to distribute at meetings and conferences.