S. HRG. 107–839

HUD'S FISCAL YEAR 2003 BUDGET AND LEGISLATIVE PROPOSALS

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

ON

THE EXAMINATION OF THE PRESIDENT'S PROPOSED BUDGET AND THE LEGISLATIVE PROPOSALS FOR FISCAL YEAR 2003 FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEBRUARY 13, 2002

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HUD'S FISCAL YEAR 2003 BUDGET AND LEGISLATIVE PROPOSALS

WEDNESDAY, FEBRUARY 13, 2002

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, URBAN AFFAIRS,
Washington, DC.

The Committee met at 11:10 a.m., in room SD–538 of the Dirksen Senate Office Building, Senator Paul S. Sarbanes (Chairman of the Committee) presiding.

OPENING STATEMENT OF CHAIRMAN PAUL S. SARBANES

Chairman SARBANES. The hearing will come to order.

We delayed the start of the hearing, and we may be interrupted due to a series of votes. Oh, I can ignore those particular lights. Pavlov should have done his experiments here in the Congress.

[Laughter.]

He could have used real, live humans, you know. Secretary Martinez, we are pleased to welcome you back before the Committee. We appreciate your willingness to be here with us this morning. I know that you have a previously scheduled meeting with the House Subcommittee on Housing this afternoon. We are very mindful of that, and I want to express my appreciation to the panel that is going to follow the Secretary for their patience in staying with us.

Hearings that we held last year showed that the need for affordable housing in America continues to grow. Nearly 5 million low-income American families pay over half their income in rent each month, a situation which HUD itself describes as a worst case housing need. These numbers undoubtedly will grow as unemployment rises. Actually, there are more and more working families that are confronted with this problem. We have seen a decline in the number of affordable rental units and decreasing vacancy rates.

There is some very helpful material in the testimony we are going to hear later in the morning from the National Low Income Housing Coalition about the extent and depth of the low-income housing shortage in the country. They estimate that about 14 million households have serious housing problems, comprising over 13 percent of all households in the country. And of course, we are using this housing wage concept to measure affordability and to indicate the severity of the housing problem.

The housing wage is the hourly wage that one must earn to be able to afford modest rental housing if one works full time, 40 hours a week, 52 weeks a year. This is based on a family paying no more than 30 percent of their income for housing. In making this calculation, the Low Income Housing Coalition points out they

use HUD's fair market rent as a proxy for rental housing costs. That is a standard measure and differs by jurisdiction. The fair market rent also represents what HUD says is the necessary rent to be paid to afford housing that is decent and safe. It is set at the 40th percentile of rental housing costs. In any event, the housing wage ranges from $8.50 an hour in West Virginia to $18.33 an hour in California. In other words, you have to earn that hourly wage in order to afford this housing standard, so we can see there is a gap between what people earn and what housing costs them, and it obviously puts them in a tremendous squeeze. This disparity between income and housing costs is one of the reasons that the Committee has been so concerned about this matter.

Mr. Secretary, I am not going to take the time to go through the specifics of the budget. We will do that in the question period. We are supportive of your stated efforts to expand minority homeownership. I think that is a very important objective.

I might note, however, that the NAACP, the La Raza, and the National Hispanic Housing Council, have written to you about the yield spread premium problem and how the use of yield spread premiums really runs counter to your announced intentions to try to aid minority homeownership.

Finally, let me say—and we will need to discuss this later—there is something of a problem that seems to have developed in terms of consultation and effective interchange between staff at HUD and staff of the Committee. The relationship between the Department and the Committee is a complex one. On one level, we discuss and debate the content of policy positions, budgets, legislative proposals, nominations, and the like, and often we are in agreement. We try hard to see to maximize that. Sometimes we are in disagreement. But in addition, the Committee has the responsibility for maintaining oversight over HUD's operations and to see that the Department carries out its programs and policies in an efficient and effective manner.

In order to discharge that function, we really need a good interchange between Committee's staff and HUD's staff. We have encountered some difficulties in this regard, and I just wanted to raise it to your level. I am not sure it has had the kind of visibility at the Secretary's level that it deserves. I can do chapter and verse with you some other time. I will not take the time to do that now. We really need a commitment by the Department to make senior staff available to the Committee staff on a regular basis, so we can follow what is going on at HUD. Sometimes we are finding out about major changes at HUD through the grapevine, through outside parties and so forth, and I do not really think the system should work that way. It is not a healthy way to proceed.

In closing, let me just note that the U.S. Conference of Mayors has just passed a resolution supporting the establishment of a housing production program which is not present in this budget. We will probably address that in this hearing. Their resolution also supports increased preservation of existing affordable housing and a national strategy to meet the needs of the homeless. I know you have a proposal on that and we look forward to hearing about that.

We are pleased to have you back before the Committee. I know a number of my colleagues intend to join us but they may actually

be waiting for the final vote to take place. I thought we had better get started, given that you have to go over to the House side, and we want to honor that commitment. We would be very pleased to hear from you.

STATEMENT OF MEL MARTINEZ, SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Secretary MARTINEZ. Thank you, Mr. Chairman, very much. It is always good to be back with you and I assure you that before going into my remarks on the budget that the staff issues you brought to my attention are very important to me and I wish to deal with them forcefully and energetically. I think the kind of bipartisan cooperation that you and I have had during this past year is really very important to the success of HUD and to the success of the work that we do, which I always find it to be something that we all love to come together on. While we may differ on specifics of an issue, we always should be doing our best to keep you informed and make sure that we have the kind of cooperative partnership that is designed to exist.

Thank you for the opportunity to join you this morning to talk about the fiscal year 2003 budget for the Department of Housing and Urban Development. The $31.5 billion HUD budget represents a funding level increase of 7 percent over 2002 levels. By helping Americans reach the dream of homeownership and ensuring affordable housing opportunities for those who rent, strengthening and renewing communities, and preserving a safety net for the most vulnerable, this budget will enable HUD to make a tremendous difference in the lives of millions of Americans.

The housing market in 2001 was extremely vigorous, and we entered the new year with homeownership rate at a record height. Because we know that homeownership gives families a stake in their communities and creates wealth, the HUD budget makes owning a home a viable option for more Americans. In his State of the Union Address, President Bush acknowledged our commitment to expanding homeownership—especially among minority families.

As a first step, we have quadrupled the American Dream Downpayment Fund, to $200 million. This Presidential initiative will help an estimated 40,000 first-time homebuyers overcome the high cost of down payments and closing costs that are significant obstacles to homeownership.

A Tax Credit for Developers of Single-Family Affordable Housing will promote homeownership opportunities among low-income households by supporting the rehabilitation of new construction of homes in low-income urban neighborhoods, also in rural America.

We are tripling the funding for the Self-Help Homeownership Opportunity Program (SHOP) to $65 million, as committed by the President last spring. That, and a lot of sweat equity, will make possible the construction of 3,800 more homes for disadvantaged Americans. SHOP is an excellent example of Government maximizing its resources by working with private-sector partners like Habitat for Humanity.

Another very exciting homeownership initiative targeted at low-income families will allow them to put up to a year's worth of their Section 8 rental voucher assistance toward a downpayment on a

home. And because we consider it an invaluable tool for prospective homebuyers and renters, we have proposed making housing counseling a separate program. The increase in sub-prime lending has made financial literacy more important than ever, armed with the facts, a consumer is less likely to be victimized by predatory lending. We are funding the counseling program at $35 million, which represents a $15 million increase over the previous fiscal year.

While we consider homeownership an important goal, we recognize that it is not an option for everyone. So, our budget preserves HUD's commitment to expanding the availability of affordable housing for the millions of Americans who rent their homes.

The Section 8 tenant-based program today assists nearly two million American families; our budget provides 34,000 more housing vouchers. The budget also dedicates $16.9 billion to protect current residents by renewing all expiring Section 8 contracts.

To encourage moderate-income rental housing production in underserved areas, we plan to reduce the mortgage insurance premium for Federal Housing Administration multifamily insurance.

Three times over the last 8 years, HUD has been forced to shut down our multifamily mortgage insurance programs because of lack of credit subsidy. Last year, the shutdown stopped the construction of some 30,000 rental units throughout the country and clouded developers in uncertainty.

We made a commitment at HUD to a comprehensive review of the credit subsidy program. We examined the statistical techniques that were used to analyze loan performance. We thoroughly updated and refined FHA's data and incorporated the major tax law changes in the 1980's that affected the profitability of multifamily housing. Through our review, we were able to lower premiums, create a self-sustaining program, provide the industry with stable financing at a much lower cost, and provide thousands of new opportunities for rental housing across the country. In fact, the program made firm commitments to insure $1.25 billion worth of new rental housing in just the first 4 months of the fiscal year. Reducing the premiums in fiscal year 2003 will lower the cost of building over 50,000 affordable rental apartments each year.

The 2003 budget gives HUD new resources to further our mission of supporting the Nation's most vulnerable. This includes low-income families, homeless men and women, the elderly, individuals with HIV/AIDS, victims of predatory lending practices and families living in housing contaminated by lead-based paint. Let me highlight just a few of our proposals.

To better coordinate the work of the many Federal agencies that reach out and provide a continuum of care to homeless men, women, and families, the budget calls for doubling HUD's funding for the newly reactivated Interagency Council on the Homeless. Additionally, converting three competitive homeless assistance programs into a consolidated grant will eliminate the workload and expense of administering three separate programs. More importantly, it will give local jurisdictions new discretion in how those dollars are spent and will enable our Department to expedite the time when the money gets out the door from 18 months down to between 90 to 120 days.

HUD's Lead Hazard Control Program is the central element of the President's effort to eradicate childhood lead poisoning in 10 years or less. The HUD budget will fund the program at $126 million, a substantial increase over the previous year.

The budget also proposes spending $251 million under HUD's Section 811 program to improve access to affordable housing for persons with disabilities. And many of the additional 34,000 Section 8 housing vouchers will aid non-elderly, disabled individuals.

In addition to addressing the Nation's critical housing needs, programs such as the HOME Investment Partnerships Program and the Community Development Block Grant (CDBG) Program stimulate economic development and job growth. Combined, these two programs will distribute an additional $200 million in formula funding to State and local governments. We have proposed changing the distribution of CDBG formula funds by reducing the size of grants going to the wealthiest communities. This will help bring dollars into those areas where they can do the most good.

We are excited about a brand new concept to address the large backlog of repair and modernization projects in public housing. The Public Housing Reinvestment Initiative represents a new way to leverage the value of public housing by allowing public housing authorities (PHA's) to borrow funds to make needed capital improvements. This project unlocks the value of public housing assets by allowing PHA's to convert public housing units to project-based vouchers. The PHA's can obtain loans by borrowing against individual properties—similar to private-sector real estate financing.

Innovative thinking like this represents a departure from the way things were done so often the past—but being effective does not have to mean spending more money. Government works best when Government serves as a steward and facilitator, and measures success through results. By facilitating the involvement of new local partners, the Public Housing Reinvestment Initiative will breathe new life into public housing communities.

I am proud of our budget and the way it reflects HUD's renewed commitment to efficiency, accountability, and the principles of excellence expressed through the President's management scorecard. When Government spends efficiently, the funds go much further. We reach more citizens. We help to change more lives.

The people of HUD know that the American Dream is not some unattainable goal, because we see it achieved every day, so often by families who never imagined owning their own home or reaching economic self-sufficiency. I am very confident that through our budget—and the continued commitment of President Bush—HUD will be better able to offer citizens the tools that they can put to work improving their lives, and strengthening their communities and their country, as they travel the road to achieving their own American Dream.

I would like to thank each of you for your support of my efforts, and I welcome your guidance as we continue our work together on behalf of the American people.

Thank you.

Chairman SARBANES. Thank you very much, Mr. Secretary.

First, I want to comment on the Credit Subsidy issue. We were quite concerned when HUD increased the premiums to 80 basis

points. It was at 50 when you did that, and now I understand you have brought it back down to 57 basis points. That seems to have provided some stability in the program, and I gather that those who work with the program across the country feel they can move ahead now on the basis of this change.

As you will recall, we expressed considerable concern when you increased premiums. I am pleased that subsequent reexamination has led to this result.

I have a couple of other programs I want to discuss right at the outset and that I am very anxious to ask about. Late last year, HUD said that there was an Anti-Deficiency Act violation with respect to the Outreach and Training Grant Program and the Intermediary Training Grant Program that provides technical assistance to residents of assisted housing properties including those undergoing restructuring. At that time, funding to the nonprofits, which operate the Technical Assistance Program, ceased, leading to layoffs of many small, nonprofit technical assistance providers around the country. At the end of the session, Congress fixed that problem by giving HUD $11 million to fund the contracts that may have created the antideficiency. I am now told that the HUD IG has tentatively concluded that there was no antideficiency violation in the first place. Yet, HUD has not released this funding.

T the National Low Income Housing Coalition, in their statement, which we will hear later in the morning, and I just want to quote it because it is very strong:

> We cannot stress strongly enough the urgency of this problem. Many community-based nonprofit organizations have not been paid for their work, and the consequences to these organizations are dire. Several have laid off staff and others have gone into debt to maintain services in anticipation of receipt of money owed. These are small organizations that are at risk of going out of business if HUD does not pay them immediately.

I do not understand why we have not been able to get that money out to these nonprofits so they are not operating under this tremendous pressure which is obviously impacting their ability to carry out their activities. Apparently now, with the IG's opinion, as I understand it, we need not have gone through all this, but having gone through it, having gotten the $11 million from the Congress to deal with the antideficiency problem, you having gotten the funds for a number of months ago, why isn't that money out there?

Secretary MARTINEZ. Senator, first let me say that I think it is very sad and unfortunate that a lot of organizations who have absolutely no blame in any of this have been impacted tremendously. My heart goes out to them because I know that these are people that are doing good work, in our communities and deserve and need our support.

Chairman SARBANES. We want your pocketbook as well as your heart.

[Laughter.]

Secretary MARTINEZ. I think it is important to let you know that we do understand the pain and we care about that and are concerned about that. OMB has not yet apportioned the funds that the Department had appropriated, but let me go back a step because your question is excellent and the issue needs some explaining.

The Office of Multifamily Assisted Restructing was an entity operating outside and independent of HUD. Some time back, the Congress saw fit to take away their ability to distribute funds and put them under HUD and now they are completely under HUD. So as we go forward in the future, it will make it much easier for HUD to manage something like this.

But the fact is, first of all, we took very seriously the issue of the potential Anti-Deficiency Act. We had no access to OMAR's records and finally had to have the help of the IG to obtain the records, which sometimes had to be obtained from the grantees themselves; we could not get them from OMAR. We finally obtained all the records, and the acting IG, by the way, because our permanent IG is pending confirmation, but the acting IG has been diligently working to get us the total picture. It now appears that there was not an Anti-Deficiency Act violation in the first place, which is great news, but it does not help the people who are out there suffering because of this whole problem, who did not need to suffer in the first place.

The good news I can tell you is that we have been assured now that by February 25, we will be able to put out $550,000. We have a total of $1,290,000 in vouchers that have been requested. By February 25, we will pay $550,000 of them. The remainder we believe we can pay by the first week in March, the balance of those. So, I think we are now in the position where in the very near future, we will be in a position to do that. This will be paid from the funds. The IG report is expected on Thursday and the preliminary report, assuming that nothing changes in the IG's evaluation of the situation, from what we have been led to believe, which is the same as you, this should happen on that schedule. So help is on the way. We should, by February 25, begin to deal with the problem, and have all the vouchers that have been presented fully paid by the first week in March.

Chairman SARBANES. I do not understand what you are trying to get from the IG, because we gave you the $11 million to make up the deficiency, if there was a deficiency, so I do not think we have to await a determination as to whether or not there was a deficiency. We checked it out and OMB has told us with respect to these funds that they are waiting for HUD to ask for the money.

Secretary MARTINEZ. Normally, my understanding is at OMB, it takes about a month to apportion funds once appropriated. But the problem was, and the reason that delay occurred even after the appropriation, is that our people, in an abundance of caution in a situation, where if you do have an antideficiency violation, we did not want to compound if there was one by continuing to issue funds.

The delay was caused by the need for the IG to clearly tell us who had gotten what funds. In other words, the funding problem comes by funds that are allocated for a given year and whether the funds have been spent for that year or not. So in order not to compound the violation of an antideficiency act, we needed to know, or it was believed that we needed to know, exactly where if any violation had occurred, how much had been paid to each grantee and how much was owed to each grantee.

They were presenting vouchers and we needed to be able to verify and validate those. We were having to reconstruct OMAR's

records while doing it, which the IG has done a great job of pulling together, but as you can see has taken some time to get done.

Chairman SARBANES. I see my time has expired, but we are going to have to pursue this. If there was no antideficiency violation, then these people were run through the wringer for no reason. Even if there were a deficiency, Congress sought to correct it by providing the $11 million that we had been told constituted the antideficiency violation. We gave you $11 million as part of the appropriation. Now the appropriation bill was signed into law when?

Secretary MARTINEZ. On January 11, and on January 12 we requested the funds from OMB. So if OMB has told you that they have not received the request from HUD, that is in error. On January 12 we requested the funds from OMB, and they are then to be apportioned. And we have not received the apportionment.

Their payments we are going to make in fact, to further complicate something that is complicated already, are not going to be made from the apportioned funds. They are going to be made from existing funds anyway because the apportioned funds have not been received yet.

So the bottom line is, to these people who have been suffering too long through no fault of their own, we believe by February 25 we will have payments to them and the completed payments by the first week in March.

Chairman SARBANES. I just want to make this final point. It is not just the providers and the people who work for them who are suffering, personally or individually, but the whole infrastructure that we have built to try to deal with affordable housing issues is going to take a hit if these organizations go under.

We have worked very hard to get this infrastructure into place, and you have as much a vested interest I would think in its working and continuing to function as anyone. These organizations are under extreme pressure and that infrastructure is going to start breaking down if we do not get the money out to these organizations to pay them for work they have already done and to allow them to continue their activities.

Senator Allard.

COMMENTS OF SENATOR WANYE ALLARD

Senator ALLARD. Mr. Chairman, thank you.

I would ask unanimous consent that my full statement be made part of the record.

Chairman SARBANES. It will be included in the record.

Senator ALLARD. I apologize for being tied up and not being here to hear Secretary Martinez's opening comments, but I am pleased with a number of initiatives that you have in the budget. As you know, success is measured by the number of people that we help achieve self-sufficiency, not necessarily by how much money is appropriated. I think you have made a conscientious effort to meet the demands of your Department with a very responsible budget, and I commend you for that.

I know that you have combined some programs in order to bring efficiency and also to increase flexibility. I think that is desirable. I am particularly pleased with what you are doing in the way of the Self-Help Homeownership Opportunity Program. In other

words, these are self-help type programs which I strongly support. I believe that you do, too, Secretary Martinez.

So let me just move forward with some questions that I have. The Administration proposed consolidation of three of HUD's homeless assistance programs. Can you elaborate on this proposal?

Secretary MARTINEZ. Yes, sir. The proposal for a consolidated formula funding is something we believe will serve communities in a better way. It is an allocation amount for cities, counties, and State governments using a formula approach. However, there would be no automatic entitlement to the funds by any unit of government. Each eligible recipient would be required to evidence their performance in spending these funds has met the strong performance standards HUD would lay out before a grant would be disbursed.

So, we would be looking at the timeframe that funds are getting to the recipients or the necessary people that are involved, the evidence of objective programs in reducing the number of chronically homeless people in the communities. In other words, we are making that a goal. We are enacting that goal by asking the communities to look at how well they do at that. Evidence on performance in creating permanent supportive housing units targeted to homeless people. Progress in creating all components of a true continual care system, and objective performance in developing and implementing communitywide and Statewide homeless management information systems.

So these are some of the things that we are incorporating into that grant program which we hope is going to be a new and improved way of doing things. We look forward to a discussion on this. This is an idea that we believe will work. We want the input of the Congress on it as to how you view it and the community of people who help people that are homeless.

Senator ALLARD. I commend you for trying to bring some innovation. As you know, I usually like to ask a question on the Government Performance and Results Act. I think this is very important. Since this is your first budget, I am anxious to hear your comments as to how you think that provision has impacted this budget and how you anticipate it will impact future budgets.

Secretary MARTINEZ. Well, I think the Government Performance and Results Act is very important, too. We take it very seriously. It dovetails into a lot of the management agenda that the President has advanced and which we are taking very seriously in this Administration.

Tying the performance of programs to the funding and funding to performance I think is something that will lead us to better understand what works and what does not work, and to insist on outcomes I think is also very important.

We are, in this year's annual performance plan, including an interim adjustment to HUD's strategic plan that will help better align the strategic plan with this Administration's priority, and this will form the basis for a broad series of consultations with the stakeholders and Congress as we develop a new strategic plan. We look forward to working closely with the Congress as we develop that. And you will have an opportunity as we put that in place of seeing how performance squares with the hope and the funding.

Senator ALLARD. I would like to hear your view on how the Manufactured Housing Program reforms are being implemented.

Secretary MARTINEZ. I met recently with some representatives of the industry who came to see us, and the implementation is moving forward. We have been a little delayed in the naming of a person to run the office. We have also had some discussions on the issues of the fees that would be paid in order to fund the new guidelines implementation. The bottom line is that it has been slowly getting started, but we are moving forward and we are working closely in consultation with the industry who is so interested in seeing that this takes place.

There are a lot of issues tied to financing opportunities for people who choose this type of housing, and we want to make the system work. At this point, it has not all happened nearly as fast as I thought it would a year ago when we took the reins. This is one of those areas where the progress has been rather slow.

Senator ALLARD. I would encourage you to move it along as quickly as you can, because I think manufactured housing is one alternative out there for affordable housing. With the passage of the 2000 Reform Act, I think there is assurance that there will be some quality premanufactured homes out there, and I have seen some projects that are just remarkable.

Secretary MARTINEZ. It is a very good thing.

Senator ALLARD. I see that my time has expired, Mr. Chairman. Thank you.

Chairman SARBANES. Thanks, Senator Allard.

Senator Miller.

COMMENTS OF SENATOR ZELL MILLER

Senator MILLER. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for being with us and thank you for the job that you do. I apologize. I have a question and I am going to listen to the answer and then I have to get back because we have a farm bill on the floor, and you know how important that is.

Here is my question. As you know, we have been trying to get some data on which PHA's were not spending their capital funds in a timely manner. Where is the hang-up in getting this information? Why is it so hard to get information on which PHA's had unexpended balances that were not spent within the regulated—the required timeframes and even the amount of those balances? Why can't we get that information?

Secretary MARTINEZ. Senator Miller, I am just being told that that information has been put together and was delivered this morning. It is amazing how having a deadline of a hearing can make some things happen.

[Laughter.]

Secretary MARTINEZ. I am delighted we are able to tell you that today we were able to pull that together, and you should have it.

Senator MILLER. Thank you very much.

Secretary MARTINEZ. Maybe you will want to look at it over lunch.

Senator MILLER. Thank you very much. I call that good timing.

Secretary MARTINEZ. Yes, sir. Thank you very much.

Chairman SARBANES. Senator Carper.

COMMENTS OF SENATOR THOMAS R. CARPER

Senator CARPER. Thank you, Mr. Chairman. And, Mr. Secretary welcome today. Thank you very much for your testimony. I hope you are doing well.

Secretary MARTINEZ. Thank you. Yes, sir.

Senator CARPER. I would be doing better if this mike would stay put. In any event, first a question about your request for public housing capital funding. Could you just walk me through it? It is a little confusing. My sense is that you want to reduce the amount of money that would be budgeted for capital funds by allowing PHA's to mortgage public housing facilities. And I just want to try to understand how that might work.

Secretary MARTINEZ. What it is, we took, instead of a funding level of last year at 2.8, we took it down to 2.4. And the point in that was not only to reduce because there still is a great backlog of unspent funds and really more importantly, the point was to try to come up with a new way in which public housing can get at this backlog of improvements that are needed to public housing by freeing up the market system, by allowing them to privately finance.

The concept is that they can now identify by unit the funding stream that comes, so that unit, and a project can be itself the subject of private financing for the refurbishment and reconstruction. They can then pledge a Section 8 or they can become a project-based project, and the stream of funding that comes to them can be a guarantee against the financing that they obtain. We think this is going to free up housing authorities to improve projects and to do a far better job than they have done in the past of bringing to standards a lot of these projects that are in such bad condition.

Senator CARPER. What if it does not work?

Secretary MARTINEZ. If it does not work, then we need to be there and continue to provide the funding. So, I would be very amenable to raising that back up to the level of where it has been in the past. It is not intended to be a cut but an encouragement to those that voluntarily seek to do it, after HUD approves the plan to make sure that it is financially sound, to give them this option to improve their housing stock.

Senator CARPER. I am intrigued by the notion, and I am a person who likes to figure out what works to solve our problems and not be doctrinaire about it. If this works and it is helpful to meeting the capital needs of our housing authorities, then we should give it a shot. I want to go back to my question of what if it does not work. What if it does not work in 2003?

Secretary MARTINEZ. Well, it would be my assessment that the small reduction is not going to have an impact on any current year problems that there should be. But if it does not work, and if we really see a problem developing, I would be very willing to work with the Congress to see about providing some additional assistance if that was to be necessary. As I say, it is not intended to be a punitive thing. It is only intended to be an encouragement to move in this direction and see if we can make it work.

Senator CARPER. My concern, and I appreciate what you just said, is hopefully it will work. If it does not work in 2003, I do not want us to have to wait until 2004 to come back and fix it.

Secretary MARTINEZ. I would be willing to work with you mid-year to see. I do not think it is going to come to that, because I think this will work. I think this is a very exciting possibility for us to go beyond the amounts that we would appropriate and give local housing authorities the flexibility of picking a project that they want to go fix and then go ahead and fixing it.

Senator CARPER. In addition to the roughly $400 million that we are talking about for capital funding, I understand that another maybe $55 million in the capital fund is now to be used or would be used for something called the Resident Opportunities and Supportive Services Program, a program that has traditionally been funded I think out of CDGB funds. I do not know if you are familiar with it, but it sounds like this could be another $55 million that would not be available to use for general capital but would be used for the Resident Opportunities and Supportive Services Program.

Secretary MARTINEZ. But this would be a transfer from CDBG funds. It would not be from public housing funds. Well, a little confusion here. I guess it is being transferred out of the capital fund.

Senator CARPER. Historically it has been funded out of CDBG, but as I understand it, it would be funded under your budget proposal, out of the capital funds, which would mean the $417 million reduction would be more like $472 million.

Secretary MARTINEZ. Correct. I am sorry.

Senator CARPER. I just wanted to put that on the table and say that caught my eye and it is a matter of some concern.

The other thing I want to get to is with respect to self-sufficiency in housing and in welfare. In the State of Delaware during the time I was Governor, we decided to try an experiment by limiting the amount of time that people could be in public housing, receive assisted housing. And we did not do it to be mean or punitive, but we felt that there is only so much housing stock for low-income housing, and there are a lot of people on waiting lists. The idea that people would move into public housing and stay there forever was not what the original intent was. The idea is to help people through a period of time in their lives and then to try to ensure that they have the skills and the earning power to go out and rent or buy a house or apartment on their own.

We have been doing this experiment now for a couple of years. It is a demonstration model. We will have an opportunity during the time that you serve as Secretary and the time I serve as a Senator to find out how it is working and to learn lessons there, and other housing authorities around the country where similar experiments are taking place. So this is something I have a lot of interest in, and we have a sense of ownership on the issue.

My understanding, and somewhere in your budget, I know you are interested in encouraging people to move out of public housing, to be self-sufficient. Just take a couple of minutes and talk about what you are proposing. I just want to better understand it.

Secretary MARTINEZ. Certainly. I think your proposal is very intriguing and it is one that I share your passion for. I think that anytime you can bring someone into self-sufficiency, we are doing a lot for them, and sometimes people need a push. I think that welfare-to-work and welfare reform proves that in a great way.

I recall being on the housing board of a local housing authority years ago, and I thought it was sad that there would be three generations of people who have been using public housing. And I think that sometimes that would not be a good way to have that kind of multi-generational issue.

But I think we need to proceed carefully in this. I think it needs to be on a pilot basis. I am intrigued by what Delaware is doing. I remember you bringing this to my attention during my confirmation hearings. It is a concept that Assistant Secretary Michael Liu, who is our Assistant Secretary for Public and Indian Housing, is very closely looking at. We are trying to find a way that we can do a control experiment with this ourselves so we can pilot it in some communities and just see how it goes.

Again, it is not out of mean spiritedness, but it is out of a sense of compassion for those that are on a waiting list looking to get into public housing that we really need to give people the encouragement to move on into self-sufficiency and out of public housing.

It needs to also be applied with great care to those that are disabled, and to the elderly. It is not for everyone. There are people for whom a safety net is always going to have to be there, but there are many who can be encouraged to move. So, I share your interest in this and look forward to working with you on it.

Senator CARPER. Thank you. My time has expired. Could I just make one last quick statement? I think one of the reasons why welfare reform has been, by most people's judgment, a terrific success—not for everybody, but for most people—is that case rolls are down by half, and people who have gone to work are better off. Under the old rules in welfare, people were better off when they stayed on welfare. And the reason why people stayed on welfare in some cases for a long time is because that was the smart thing for them and their families. They were literally better off.

What we have done is change the rules. All of our States and here at the Federal level as well, so that people are actually materially better off going to work, and we provide the support, child care, and transportation, finding jobs, and earned income tax credit to ensure that they are actually better off when they go to work, and it has changed behavior in remarkable ways.

We need similar kinds of approaches with respect to public housing, not to just throw people out, but to change the incentives so that the people would be better off. One of the exciting things that we are doing in our State is when somebody actually goes to school or gets a better job and their earning power goes up, instead of their rent payment going up, that money goes into an escrow account, and it builds up in an escrow account, and it can be accessed later on so that when a person who moves out of public housing, the money is available in the escrow account to pay for a security deposit on an apartment, or downpayment or closing costs on a house. That is the kind of thing that we need to do.

Secretary MARTINEZ. We are going to look at your experiment and see how it is faring and what we can learn from it.

Senator CARPER. Thank you. Mr. Chairman, I have a statement that I would ask unanimous consent that it appear in the record.

Senator REED [presiding]. Without objection.

Senator CARPER. Thanks so much.

Senator REED. Welcome, Mr. Secretary. Thank you for joining us.
Secretary MARTINEZ. Thank you, Senator Reed.

COMMENTS OF SENATOR JACK REED

Senator REED. Let me first deal with an issue that is outstanding. Last October I sent a letter along with my colleagues, Senator Allard, Congresswoman Roukema, Congressman Frank, with respect to the termination issues in Section 8 project-based contracts. I understand from your office that you did not receive the letter. That is subject to another hearing, Treasury–Postal.

Secretary MARTINEZ. I am afraid it was an anthrax problem, Senator, unfortunately. It is like the dog ate my homework excuse, I know, but it is true.

Senator REED. It is never happened in my office, Mr. Secretary, but anyway, let me go on with the substance of the question, which is more important, and your response. We have had some indications that landlords were not following proper notice provisions in terminating project-based contracts. And as a result, we asked for your comments and your action with respect to this whole process of terminating a Section 8 project-based contract and giving enhanced vouchers in the process of that termination.

Specifically, I am curious today whether HUD plans to publish regulations implementing the statutory provisions on Section 8 contract terminations and enhanced vouchers. This is required under Public Law 10674. Those regulations would be very helpful.

Secretary MARTINEZ. Senator, we are going to have to reply to your letter more formally. I am afraid that I am not prepared today to tell you where we are on that. I apologize for the delay in response, and we will get back to you immediately on that.

Senator REED. Thank you very much, Mr. Secretary.

Mr. Secretary let me turn now to the issue of homelessness. First, the goal of the Administration to end homeless in the United States in 10 years is a laudable one, certainly one we support. But it seems that to do that we would need on the order of about 200,000 units of supportive housing. And yet the funds, the renewal of existing permanent housing subsidies have been significantly diminished in this budget.

Furthermore, in addition to HUD, HHS has to provide resources for the support of service. Now, I know you have revived the Interagency Council and that might be an appropriate coordination device. But the issue I think is, do we have the resources to meet this great goal that we all share? Or are we essentially, and when we talk about outcomes, setting up a lot of these programs for failure? You know, we can rearrange the chairs on the deck and we can talk about streamlining, but if they do not have money to keep shelters operating, they are never going to be able to reduce homelessness. It is a major concern that I have, and I wonder if you would comment upon this.

Secretary MARTINEZ. Let me clarify that our goal is to look at chronic homelessness as the one that might be something we can end. Obviously, there is going to be always people who fall hard on their luck who as a result of circumstances will be homeless for a period of time. But the population that typically is burdened with additional problems—mental illness, addiction—those are people

that if we find a way to treat and to get into supportive situations, we might be in a position to get them out of this cycle. That is what our goal is. I know it is a lofty one, but I think in trying, we might move the ball forward significantly even if we do not achieve the complete goal in the end.

I do not think it is a question of resources. I think it is a question of connectivity between the delivery of services. I believe there is a great need for people that are homeless to be able to access governmental services that now seem to not be available to them, whether it be veterans' services, whether it be just plain old welfare assistance, whether it be Medicare. These are things that oftentimes the homeless population, because of the nature of their lives, they do not have an established address. They do not have a forwarding number. There are things like this that can be a real hindrance on how they go about obtaining additional services.

It seems to me that what we can do best is to attempt first of all to realize the full potential of all the things that are being done for homeless Americans, and then begin to think whether or not additional resources might be a part of the answer. I believe we need to take this step first. That is why reenacting the Interagency Council, the President did this some months ago. We now have an Executive Director coming on board in March, and I look forward to the work of this interagency task force or interdepartmental task force to see what we can do to improve the condition now, given the programs that we already have, but knowing full well that there is great duplication and there is also a tremendous lack of coordination which has always been there, but which we need to try to address before we throw in the towel and say the only answer is more money.

Senator REED. Well, I do not think the only answer is more money, but the answer certainly involves money. Let us take one particular aspect, that is the Shelter Plus Care Program. Your budget proposal for this fiscal year 2003 underfunds this program by my count about $93 million. The budget would require homeless assistance providers to shut down existing permanent housing programs for as many as 15,000 people with severe disabilities.

You show a small increase on paper for the program. But the reason is because many of the programs that are operating on the Shelter Plus Care receive 5 year funding, which was several years ago. All of that is coming due now or much of that is coming due. Simply increasing last year's appropriation a bit is not going to cover these renewal contracts that are coming up. In fact, the burden is about $193 million if you are going to renew all existing programs. You have $100 million in this line item.

It seems to me, again, of course you can coordinate better, you can be efficient, you can connect people to the VA. But if you are going to tell programs that are now funding housing that they do not have money, those housing units will evaporate.

Secretary MARTINEZ. I would agree with you. And the intent I do not think is to cut the funding in those kinds of programs but to I think maintain a fairly level funding level.

I believe that the emergency shelter program, there is some confusion there in that the 2003 budget request does not contain any funds for renewal of Shelter Plus Care vouchers because the 2003

vouchers were forward funded and fully covered in the 2002 appropriations. So there is no need in the 2003 budget to reflect what we understand was already funded in the 2002 budget. So the question really will arise again in 2004, and in the 2004 budget, we will take care of any funding needs for this program. So our intent was not to cut, and I do not think that we have cut.

Senator REED. So there is $93 million that you already have available from the 2002 budget, which you are prepared to commit to the Shelter Plus Programs?

Secretary MARTINEZ. That is correct.

Senator REED. And the $100 million in this year's budget will cover all other contracts that will become renewable this year?

Secretary MARTINEZ. That is right.

Senator REED. And that will take you forward to 2004?

Secretary MARTINEZ. Yes. Then at that time, we will need to fund it again. But 2002 funded it for this year as well.

Senator REED. Let me make the point, though, assuming that you are accurate, and which I do, is that simply keeps us in the business of the present level of homeless shelters?

Secretary MARTINEZ. Correct.

Senator REED. It does not address or does not move the ball forward in terms of the thousands of other chronically homeless which this Administration has indicated that they want to see in shelters within 10 years?

Secretary MARTINEZ. That is correct. We are not addressing any additional funding needs this year. We are first going to look and see where we are and what resources we have available that are not currently being utilized by the homeless population.

Senator REED. Let me ask one other question, Mr. Secretary. Just so I am sure, I know we funded units last year, but could you go back and see whether that money was used to discharge obligations that were incurred last year and not obligations that are upcoming, so that we are both sure of what we are——

Secretary MARTINEZ. I will be glad to give you some clarification Senator, so that we can be on solid footing about that.

Senator REED. Thank you.

Now let me turn to another issue which was raised by Senator Carper's questions. That is the $417 million cut from the capital fund. The justification seems to be that PHA's in the future will be able to rely less on HUD's funding as a result of this initiative, your new approach to funding capital needs. But this is a program that might not be undertaken by all PHA's throughout the country. Yet the PHA's reductions in capital funding applies to every PHA in the country. I think we find ourselves in the situation where some might not avail themselves of this new, innovative technique. In addition, some PHA's might require 18 months to 2 years to become involved in this program. In the meantime, there has been a significant diminution of resources for public housing capital funds, and it seems that could be a real problem this year. It goes back to what Senator Carper was saying. What happens this year when PHA's come to you and say we need money for capital funds? We are not involved in this new approach to funding. We do not have to be. Give us the money. And you say we do not have the money.

Secretary MARTINEZ. We believe that the availability of these funds from the private sector is going to actually improve the condition of public housing. I do understand your concern, share your concern, and I think it is something that we just will have to keep a very close eye on as the year progresses. I am prepared to work with you and other Members should we come into a situation where a shortfall exists.

Senator REED. Let me ask another question, Mr. Secretary. I understand in addition to the cut, there has been $120 million from the capital fund earmarked for this new initiative. Is that correct?

Secretary MARTINEZ. It is available for the initiative. It is not earmarked, but it is available. That doesn't take it out of circulation, if you will.

Senator REED. So it can be used for traditional capital funding?

Secretary MARTINEZ. That is correct.

Senator REED. Thank you, Mr. Secretary.

Let me just recognize Senator Corzine, and if there is time available in your schedule and there are additional questions, we will have a second round.

Senator Corzine.

STATEMENT OF SENATOR JON S. CORZINE

Senator CORZINE. Thank you, Senator Reed.

Welcome, Secretary Martinez. I apologize for being late. We had more hearings in one morning than I think is manageable, and I do not want to cover ground that you have already covered. I suspect you would think that I will ask another question about the Drug Elimination Program and how the funds that were supposedly allocated or at least available in other areas, whether those have been used. I would like to hear your response on that. I continue to be very troubled by the on-the-ground information that I get feedback on from some of the public housing authorities in New Jersey that were dependent on those and how they are feeling squeezed with regard to those needs.

Also, I would love to hear your comments with regard to empowerment zones, and particularly second-level grants, which is going to hit hard at a number of communities in New Jersey that had expected some grants to flow on a continuous basis, made plans, brought businesses into—particularly Cumberland County, which is one of our poorer rural communities—Vineland, Millville, and Bridgeton are important communities that are struggling with very high unemployment rates and were making real progress, and zeroing out the grants is an extraordinarily troubling issue for those local communities.

I am sure you are going to hear from Congressman Lo Biando on the House side and a number of other of my colleagues about this. I would love to hear your comments on why you have taken this program in the direction you have. I am obviously interested in the specifics, but that may need to be communicated specifically. But it is an extraordinarily important issue for us.

And then I also find it uneasy that with Congress in the business of reauthorizing TANF this year, that there is no comment with regard to housing issues and the welfare-to-work needs that clearly will need to be addressed within that program, the subsidies that

I think will be necessary to make sure that people can fully utilize their welfare-to-work programs and then whether you have looked at the family self-sufficiency program and some of the issues that are associated with that that will necessarily be taken up in that. I think that will be enough for the moment.

Secretary MARTINEZ. Yes, sir. I appreciate the menu. Can I pick and choose? Let me say on the empowerment zone issue, Senator, that as you know, empowerment zone has had several rounds. The initial round was a series of tax credits and there are grants, and those all have happened and taken care of. Then round two, which created a series of direct grants. It has been our experience that the grant program has not worked nearly as successfully as the programs involving tax credits and those types of business incentives. That is just the empirical evidence on the ground. But the more interesting point——

Senator CORZINE. I would certainly encourage you to come to Cumberland County with me and you would see where those grants have been very effectively used and brought new jobs.

Secretary MARTINEZ. I do not know specifically the Cumberland County situation at this moment, and I would be happy to discuss it with you. And I know the other Members of Congress might also be interested in that. But as a whole, 80 percent of appropriated funds from these empowerment zones have not been utilized to date. We are more than halfway through the program. It stands to reason that if we still have 80 percent already appropriated funds remaining that in the balance of the time that the program will have spanned out that the totality of the funds that are already available may never be spent anyway. So that is the approach we are taking. In other words, not funding additional dollars for a program where the currently appropriated dollars have not been utilized to the extent of 80 percent.

Senator CORZINE. As you can well imagine as a former business person, though, that if you had bonded, if you had gone to the banks under the projections that you were going to receive grants and it had been indicated that those were going to occur, then for them not to, you leave individual communities that maybe have used those effectively high and dry.

Secretary MARTINEZ. Senator, I would have to say to you, not knowing the circumstances, but just again from my own business experience and yours, that I find it difficult to understand how private markets would fund and finance on the expectation of future appropriations. In my experience in local government, I could never get bonding or financing for anything that depended on a future appropriation. Typically, those streams of funds did not lend themselves to credit, I have to wonder how they might have done that.

The bottom line is that the real success in this program comes from the tax credit side of it, not from the grant side. There are very specific guidelines that each of these programs presented of how they would spend the funds. I would be pleased to work with you on the local situation to see what we can be of help with. But do understand that there is still a substantial amount of money that is available to these empowerment zones through the already appropriated funds.

Senator CORZINE. Well, it might bite differently in different spots. I think that one needs to be careful that the general rule does not end up impacting something that has already been committed and built upon I think is the case there.

Secretary MARTINEZ. We should look at that with you and try to be of help where we can. Regarding drug elimination, the Congress funded a $250 million increase to operating fund which, in other words, we do not call the funding drug elimination grant dollars. We call them part of the operating fund. But I believe between what we attempted to do through our budget and what Congress ultimately did, that pretty much a dollar-for-dollar restoration of that program or of that funding is available to public housing authorities so that they can carry out any existing programs that were worth pursuing and that were worthwhile.

We are working in a variety of ways with other agencies of the Federal Government to take a very strong look at the drug issues in public housing. As you know, the President has just announced a very strong national effort on the issue of drugs, emphasizing the treatment options. I think in a cooperative way, we are going to find that there is going to be help available to public housing authorities in this area and in a way that is going to maybe be even more effective.

Senator CORZINE. At some point I would appreciate it if your staff could show me whether the funds that were allocated are still going to fund the same activities with regard to drug elimination activities and security and public housing authorities.

Secretary MARTINEZ. The unspent balances on those accounts, and we can be very specific to any housing authorities in your area, will tell us that there are still probably funds available that they have not already tapped that could continue the programs that they have existing.

Senator CORZINE. As I suggested the last time, I would love to take you up to New Jersey and visit some of these public housings and we can go to Cumberland County at the same time.

Secretary MARTINEZ. We should do that. I am going to be in New York tomorrow as a matter of fact, it is not too far. But we should do that and I will make it a point to maybe get with your office and find a time when we can meet you on your turf and then we can see some of these issues and try to deal with them on a very individual basis.

Senator CORZINE. Thank you. And TANF reauthorization and the family self-sufficiency program?

Secretary MARTINEZ. Let me have a moment if I could.

Senator CORZINE. Sure.

[Pause.]

Secretary MARTINEZ. I am told that we are working with OMB on whether the programs can be expanded and enhanced, so we are actively working on that.

Senator CORZINE. Maybe we should follow up with your staff and see how this works.

Secretary MARTINEZ. Yes, sir.

Senator CORZINE. We are going to be working substantially in the TANF reauthorization efforts this year, and I think housing is

such a key part of making sure that people who do go from welfare to work are not impinged in their ability to continue to live.

Secretary MARTINEZ. We will work with you on that, sir.

Senator CORZINE. I have one second round question.

Senator REED. Thank you, Senator Corzine.

Mr. Secretary, let me say first I agree with your observation that as a local elected official that no financial institution will lend to a public entity based upon appropriations going forward because of the uncertainty of the appropriations process. But isn't that essentially what your proposal for public housing capital fund is? These entities will go out to the financial markets, and ask to borrow money to replace their capital expenditures. Part of what these banks will look at is how much revenue will be coming into these institutions.

And frankly, looking at your budget, and not just this year, but looking ahead, I think most bankers would be very skeptical at the kind of revenues that would be flowing from the Federal Government to public housing authorities. As a result, I think right now we can at least look with a rather significant skepticism at your proposal to replace appropriated public housing capital funds with private lending.

Secretary MARTINEZ. Well, Senator, Section 8 has been a very dependable revenue stream, and I think the private financing sector is used to funding Section 8 projects. So, I think it is something they can relate to, something they can understand and something that would lead—I mean, we are led to believe by the financial world that there is great interest in this and that they will do that.

Do not forget, you have still an asset that can be collateralized. In other words, there is a unit there, and so I believe that will lend itself to an opportunity for financing. You raise a good point.

Senator REED. You do have an asset, Mr. Secretary, but I do not know how many financial institutions would like to foreclose and operate public housing with the kind of revenue streams that might be forthcoming from this Administration and succeeding Administrations.

Secretary MARTINEZ. I think there has been a very ironclad commitment to the Section 8 program and to maintaining the vouchers and to not leaving anyone high and dry that has the opportunity for a voucher. So, I think from that standpoint that it should work. We hope it will.

Senator REED. Let me just raise another issue, Mr. Secretary, and that is, with respect to the independent appraisal review process for appraisers, we have been informed that the independent appraisal review process has been stopped by your Administration. I understand that the FHA is doing its own reviews, but only in response to specific complaints. In the past, because of the HUD IG and the GAO, we have been persuaded that there is a need for independent review of these appraisers. And can you tell us why this was faulted?

Secretary MARTINEZ. Senator, the system was not identifying risky loans. FHA's default and claim rates were actually lower on the loans identified as risky by REAC than for FHA loans as a whole. The system was not cost effective. In 2 years, they identified 33 appraisers who were removed from FHA appraisers' rosters.

And in our own field reviews, the FHA had identified 85. So, we are satisfied with REAC's work in general in FHA multifamily projects and public housing. But the appraisal system really was an exception. What we are doing is continuing to conduct appraisal and field reviews on an individual loan basis, following up on complaints from homebuyers and Members of Congress. And that is how we came about identifying 85 appraisers that were removed from the rosters over the last 2 years.

We are also developing a new approach called Appraiser Watch. FHA will identify appraisers with high rates of default and foreclosure and will then monitor their performance. The FHA may then remove these appraisers from the FHA's roster if there is not a good reason for the high default rate.

So, we are planning to issue an Advanced Notice of Proposed Rulemaking to establish this Appraisers Watch and this is going to be somewhat parallel to the Credit Watch system, which has been very successful in monitoring lenders. That is the approach we are taking and the reason for the change.

Senator REED. Thank you, Mr. Secretary.

Senator Crapo.

COMMENTS OF SENATOR MIKE CRAPO

Senator CRAPO. Thank you, Mr. Chairman.

I apologize for being late but was unavoidably detained. And because I have not been able to be here for the rest of the hearing, I will not ask any questions at this point.

Thank you.

Senator REED. I see that Senator Corzine has departed. And, Mr. Secretary, I understand you have an appointment over on the House side.

Secretary MARTINEZ. Yes, sir.

Senator REED. Thank you very much for your testimony.

Secretary MARTINEZ. Great being with you. And, Senator Reed, I should point out that there is a significant funding increase for lead-based paint. You did not bring it up, but I wanted to bring it up with you.

Senator REED. Mr. Secretary, I have learned a great deal from this hearing. I have learned first about appraisal. I have learned about many things, but the most important thing, other than an increase in lead, is I have heard that a cut in the budget is not a reduction but an encouragement.

[Laughter.]

That is something that I will treasure. Senator Sarbanes has just returned. He might have additional questions. But let me commend you for the increase in the lead program.

Secretary MARTINEZ. Thank you. I know it is important to you.

Senator REED. I appreciate very much the effort, but we both understand we have still a long way to go to make sure we protect children.

Secretary MARTINEZ. It is a still issue and it is still out there.

Senator REED. Mr. Chairman.

Chairman SARBANES. Mr. Secretary, I am not going to detain you, because I know you have to get across the Hill. I know you are still working on the yield spread premium issue.

Secretary MARTINEZ. RESPA reform, yes, sir.

Chairman SARBANES. Well, we held a hearing in January, which I thought was very revealing. In fact, we sent the transcript of it to you as well as the statements of witnesses. Subsequently, a number of groups have weighed in on this issue. As I indicated in my opening statement, both Hispanic and African-American groups have written to you about what yield spread premiums do to potentially minority homeowners. So, we think the decisions that confront you are extremely important. I mean, it is very clear people should not be lured into a higher interest rate and then the broker who steers them into the higher interest rate gets paid additional for that. It seems to me that is intolerable and we have to get at this issue. I do think that having the availability of private suits is an important discipline in this activity. But I just want you to know we are very much focused on that issue and we will be in close touch with you about it.

Secretary MARTINEZ. Senator, I would be happy at your pleasure to discuss it more in detail either here or in private. And I also would like to assure you that our process of RESPA reform is continuing aggressively. I believe, frankly, that what we have done so far and what we plan to do will be considered about as pro consumer and as transparent as this process has ever been in its history. So, I am looking forward to bringing——

Chairman SARBANES. Are the consumer advocates involved with you in that process?

Secretary MARTINEZ. Yes, sir, they are. They are invited to participate, and we are taking their input, and look forward——

Chairman SARBANES. One of the things that concerns me is, as I understood it, we were moving toward maybe getting some consensus resolution of this issue when HUD issued its clarification.

Secretary MARTINEZ. If there had been any possibility of that occurring, Senator, I would not have. I mean, I practiced law long enough that if the court does not have to rule, it does not. And I was not looking forward to intervening. I only did it when I felt it was necessary because there was no progress being made. But I believe that we are continuing to keep the consumer groups involved and continue to look forward to their participation in what I believe will be very sweeping RESPA reform, which I think will be good for consumers, well beyond the issue of YSP, by the way.

Chairman SARBANES. This predatory lending issue has really gained a lot of salience, as you know. In fact, it is even being covered on national television programs.

Secretary MARTINEZ. I know.

Chairman SARBANES. It is certainly an issue. This Committee since I have taken the Chairmanship, has focused very intently on and intends to continue to do so, and we look forward to working with you in order to resolve the matter.

Secretary MARTINEZ. I am very proud of the work we have done in that, Senator, and participating with the Baltimore Task Force, and the work we have done there I think has been very historic. We will continue to work closely with you and participate in any way we can. I would like to take the experience of Baltimore to the national scale, because it is desperately needed. I believe the statements that I have made and I know you have made as it relates

to the industry and the need for the industry to pay close attention to their business practices is important. And so, I am with you on that, and I look forward to working with you closely on that issue.

Chairman SARBANES. I hope when we look at the hard text we are still together. Let's see how it goes.

Secretary MARTINEZ. I have faith we will.

Chairman SARBANES. Thank you very much for coming today, and we wish you well as you go over to the House side.

Secretary MARTINEZ. Thank you.

I need the help.

[Pause.]

Chairman SARBANES. If the panel would come forward, let us be prepared to move on. The hearing stands in recess.

[Recess.]

Chairman SARBANES. The hearing will come to order.

First, we are very pleased to have this panel, and we very much appreciate their steadfastness and their patience in hanging in here with us. I think I will introduce each person as they speak instead of doing them all at once.

Tom, I understand you have another engagement.

Mr. JONES. Yes, I am sorry.

Chairman SARBANES. That is all right. We understand that. Is anyone else in a comparable situation?

[No response.]

First, we will hear from Tom Jones, who now for a decade has served as Managing Director of the Washington Office of Habitat for Humanity International. He has served as Pastor of large Presbyterian congregations here in Washington, Louisville, Orlando and Miami, Florida, and in the academic world has been vice president of a theological seminary and faculty member of two seminaries. He has earned a Bachelor of Arts, Master of Divinity, Master of Theology, Doctor of Ministry degrees, and he is doing this wonderful work now with Habitat, and we are very pleased to have him here today and we looking forward to hearing from you.

STATEMENT OF THOMAS L. JONES, MANAGING DIRECTOR HABITAT FOR HUMANITY INTERNATIONAL WASHINGTON OFFICE

Mr. JONES. Mr. Chairman, thank you. I do apologize. At 2:00 p.m. we are doing a signing of an MOU with EPA about ways that we might reclaim some brown fields to build some Habitat homes and other low-income housing. So, we are going to do that event with EPA administrators in Northern Virginia.

Mr. Chairman, on behalf of Habitat for Humanity International, again I want to express appreciation to you and to your other distinguished colleagues for the vital part that you play and for the commitment you have for working together toward our goal that every person have a decent place to sleep every night. And especially we want to thank you and your colleagues for the ways you demonstrate your support for self-help housing as a way for persons to achieve the American Dream of homeownership regardless of economic standing.

Thank you for the way you not only support that in your leadership but also for what you and your colleagues are actually doing

as witnessed in the program that the Senate approved called "The Houses the Senate Built." I was thinking as I sat here earlier that today as a result of what all of you Senators did last year in building two Habitat houses in Capitol Heights, two families, the Spencers and the Williams, now live in those houses, own their own homes. Last night their kids did their homework in their own bedrooms. They got up this morning and had breakfast together in their own homes as a result of this way that you and your colleagues are leading by doing.

Today, I am glad to say that 60 U.S. Senators have now agreed and formally made relationships with Habitat for Humanity affiliates across the country to build Habitat houses this year as a continuing part of the Houses the Senate Built. Mr. Chairman, in addition to your personal commitment, I am glad to report that every Member of your Housing Subcommittee has agreed to do this, and four other Members of your parent Committee already are on board and are doing the Houses the Senate Built this year. And I know your strong influence will prevail and you will have all of your colleagues before long, not only on this Committee but also in the whole Senate lined up to do this.

And I must, if I may have a personal privilege—which is the way we Presbyterian clergy do it—to say thank you to you for training Amy Randel and sending her to us, and for the great job she is doing in serving our whole society right now.

It is a real honor to appear at the same hearing with Secretary Martinez and with our other colleagues here who are involved in our attempt to provide opportunities for everyone to have a decent place to live. Truly Secretary Martinez and the Administration he represents have focused attention on a commitment to homeownership, particularly to narrow the gap for minorities and low-income persons. And like you, they too have walked their walk by building Habitat houses with Habitat homeowner partners in various parts of the country in this past year, and we are appreciative.

Mr. Chairman, Habit for Humanity is now starting its 26th year. It took us the first 24 years to build the first 100,000 houses worldwide. At that time we took a commitment to build the second 100,000 houses in 5 years. That is a huge commitment, which will be achieved only as all of the sectors—the public and the private, organized labor, the nonprofit work together. And so far, this is happening. At the present time, Habitat for Humanity is now building a house someplace in the world about every 26 minutes. In the United States, there are 1,628 Habitat affiliates in all 50 States. The average Habitat homeowner in the United States is in the below 50 percent of median income. Just over 71 percent of all Habitat homeowners in this country are minorities of African-American, Hispanic, and Native American backgrounds.

Habitat for Humanity houses are still built by volunteers primarily, sold at no profit, and with a no-interest long-term mortgage that each family can afford. But the recent huge success of Habitat in this country has roots in two very important Federal programs—one called SHOP, Self-Help Homeownership Opportunity Program, and one called Capacity Building for Habitat for Humanity. As you know, I believe, Habitat does not use Government funds to build houses. But we do depend upon and appreciate very much the part-

nership with Government through which we do what we call "setting the stage." Land and infrastructure and capacity building. When the stage is set, we have found that motivates the private sector to raise the funds and the resources, to build the houses.

The SHOP Program is important in ways that my words cannot completely describe. SHOP was enacted by you, the Congress, in 1996. These funds can be used only for land and infrastructure. They are available only to national and regional nonprofits who can reach a certain threshold. They are there in order that nonprofits might do more of what they do well. There is a complete accountability to the Congress through HUD by the national and regional groups. This does not increase Government bureaucracy. The Government funds are used as seed funds, and all of the houses built must include the self-help component, or "sweat equity."

Up until now, for every $10,000 of Government funds, a house has to be produced. Both HAC, Housing Assistance Council and Habitat, the two biggest users of SHOP, have realized from experience that we do need to raise that to at least $15,000 and hopefully with a waiver that the HUD Secretary could make for very high cost places. Land and infrastructure costs are going up. The average of both HAC and Habitat now is about $22,000 per unit.

When the mandated deadlines for Habitat for fiscal year 2001 are met, and they will be, Habitat, through its use of SHOP funds, will have resulted in the building of 7,382 homes, all for homeownership, serving over 26,000 persons, almost 17,000 of whom are children, now achieving the American Dream, living in their own home. We strongly support and appreciate the Administration's significant increase for SHOP.

Our Habitat experience each year since its inception is that when we make the first announcement about the SHOP funds, we have over 40 percent more Habitat affiliates requesting funds than we have funds to grant. We have not been able to meet the needs of some affiliates because of the large cost of land in some places. By increasing the threshold from $10,000 to $15,000 and doing the waiver, we are confident these funds will be used, they will be used efficiently and effectively, and they will result in more Habitat and other homes for homeownership for persons who perhaps in no other way could own their own homes.

Mr. Chairman, every time that we do this, that we put a family in their own home for homeownership, they are taken permanently off your annual worry list to provide housing in other ways. Many Habitat affiliates need land and infrastructure to set the stage. Many need other forms of capacity building, and thus there is the program called Capacity Building for Habitat for Humanity. We support the Administration's request for $5 million, and then can greatly increase production if even more could be made available.

In our written testimony there is some information about the proposed tax credit for homeownership. We have huge hope for this. It is supported by the Administration. It is supported by many of our colleagues in both the private and public sectors. We think it will really revolutionize productivity for Habitat for Humanity. This has happened in Florida where they have a corporate tax credit which can be used for low-income housing.

As a result of the combination of that and the SHOP program, some affiliates in Florida are our largest producers. The Jacksonville affiliate recently built 200 houses in 1 year, and will by the year 2005 be building 500 houses a year by the combination of these two programs.

Mr. Chairman, in many ways, a home is the cornerstone of life, of what we call sustainable development. And homeownership is still the dream for most families regardless of economic standing. Together we can and we will make it possible for more and more persons to achieve that dream with all of its benefits of self-worth and dignity and equity-building and the like. Together, we will persevere until we have eliminated substandard housing from the face of the Earth. And all of us will do it together, because it is right.

Thank you, Mr. Chairman.

Chairman SARBANES. Thank you very much. I am going to ask a couple of questions and then excuse you so you can get to your EPA meeting.

Mr. JONES. Thank you, sir.

Chairman SARBANES. Since this brown fields transfer presumably will help to address one of the problems you have specified here in terms of acquiring land at a reasonable cost. This Committee has been focusing a lot of attention on predatory lending, I think as you are aware. And not just on yield spread premiums, though that is our current focus. But we held a hearing earlier this year back last summer and went over a number of the abuses that were taking place and so forth. What has Habitat run into in this regard? I know Habitat homeowners get a zero percent mortgage, don't they, generally speaking?

Mr. JONES. Yes. Always.

Chairman SARBANES. Always. Okay. But I have heard reports of Habitat homeowners being refinanced out of their zero percent mortgages into high-rate mortgages, in the end maybe even resulting in foreclosures. Could you touch on that a little bit?

Mr. JONES. Yes, sir. As you can imagine, Habitat homeowners in many cases are very vulnerable. When a less than moral person comes to them with cash in hand, it is a temptation difficult to refuse. So, we have taken several steps. One is we have supported and continue to support the kind of leadership that you and your Committee have given in terms of any legislation that alleviates this temptation.

We also have taken other steps. We have 1,628 affiliates. Each has its own 501(c)(3) nonprofit status, its own locally elected board. So, we do not have legal control over these local affiliates, but we have urged them and worked with them through our legal office, our program offices, and in other ways. And we are now at the point where most of these affiliates are doing what we call "soft" second mortgages. These are second mortgages which are paid off, not in money, but in longevity. So the second mortgages have to be handled before predatory lenders can begin to deal with them.

We have also attempted to work with our affiliates and the affiliate boards. What happens in Habitat is that you develop a relationship when you build this house as the homeowner does "sweat equity," you get to know them, and usually they do not let each other down. And you really put that relationship in concrete, so to

speak, when they sign this 15, 20, or 25 year mortgage with the local Habitat board.

And so, we are encouraging them to do more and more counseling about this, even before they become homeowners. We are doing everything we can to work in terms of supporting legislation and supporting the second mortgage concept because Habitat homeowners would naturally be vulnerable.

Chairman SARBANES. I know you wrote to the Fed when they were considering the HOEPA regulations, urging a provision whereby a lender could not refinance a mortgage with a subsidized interest rate without demonstrating that such refinancing would be in the best interests of the borrower. Unfortunately, the Fed said they wanted to consider that provision further.

Mr. JONES. It was not in the final rule.

Chairman SARBANES. But that would certainly address the situation that you ran into, would it not?

Mr. JONES. It would. We support that not only from the standpoint of Habitat for Humanity but also from all of our colleagues who work with low-income persons.

Chairman SARBANES. Thank you. We appreciate your coming.

Mr. JONES. I apologize for leaving.

Chairman SARBANES. No, you are going to do good work, I guess I should say the Lord's work.

We will turn to Sheila Crowley, another Former Staff Member of this Committee along with Amy Randel who is now working with Habitat and, as Tom said, doing a very fine job for them. Sheila actually worked with this Committee in 1996 and 1997 as a Social Work Congressional Fellow. She is now the President and CEO of the National Low Income Housing Coalition. She is on the Board of the National Housing Trust, the technical assistance collaborative. She has a PhD from Virginia Commonwealth University, and we are very pleased to have her back with the Committee.

We will be happy to hear from you.

STATEMENT OF SHEILA CROWLEY,
PRESIDENT AND CHIEF EXECUTIVE OFFICER,
NATIONAL LOW INCOME HOUSING COALITION

Ms. CROWLEY. Thank you very much, Senator Sarbanes. It is an honor to be invited here today, and it was especially wonderful to be invited by you as the Chairman. Thank you for having me.

Chairman SARBANES. I quoted good parts of your statement. I am going to quote them again.

Ms. CROWLEY. I noticed that.

[Laughter.]

Chairman SARBANES. We will include the full statements in the record, for you, Mr. Reilly, and Mr. Jones, of course, so if you could go ahead and summarize your statements, please do so.

Ms. CROWLEY. I will. I have made specific reference to many parts of the HUD budget. I am not going to use this time to go over those. But there are several issues we urge the Committee to take a careful look at.

I do want to thank you for your attention to the problem of the OTAG grantees. Many of our affiliates at the State and local level are in the position of really being in pretty bad shape right now.

I thank you on their behalf for pressing HUD on that. The HUD budget proposal of 2003 is only meaningful if we ask "in comparison to what?" Compared to what many of us feared with the return of the Federal budget deficit, the President's proposal is a relief. Compared to the 2002 HUD appropriations bill, the President's proposal is remarkably similar. Compared to HUD's budget in the last year of the Ford Administration, the 2003 HUD budget proposal is a shadow of its former self. Compared to the housing needs of extremely low-income Americans, the budget proposal is wholly inadequate and compared to what the total Government could afford to invest in low-income housing, if addressing critical housing problems were a real and not a rhetorical priority, the President's 2003 HUD budget proposal is unacceptable.

You did go over the numbers that I provided about the extent and depth of the affordable housing crisis. The National Low Income Housing Coalition's analysis of the American Housing Survey data ultimately boils down to what we see as about 14 million households that are extremely low income. Some are renters, some are homeowners, some are homeless. They are all people with incomes under 30 percent of the area median income and they have severe housing problems. They pay over half their income for their housing. Just to make sure we have some perspective on that, 30 percent of the area median income in the District of Columbia is $18,390 a year. These are the people who work in hotels, these are cashiers, these are day care workers, these are the people upon whom we depend upon to do their jobs so that we can do our jobs.

The affordable housing crisis can be invisible because so many of these people are holding on by their fingertips and their plight only becomes visible if they lose their grip and they slip into homelessness. The disparity between income and housing costs has serious implications for a whole range of other social policy objectives and I was glad to hear Senator Corzine ask the Secretary about what HUD is doing on welfare reform.

To quote a Hudson Institute Report about welfare reform in Wisconsin, "It is no longer the case that success in the labor market guarantees success and stability in the housing market." Unfortunately, the proposed HUD budget makes no mention of the role of housing in welfare reform, nor does the proposed HHS budget address housing in its plans for reauthorization this year. It is an absolute certainty that housing stability is essential to family stability. It is the bedrock upon which families thrive. And failure to address the issue of affordable housing is antifamily. Some of us can remember before there was contemporary homelessness, and there were lots of poor people in 1970, but there was a small surplus of housing they could afford. Today, there is a severe shortage.

Between 1991 and 1999, we lost a million units of housing affordable to extremely low-income Americans. That is a 14 percent decline. The sharp Federal disinvestment in low-income housing assistance began in the late 1970's. Had we continued to fund low-income housing assistance at the level authorized in the 1970's, it is safe to say we could have prevented much of the homelessness of the 1980's and 1990's and the housing shortage we are experiencing today would not be as severe.

So mindful of these data, the proposed 2003 HUD budget has serious shortcomings. Most of the increase that is called for will simply allow housing programs to stay current; it is not a real expansion of programs. The President does propose to expand the housing vouchers by 34,000. We appreciate the emphasis on homeownership and the programs that he is offering to that goal. The President's goal to end long-term homelessness is laudable but it is an empty promise because there are no resources in this budget to actually house people.

Solving the affordable housing crisis is well within the capacity of American ingenuity and resolve. We know what needs to be done. We have to improve people's incomes. We have to expand vouchers. We have to preserve the current assisted and public housing and finally we must build new housing. What is most disappointing about the President's 2003 HUD budget is its failure to address housing production in the face of such overwhelming need.

I will close by talking about the National Housing Trust Fund Campaign, the National Low Income Housing Coalition, and our partner organizations, some 1,900 of them now across the country, are calling for the establishment of a National Housing Trust Fund. Mr. Chairman, I would like to enter this list of endorsers of the National Housing Trust Fund into the record.

Chairman SARBANES. It will be included in the record.

Ms. CROWLEY. The National Housing Trust Fund should be capitalized with dedicated sources of revenues sufficient to produce and preserve 1.5 million homes for the lowest-income households in the next 10 years. We look forward to a debate on S. 1248, the National Affordable Housing Trust Fund Act, in the Banking Committee this year.

Thank you again, Senator Sarbanes, for the opportunity to represent the members of the National Low Income Housing Coalition at this important hearing.

Chairman SARBANES. Thanks. Next we will hear from Joseph Reilly. Mr. Reilly has been with JPMorgan Chase Community Development Group since 1989. The group provides financing for affordable housing and other community development projects in a number of States; New York, New Jersey, Connecticut, Delaware, Maryland, Pennsylvania, Washington, DC, and Texas, as well, as I understand it. Prior to joining Chase, Mr. Reilly had several positions with the New York City Department of Housing Preservation and Development, including 2 years as Director of its Vacant Building Program, New York City's largest public/private initiative designed to finance the rehabilitation of the City's vacant housing stock. Currently, he serves on the boards of the Low Income Housing Fund, the Community Development Trust, and the Enterprise Social Investment Corporation.

Mr. Reilly, we are looking foward to hearing from you.

STATEMENT OF JOSEPH F. REILLY, SENIOR VICE PRESIDENT JPMORGAN CHASE COMMUNITY DEVELOPMENT GROUP ON BEHALF OF THE NATIONAL ASSOCIATION OF AFFORDABLE HOUSING LENDERS

Mr. REILLY. Thank you, Mr. Chairman.

During the 24 years, I have been involved in affordable housing and community development, I have seen the issues from a variety of perspectives. As you mentioned, I spent 6 years working for a faith-based organization, another 6 years working for the New York City Department of Housing Preservation and Development, and for the past 12 years I have worked for JPMorgan Chase, where I currently manage a staff of 40 professionals who finance affordable housing and commercial real estate projects in areas served by our bank. Over the past 5 years, JPMorgan Chase has provided over $2.6 billion in community development financing. We continue to seek new and innovative ways to provide financing which will strengthen the communities we serve.

While much has been done to solve the problems American families are facing in finding decent affordable housing, much remains to be done. Many high cost areas like New York suffer from a profound shortage of both rental housing and homeownership opportunities, not only for very low-income families but also for low- and moderate-income families. We have a growing crisis that requires the ongoing attention of policymakers, and both short-term and long-term measures to achieve our national goal of a decent home in a suitable living environment for all Americans.

The good news is that during the past decade, our industry has experienced a significant strengthening in learning how to produce decent, affordable housing for low- and moderate-income families and communities. For-profit and nonprofit developers, lenders, investors, community leaders, and government at all levels have learned to collaborate as partners in devising new solutions and creating financing strategies for producing affordable housing in thousands of communities.

We have built the infrastructure necessary to have a major impact on housing needs, and coped with the often conflicting requirements of many Federal, State, and local subsidies we need to do our work. We have learned over the years how to do it right—how to build affordable housing for rent and homeownership that contains a mix of incomes, housing that is built with the discipline of the private market and leverages public resources responsibly, housing that is of high quality and lasting value, housing that stays affordable over the long run, housing that people are proud to call home.

Insured depository institutions like JPMorgan Chase are an important part of this community. The U.S. Treasury Department documented that, from 1993 to 1998, the amount of mortgage lending to low- and moderate-income communities and borrowers by CRA-covered lenders rose 80 percent. In 1998 alone, the Treasury reported at least $135 billion in mortgages to these borrowers, made by insured depository institutions.

As good as these solutions are, they come nowhere near meeting the need. The public, nonprofit, and for-profit organizations that have mobilized and partnered to provide affordable housing face three major constraints in our ability to deliver more decent, affordable units.

First, Federal funds are often encumbered by well-meant legislative and regulatory constraints that impair needed flexibility to meet community needs. Sometimes, something gets lost in the

translation of housing policy when it is regulated into practice. And inevitably, the more tightly the subsidies are targeted to those most in need, the greater the financing gap and the harder it is to make the deal economically viable.

Second, we could finance more affordable housing if we had more resources. There is no magic to the provision of affordable rental housing. Affordable housing can only be built if public subsidies fill the gap that exists between what families can afford to pay and the costs associated with the construction, operation, and maintenance of decent, affordable housing.

Federal programs such as HOME, CDBG, and the Low Income Housing Credit have played valuable roles in helping to fill that gap, but rarely do it alone. For example, many housing credit deals in low-income communities require additional subsidies to fill financing gaps. But funding levels for all Federal programs have failed to keep pace with rapidly growing need, and these programs come with complex requirements that slow, or even discourage, development of new units.

Unfortunately, over the past decade the focus at the Federal level has shifted to demand-side subsidies, which do not increase the supply of affordable units. In addition, there is an aging housing stock of affordable units that needs new roofs, new mechanicals, and new systems to remain viable.

Third, in some States there is a scarcity of permanent financing for multifamily affordable housing. Affordable housing developments often involve subordinated debt and low-income housing tax credits that make multifamily mortgages "nonconforming" for sale to the secondary market. Smaller projects also have difficulty attracting the required permanent financing.

In the short run, the more we can simplify the regulations, the processes, and the paperwork of Federal assistance, the more we will increase the efficiency of the programs and private sector participation. Simple, flexible funding sources that have had real impact with maximum efficiency include the Affordable Housing Program of the Federal Home Loan Banks and the Community Development Financial Institutions' fund. A streamlined, permanent loan product, which made "nonconforming" affordable housing loans more attractive to investors, would also be extremely helpful.

In the long run, the Federal Government can be a catalyst for attracting more private capital to affordable housing by providing a stable, predictable source of capital that would not be subject to the annual appropriations process, in keeping with the long-term nature of community development.

It is also clear that the homeownership opportunities for low-income families and communities are not keeping pace with the rapidly growing need. The President's Budget proposes a tax credit for developing affordable homes that builds on the success of the Low Income Housing Credit and would do much to alleviate the shortage of affordable homeownership opportunities in our neediest communities. NAAHL has endorsed the single-family tax credit and asks Congress to enact it as soon as possible. Similarly, the proposed quadrupling of the American Dream Downpayment Fund will help many low-income homebuyers achieve their own home,

while the proposed increase in housing counseling funds will help those struggling to keep their homes.

I want to thank everyone and thank the Chairman for having the opportunity to speak here today. I appreciate the opportunity.

Chairman SARBANES. Thank you very much, sir, for a very strong statement. I was struck by two things you said, and I just want to underscore them. One, we have built an infrastructure, a public/private infrastructure and, as you put it, We have learned over the years how to do it right—how to build affordable housing for rent and homeownership that contains a mix of incomes, that is built with the discipline of the private market and not just public resources in a responsible way, that is of high quality and lasting value, that stays affordable over the long run, and that people are proud to call home.

I think that is extremely important. That is one of the reasons I had that perhaps sharp exchange with the Secretary about the OTAG and the ITAG funding for these community-based nonprofit organizations, because their part of this infrastructure, it is hard to get them up and going and it is very easy for them to fall down and in effect go by the wayside.

We are extremely concerned about that but I think your point is well taken, that we have this structure in place and we have the vessels. We need to figure out how to put more liquid, more resources into them. That is why I think the Housing Trust Fund idea holds a lot of prospects. We are going to have to examine that. What is your own view on the Housing Trust Fund idea?

Mr. REILLY. I think a long-term sustainable source of financing to encourage the development of affordable housing is an important thing to have. I think it probably would be best that there are sources that address the needs at various levels of income because there are shortages at very low-, low-, and moderate-income levels.

Chairman SARBANES. You mentioned the CRA. How important a player do you think CRA is in this picture?

Mr. REILLY. I think that CRA has encouraged lenders to be more active in community development activities.

Chairman SARBANES. My understanding is that it has made some lenders finally aware of the fact that actually they can do well by doing good, that there is in effect a market there that is profitable if they can get into it. And some of the financial institutions—yours is one of them—have been pretty active in that field, is that not the case?

Mr. REILLY. We feel that we are one of the national leaders in community development, financing community development projects, both residential and commercial. We feel very strongly that we are a leader in that field.

Chairman SARBANES. Ms. Crowley, I would like you to take just a couple of minutes and walk us through this housing wage. I did a little bit of this with the Secretary this morning but you have spelled it out well in your statement, and I think we really should get it on the record. So if you would just take us through it step-by-step, the concepts, how they came about, and then give us some of the figures, I think that would be helpful.

Ms. CROWLEY. Sure, I would be happy to do that. The housing wage is a measure that was developed by Cushing Dolbeare who

is the founder of the National Low Income Housing Coalition, and the coalition has been issuing reports based on this for about 10 years now. The housing wage is what you have to earn on an hourly basis, if you work full time, that is 40 hours a week, 52 weeks a year, and you pay no more than 30 percent of your income for your housing, in order to be able to afford the fair market rent. The fair market rent is the only measure of rental housing cost that is available on a jurisdiction-by-jurisdiction basis across the country.

So using the fair market rent allows us to really analyze this problem in a very specific way down to the jurisdiction level. The fair market rent is the figure that HUD generates that is used to determine whether this is a fair price to pay for the rental housing that HUD subsidizes. And at the moment, for most jurisdictions, the fair market rent is at the 40th percentile of rental housing costs, so in a given community, 40 percent of the rental housing will cost less than the fair market rent, and 60 percent will cost more than the fair market rent.

Essentially, that means that we are talking about some modest rental housing that has to meet certain quality standards. We are talking about what it costs to get decent housing. That is why we use those measures and those variables. When you work that out and begin to aggregate that up to the State and national level, what you see is an enormous gap between what the housing wage is and what real wages are.

Chairman SARBANES. Let me ask this question. Where does the 30 percent of income for housing figure come from? You have explained the fair market rent, as the 40th percentile of rental housing costs. Where do we get the figure, that the reasonable percentage of your income to devote to rent would be 30 percent?

Ms. CROWLEY. It is a generally accepted standard in the housing industry. When you calculate what it is you could afford for a mortgage or for rent, that is what the standard is. It is codified in the rent structure and the percentage of income that we charge to people who are receiving housing assistance.

So through the Section 8 program in public housing, et cetera, what we say is that 30 percent is the standard of affordability. Then we subsidize up to what the fair market rent is. It is important I think to note at the beginning of this effort of doing housing subsidies that, in fact, we determined that 25 percent of your income was the reasonable percent to pay for your housing, and over time that has been allowed to go up.

Chairman SARBANES. To 30 percent?

Ms. CROWLEY. Yes.

Chairman SARBANES. Why don't we carry through with the wage figures? We are trying to see how much income you would have to earn so that 30 percent of that income would give you enough money to have a house at the fair market rent, is that right, not a house but a rental at the fair market rent?

Ms. CROWLEY. When you aggregate it up on the national basis, it is $13.87 an hour. It ranges from $8.50 an hour in West Virginia to $18.33 an hour in California. In some jurisdictions, San Francisco being the most severe problem, it goes up to $33 an hour. This map, which we appreciate the Committee using to illustrate the extent of the housing crisis, we developed this year because we

were told there was an opinion within the Administration that if you had two minimum wage earners in a household, then you could afford to pay rent anyplace in the country.

The dark States are those States where even if you have two full time minimum wage earners in your household at the prevailing minimum wage in that State—some States have a higher minimum wage than the Federal minimum wage—even if you have two of them, you cannot afford to pay the housing wage. There are three States; New York, New Jersey, and Hawaii where three full time minimum wage jobs are insufficient to pay the housing wage.

Chairman SARBANES. That is a range from $8.50 an hour in West Virginia to $18.33 an hour in California.

Ms. CROWLEY. That is right.

Chairman SARBANES. In California, you could have two workers at the minimum wage and still be way below what you need in order to afford the fair market rent.

Ms. CROWLEY. I was in California recently visiting my daughter, who is a renter in San Diego, and it is really astounding what the housing market is like out there and how extraordinarily difficult it is for people to find just a reasonable place to live, and not have to pay very high percentages of their income for their housing. Consequently, they have lots and lots of people doubled up, living in garages, and things like that.

Chairman SARBANES. I want to very quickly run through some of these comments you have toward the close of your statement. And Mr. Reilly, if you want to at any point come in on these, we would be happy to hear from you.

Combining the competitive programs under HUD's McKinney–Vento Homeless Assistance Programs—what are your thoughts?

Ms. CROWLEY. I think the evolution of the McKinney Homeless Assistance Programs over time at HUD means that it makes sense at this point to put that out as one source of funding for communities to make some decisions about how best to spend them. We have to maintain the expectation that today we will focus that on permanent housing as the Congress has directed in the last year, that 30 percent has to go into permanent housing.

Our concern about this proposal, and listening to the Secretary's discussion about it, makes it sound a lot like a block granting of the McKinney funds, which as you know has been something that people have had very strong feelings about for many years. So, we want to guard against that.

It is the opinion of the National Low Income Housing Coalition, and many of our colleagues who are doing low-income housing development, as well as homeless service delivery, that maintaining a Federal responsibility and a Federal oversight over homeless service delivery is essential, and that devolving that to the community level in many ways accepts homelessness as a permanent condition, which we do not think it should be.

Chairman SARBANES. We also have this continuum of care concept. We do not want to lose that in any way, do we? Isn't that an important aspect of dealing with the homeless?

Ms. CROWLEY. Actually, I think it is. I think that getting rid of the narrow confines of the categorical programs, would help make the continuum of care work better. I have sat on a local continuum

of care decisionmaking board, and you spend a lot of time trying to fit square pegs into round holes. And it will allow the programs to be more tailored.

Chairman SARBANES. I wanted to actually have an exchange with the Secretary on the capital funds for public housing, which has been reduced again in this budget. And they are now floating the idea of allowing the housing authorities, in effect, to take mortgages out on the public housing, which presumably then would raise capital with which they could upgrade the public housing.

On the surface, it looks like a way to draw in additional capital. How would you service the mortgage? You would have to build the cost of servicing the mortgage either into the rents, or you would have to give some grant year-by-year from the Federal Government in order to service the mortgage. Wouldn't that be the case?

Ms. CROWLEY. As far as I understand it. But I do not begin to understand precisely what it is that they are proposing. I think we should experiment with things; we should not always keep things the same. We should experiment and I think that those are really important questions that have to be answered.

I think that cutting the capital fund in anticipation of something that may or may not pan out is rather premature. And in any event, the backlog on repairs and modernization of public housing is much greater than what the capital fund has been funded for anyway. So if the Congress wants to consider allowing HUD to try this, we should look at that carefully, figure out what the ramifications are. But it should not be in lieu of funding the capital fund at the level that is required.

Chairman SARBANES. You could voucher someone out of public housing, then make the unit available for unassisted housing. Do you understand that that is part of the proposal?

Ms. CROWLEY. That they would make public housing available for——

Chairman SARBANES. In other words, you could say to somebody, we will give you a voucher. You can go somewhere else. Once that was done, since their housing need had been met, the unit would become available to rent it to someone who does not need assisted housing. If that is the case, it would be a way of in effect over time doing away with the public housing stock, particularly in the better neighborhoods which would in many ways perhaps have an appeal to be converted over from public housing into unassisted housing.

Ms. CROWLEY. My reaction to that is that most public housing authorities have waiting lists for people looking for housing assistance. And so to then go into something that is going to make very scarce resources available to people who do not need housing assistance seems to me to be not really meeting what their mission is. I think, as you point out, it has the potential of ultimately loss of public housing stock.

Chairman SARBANES. What kind of production programs do you think we most need?

Ms. CROWLEY. We most need a production program that is going to provide rental housing for extremely low-income people. There are all sorts of other rationales for doing a production program for other kinds of housing and other segments of the eligible population, but the data are very stark that over the last 10 years, the

loss of housing that is affordable to extremely low-income people has been precipitous, while at the same time we have, in fact, seen an increase in the number of units that are affordable to people in the upper tier of the eligible group.

So if we are making decisions about where the most serious priorities are, that is where funds should be directed. But there is certainly room for doing a variety of other things if you decide to put sufficient funding into that. But our position, and the position of the National Housing Trust Fund campaign, is that that is where the most serious unmet need is, extremely low-income households and rental housing.

Chairman SARBANES. Can we get at that need through a kind of hand-me-down process in housing, or doesn't that work? If, for one reason or another, you cannot provide the additional production at that level, you provide it at a level somewhat higher. But then the housing that those people were in gets passed down and becomes more available.

Ms. CROWLEY. The traditional filtering down concept? We have actually begun to talk about a filtering up process. There is so much housing that is occupied by people who cannot afford that housing, that if you simply build more housing that is affordable to people in that income range, you are going to ease the gap for people at that level but you are not going to do anything to solve the problem for people at the lowest end. So, we really think that if you begin to build housing affordable to, the lowest possible income end, then, in fact, what will happen is that you will free up housing for people higher up.

Mr. REILLY. I think you also have to be concerned about the quality of the housing that filters down. I think that we need to be very conscious of the quality of housing.

If you just say, whatever is left over will be the low-income housing, the lowest-income housing, I think we should be concerned about what the quality of that is, which is going to leave you with a financing gap then as well—which is that housing which filters down needs to be brought up to a certain standard. And in order to do that, I look at this map and I see, here is how you quantify what the gap is.

The overlay here should be, at some point, here's what the housing cost is in that area, what it costs to build in that area, and here's how many units you need. You put it all together and you figure out what the gap is.

But if you are going to have the lowest-income housing going to be whatever is left over, bring it up to some certain standard, you are going to have to finance that anyway. And people based on their incomes are not going to be able to afford that anyway, so you are going to have to subsidize it from that perspective.

Ms. CROWLEY. What we hear from the nonprofit development world—and I will defer to Mr. Reilly on his assessment of this—is that developing housing for the extremely low-income people is something that they cannot do, because they do not have the resources to be able to do that. And so the other programs that are available target the low-income housing tax credit-eligible group, the HOME eligible group, and those people.

The whole idea behind the Housing Trust Fund is to create not a program, but a new source of capital that will be specifically dedicated to the production of housing for those people for whom there are no resources at this point, and that those resources be coupled with the other resources so that you can create a full range of mixed income housing in any given community.

Chairman SARBANES. You have been very helpful, and the statements—we appreciate the obvious work and care that has gone into them. We will stay in close touch with you as we proceed to work on this budget.

Thank you all very much.

The hearing stands adjourned.

[Whereupon, at 1:45 p.m., the hearing was adjourned.]

[Prepared statements, response to written questions, and additional material supplied for the record follow:]

PREPARED STATEMENT OF SENATOR WAYNE ALLARD

I would like to thank the Chairman for convening this hearing. I appreciate the opportunity to learn more about the Administration's fiscal year 2003 budget and legislative proposals for the Department of Housing and Urban Development.

During my tenure as Chairman and Ranking Member of the Subcommittee on Housing and Transportation I have consistently stressed the importance of outcome-based management. I am extremely pleased to see that the Administration's budget proposal for fiscal year 2003 begins to incorporate this principle.

I would like to highlight several key passages from the budget:

> Increases in spending are assumed to reflect high priorities and reductions reflect low priorities. This is because everyone takes for granted that more Government spending will translate into more and better Government services . . . The assumption that more Government spending gets more results is not generally true and is seldom tested . . . The initiative to integrate budget and performance has an important purpose—to improve programs by focusing on results. Dollars will go to programs that work; those programs that do not work will be reformed, constrained, or face closure. . . Good intentions and good beginnings are not the measure of success. What matters in the end is completion: performance and results.

As I have noted at previous hearings, Government agencies should be judged by results, not by the size of their budgets or the number of new programs. The success of HUD will be determined by how many people it helps to achieve self-sufficiency, not by how much money it spends.

I am pleased with a number of initiatives in the budget. In particular, I would like to praise the Administration for its focus on homeownership. Through a number of proposals, this budget will help boost the national homeownership rate beyond its current record level. Not only does this emphasis help more families achieve the American Dream of homeownership, it also makes important strides in moving families toward self-sufficiency.

Also, the Administration proposes to combine several of the homeless assistance programs to eliminate duplication and increase flexibility. I have long advocated such an approach and am pleased to see its inclusion.

I believe that the funding proposal for the SHOP also is a step in the right direction. I am a strong supporter of "self-help" programs, and organizations like Habitat for Humanity provide a clear example of how successful this model can be. This program is a standard of how the Administration is prioritizing funding for programs that have proven successful.

I would like to conclude by welcoming the witnesses to today's hearing. Their comments will be helpful as the appropriations process moves forward, and as the Banking Committee considers the Administration's legislative proposals.

In particular, I would like to welcome Secretary Martinez back to the Banking Committee. I have enjoyed working with you on housing matters over the past year, and I look forward to continuing that good work this year.

Again, thank you to all of the witnesses for being here today. I look forward to your testimony.

PREPARED STATEMENT OF SENATOR THOMAS R. CARPER

Thank you Mr. Chairman for holding this important hearing.

At the end of last year, the Senate Banking Committee held hearings on housing and community development needs looking forward to HUD's fiscal year 2003 budget. The conclusion of those hearings was clear, there is simply not enough affordable housing in this country.

Why is this important? It is important because unstable and unavailable housing makes it harder for people to move from welfare-to-work, for children to learn and perform well in school; for employers to hire and retain workers; and for communities to maintain stable and vibrant neighborhoods.

The lack of affordable housing goes well beyond the very low-income families that we traditionally think of when we think of assisted housing. Housing is a major issue for America's working families. Dave Curtis, a fellow Delawarean who testified last year before this Committee on behalf of the National Association of Homebuilders, spoke about the problems "workers in municipal jobs, such as teachers and police officers, and in the services sector such as janitors, [and] practical nurses . . ." have in finding both affordable rental and homeownership opportunities.

I look forward to hearing from Secretary Martinez about how HUD's budget addresses the problems of affordable housing. I also look forward to the testimony of the other witnesses.

I hope that the Secretary will also address an issue concerning the continuing crisis in the Outreach and Technical Assistance Grant (OTAG) and Intermediary Technical Assistance Grant (ITAG) funds. In the 2002 appropriations process, Congress appropriated over $11 million in order to correct a possible Anti-Deficiency Act violation made by HUD. This alleged violation resulted in the suspension of critical technical assistance funds, leading many nonprofits to layoff workers or even close their doors. In Delaware, the funding freeze has affected the important work of the Delaware Housing Coalition, as well as the Greenfield Manor Resident Council. I look forward to hearing the Secretary's explanation concerning these funds.

PREPARED STATEMENT OF SENATOR JON S. CORZINE

Thank you, Mr. Chairman, for holding this hearing on HUD's proposed budget for fiscal year 2003. I want to thank Secretary Martinez for joining us here today to outline the agency's goals for fiscal year 2003 and beyond. I also welcome the other witnesses who will be joining us, and thank them as well for their testimony.

Mr. Chairman, now, more than ever before, we need a strong Federal commitment to increasing affordable housing for all Americans, most specifically for low-income families and those who have recently lost their jobs.

The Administration's proposal has some good elements about it. One of them is the creation of 34,000 new housing vouchers. I also think that the proposal to end chronic homelessness over 10 years and the goal to provide physical improvements to our existing public housing units are good measures.

Overall however, this budget falls short of meeting what I believe is HUD's core mission—fulfilling both the short- and long-term housing needs that America's families, our communities and frankly, our economy, rely on.

While it is praiseworthy that the Administration seeks to end homelessness, their budget proposal contains little new money for homeless programs—it merely consolidates existing programs.

Furthermore, the Administration espouses the need to physically improve public housing; its budget actually cuts $441 million from the Public Housing Capital Fund, the program which funds public housing repairs and rehabilitation.

And Mr. Chairman, once again this Administration does not appear to be committed to reducing crime and drug-related activities that plague public housing developments. I consider zeroing-out the Public Housing Drug Elimination Program, a program aimed at improving the safety at public housing developments, particularly troublesome. Now, more than ever, our communities need more resources to maintain security, not less.

Mr. Chairman, as you are aware, Congress is reauthorizing Temporary Aid to Needy Families (TANF), our Nation's welfare program this year. The President's housing budget is completely silent on the specific housing needs that face welfare recipients. Only 30 percent of TANF families receive housing subsidies, however, modest housing costs more than 100 percent of TANF benefits in 47 States, including New Jersey. A key initiative of the President's budget is helping individuals achieve self-sufficiency. Yet, the President has not allocated any resources for new welfare-to-work vouchers or any additional funding for the Family Self-Sufficiency (FSS) Program.

Mr. Chairman, this budget has very negative implications for New Jersey, which has the third highest housing costs in the country. This proposal does little to impact the dilemma faced by individuals who reside in high-cost States, like New Jersey, who still face skyrocketing housing cost—even during the midst of a recession.

And this proposal completely eliminates grant funding for Round II Empowerment Zones, a program that has contributed mightily to the economic development of Cumberland County, New Jersey.

Secretary Martinez, I hope that we can use this opportunity to discuss these concerns and that we can gain a better understanding of HUD's, and your, commitment to improving access to decent, affordable housing for all American families.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF MEL MARTINEZ

SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEBRUARY 13, 2002

Chairman Sarbanes, Ranking Member Gramm, Distinguished Members of the Committee, thank you for the opportunity to join you this morning to outline the proposed fiscal year 2003 budget for the Department of Housing and Urban Development (HUD).

The $31.5 billion HUD budget represents a funding level increase of 7 percent over fiscal year 2002. By helping Americans reach the dream of homeownership, ensuring affordable housing opportunities for those who rent, strengthening and renewing communities, and preserving a safety net for the most vulnerable Americans, this budget will enable HUD to make a tremendous difference in the lives of millions of Americans.

The housing market in 2001 was extremely vigorous, and we entered the new year with homeownership at a record high. Because we know that homeownership gives families a stake in their communities and creates wealth, the HUD budget makes owning a home a viable option for even more Americans. In his State of the Union Address, President Bush acknowledged our commitment to expanding homeownership—especially among minorities.

As a first step, we have quadrupled the American Dream Downpayment Fund, to $200 million. This Presidential initiative will help an estimated 40,000 first-time homebuyers overcome the high downpayment and closing costs that are significant obstacles to homeownership.

A Tax Credit for Developers of Single-Family Affordable Housing will promote homeownership opportunities among low-income households by supporting the rehabilitation or new construction of homes in low-income urban and rural neighborhoods.

We are tripling funding for the Self-Help Homeownership Opportunity Program (SHOP) to $65 million, as committed to by the President last spring. That, and a lot of sweat equity, will make possible the construction of an additional 3,800 homes for disadvantaged Americans. SHOP is an excellent example of Government maximizing its resources by working with private-sector partners like Habitat for Humanity.

Another exciting homeownership initiative targeted at low-income families will allow them to put up to a year's worth of their Section 8 rental voucher assistance toward a home downpayment. And because we consider it an invaluable tool for prospective homebuyers and renters, we have proposed making housing counseling a separate program. The increase in subprime lending has made financial literacy more important than ever; armed with the facts, a consumer is far less likely to be victimized by predatory lending. We are funding the counseling program at $35 million, which represents a $15 million increase over the previous fiscal year.

While we consider homeownership to be an important goal, we recognize that it is not an option for everyone; therefore, our budget preserves HUD's commitment to expanding the availability of affordable housing for the millions of Americans who rent their homes.

The Section 8 tenant-based program today assists nearly two million families; our budget provides an additional 34,000 housing vouchers. The budget also dedicates $16.9 billion to protect current residents by renewing all expiring Section 8 contracts.

To encourage the production of moderate-income rental housing in underserved areas, we plan to reduce the mortgage insurance premium for Federal Housing Administration (FHA) multifamily insurance.

Three times over the last 8 years, HUD has been forced to shut down our multifamily mortgage insurance programs because of lack of credit subsidy. Last year, the shutdown stopped the construction of some 30,000 rental units throughout the country and clouded developers in uncertainty.

We made a commitment at HUD to a comprehensive review of the credit subsidy program. We examined the statistical techniques that were used to analyze loan performance. We thoroughly updated and refined FHA's data and incorporated the major tax law changes in the 1980's that affected the profitability of multifamily housing. Through our review, we were able to lower premiums, create a self-sustaining program, provide the industry with stable financing at a much lower cost, and provide thousands of new opportunities for rental housing across the country.

In fact, the program made firm commitments to insure $1.25 billion worth of new rental housing in just the first 4 months of the fiscal year. Reducing the premiums

in fiscal year 2003 will lower the cost of building over 50,000 affordable rental apartments each year.

The 2003 budget gives HUD new resources to further our mission of supporting the Nation's most vulnerable. This includes low-income families, homeless men and women, the elderly, individuals with HIV/AIDS, victims of predatory lending practices, and families living in housing contaminated by lead-based paint. Let me highlight just a few of our proposals.

To better coordinate the work of the many Federal agencies that reach out and provide a continuum of care to homeless men, women, and families, the budget calls for doubling HUD's funding for the newly reactivated Interagency Council on the Homeless. Additionally, converting three competitive homeless assistance programs into a consolidated grant will eliminate the workload and expense of administering three separate programs. More importantly, it will give local jurisdictions new discretion in how those dollars are spent.

HUD's Lead Hazard Control Program is the central element of the President's effort to eradicate childhood lead poisoning in 10 years or less. The HUD budget will fund the program at $126 million, a substantial increase over the previous year.

The budget also proposes spending $251 million under HUD's Section 811 program to improve access to affordable housing for persons with disabilities. And many of the additional 34,000 Section 8 housing vouchers will aid non-elderly, disabled individuals.

In addition to addressing the Nation's critical housing needs, programs such as the HOME Investment Partnerships Program and the Community Development Block Grant (CDBG) Program stimulate economic development and job growth. Combined, these two programs will distribute an additional $200 million in formula funding to State and local governments. We have proposed changing the distribution of CDBG formula funds by reducing the size of grants going to the wealthiest communities. This will help bring dollars into those areas where they can do the most good.

We are excited about a brand-new concept to address the large backlog of repair and modernization projects in public housing. The Public Housing Reinvestment Initiative represents a new way to leverage the value of public housing by allowing public housing authorities (PHA's) to borrow funds to make needed capital improvements. This project unlocks the value of public housing assets by allowing PHA's to convert public housing units to project-based vouchers. The PHA's can obtain loans by borrowing against individual properties—similar to private-sector real estate financing.

Innovative thinking like this represents a departure from the way things were done so often in the past—but being effective does not have to mean spending more money. Government works best when Government serves as steward and facilitator . . . and measures success through results. By facilitating the involvement of new local partners, the Public Housing Reinvestment Initiative will breathe new life into public housing communities.

I am proud of our budget and the way it reflects HUD's renewed commitment to efficiency, accountability, and the principles of excellence expressed through the President's management scorecard. When Government spends efficiently, the funds go much further. We reach more citizens. We help to change more lives.

The people of HUD know that the American Dream is not some unattainable goal, because we see it achieved every day, so often by families who never imagined owning their own home or reaching economic self-sufficiency. I am confident that through our budget—and the continued commitment of President Bush—HUD will be better able to offer citizens the tools that they can put to work improving their lives, and strengthening their communities and their country . . . as they travel the road to achieving their own American Dream.

I would like to thank each of you for your support of my efforts, and I welcome your guidance as we continue our work together on behalf of the American people.

Thank you.

PREPARED STATEMENT OF THOMAS L. JONES

MANAGING DIRECTOR, HABITAT FOR HUMANITY INTERNATIONAL, WASHINGTON OFFICE

FEBRUARY 13, 2002

Chairman Sarbanes, Ranking Member Gramm, and Members of the Committee, thank you for the opportunity to represent Habitat for Humanity International. I am Tom Jones, the Managing Director of the Washington Office of Habitat for

Humanity International for the past 10 years. The Washington Office is a part of the Executive Office of Habitat for Humanity International, located in Americus, Georgia. The Washington Office serves as Habitat for Humanity International's presence in the Nation's Capital. We are privileged to represent Habitat for Humanity International with Congress and the Administration, professional and industry groups, international groups and foreign embassies, other nonprofits, labor unions, business corporations, and NGO's.

On behalf of Habitat for Humanity International, I am deeply grateful for the opportunity to testify before the Senate Banking Committee. The Members of this Committee have shown their commitment to expanding housing opportunities for families seeking to improve the quality of their lives by passing meaningful legislation and holding hearings, such as this one, to determine the appropriate level of Federal spending on housing needs. Many Members of this Committee have actively demonstrated their support for self-help housing and homeownership by building alongside Habitat for Humanity volunteers and homeowners to construct simple, decent Habitat homes. In fact, *The Houses the Senate Built* program has now recruited 60 U.S. Senators, including Senator Sarbanes, every single Member of the Housing and Transportation Subcommittee, and Senators Bayh, Johnson, Bennett, and Crapo to build homes in their own States during this year. Our hope is that this partnership with the Senate will place the issue of affordable housing at the forefront of the Nation's agenda and raise the awareness of the American public that access to affordable, decent, and safe housing is an opportunity every person and family should have.

Secretary Martinez has also reiterated this conviction and shown his unwavering commitment to homeownership, particularly for minorities and low-income persons—who fall far behind the Nation's historic homeownership rates. It has been an honor to work with the Secretary on several Habitat builds and he and his staff have put in countless hours on their most recent Habitat project, *The House the HUD Secretary Built,* in Southeast Washington, DC. Habitat for Humanity is firmly committed to working with the Secretary and the Department and with other housing groups, such as the Homeownership Alliance, to increase homeownership opportunities for low-income families and to enable more minorities to take advantage of the Nation's most vigorous housing market in history.

Habitat for Humanity has spent the past 25 years building affordable homes for homeownership in partnership with families who do not qualify for mortgages in the conventional market. Supported by private donations, Government partnerships to "set the stage," volunteer labor and homeowner's "sweat equity," the homes are sold for no profit and financed by zero-interest, long-term mortgages that each family can afford. The average Habitat house selling price was $48,585 in 2000. In September of that same year, we built our 100,000th house worldwide, providing shelter for more than half a million people. We have now built over 120,000 homes worldwide, with over 42,000 homes built and renovated in the United States, by 1,628 affiliates located in all 50 States. Habitat is operating in 84 countries worldwide with nearly 500 international affiliates. We have been named the 15th largest homebuilder in the United States, in units completed, according to *Builder Magazine.* The national foreclosure rate for a Habitat home is about 1 percent.

Our homeowner families are typically first-time homebuyers who earn wages below 50 percent of the area median. Just over 71 percent of Habitat homeowners are minority and almost half are single parents raising school-aged children. Homeowners contribute 300–500 hours of their own labor in the building of their house and other Habitat homes. By partnering with Habitat, families are able to move from substandard, deteriorating, overcrowded, and unsafe housing, sometimes even homelessness, into their very own homes they purchase with an affordable mortgage and build with their sweat of their brows. Homeownership impacts the lives of its homeowners beyond the building of a house: families gain substantial financial equity, stability for their children, an enhanced sense of pride, safety and dignity, and a legacy to pass to their children.

Homeownership, particularly in areas blighted by disinvestment and economic distress, can be the key to community transformation, one house at a time. Homeowners are more likely to maintain their properties and be committed to the overall health of their neighborhoods. Stable housing attracts economic development, favorably impacts school systems, and promotes active community organizations. While it may not be an option for every family, homeownership is one of the most important building blocks for stronger communities and families.

The success of Habitat for Humanity in creating homeownership opportunities for thousands of Americans who would otherwise never have the chance to own their own home is, in part, due to the generous support of Congress and the Administration. Since 1996, Congress has appropriated funding for the Self-Help Homeowner-

ship Opportunity Program, commonly known as SHOP, and the Capacity Building for Habitat for Humanity Program, part of the Section 4 Capacity Building funds that benefit other housing and community development organizations. To date, funding received by Habitat for Humanity for SHOP alone will change the lives of over 26,000 people—including almost 17,000 children—who would not become homeowners otherwise. We are deeply grateful for this funding and pleased that the Administration has announced a significant increase in the SHOP program. The success of the SHOP program speaks for itself and we urge Congress to consider SHOP as an essential piece of the Nation's overall strategy to expand homeownership to low-income households.

Self-Help Homeownership Opportunity Program (SHOP)

Congress originally authorized the SHOP program in 1996. It is a competitive grant program, administered by HUD, providing funds to nonprofit, self-help housing organizations to "set the stage" for building homes below prevailing market rates; money can only be used to purchase land and fund infrastructure expenses, such as streets, utilities, water and sewer connections, and environmental clean-up. For every $10,000 SHOP award, on average, one home must be constructed. SHOP families invest 250–500 hours in sweat equity and earn below 80 percent of the area median income. SHOP funds have been used to complement the work of Habitat affiliates in every State, making it possible for our larger affiliates to build multi-lot Habitat neighborhoods, for fledging, all-volunteer-run affiliates to establish regular building programs, and for every affiliate in-between to overcome the largest obstacle to house building—land and infrastructure expenses.

Habitat for Humanity competes with other nonprofit housing organizations for the use of SHOP funds and our affiliates, in turn, compete for the funds awarded to Habitat for Humanity International (HFHI). Historically, our affiliate's requests have exceeded available funds by over 40 percent. In the past round of fiscal year 2001 SHOP awards, our affiliates requested $28 million from an available $11 million award from HUD. HFHI anticipates requests to exceed $30 million from affiliates for the fiscal year 2002 round of funding, yet to be awarded from HUD. It is our firm belief that the infusion of even more Federal money into the SHOP program will result in a substantial increase in requests from affiliates. In fact, the most common request we receive in the HFHI/Washington Office from local affiliates all over the country is regarding additional funding for SHOP. The cost of land and site development has increased so much that affiliates receiving SHOP awards in each of Habitat's eight regions far exceeds the average SHOP award; nationally, the combined average of land and infrastructure expenses is $21,720. This amount must be raised by affiliates before house construction can even begin.

The success of the SHOP program can be measured by numbers of homes produced: With the inclusion of the fiscal year 2001 awards, when mandated deadlines are met, SHOP funds will result in a total of 7,382 homes. This translates into 26,132 Americans whose lives have been changed—over 16,551 of whom are children—living in their own home. For every $10,000 investment, the dream of homeownership becomes a reality. SHOP can also be measured by the amount of private resources leveraged. Habitat affiliates and other self-help housing groups raise an additional 4 to 10 times the amount of the initial investment of $10,000 to construct each house.

The other large user of the SHOP program is the Housing Assistance Council (HAC), a national nonprofit technical assistance organization. In five SHOP competition rounds since 1996, HUD has awarded $37 million to the Housing Assistance Council. HAC conducts its own competitions and has passed this funding on to 137 local nonprofits in 40 States, helping 4,368 low-income families build self-help homes using sweat equity, mostly in rural areas. Two thousand four hundred fifty of those homes are fully or substantially complete, with the rest in various stages of development. The families are all first-time homebuyers and put an average of nearly 1,000 hours of sweat equity into their houses. In most of the local programs, the homebuilding families work together in groups of 8 to 10. They learn about their homes by building them and develop a community by working together.

Some of the local groups that are using HAC's SHOP program include Colorado Housing Inc., Community Action Commission of Fayette County (based in Ohio), Florida Low-Income Housing Associates, Interfaith Housing of Western Maryland, Proyecto Azteca (based in the Texas colonias), Self-Help Enterprises (in rural California), Self-Help Housing Corporation of Hawaii, and Southern Maryland Tri-County Community Action.

Habitat for Humanity and the Housing Assistance Council recommend the following proposal to enhance the effectiveness of the SHOP program: Increase the current limit of $10,000 per unit to at least $15,000 per unit to more accurately re-

flect the actual cost of acquiring and developing land, and enable the HUD Secretary to determine a higher average, via a waiver, for housing in particular geographic regions where elevated land costs and infrastructure improvements make the cost of acquisition too costly for affordable housing development. According to our data, the national average per unit cost to "set the stage" for building a Habitat house is $21,720 ($10,217 for land and $11,512 for infrastructure). Data from HAC reveals similar land and development costs of $22,000 per unit. In some regions of the country, the cost of land and site development is so astronomical that additional resources of 4 to 10 times the amount of a SHOP award is needed before construction on the house can commence, creating serious obstacles for affiliates and other self-help housing developers in the area. Consider the cost of land and site development for the following Habitat affiliates:

- Southern Santa Barbara County Habitat for Humanity—$112,500.00
- Habitat for Humanity of Northern Virginia—$83,333.00
- Arundel, Maryland Habitat for Humanity—$28,111.00
- Metro Denver Habitat for Humanity—$35,000.00
- Greater Portland, Maine Habitat for Humanity—$47,000.00
- Bend, Oregon Habitat for Humanity—$34,250.00
- Habitat for Humanity of Suffolk, New York—$38,700.00

The Housing Assistance Council also reports that many of its users of SHOP funds have very high land and site development costs. Some examples include:

- Burbank Housing Development Corp., California—$40,000.00
- Peoples' Self-Help Housing, California—$50,889.00
- Colorado Rural Housing Development Corp.—$20,265.00
- Self-Help Housing Corp. of Hawaii—$86,765.00
- Interfaith Housing of Western Maryland—$36,306.00
- Rural Development Inc., Massachusetts—$25,600.00
- SE Wisconsin Housing Corp.—$32,091.00

It is our hope that HUD and Congress will support raising the maximum SHOP award to at least $15,000, as we strongly believe this change will make SHOP even more competitive and attractive to affiliates and other self-help housing groups, who will work even harder to find the additional private resources necessary to pursue their building programs.

Capacity Building for Community-Based Housing Groups

Capacity Building is the key to increasing the organizational strength of community-based nonprofits. The Capacity Building for Habitat for Humanity Program, as part of Section 4 Capacity Building funds which benefit notable groups such as LISC and the Enterprise Foundation, enable Habitat affiliates to impact communities on an even more significant scale by jumpstarting house production. Habitat affiliates essentially operate as local Community Development Corporations (CDC's), with their own elected board and 501(c)(3) nonprofit statuses. Many affiliates have no paid staff and must rely on the good will and hard work of volunteers. Thus the challenge for Habitat for Humanity is to provide technical assistance, training, information, and motivation to increase local building capacity.

The Capacity Building for Habitat for Humanity Program, in its fifth year of funding, has been used to:

- Provide local volunteers with the skills, training, and knowledge for developing resources through fundraising and securing gifts-in-kind from the private sector—including faith-based organizations, businesses, foundations, civic clubs, labor unions, individuals, and others.
- Foster new local, regional, and State official partnerships with organizations and groups such as college and university campus chapters, faith-based groups, civic clubs, prisons, professional groups, including realtors, bankers, homebuilders, unions, local government, labor, etc. to enhance the productivity of local affiliates.
- Recruit and train local volunteers in communication skills and in ways to use media opportunities to raise awareness and the public conscience to eliminate substandard housing and to provide opportunities for every American to achieve the dream of homeownership.
- Recruit persons for local board membership who have the leadership skills and the diversity needed and to provide board development opportunities.
- Provide funding on a diminishing basis for affiliates to hire first-time staff or staff for new positions that contribute to the affiliate's growth, so that more people are working at the local level to make housing happen.
- Provide training opportunities via electronic, web-based communication to result in securing resources, understanding new methods of construction, discovering sources for training and technical advancement, etc.

- Focus efforts on the special housing needs and challenges in Rural Areas, Native American Indian communities, the Colonias, and other populations traditionally underserved by current housing programs and resources.

Within the context of requirements and regulations established for Capacity Building for Habitat for Humanity funds, HFHI also conducts training and development of local affiliates at the local level, working with groups of 30–40 affiliates through its affiliate support system; at the State level in all 50 States; through its eight regional offices; and nationally. The program includes conferences, training events, specialized technical assistance instruction, and provision of leadership at every possible level. Because the majority of Habitat affiliates are located in rural locations, a major focus is on the unique rural needs for training and technical assistance. Likewise, special focus is made on training and assistance for crucial urban areas where housing needs are so great and which present unique challenges, calling for specialized training and technical assistance.

Like the SHOP program, the success of the Capacity Building for Habitat for Humanity program is measured by the increase in numbers of families housed. In the first round of the Capacity Building grant program, 60 Habitat affiliates built 1,976 homes over the course of the 3 year grant—67 percent more houses than they built in the 3 years prior to the grant. In addition, affiliates must match every Capacity Building dollar with $3 of private, nongovernmental funds and increase their building capacity by a minimum of 15 percent. This requirement has also been far surpassed; affiliates participating in the 1998 program alone have raised $146 million in private funds to match the $4.5 million in Capacity Building dollars. It is our hope that Congress will support the Administration's request of $5 million for the Capacity Building for Habitat for Humanity Program, as it is crucial to the building efforts of our local affiliates.

Single-Family Homeownership Tax Credit (SFHTC)

While not a part of the HUD budget request, it is important to mention that the Administration has made a significant housing proposal to promote affordable single-family housing development. Habitat for Humanity strongly supports the Administration's goal to increase homeownership and affordable housing production through a Single-Family Homeownership Tax Credit, modeled after the highly successful Low Income Housing Tax Credit. The proposed credit of up to 50 percent for the costs of constructing new homes for homeownership or rehabilitating existing properties for families in low-income urban and rural neighborhoods will enable our local affiliates and other housing developers to bridge the gap between the cost of developing affordable housing and the price that low-income homebuyers can pay for a home.

The proposed tax credit will enable thousands of low-income renters to become first-time homeowners, increase the numbers of homeowners among African-American, Hispanic, and other minority families, and help to stabilize rising house prices due to an increase in the production and supply of affordable housing. The Single-Family Homeownership Tax Credit is more than a tool to expand homeownership to thousands of families; it is a catalyst for neighborhood revitalization and community development. The availability of a new tax credit for homeownership, in addition to other housing programs for low-income families, will expand the range of housing options for families and ultimately result in more families climbing the ladder to wealth and savings.

Conclusion

Mr. Chairman, Habitat for Humanity believes that now more than ever, our Nation must invest in those sources we value the most—family, home, faith, and community. These are the building blocks of great nations. To provide stable, affordable, decent homes for more families is perhaps one of the greatest investments the Federal Government can make to ensure the health and wealth of our Nation. It is our hope that as you review the Administration's fiscal year 2003 proposal for funding for housing programs for those in this country who can least afford adequate shelter, that you would support additional resources to enable low-income families to move from rental households into homeownership and capacity building assistance for front-line, community-based housing providers.

Thank you for this opportunity to testify.

Examples of HFHI SHOP Grant Recipients by State

State	Affiliate (City)	Grant Amount	Projected Houses
ALABAMA			
	HFH of Calhoun County (Anniston)	$322,237	33
	HFH of Morgan County (Decatur)	$26,274	4
	HFH of Baldwin County (Foley)	$166,400	18
	Shelby County HFH (Helena)	$118,900	12
	HFH of Russell Alabama (Phenix City)	$66,850	7
	HFH of Jackson County (Scottsboro)	$17,050	2
	ALABAMA Subtotal	**$717,711**	**76**
COLORADO			
	HFH of Boulder Valley (Boulder)	$150,000	15
	HFH of Estes Valley (Estes Park)	$18,660	2
	Blue Spruce HFH (Evergreen)	$116,660	12
	HFH of Fort Collins (Fort Collins)	$40,000	4
	HFH of Mesa County (Grand Junction)	$178,609	13
	Greeley Area HFH (Greeley)	$185,000	18
	HFH of Loveland Colorado (Loveland)	$74,640	8
	COLORADO Subtotal	**$1,532,800**	**159**
CONNECTICUT			
	HFH of Greater Bridgeport (Bridgeport)	$97,839	22
	Housatonic HFH (Danbury)	$20,000	2
	Hartford Area HFH (Hartford)	$624,570	57
	CONNECTICUT Subtotal	**$752,409**	**82**
DELAWARE			
	HFH of New Castle County (Wilmington)	$75,000	6
	DELAWARE Subtotal	**$75,000**	**6**
MARYLAND			
	Harford HFH (Aberdeen)	$50,000	5
	Arundel HFH (Arnold)	$398,306	39
	Sandtown HFH (Baltimore)	$2,301,420	248
	HFH of Talbot County (Easton)	$192,127	18
	Washington County HFH (Hagerstown)	$37,500	4
	Garrett County HFH (Oakland)	$73,342	8
	HFH of Maryland's Lower Shore (Salisbury)	$82,770	14
	MARYLAND Subtotal	**$3,165,437**	**339**

MICHIGAN			
	Alpena Area HFH (Alpena)	$59,537	7
	Huron Valley HFH (Ann Arbor)	$48,638	5
	HFH Detroit (Detroit)	$217,500	29
	Bay de Noc HFH (Escanaba)	$176,300	33
	Newaygo HFH (Fremont)	$147,092	15
	Otsego County HFH (Gaylord)	$20,000	2
	Gladwin County HFH (Gladwin)	$24,000	3
	HFH of Kent County (Grand Rapids)	$254,511	28
	Lakeshore HFH (Holland)	$315,000	21
	HFH of Mason County, MI (Ludington)	$15,000	2
	Marquette County HFH (Marquette)	$258,745	25
	Mecosta County HFH (Mecosta)	$91,500	6
	Midland County HFH (Midland)	$16,848	2
	HFH of Monroe County (Monroe)	$20,000	2
	HFH of Isabella County (Mount Pleasant)	$20,427	3
	Ontonagon County HFH (Ontonagon)	$40,080	3
	Blue Water HFH (Port Huron)	$34,000	3
	Roscommon County HFH (Prudenville)	$209,548	24
	Saginaw HFH (Saginaw)	$346,387	41
	Mid Thumb HFH (Sandusky)	$122,730	12
	Grand Traverse Region HFH (Traverse City)	$75,000	7
	MICHIGAN Subtotal	**$2,602,842**	**282**
NEBRASKA			
	HFH of Gage County (Beatrice)	$15,000	2
	Grand Island Area HFH (Grand Island)	$32,860	4
	Kearney Area HFH (Kearney)	$94,512	12
	Lincoln/Lancaster County HFH (Lincoln)	$187,783	16
	Norfolk Area HFH (Norfolk)	$15,550	2
	North Platte Area HFH (North Platte)	$33,154	5
	Omaha HFH (Omaha)	$370,000	47
	NEBRASKA Subtotal	**$748,859**	**88**
NEVADA			
	Las Vegas HFH (Las Vegas)	$28,888	4
	NEVADA Subtotal	**$28,888**	**4**
NEW JERSEY			
	Burlington County HFH (Beverly)	$81,370	12
	Raritan Valley HFH (Bridgewater)	$10,000	1
	Freehold Area HFH (Freehold)	$42,540	6
	Newark HFH (Newark)	$34,363	6
	Paterson HFH (Paterson)	$577,085	57
	Salem County HFH (Pedricktown)	$5,000	1

	HFH of Southern Ocean County (Tuckerton)	$137,990	12
	NEW JERSEY Subtotal	**$888,348**	**95**
NEW YORK			
	Capital District HFH (Albany)	$49,338	5
	Genesee Valley HFH (Alfred)	$10,000	1
	Broome County HFH (Binghamton)	$23,813	8
	New York City HFH (Brooklyn)	$593,260	60
	HFH of Schoharie County (Cobleskill)	$29,691	3
	SE Steuben County HFH (Corning)	$9,500	1
	HFH of Dutchess County (Fishkill)	$14,267	2
	HFH in Nassau County NY (Manhasset)	$3,671	2
	HFH of Suffolk (Middle Island)	$190,000	19
	HFH of Westchester (New Rochelle)	$60,000	6
	Livingston County HFH (Nunda)	$10,000	1
	Champlain Valley HFH (Peru)	$6,170	1
	Glens Falls Area HFH (Queensbury)	$82,335	11
	Adirondack HFH (Ray Brook)	$6,182	1
	Seneca County HFH (Seneca Falls)	$16,340	2
	Rockland HFH (Spring Valley)	$30,000	3
	Oneida County HFH (Utica)	$13,394	2
	NEW YORK Subtotal	**$1,147,960**	**128**
PENNSYLVANIA			
	HFH of the Lehigh Valley (Allentown)	$78,000	7
	HFH of Bedford County (Bedford)	$40,000	4
	HFH of Franklin County (Chambersburg)	$40,000	4
	HFH of Chester County (Coatesville)	$258,460	31
	HFH of Pike County (Dingmans Ferry)	$20,000	2
	HFH of Greater Bucks (Doylestown)	$97,340	12
	Pittsburgh HFH (Duquesne)	$50,020	6
	HFH of Greater Harrisburg Area (Harrisburg)	$87,340	8
	HFH of Lebanon County (Lebanon)	$46,340	4
	HFH of Montgomery County (Norristown)	$40,000	4
	N. Central Philadelphia HFH (Philadelphia)	$157,314	15
	West Philadelphia HFH (Philadelphia)	$30,680	4
	Penn-York Valley HFH (Sayre)	$30,000	2
	HFH of Lackawanna County (Scranton)	$110,000	11
	Tri-County Pennsylvania HFH (State College)	$30,000	3
	Williamsport/Lycoming HFH (Williamsport)	$21,845	2
	York HFH (York)	$25,376	6
	PENNSYLVANIA Subtotal	**$1,162,715**	**125**
RHODE ISLAND			
	HFH for South County, Rhode Island (Kingston)	$357,415	35
	HFH of West Bay and Northern RI (Warwick)	$16,340	2
	RHODE ISLAND Subtotal	**$373,755**	**37**

TEXAS			
	Austin HFH (Austin)	$461,483	33
	Beaumont HFH (Beaumont)	$70,350	10
	Bryan/College Station HFH (Bryan)	$190,617	21
	Dallas HFH (Dallas)	$932,007	85
	HFH of Denton (Denton)	$54,462	6
	HFH of El Paso (El Paso)	$119,192	8
	Fort Worth Area HFH (Fort Worth)	$702,560	145
	HFH of Greater Fredericksburg, TX (Fredericksburg)	$34,500	3
	Gainesville Area HFH (Gainesville)	$9,000	2
	HFH of Hood County (Granbury)	$28,250	5
	HFH of Northwest Harris County (Houston)	$425,909	39
	Houston HFH (Houston)	$784,022	78
	Walker County HFH (Huntsville)	$61,278	4
	Nacogdoches HFH (Nacogdoches)	$3,634	1
	HFH of San Angelo (San Angelo)	$44,462	6
	San Antonio HFH (San Antonio)	$310,700	33
	Belton/Temple HFH (Temple)	$80,000	8
	HFH of Smith County (Tyler)	$125,000	13
	Victoria HFH (Victoria)	$226,223	26
	TEXAS Subtotal	**$4,663,649**	**526**
WYOMING			
	The Heart of Wyoming HFH (Casper)	$86,678	9
	HFH of the Greater Teton Area (Jackson)	$75,000	3
	HFH of Albany County, WY (Laramie)	$16,830	3
	HFH of the Wind River County (Riverton)	$15,300	3
	HFH of Eastern Bighorns (Sheridan)	$54,089	6
	WYOMING Subtotal	**$247,897**	**24**
	GRANT TOTALS:	**$71,063,905**	**7,961**

The following Senators have committed themselves to building Habitat houses in their states.

Senator Akaka: *Honolulu Habitat for Humanity*
Senator Allard: *Habitat for Humanity of Loveland*
Senator Baucus: *Helena Habitat for Humanity*
Senator Bayh: *Habitat of Greater Indianapolis*
Senator Bennett: *Salt Lake Valley Habitat for Humanity*
Senator Biden, Jr.: *Habitat of New Castle County*
Senator Boxer: *Solano County Habitat for Humanity*
Senator Brownback: *Wichita Habitat for Humanity*
Senator Carper: *Sussex County Habitat for Humanity*
Senator Chafee: *Providence Habitat for Humanity*
Senator Chafee: *East Bay Habitat for Humanity*
Senator Chafee: *West Bay Habitat for Humanity*
Senator Chafee: *South County Habitat for Humanity*
Senator Cleland: *Atlanta Habitat for Humanity*
Senator Clinton: *Flower City Habitat for Humanity*
Senator Cochran: *Leland Habitat for Humanity*
Senator Collins: *Androscoggin Habitat for Humanity*
Senator Conrad: *Missouri Valley Habitat for Humanity*
Senator Corzine: *Camden Habitat for Humanity*
Senator Craig: *Boise Habitat for Humanity*
Senator Crapo: *Idaho Falls Area Habitat for Humanity*
Senator Dayton: *Twin Cities Habitat for Humanity*
Senator DeWine: *Eastside Coalition of Cincinnati Habitat for Humanity*
Senator Dodd: *Habitat of Northern Middlesex County*
Senator Dorgan: *Missouri Valley Habitat For Humanity*
Senator Ensign: *Las Vegas Habitat for Humanity*
Senator Ensign: *Truckee Meadows Habitat for Humanity*
Senator Enzi: *The Heart of Wyoming Habitat*
Senator Feingold: *Rock County Habitat for Humanity*
Senator Feinstein: *Peninsula Habitat for Humanity*
Senator Bob Graham: *Tallahassee Habitat for Humanity*
Senator Hagel: *Kearney Habitat for Humanity*
Senator Hatch: *Salt Lake Valley Habitat for Humanity*
Senator Hutchinson: *Springdale Habitat for Humanity*
Senator Hutchison: *Dallas Habitat for Humanity*
Senator Inhofe: *Central Oklahoma Habitat for Humanity*
Senator Inouye: *Honolulu Habitat for Humanity*
Senator Johnson: *Brookings Habitat for Humanity*
Senator Kohl: *Rock County Habitat for Humanity*
Senator Landrieu: *New Orleans Area Habitat for Humanity*
Senator Landrieu: *Northwest Louisiana Habitat for Humanity*
Senator Levin: *Detroit Habitat for Humanity*
Senator Lincoln: *Fayetteville Area Habitat for Humanity*
Senator Lott: *Metro Jackson Habitat for Humanity*
Senator Mikulski: *Arundel Habitat for Humanity*
Senator Murray: *Habitat for Humanity of Kitsap County*
Senator Ben Nelson: *Grand Island Area Habitat for Humanity*
Senator Bill Nelson: *Habitat for Humanity of Greater Orlando Area*
Senator Jack Reed: *Providence Habitat for Humanity*
Senator Jack Reed: *East Bay Habitat for Humanity*
Senator Jack Reed: *West Bay Habitat for Humanity*
Senator Jack Reed: *South County Habitat for Humanity*
Senator Roberts: *Lawrence Habitat for Humanity*
Senator Santorum: *Pittsburgh Habitat for Humanity*
Senator Sarbanes: *Sandtown Habitat for Humanity*
Senator Schumer: *Flower City Habitat for Humanity*
Senator Sessions: *Montgomery Habitat for Humanity*
Senator Shelby: *Habitat for Humanity of Tuscaloosa*
Senator Gordon Smith: *Portland Habitat for Humanity*
Senator Snowe: *Bath Brunswick Area Habitat for Humanity*
Senator Stabenow: *Detroit Habitat for Humanity*
Senator Stabenow: *Marquette County Habitat for Humanity*
Senator Stabenow: *Habitat for Humanity of Kent County*
Senator Thomas: *Heart of Wyoming Habitat for Humanity*
Senator Thurmond: *Aiken County Habitat for Humanity*
Senator Voinovich: *Habitat for Humanity of Greater Cleveland*
Senator Warner: *Habitat for Humanity of Northern Virginia*
Senator Wellstone: *Twin Cities Habitat for Humanity*

The Homeownership Alliance applauds

the United States Senate for its

leadership in Habitat for Humanity International's program

The Houses The Senate Built.

Through this historic initiative, U.S. Senators

partner with Habitat for Humanity

affiliates to build houses in their own states,

expanding the dream of homeownership

to all Americans regardless of economic status.

The Houses The Senate Built, established in June 2000, resolved for the Senate to build two houses with Habitat for Humanity International in the Washington, DC area, and for each Senator to sign up to build a house with a Habitat affiliate in his or her state by the end of this legislative session.

The Homeownership Alliance commends the Senate for helping Habitat for Humanity in their mission to eliminate substandard housing and homelessness worldwide. Since its formation in 1976, Habitat for Humanity has constructed over 120,000 homes, in 83 nations, improving the lives of thousands of families.

To get involved in the program, please contact Amy Taylor at Habitat for Humanity International (202) 628-9171, ext 111 or ataylor@hfhi.org.

PREPARED STATEMENT OF SHEILA CROWLEY

PRESIDENT AND CHIEF EXECUTIVE OFFICER,
NATIONAL LOW INCOME HOUSING COALITION

FEBRUARY 13, 2002

Chairman Sarbanes and Members of the Committee, it is an honor to be asked to testify today on the fiscal year 2003 HUD budget and the degree to which the President has addressed the critical housing needs of families and individuals in the United States through his budget proposal. I appreciate the opportunity to be here today with Secretary Martinez and the other witnesses you have called.

I am Sheila Crowley, President and Chief Executive Officer of the National Low Income Housing Coalition, representing our members across the country who share our goal of ending the affordable housing crisis in America. Our members include nonprofit housing providers, homeless service providers, fair housing organizations, State and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and State government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens.

An assessment of the fiscal year 2003 HUD budget proposal is only meaningful if we ask "in comparison to what?" Compared to what many people feared the fiscal year 2003 HUD budget proposal would be with the return of the Federal budget deficit, the President's proposal is a relief. Compared to the fiscal year 2002 HUD appropriations bill, the President's proposal is remarkably similar, with a few variations in either direction. Compared to the HUD budget in the last year of the Ford Administration, the fiscal year 2003 HUD budget proposal is a shadow of its former self. (See Appendix A.) Compared to the housing needs of low-income Americans, the President's fiscal year 2003 HUD budget proposal is wholly inadequate. Compared to what the Federal Government could afford to invest in low-income housing if addressing critical housing problems were a real, not a rhetorical, priority, the President's fiscal year 2003 HUD budget proposal is unacceptable.

I would like to use the time you have provided me today to make the case for increased Federal investment in low-income housing. In my written statement, I address a series of specific policy issues that are part of the budget proposal, which we recommend that the Committee carefully examine. Briefly, these include the OTAG–ITAG crisis, use of Interest Reduction Payments for preservation of assisted housing, transfer of the Emergency Food and Shelter Program from FEMA to HUD, renewals in the Shelter Plus Care, Section 811, and Section 202 programs, combining the three competitive programs under McKinney–Vento Homeless Assistance Programs, reduction of capital funds for public housing, defunding of HUD's Rural Housing and Economic Development Program, redistribution of CDBG formula, and voucher utilization.

The Affordable Housing Crisis

The extent and depth of the low-income housing shortage is well-documented. While some may make different assertions about causality, anyone who has seriously examined the numbers agrees that we have an acute problem. Anyone who reads a daily paper is confronted with article after article about some aspect of the housing crisis—skyrocketing rents, growing numbers of homeless families, Federal housing assistance waiting lists closed because they are too long, owners of assisted housing opting out of the Section 8 program, demolition of public housing, former welfare recipients struggling to pay rent on below poverty level wages, families living in unhealthy and unsafe housing because it is all they can afford, vacant property abandoned by owners who cannot pay the taxes, and so on. These stories and many more like them have crossed my desk in the last few weeks.

Let us run by the numbers again. The National Low Income Housing Coalition's analysis of the 1999 American Housing Survey data shows that there are 15,500,000 households in the United States who pay more than half of their income for their housing, live in severely substandard housing, or both. The majority of these households—11 million—have extremely low incomes, that is, incomes at or below 30 percent of the area median. Because the American Housing Survey only counts people who are housed, to get a true picture of the number of extremely low-income households with severe housing problems, we must add the estimated 2,000,000–3,000,000 homeless families and individuals to this number. That takes us to around 14 million very poor households with serious housing problems. These include both renters and homeowners, and comprise over 13 percent of all households

in the country.[1] Imagine what would happen if 13 percent of households in America did not have clean water or did not have access to basic transportation. Imagine what we would do if this many people in our country contracted a serious illness that the private health care system could not treat. In many ways the true extent of the affordable housing crisis can be invisible because so many people hold on by their fingertips and their plight only becomes visible if they lose their grip in this very dangerous game of musical chairs.

Another way to frame the problem is with the use of the measure of unaffordability that we call the housing wage, which Senator Sarbanes and many others have cited to illustrate the severity of housing unaffordability. Using readily available data and standard assumptions about housing and labor, we determine the hourly wage that one must earn to be able to afford modest rental housing if one works full time (40 hours a week for 52 weeks a year) and pays no more than 30 percent of income for housing. We use HUD's fair market rent as the proxy for rental housing cost because it is the only housing measure that is standardized jurisdiction-by-jurisdiction, and because it represents what HUD says is the necessary rent to be paid to afford housing that is decent and safe. In most places that is the 40th percentile of rental housing costs in that jurisdiction, meaning 40 percent of the rental housing is priced at the fair market rent or less and 60 percent of the rental housing is above the fair market rent.

Although the housing wage is best understood as a local estimate of housing costs, we can aggregate the data to the State and national level. The housing wage ranges from $8.50 an hour in West Virginia to $18.33 an hour in California. In response to an assertion by an Administration official last summer that if a family had two minimum wage earners, it could afford rental housing anywhere in the country, we showed in our 2001 housing wage analysis that in 33 States and the District of Columbia that even two full time minimum wage earners is insufficient and in three States—New Jersey, New York, and Hawaii—even three jobs at the prevailing minimum wage is not enough.[2]

The disparity between income and housing costs has serious implications for policy objectives that some may not associate with the housing crisis. Across the political spectrum, welfare policy analysts are calling attention to the impediment to success of welfare reform created by the lack of housing that is affordable to former welfare families. To quote a Hudson Institute report about welfare reform in Wisconsin, "Success in the labor market and success in the housing market are inextricably linked. Although an employed parent is more able to afford decent housing and a parent living in stable housing is more likely to be able to find employment, it is no longer the case that success in the labor market guarantees success and stability in the housing market."[3] Unfortunately, the proposed HUD budget makes no mention of the vital role that housing assistance plays in welfare reform, nor does the proposed HHS budget address housing in its provisions for TANF and plans for its reauthorization this year.

Housing stability is essential to family stability, which is essential to child well-being. Families with high housing costs burdens are often excessively mobile. That means that children move from school to school, getting further behind academically and socially with each move. High housing cost burdens mean parents have to work many extra hours leaving them less time for parenting duties. The stress of homelessness, frequent moves, choosing between paying the rent or buying food, and the resultant feelings of powerlessness and despair inhibit parenting capacity and leave children vulnerable to abuse and neglect. Housing is the bedrock upon which families thrive and failure to address the lack of affordable housing is antifamily.

It is not just low-income families who are adversely affected by the lack of affordable housing choices. Disabled people who rely on Supplemental Security Income have the most acute housing cost burdens. On a national aggregate, they must pay 98 percent of their income for a one bedroom rental unit, making independent living without additional assistance a virtual impossibility.[4]

People of a certain age can remember the time before the onset of contemporary homelessness. There were lots of poor people in 1970, but there was a small surplus

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[1] Cushing N. Dolbeare. (2001). *Low-income housing profile.* National Low Income Housing Coalition, *www.nlihc.org.*

[2] Jennifer Twombly *et al.* (2001). *Out of reach: The growing disparity between wages and rents in America.* National Low Income Housing Coalition. *www.nlihc.org.*

[3] Rebecca Swartz *et al.* (2001). *Making housing work for working families.* Madison, WI: The Hudson Institute.

[4] Ann O'Hara and Emily Miller. (2001). *Priced out in 2000: The crisis continues.* Boston, MA: Technical Assistance Collaborative.

of housing that they could afford.[5] Over the past two decades, we have experienced a steady erosion of the housing stock that is affordable to the lowest-income people. The sharp Federal disinvestment in low-income housing assistance that began in the late 1970's[6] correlates with the rise in homelessness in the 1980's. Had we continued to fund low-income housing assistance at the level authorized in the mid-1970's, it is safe to say that we could have prevented much of the homelessness at the end of the 20th century and the housing shortage we are experiencing today would not be as serious.

This is not to say that there has not been affordable housing development. The Low Income Housing Tax Credit has produced over 1,000,000 units of rental housing. The HOME program has been used for over 10 years to produce yet more houses and provide additional rent assistance. But the American Housing Survey data clearly show that there has been a precipitous drop in the number of units affordable to the lowest-income households, while there has been an increase in the numbers of affordable homes for families in the upper tier of the low-income eligible population. Between 1991 and 1999, there was a 14 percent decline in the number of units affordable to extremely low-income renters, nearly a million units.[7]

It is important to translate what extremely low income means in the real lives of ordinary people. The official definition is family income at 30 percent or less of the area median. In Washington, DC, that is $18,390 a year. These are people who make up the workforce on which all of us depend to do their jobs so we can do ours. These are day care workers, hotel staff, cashiers, health care aids, wait staff, office cleaners, receptionists, and other essential members of the workforce.

In light of these data, the proposed fiscal year 2003 HUD budget has serious shortcomings. Most of the proposed increase will simply allow HUD to stay in place. The only thing that the President's proposal does to expand housing choices for those with the most serious housing problems is to call for 34,000 new housing vouchers. While the proposals to expand downpayment assistance and to add a Low-Income Homeownership Tax Credit are laudable, they do very little to ease the affordable housing shortage for the lowest-income people. While the declaration to end long-term homelessness in the budget blueprint is an important statement, in the absence of new investment in housing production, it is an empty statement.

What Should We Do?

Solving the affordable housing crisis is well within the capacity of American ingenuity and resolve. We know how to build the best housing in the world. We have nonprofit, for-profit, and public housing sectors that stand ready to produce, preserve, and rehabilitate enough housing for all American households. What is needed is the political will to advocate for renewed Federal investment.

There are three basic ways to end the affordable housing crisis and a comprehensive strategy must include all three. One, we must improve the ability of low-income people to compete in the housing market by improving their earning capacity and passing living wage ordinances and increasing the minimum wage, or by subsidizing the differences between what they can afford and what housing costs through housing vouchers. Although more housing vouchers each year has become a key symbol of forward movement, the number of new vouchers each year has been miniscule compared to the need. Further, problems with voucher utilization in many communities indicate that simply adding more tenant-based assistance is not enough.

The second thing we need to do is preserve the viable publicly assisted housing we have, both Section 8 project-based and public housing. We have lost over 150,000 units of assisted housing in the last 6 years through opt outs and prepayments.[8] Public housing is lost to demolition and disposition, as well as HOPE VI. We should eliminate poor quality housing, but we cannot afford to continue to lose this housing stock in the absence of a commitment to replace it.

Finally, we must build new housing. The need for renewed Federal investment in the production of housing affordable for the lowest-income households is widely recognized and should be a Federal priority. Despite the relative cost effectiveness of vouchers over production, when there is an absolute shortage of physical units such

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[5] Jennifer Daskal. (1998). *In search of shelter: The growing shortage of affordable rental housing.* Washington, DC: Center on Budget and Policy Priorities.

[6] Cushing N. Dolbeare. (2001). *Changing priorities: The Federal housing budget 1976–2006.* National Low Income Housing Coalition. *www.nlihc.org.*

[7] Kathryn P. Nelson. (May 3, 2001). *What do we know about shortages of affordable rental housing?* Testimony before House Committee on Financial Services, Subcommittee on Housing and Community Opportunity.

[8] National Housing Trust. (2002). "Summary of opt out data and summary of prepayment data." Washington, DC: Author.

as exists now, production fulfills important policy objectives.[9] What is most disappointing about the President's fiscal year 2003 HUD budget is its failure to address production needs in the face of such overwhelming need.

The National Low Income Housing Coalition and 1,900 partner organizations across the country are calling for the establishment of national housing trust fund capitalized with dedicated sources of revenue sufficient to produce and preserve 1,500,000 homes for the lowest-income households. Housing trust funds are a proven approach to funding affordable housing programs as evidenced by the over 200 State and local jurisdictions that have established housing trust funds in the last 15 years. Most recently, Los Angeles established a housing trust fund capitalized with a range of funding sources identified by the mayor totaling $100 million in 10 years. We look forward to a debate on S. 1248, the National Affordable Housing Trust Fund Act, in the Banking Committee this year.

Policy Issues of Concern

The Continuing OTAG–ITAG Crisis

Despite clear direction by Congress to do so last December, HUD has yet to release funds to pay outstanding invoices to OTAG and ITAG grantees as well as the Corporation for National and Community Service for their work to preserve the assisted housing stock. We cannot stress strongly enough the urgency of this problem. Many community-based, nonprofit organizations have not been paid for their work and the consequences to these organizations are dire. Several have laid off staff and others have gone into debt to maintain services in anticipation of receipt of money owed. These are small organizations that are at risk of going out of business if HUD does not pay them immediately. The damage to these organizations is obvious. HUD should be keenly worried about the damage it does to the Department's credibility, especially given the Secretary's promise to make HUD more efficient and effective. Most critical, however, is the damage that will be done to residents, many of whom are elderly and disabled, when their housing is jeopardized. We urge the Committee in the strongest possible terms to demand that HUD make these payments in accordance with what Congress explicitly directed HUD to do.

Interest Reduction Payments

Section 531 of the HUD Multifamily Housing Reform provisions of the 1998 HUD–VA Appropriations Act provides that HUD may take "recaptured" Interest Reduction Payments (IRP) from the termination of Section 236 mortgages and convert such funds into grants for the capital costs of rehabilitation to owners of certain projects. Adopted over 4 years ago, the provisions of Section 531 have unfortunately never been implemented by HUD. Meanwhile, millions of dollars of "recaptured" Interest Reduction Payments have been building up. There is a provision in the fiscal year 2003 proposed HUD budget that appears to indicate that these funds should now become available. These IRP recaptured funds are a precious resource for the long-term preservation of the low-income housing. We ask that the Committee direct HUD to assure that prepayment recaptures can be used to help recapitalize and assist in the financing of HUD insured and assisted housing stock.

Transfer of the Emergency Food and Shelter Program from FEMA to HUD

The Administration proposes to shift responsibility for the Emergency Food and Shelter Program from FEMA to HUD. We urge the Committee to oppose this move. This program has been one of the most effective means to distribute funds to needy families ever devised by the Federal Government. Administered by a national board of social service and faith-based organizations, these funds are spent quickly, effectively, and preventively to keep millions of people from losing their homes. Given HUD's poor track record of administering funds in a timely fashion, we have serious questions about the efficacy of such a transfer.

Renewals of Shelter Plus Care, Section 811, and Section 202

A lingering unresolved policy issue is the future of housing subsidies begun under specific programs that then must be renewed each year within the total funds provided for these programs. It is essential that we assure sufficient funds for renewal of housing assistance provided through the Shelter Plus Care, Section 811, and Section 202 programs. For example, while the President's fiscal year 2003 HUD budget request does include a $10 million increase for the Section 811 program for people with disabilities, it is expected that renewal of expiring tenant-based rent subsidies under the Section 811 program will cost $32 million in fiscal year 2003. The absence

[9] U.S. General Accounting Office. (January, 2002). *Federal housing assistance: Comparing the characteristics and costs of housing program.* Washington, DC: Author.

of separate funding to account for upcoming rent subsidy renewals in the Shelter Plus Care, Section 811, and Section 202 programs results in actual program funds being reduced. We urge that renewals for these programs be shifted to the Housing Certificate Fund and considered along with all other rental subsidy renewals.

Combining the Three Competitive Programs in HUD's McKinney–Vento Homeless Assistance Program

We applaud the move to make these funds more flexible and giving local service delivery systems discretion in how best to use these funds in their individual communities. However, we continue to object in the strongest possible terms to the block granting of McKinney–Vento Homeless Assistance Programs and trust that is not what HUD has in mind.

Reduction of Capital Funds for Public Housing

While we appreciate the attempt to encourage public housing agencies to experiment with new ways of solving old problems, we do not think that the capital fund should be reduced unless and until there is evidence that such an experiment is successful. Rather than reduce capital funds for public housing, we would urge HUD to help public housing agencies to spend their capital funds more efficiently. Public housing is publicly owned physical structures and the taxpayers have the right to expect that the responsible agencies maintain them in good repair and plan for their long-term use. For example, an appropriate use of new public housing capital funds would be to retrofit elderly housing to accommodate the changing physical and social needs of residents to allow them to "age in place."

Defunding HUD's Rural Housing and Economic Development Program

This is a small, but important, program that improves the capacity of nonprofit housing providers to develop affordable housing, in rural areas. The argument that a rural program at HUD is duplicative of USDA programs ignores the fact that all formula-based programs administered by HUD provide funds to rural areas. Cutting this program is penny wise and pound foolish.

Redistribution of CDBG Formula

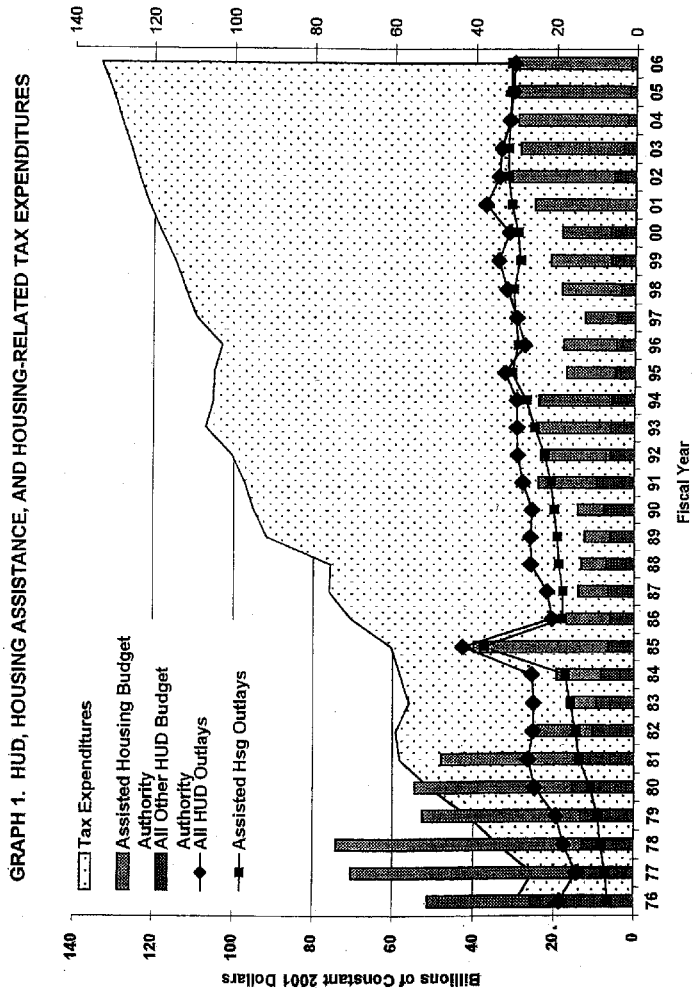
The President proposes to alter the CDBG formula so that the wealthiest communities will receive less money that then will be redirected to assist the Colonias. We certainly agree that the Colonias need and deserve an infusion of funds for a host of essential services, but it is unnecessary to take money that would help poor communities that happen to be in wealthier jurisdictions to help other poor communities. We can afford to do both if we only choose to.

Voucher Utilization

Finally, we look forward to working with the Committee in shaping legislation to improve voucher utilization and to continue to expand the creative use of tenant-based assistance. HUD is implementing a "use it or lose it" approach, which will redistribute housing vouchers from underutilizing communities to those that can use them effectively. This a good short-term approach to maximizing the value of housing vouchers. But the poor people in need of housing assistance in those communities that lose housing vouchers are the real losers. This brings us back to the fundamental housing problem that the President's fiscal year 2003 housing budget fails to address—investment in new rental housing production for extremely low-income families.

Thank you for the opportunity to represent the members of the National Low Income Housing Coalition at this important hearing.

Appendix A


GRAPH 1. HUD, HOUSING ASSISTANCE, AND HOUSING-RELATED TAX EXPENDITURES
Tax Expenditures
Assisted Housing Budget Authority
All Other HUD Budget Authority
All HUD Outlays
Assisted Hsg Outlays
Billions of Constant 2001 Dollars
0
20
40
60
80
100
120
140
76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06
Fiscal Year

PREPARED STATEMENT OF JOSEPH F. REILLY

SENIOR VICE PRESIDENT, JPMORGAN CHASE COMMUNITY DEVELOPMENT GROUP
ON BEHALF OF
THE NATIONAL ASSOCIATION OF AFFORDABLE HOUSING LENDERS

FEBRUARY 13, 2002

Good morning, my name is Joseph Reilly, and I am a Senior Vice President in the Community Development Group at JPMorgan Chase. During the 24 years I have been involved in affordable housing and community development, I have seen the issues from a variety of perspectives: A faith-based organization, the Northwest Bronx Community and Clergy Coalition; New York City's Department of Housing Preservation and Development; and now with JPMorgan Chase, where I manage a staff of 40 professionals who finance affordable housing and commercial real estate projects in areas served by our bank. Over the past 5 years, JPMorgan Chase has provided over $2.6 billion in community development financing. We continue to seek new and innovative ways to provide financing which will strengthen the communities we serve.

While much has been done to solve the problems American families are facing in finding decent, affordable housing, much remains to be done. Many high-cost areas like New York suffer from a profound shortage of both rental housing and homeownership opportunities, not only for very low-income families but also for low- and moderate-income families. We have a growing crisis that requires the ongoing attention of policymakers, and both short-term and long-term measures to achieve our national goal of a decent home in a suitable living environment for all Americans.

Much Has Been Accomplished Over the Past Decade

The good news is that during the past decade our industry has experienced a significant strengthening in learning how to produce decent, affordable housing for low- and moderate-income families and communities. For-profit and nonprofit developers, lenders, investors, community leaders, and government at all levels have learned to collaborate as partners in devising new solutions and creative financing strategies for producing affordable housing in thousands of communities.

We have built the infrastructure necessary to have a major impact on housing needs, and coped with the often conflicting requirements of the many Federal, State, and local subsidies we need to do our work. We have learned over the years how to do it right—how to build affordable housing for rent and homeownership that contains a mix of incomes, that is built with the discipline of the private market and leverages public resources responsibly, that is of high quality and lasting value, that stays affordable over the long run, and that people are proud to call home.

Insured depository institutions like JPMorgan Chase are an important part of this infrastructure. The U.S. Treasury documented that, from 1993–1998, the amount of mortgage lending to low- and moderate-income communities and borrowers by CRA-covered lenders rose 80 percent. In 1998 alone, Treasury reported at least $135 billion in mortgages to these borrowers, made by insured depository institutions.

Three Major Constraints

As good as these solutions are, they come nowhere near meeting the need. The public, nonprofit, and for-profit organizations that have mobilized and partnered to provide affordable housing face three major constraints in our ability to deliver more decent, affordable units.

First, Federal funds are often encumbered by well-meant legislative and regulatory constraints that impair needed flexibility to meet community needs. Sometimes, something gets lost in the translation of housing policy when it is regulated into practice. And inevitably, the more tightly the subsidies are targeted to those most in need, the greater the financing gap and the harder it is to make the deal economically viable.

Second, we could finance more affordable housing if we had more resources. The past decade has confirmed that there is no magic to the provision of affordable rental housing. Affordable housing can only be built if public subsidies fill the gap that exists between what families can afford to pay and the costs associated with the construction, operation, and maintenance of decent, affordable housing.

Federal programs such as HOME, CDBG, and the Low Income Housing Credit have played valuable roles in helping to fill that gap, but rarely do it alone. For example, many housing credit deals in low-income communities require additional subsidies to fill financing gaps. But funding levels for all Federal programs have failed to keep pace with rapidly growing need, and these programs come with complex requirements that slow, or even discourage, development of new units.

Unfortunately, over the past decade the focus at the Federal level has shifted to demand-side subsidies, which do not increase the supply of affordable units. In addition, there is an aging housing stock of affordable units that needs new roofs, new mechanicals, and sometimes new systems to remain viable, at the same time that communities are seeking to replace the old public housing units with mixed-income, affordable housing.

Third, in some States there is a scarcity of permanent financing for multifamily affordable housing. Affordable housing developments often involve subordinated debt and low-income housing tax credits that make multifamily mortgages "nonconforming" for sale to the secondary market.

To Do: Short-Term Ways To Leverage More Private Capital

The more we can simplify the regulations, processes, and paperwork of Federal assistance, the more we will increase the efficiency of the programs and private sector participation. Simple, flexible funding sources that have had real impact with maximum efficiency include the Affordable Housing Program of the Federal Home Loan Banks and the Community Development Financial Institutions' Fund. A stream-lined, permanent loan product, which made "nonconforming" affordable housing loans more attractive to investors, would also be extremely helpful.

To Do: Long-Term

The Federal Government can be a catalyst for attracting more private capital to affordable housing by providing a stable, predictable source of capital that would not be subject to the annual appropriations process, in keeping with the long-term nature of community development.

It is also clear that homeownership opportunities for low-income families and communities are not keeping pace with rapidly growing need. The President's budget proposes a tax credit for developing affordable homes that builds on the success of the Low Income Housing Credit and would do much to alleviate the shortage of affordable homeownership opportunities in our neediest communities. NAAHL has endorsed this Single-Family Tax Credit and asks Congress to enact it as soon as possible. Similarly, the proposed quadrupling of the American Dream Downpayment Fund will help many low-income homebuyers achieve their own home, while the proposed increase in housing counseling funds will help those struggling to keep their homes.

Thank you very much for the opportunity to be here today.

RESPONSE TO WRITTEN QUESTION OF SENATOR SARBANES FROM SHEILA CROWLEY

Q.1. Time limiting housing assistance was discussed at the hearing we held on February 13, 2002. Does time limiting housing assistance make sense? Please explain why or why not.

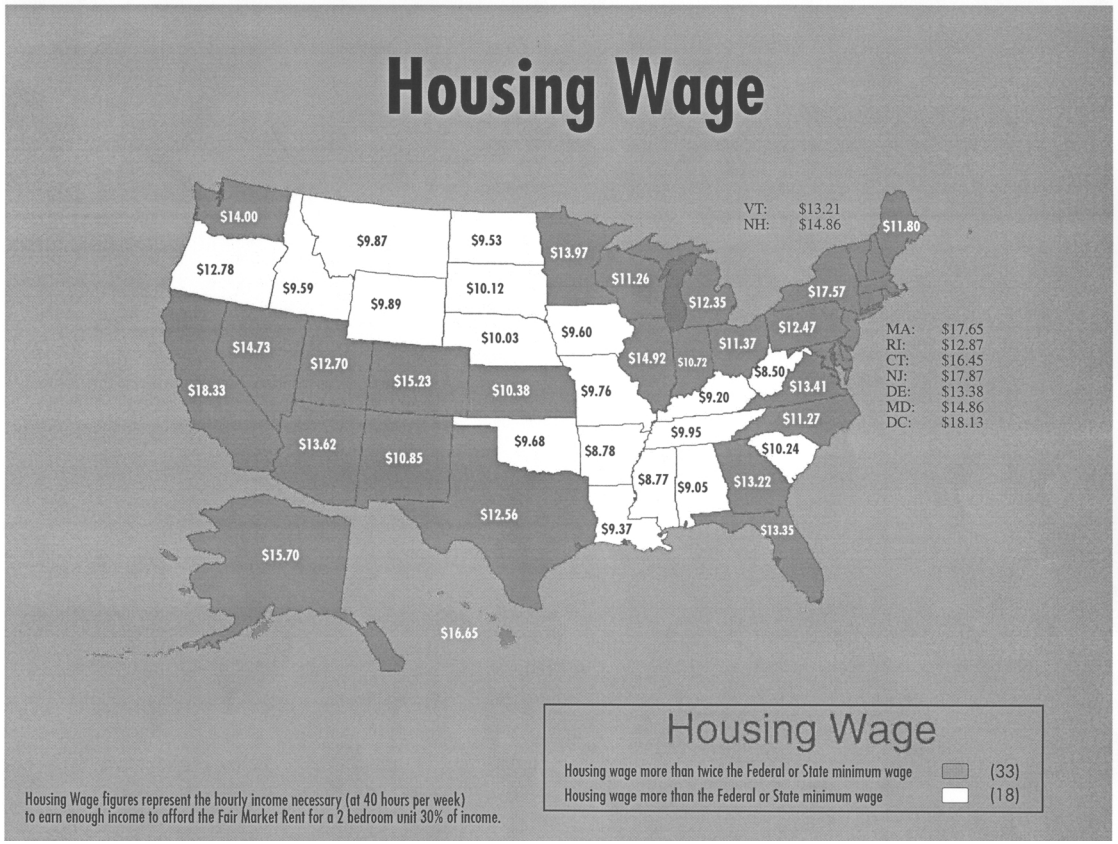
A.1. Placing time limits on receipt of housing assistance, that is, duration of time that one's rent will be subsidized above 30 percent of household income, is an idea that mistakenly equates housing assistance with welfare and seeks to impose recent policy changes made to welfare on housing programs, The problem begins with the inaccuracy of the comparison between the two. Time limits are imposed on receipt welfare to motivate/force welfare recipients to go to work and earn income in lieu of welfare payments. The presumption is that by going to work, the welfare recipient will improve, or at least not worsen, her household's economic well-being.

We cannot make the same presumption about housing assistance. We have ample data to document that the cost of market housing is so far above the wages of the majority of working low-income people that they (1) have acute affordability problems, (2) are at high risk of housing instability, and (3) need housing assistance themselves. The people who are receiving housing assistance are the lucky one third of the eligible population, who are able to bridge the gap between their income and housing costs only because they receive housing assistance.

Unless a household receiving housing assistance can improve its income to minimally the level of the housing wage in its jurisdiction, then termination of housing assistance will have a significantly adverse effect on the household's economic well-being. Indeed, if a household was able to earn the equivalent of the housing wage, in most jurisdictions, it would long since have become ineligible for housing assistance.

Time limiting welfare is only feasible in a low unemployment economy, in which there is a real possibility that employment will follow welfare. Time limiting housing assistance is only feasible when there is a surplus of housing that is affordable to the lowest-income households, so that they have somewhere to go. At a time when we have an acute shortage of housing affordable for the lowest-income households, ending their housing assistance means that most will acquire huge housing costs burdens, be forced to double up, or end up homeless, The most likely scenario with time limiting housing assistance is that most families will cycle out of public or assisted housing into less stable housing circumstances and homelessness and back onto housing assistance waiting lists.

Discussion of time limits on housing assistance seems to be disconnected from an understanding of the nature of the affordable housing crisis.


Housing Wage
$14.00
$12.78
$9.87
$9.59
$9.53
$9.89
$10.12
$10.03
$13.97
$11.26
$9.60
$14.73
$12.70
$15.23
$10.38
$9.76
$14.92
$10.72
$12.35
$11.37
$12.47
$17.57
$11.80
$8.50
$13.41
$9.20
$11.27
$9.95
$10.24
$18.33
$13.62
$10.85
$9.68
$8.78
$8.77
$9.05
$13.22
$12.56
$9.37
$13.35
$15.70
$16.65
VT: $13.21
NH: $14.86
MA: $17.65
RI: $12.87
CT: $16.45
NJ: $17.87
DE: $13.38
MD: $14.86
DC: $18.13
Housing Wage
Housing wage more than twice the Federal or State minimum wage (33)
Housing wage more than the Federal or State minimum wage (18)
Housing Wage figures represent the hourly income necessary (at 40 hours per week) to earn enough income to afford the Fair Market Rent for a 2 bedroom unit 30% of income.

NATIONAL HOUSING TRUST FUND CAMPAIGN
LIST OF ENDORSING ORGANIZATIONS

1954 Endorsements of a National Housing Trust Fund

1,902 local, state and national organizational endorsements; 12 editorial endorsements; 40 municipal/elected official endorsements as of February 13, 2002.

28 National Organizations Sponsoring the National Housing Trust Fund Campaign*
ACORN (Association of Community Organizations for Reform Now)
American Association of Homes and Services for the Aging
American Planning Association
Catholic Charities USA
Center for Community Change
Children's Defense Fund
Community Action Partnership (formerly NACAA)
Corporation for Supportive Housing
The Enterprise Foundation
Housing America
Housing Assistance Council
Local Initiatives Support Corporation (LISC)
Lutheran Office for Governmental Affairs, ELCA
Lutheran Services in America
McAuley Institute
National Alliance for the Mentally Ill
National Alliance to End Homelessness
National Coalition for the Homeless
National Council of La Raza
National Housing Law Project
National Housing Trust
National Low Income Housing Coalition
National Student Campaign Against Hunger and Homelessness
NETWORK: National Catholic Social Justice Lobby
Smart Growth America
United Jewish Communities
United Way of America
Volunteers of America
**Providing staff time to the campaign*

46 National Organizations Supporting the Housing Trust Fund Campaign
AFL-CIO Housing Investment Trust
Alliance for Children and Families
Alliance to End Childhood Lead Poisoning
American Friends Service Committee
Americans for Democratic Action
The Arc of the United States
Bazelon Center for Mental Health Law
Center for Neighborhood Technology
Center for Women Policy Studies
Central Conference of American Rabbis
Coalition on Human Needs
Consortium for Citizens with Disabilities Housing Task Force
Council for Affordable and Rural Housing
Development Training Institute
Friends Committee on National Legislation
Habitat for Humanity International
HELP USA
Jewish Women International
Latino Economic Development Corporation
Mennonite Central Committee
Mercy Housing, Inc.
National Affordable Housing Management Association
National Affordable Housing Preservation Associates Inc.
National Aids Housing Coalition
National Apartment Association
National Network to End Domestic Violence
National Black Catholic Evangelization Forum
National Community Action Foundation
National Coalition Against Domestic Violence

National Community Land Trust Network
National Congress for Community and Economic Development
National Foundation For Affordable Housing Solutions
National Health Care For the Homeless Council
National Law Center on Homelessness and Poverty
National Leased Housing Association
National Multi Housing Council
National Neighborhood Coalition
National Network for Youth
National Puerto Rican Coalition
National Trust for Historic Preservation
Presbyterian Church (USA)
Public Housing Residents National Organizing Campaign
Research Institute for Housing America
Sierra Club (Challenge to Sprawl Campaign)
Union of American Hebrew Congregations
United Methodist Church

12 Editorials Supporting the National Housing Trust Fund Act

State	Newspaper
California	Bayview Newspaper
	Poor Magazine
Colorado	Denver Post (June 29, 2001)
Maine	Portland Press Herald (July 30, 2001)
Massachusetts	Boston Globe (Oct 15, 2001)
Missouri	St. Louis Post-Dispatch (Oct. 4, 2000)
	St. Louis Post-Dispatch (Jan 2, 2001)
	St. Louis Post-Dispatch (Feb 9, 2001)
	St. Louis Post-Dispatch (July 9, 2001)
Ohio	Lorain Morning Journal (Oct 8, 2001)
Washington	Seattle Post-Intelligencer (Aug. 2, 2000)
	Seattle Post-Intelligencer (Nov. 12, 2000)

15 Municipalities Supporting the National Housing Trust Fund Act

State	Municipality
Arizona	Town of Guadalupe
California	Board of Supervisors, City of San Francisco
	Board of Supervisors, County of San Francisco
	Board of Supervisors, County of Santa Clara
Florida	Board of County Commissioners, Broward County
Maine	City Council, City of Auburn
	City Council, City of Portland
New York	Village of Hempstead
North Dakota	City Commission, City of Fargo
Oregon	Portland City Council
South Carolina	City Council, City of Myrtle Beach
Vermont	City of Burlington
Wisconsin	City of Madison
	City of Milwaukee
	Dane County

25 Elected Officials Supporting the National Housing Trust Fund Act

State	Elected Official
California	Mayor Willie Brown, San Fransisco
Massachusetts	Mayor Thomas M. Menino, Boston
Maine	Councilman Tom Kane, Portland
Oregon	Mayor Rob Drake, Beaverton
	Mayor Vera Katz, Portland
	Commissioner Jim Francesconi, Portland
	Commissioner Charlie Hales, Portland
	Commissioner Dan Saltzman, Portland
	Commissioner Erik Sten, Portland
Rhode Island	Mayor Scott Avedisian, Warwick
Wisconsin	Alderwoman Brenda Konkel, Madison
	Alderman Gary Paulson, Madison
	Alderwoman Kathy Great, Appelton
	Alderman Kent Palmer, Madison
	Alderman Marvin Pratt, Milwaukee

Alderman Matt Sloan, Madison
Alderman Mike Verveer, Madison
Alderman Paul Henningson, Milwaukee
Alderman Robert Donavan, Milwaukee
Alderman Steve Holtzman, Madison
Alderman Tim Bruer, Madison
Alderman Todd Jarreli, Madison
Supervisor Bill Skiba, Racine County
Supervisor Echnaton Vedder, Dane County
Supervisor Kathy Arciszewski, Milwaukee County

1828 State and Local Organizations Supporting the National Housing Trust Fund Campaign from 50 states plus DC and PR

State	Organization
Alabama	Altheia House
	Arise Citizens' Policy Project
	Birmingham Health Care
	Downtown Rescue Mission
	CAA of Baldwin
	Faith Foundation, Inc.
	Franklin Memorial Primary Health Center
	Homeless Coalition of Mobile, Inc.
	Housing Authority of the City of Opelika
	Huntsville/Madison County Mental Health Center
	Indian Rivers Mental Health Center
	Legal Services of North-Central Alabama, Inc.
	Metropolitan Birmingham Services for the Homeless
	New Futures, Inc.
	Safeplace, Inc.
	The Anniston Housing Authority
	The Community Free Clinic
	The Pathfinder, Inc.
	The Service Center of Catholic Social Services
	Volunteers of America Southeast, Inc.
	YWCA Bread & Roses
Alaska	Alaska Mental Health Board
	Alaska Mental Health Consumer Web and Clubhouse
	Alaska Psychiatric Institute
	Rural Alaska Community Action Program
	Southcentral Counseling Center
Arizona	City of Casa Grande, Department of Housing and Revitalization
	Arizona community Action Association
	Dineh Cooperatives, Incorporated
	Forgach House Domestic Crisis Shelter
	Grand Vista, Inc.
	Interfaith Coalition for the Homeless, Inc.
	Northern Arizona Council of Governments
	Phoenix ACORN
	Pima County Community Action Agency
	The Primavera Foundation
	Tucson Planning Council for the Homeless
Arkansas	ABC Consultants
	Arkansas Coalition Against Domestic Violence
	Community Action Program for Central Arkansas
	Crowley's Ridge Development Council, Inc.
	Delta Community Development Corporation
	ECS Planning and Management Services, Inc.
	Good Faith Fund
	Lee County CDC
	Lighthouse Outreach, Inc.
	Little Rock ACORN
	The ARC of Arkansas
California	A Community Of Friends
	Air Transport Employees Union 1781
	Affordable Housing Network of Santa Clara County
	African Community Resource Center
	Alexander Tenants Association
	Alameda Co Children & Families Commission

Alliance for a Better District 6
Almond Court, Inc.
Amalgamated Transit Union 1225
Amalgamated Transit Union 1555
Amalgamated Transit Union 1575
Amassi
American Federation of Government Employees 1923
American Federation of Government Employees 2391
American Federation of Musicians 6
American Federation of State and County Municipal Employees 829
American Federation of State and County Municipal Employees 3299
American Federation of Television and Radio Artists
American Guild of Musical Artists
American Postal Workers Union, SF Local
Arc California
A. Philip Randolph Institute, San Francisco Chapter
Asian American Federation of Union Members
Asian Pacific American Labor Alliance
Association of Flight Attendants, Council 11
Bakers Union 24
Bay Area S.E.I.U Joint Council 2
Bay Cities Metal Trades Council
Bay Counties District Council of Painters
Bernal Heights Neighborhood Center
Benicia Community Action Coalition
Beyond Shelter
Bridge, Structural, Ornamental and Reinforced Iron Workers Local 377
Building Opportunities for Self-Sufficiency
Burbank Housing Development Corporation
California Affordable Housing Law Project
California Coalition for Rural Housing
California Faculty Association, SF State Chapter
California Housing Integration Set Aside
California Housing Law Project
California Housing Partnership Corporation
California Reinvestment Committee
California State Employees Association 1000
California State Employees Association DLC 745
Campesinos Unidos, Inc.
Carpenters 22
Carpenters 2236
Carpet Layers 12
CASA Familiar, Inc.
CHAM First Christian Church
City of Oakland Community & Economic Development
Coach Valley Housing
Coalition for Ethical Welfare Reform
Coalition on Homelessness
Coalition on Homelessness, Stanislaus County
Coalition of Labor Union Women, SF Chapter
Coalition of Neighborhood Councils
Community Build, Inc.
Communications Workers of America 9410
Communications Workers of America 9415
Community Economics, Inc.
Community Housing Improvement Program
Community Housing Opportunities Corporation
Community Resource Associates, Inc.
Compass Services Staff
Contra Lostra County Community
Conference of Newspaper Unions
Congress of California Seniors
Council of Community Housing Organizations
Day Laborers Program
District 1, PCD, MEBA
District 6 Sentinel
East Bay Housing Organizations
East Oakland Community Development Corporation
EASY ACCESS

Ecumenical Association for Housing
Elevator Constructors 8
Emergency Services Network
Engineers and Scientists of California 21
Engineers and Scientists of California 20
Fair Housing Council of San Diego
Asian & Pacific Islander Institute on Domestic Violence
Federation of Retired Union Members
Gardner Family Health Network, Inc.
Glass, Molders, Pottery and Plastics and Allied Workers 164-B
Glaziers and Glass Workers 718
Graphic Communications Int'l Union 388
Graphic Communications Int'l Union 583
Gubb & Barshay- Law and Legal Practice
Harvest for the Hungry
Heat and Frost Insulators & Asbestos Workers 16
Heschong Mahone Group
Home & Community, Inc.
Home Buyer Assistance Center
Homeless Prenatal Program
Homeless Writers Coalition
Homes Not Jails
Hotel Employees & Restaurant Employees 2
Housing and Community Development
Housing Authority of the City of Santa Barbara
Housing Authority of the County of San Joaquin
Housing California
Housing Rights Committee
IBB Metal Polishers Conference M Local lodge 128
Inlandboatmen's Union of the Pacific
International Association of Machinists 1213
International Brotherhood of Electrical Workers 6
International Brotherhood of Electrical Workers 45
International Brotherhood of Electrical Workers 1245
International Brotherhood of Electrical Workers 1269
International Federation of Professional and Technical Engineers 49
International Longshore & Warehouse Union 5
International Longshore & Warehouse Union 10
International Longshore & Warehouse Union 34
International Organization of Masters, Mates & Pilots, Pacific Maritime Region
International Photographers Guild 600
INNvision
Kenneth Arms Tenant Association
La Raza Centro Legal
Labor Council for Latin American Advancement, SF
Laborers International Union 261
Leather, Plastics & Novelty Workers 31
Legal Aid San Diego
Los Angeles ACORN
Los Angeles Community Design Center
Los Angeles Coalition to End Hunger and Homelessness
Los Angeles Housing Law Project
Machinists Automotive Trades District Lodge 190
Main Housing Council
Marine Firemen & Oilers Union
Maritime Trades Port Council
Mercy Housing California- San Francisco
Mercy Housing California- West Sacramento
Mission Anti-Displacement Coalition
Mortuary Employees Union
Moving Picture Machine Operators 166
NAMI South Santa Barbara County
National Association of Broadcast Employees and Technicians 51
National Association of Letter Carriers, Golden Gate Branch 214
National Lawyers Guild
National Writers Union Bay Area 3
Nehemiah Corporation of California
Neighborhood Housing Services Silicon Valley
Newspaper & Periodical Drivers and Helpers 921

Newspaper & Periodical Venders and Distributors 465
Non-Profit Federation
Non-Profit Housing Association of Northern California
Northern California Allied Printing Trades Council
Northern California Carpenters Regional Council
Northern California District Council ILWU
Northern California Mailers Union IBT 15
Northern California Media Workers 39521
O.N.E. Company
Oakland ACORN
Office of Hispanic Ministry
Office and Professional Employees 3
Office and Professional Employees 29
Operating Engineers 3
Orange County Community Housing Corporation
Painters 4
Palo Alto Housing Corporation
Peninsula Auto Machinists 1414
People's Budget Collaborative
People's Self Help Housing Corporation
Petaluna Ecumenical Properties
Placer County Housing Authority
Plasterers & Shophands 66
Plumbers & Steamfitters 38
PODER
Poor Magazine
POWER
Pride at Work
Project New Hope
Religious Witness with the Homeless People
Resources for Independent Living
Resources for Rural Community Development
Roofers, Waterproofers, and Allied Workers, Local 40
Rural California Housing Corporation
Rural Community Assistance Corporation
Sacramento ACORN
Sacramento Homeless Organizing Committee
Sacramento Housing Alliance
Sacramento Mutual Housing Association
Sailors' Union of the Pacific
San Diego ACORN
San Diego Housing Coalition
San Diego County Alliance of Tenants
San Francisco Archdiocese Federation of Teachers 2240
San Francisco Bar Pilots
San Francisco Community College Teachers 2121
San Francisco Foundation
San Francisco Fire Fighters 798
San Francisco Independent Media
San Francisco Labor Council
San Francisco Paper Handlers 24-H
San Francisco Tenants Union
San Jose ACORN
Sanitary Truck Drivers 350
Santa Barbara Community Housing Corporation
Santa Clara County Collaborative on Affordable Housing
Independent Living Center of San Gabriel/Pomona Valley
Screen Actors Guild
Seafarers International Union
Section 8 Program
SEIU Health Care Workers 250
Self-Help Enterprises
Service Employees Union 1877
Service Employees Union 535
Service Employees Union 750
Service Employees Union 790
Service Employees Union 87
SF Building and Construction Trades Council

Sheet Metal Workers 104
Shelter Partnership, Inc.
Shelter, Inc.
Shipyard & Marine Shop Laborers 856
Sign, Display and Allied Crafts 510
Silicon Valley Manufacturing Group
Sisters of Mercy
Skid Row Housing Trust
Sober Housing
South County Housing
Southern California Association of Non-Profit Housing
SRO Housing Corporation
State Employees Trades Council 1268
Stationary Engineers 39
Statewide California Coalition for Battered Women
St. Vincent de Paul Village, Inc.
Teamsters & Auto Truck Drivers, IBT 35
Teamsters Automotive Employees, IBT 665
Teamsters Joint Council #7
Teamsters 856
Tenants Association of Rancho Cordova
Tenant Associations Coalition of San Francisco
Tenant Associations of Rancho Arms
Tenderloin Neighborhood Development Corporation
The Coalition Against Homelessness
Theatrical Employees Union B-12
Theatrical Federation of San Francisco
Theatrical Wardrobe Union 784
Transitional Living & Community Services
Transport Workers 200
Transport Workers 250-A
Transport Workers Union of America California State Conference
Tri-City Homeless Coalition
U.A.W. 2103
U.A.W. 2350
Union Label Section
Union of American Physicians and Dentists
UNITE 1089
UNITE Pacific Northwest District Council
UNITE Western Regional Joint Board
United Administrators of San Francisco, AF9A 3
United Educators of San Francisco, AFT Council
United Farm Workers of America
United Food and Commercial Workers 101
United Food and Commercial Workers 428
United Food and Commercial Workers 648
United Steelworkers Local 1304
University of San Francisco Faculty Association 4269
University Professional and Technical Employees 9119
Vallejo Neighborhood Housing Services
Web Pressmen/Pre-Press Workers Union 4N
William W. Pettus Architecture
Window Cleaners 44

Colorado

Catholic Charities-Western Slope
City of Colorado Springs - Community Development
Colorado Affordable Housing Partnership
Colorado Coalition for the Homeless
Colorado Rural Housing
Denver ACORN
Greccio Housing Opportunity Center
Lutheran Office of Government Ministry - Colorado
Mercy Housing Southwest
Metro CareRing
NEWSED Community Development Corporation
Northern Colorado Social Legislation Network of Catholic Charities
Pikes Peak Community Action Agency
Revitalizing & Empowering Through Architecture
Rocky Mountain Matural Housing Associaton, Inc.
Sacred Heart House of Denver

	SOS & Core Coalition
	Southwest Colorado Cross Disability Coalition
	St. Francis Center
	St Frances Center,
	The Energy Office
	The Uptown Partnership, Inc.
	Thistle Community Housing
	Warren Village
	West Central Housing Development Organization
Connecticut	Alderhouse Residential Communities
	Bethsaida Community, Inc.
	Bridgeport ACORN
	Bridgeport Neighborhood Fund
	Broad Park Development Corporation
	Bristol Community Organization
	Christian Activities Council
	Chrysalis Center, Inc.
	Columbus House, Inc.
	Community Renewal Team
	Connecticut AIDS Residence Coalition, Inc.
	Connecticut Coalition to End Homelessness
	Connecticut Housing Coalition
	Co-Op Initiatives, Inc.
	Corporation for Independent Living
	CT Housing Investment Fund, Inc.
	employment success program
	Fair Haven Development Corp.
	Fair Haven Housing Initiative
	Greater Dwight Development Corporation
	Greater Hartford Legal Assistance
	Habitat for Humanity of Greater Bridgeport CT.
	Hill Housing
	HOME Inc.
	Housing Education Resources Center, Inc.
	Legal Assistance Resource Center of Connecticut
	Martin House, Inc.
	Mercy Housing and Shelter Corporation
	Mutual Housing Association Of Greater Hartford
	Mutual Housing Association Of South Central Connecticut
	Mutual Housing Association Of South West Connecticut
	Nehemiah Housing
	Neighborhood Housing Services of Waterbury
	NEON, Inc.
	New Neighborhoods, Inc.
	New Samaritan Corporation
	One/Chane
	Operation Hope of Fairfield, Inc.
	Partnership for Strong Communities
	Real Estate Solutions
	Regional Housing Rehabilitation Institute of Connecticut
	SAND Corporation
	Sheldon Oak Central
	Shore Area Community Development Corporation
	Sisters of St. Chretienne
	South Hartford Initiative
	St. Luke's Life Works
	Thames River Community Service, Inc.
	The Community Builders
	The Greater New Haven Community Loan Fund
	The Hollow Community Development Corporation
	Washington Park Assoc.
	West Hartford Interfaith Housing Coalition
Delaware	Alliance for the Mentally Ill in Delaware (AMID)
	Delaware Housing Coalition
	Delaware State Wide Association of Tenants
	First State Community Action Agency
	Latin American Community Center Development Corporation, Inc.
	Ncall Research, Inc.
	The Arc of Delaware

District of Columbia	Bread for the City
	Access Housing Inc.
	Building Futures, Inc.
	Christ House
	City on a Hill Family Development Initiative
	Coalition for the Homeless
	Coalition for Nonprofit Housing & Economic Development
	Coates and Lane Enterprises, Inc.
	Community Council for the Homeless at Friendship Place
	Community Family Life Services
	Deputy Mayor's Office for Planning and Economic Development
	Families Forward
	Gospel Rescue Ministries
	Jubilee Enterprise of Greater Washington
	JHP, Inc.
	Manna, Inc.
	Miriam's House, Inc.
	Mount Carmel House
	My Sister's Place
	Neighbors Consejo
	New Endeavors by Women
	Project Hope
	Rachael's Women's Center
	Rainbow/Push Coalition
	St. Mary's Court
	Sasha Bruce Youthwork, Inc.
	So Others Might Eat
	South Washington Collaborative
	Terrific, Inc.
	The Community Partnership for the Prevention of Homelessness
	United Church of Christ
	Women Empowered Against Violence, Inc.
	Washington Legal Clinic for the Homeless
	Washington Regional Network for Livable Communities
Florida	1000 Friends of Florida
	All Faiths Food Bank
	Adopt A Family of the Palm Beaches, Inc.
	Another Way, Inc.
	Ascension Catholic Church-Social Concerns
	Assisted Home Concepts
	Benedict Haven, Inc.
	Broward Coalition for the Homeless
	Cape Coral Housing Rehab. & Dev. Corporation
	Capital Area Community Action Agency
	Carrfour Corporation
	Charlotte County Homeless Coalition
	Circles of Care, Inc.
	City Rescue Mission
	Coalition for the Homeless of Central Florida, Inc.
	Coalition for the Hungry and Homeless of Brevard County, Inc.
	Community Equity Investment, Inc.
	Consumer Credit Counseling Service
	Crosswinds Youth Services
	Cypress Housing, Inc.
	Emergency Services & Homeless Coalition of St. Johns County, Inc.
	Florida ACORN
	Florida Association of Homes for the Aging
	Florida Coalition for the Homeless
	Florida Housing Coalition
	Florida Housing Finance Corporation
	Florida Keys Outreach Coalition, Inc.
	Florida Legal Service, Inc.
	Florida Network of Youth &Family Services
	Florida Non-Profit Housing, Inc.
	Grand Avenue Economic Community Development Corporation
	Grants and Affordable Housing Advisory Committee
	HELP Ministry
	His Place Ministries

Homeless Services Network of Central Florida
Housing & Community Development Corporation, Inc.
Housing Partnership, Inc.
Interfaith Emergency Services
Job Development Corporation
Keystone Challenge Fund
Lake Community Actions Agency, Inc.
Liberty Center Housing Association
Making WAGES Work
Miami Coalition for the Homeless
M.I.S.S., Inc.
Mortgage and Credit Center
Neighborhood Lending Partners, Inc.
Pregnancy Crisis Careline, Inc.
Project HEART
Polk county Opportunity Council, Inc.
Sarasota YMCA
Society of St. Vincent de Paul
South Florida Community Development Coalition
Southern Most Homeless Assistance League, Inc.
Southwest Florida Coalition for the Homeless
Southwest Florida Addiction Services
School Board of Manatee County
Space Coast Habitat For Humanity, Inc.
St. Johns Housing Partnership
Tampa Bay Community Development Corporation
The Center for Affordable Housing, Inc.
The Homeless Coalition of Palm Beach County, Inc.
The Salvation Army Citrus County
The Venice Foundation
Treasure Coast Regional Planning Council
The Florida Black Aids Network
United Community Development, Inc.
United Way of Charlotte County
YMCA Children's Services

Georgia

Aid Atlanta, Inc.
Albany-Dougherty Coalition to End Homelessness
Atlanta Neighborhood Development Partnership
Augusta Task Force for the Homeless, Inc.
Baitul Salaam Network, Inc.
Chatham-Savannah Authority for the Homeless
Cobb Human Services Coalition, Inc.
Community Action for Improvement, Inc.
Domestic Violence Intervention Center
Fayette County Council on Domestic Violence
Fulton G. Office of Children & Youth
Gateway House, Inc.
Georgia Coalition to End Homelessness, Inc.
Georgia Community Development Association
Georgia Coalition Against Domestic Violence
Haven, Inc.
Interfaith, Inc.
Interfaith/Troy Street CDC
J.D.Lewis and Associates
Macon Coalition to End Homelessness, Inc.
Mercy Housing Southeast
Metropolitan Columbus Task Force for the Homeless
Northeast Georgia Homeless Coalition, Inc.
Northwest Georgia Family Crisis Center
Partnership Housing Affordable to Society Everywhere, Inc.
Peace Place, Inc.
Progressive Redevelopment, Inc.
South Central Georgia Task Force for the Homeless, Inc.
Task Force for the Homeless- Atlanta Metro
The Haven
The Redistribution Alternative
Union for the Homeless

Hawaii

Affordable Housing Alliance
Self-Help Housing Corporation of Hawaii

	Waimaha / Sunflower Residents Association, Inc.
Idaho	Boise City / Ada County Housing Authority
	Campaign for Housing Justice
	Community Action Agency
	Eastern Idaho Special Service Agency
	El-Ada Community Action
	Helping Hand, Inc.
	Idaho Campaign for Housing Justice
	Idaho Community Action Association
	Idaho Migrant Council
	Mercy Housing- Idaho
	Southeastern Idaho Community Action Agency
	St. Vincent Depaul
	Washington Group Foundation, Inc.
	Woodbury County Community Action Agency
	United Manufactured/Mobile Home Owners & Residents Association of Idaho, Inc.
Illinois	BCMW Community Services
	Benedict Haven, Inc.
	Bethel New Life
	Business & Professional People in the Public Interest
	Center for Neighborhood Technology
	Chicago Community Development Corporation
	Chicago Mutual Housing Network
	Chicago Rehab Network
	Chicago Rehab Network
	Citizens for the Future Inc.
	C.E.F.S. Economic Opportunity Corporation
	Deborah's Place
	Embarras River Basin Agency, Inc.
	Franciscan Ministries, Inc
	The Gamaliel Foundation
	Good Will Senior
	Groworks, Inc.
	Homeless on the Move for Equality
	Hope Fair Housing Center
	Housing Helpers
	HomeSight
	Illinois/Iowa Center for Independent Living
	Illinois Coalition to End Homelessness
	Illinois Community Action Association
	Interfaith Housing Center of the Northern
	Jane Addams Senior Caucus
	Jewish Council on Urban Affairs
	Jewish Federation of Metropolitan Chicago
	Lakefront SRO
	Lakeview Action Coalition
	Lawrence Hall Youth Services
	League of Women Voters of Illinois
	Lutheran Advocacy Network/Illinois
	Mastroianni Consulting
	Metropolitan Housing Development Corporation
	Metropolitan Tenants Organization
	NAMI of Greater Chicago
	PARC (Peoria Association of Retarded Citizens)
	Project Now, Inc.
	Protect Public Housing
	Protestants for the Common Good
	Resurrection Project
	Swanee Development Council, Inc.
	Shelter Care Ministries
	Shorebank
	Southern Illinois Coalition for the Homeless
	Statewide Housing Action Coalition
	St. James Lutheran Church Luther League
	Supportive Housing Providers Association of Illinois
	Voorhees Neighborhood Center
	YMCA Women's Shelter
	Wheaton Franciscan Sisters

Indiana	Blackburn Terrace Resident Management Corporation, Inc.
	BOSCDC
	Community Action Program, Inc. of Western Indiana
	Community Alliance of the Far-Eastside
	Community Action of Northeast Indiana, Inc.
	Concord CDC
	Eastside Community Investment, Inc.
	Ekhart Housing Partnership, Inc.
	Green Acres, Inc.
	Haven House Services, Inc.
	Indiana Coalition on Housing and Homeless Issues
	Indianapolis Coalition for Neighborhood Development
	King Park Area Development Center
	LaCasa of Goshen, Inc.
	Mapleton Fall Creek CDC
	Martin Luther King CDC
	Martindale Brightwood CDC
	Monroe County Green Party
	Near North Development Corporation
	Options for Better Living
	Ozanam Family Shelter
	Project Renew
	Redevelopment/Revitalization of the Southside
	Riley Area Revitalization Program
	Scott County Partnership, Inc.
	Southeast Neighborhood Development, Inc.
	Southern Indiana Housing Initiative
	South Bend Heritage Foundation
	Switzerland County CHDO
	United North West Area Development Corporation
	United Northeast CDC
	Wabash Valley Human Services
	West Indianapolis Development Corporation
	Westside CDC
	Family Crisis Center of North Iowa
Iowa	Humility of Mary Housing, Inc.
	Home, Inc.
	Iowa Coalition / End Homelessness
	Iowa Coalition Against Domestic Violence
	Iowa Coalition for Housing and the Homeless
	Iowa Falls Area Development Corporation
	Iowa Coalition Against Domestic Violence
	Marion County Habitat for Humanity
	Northeast Iowa Community Action Corporation
	Rural Housing Institute
	Sisters of the Presentation
Kansas	Adorers of the Blood of Christ
	Catholic Housing of Wyandotte County
	City Vision Ministries
	Homestead Affordable Housing, Inc.
	Housing & Credit Counseling, Inc.
	Kansas Coalition Against Sexual and Domestic Violence
	Kaw Valley Habitat for Humanity
	Mio-Kansas Community Action Program, Inc.
	Nek-amp, Inc.
	Neighborhood Housing Services of Kansas City, Kansas
	The Lawrence Alliance
Kentucky	Appalboac/ Federation of Appalachian Housing Enterprise
	Beattyville Housing and Community Development Corp, Inc.
	Bell-Whitley Communtiy Action Agency, Inc.
	Boone County CAC
	Boone County Human Services
	Chrysalis House, Inc.
	Community Housing, Inc.
	Faith Community Housing Advocacy Program
	Federation of Appalachian Housing Enterprises, Inc (FAHE)
	First Unitarian Church
	Frontier Housing, Inc.

Gateway Community Services Organization,Inc.
Grant County CAC
Homeless and Housing Coalition of Kentucky
Kentucky Alliance Against Racist & Political Repression
Lexington Fair Housing Council
Louisville Tenants Association
Low Income Housing Coalition of East Kentucky
Metropolitan Housing Coalition
National Council of Jewish Women-Louisville Branch
Northeast Kentucky Area Development Council, Inc.
North Key Community Care
Northern Kentucky Housing Homeless Coalition
People's Self-Help Housing, Inc.
Phoenix Hill Association
Sisters of Charity of Nazareth, Kentucky
Society of St. Vincent de Paul, Council of Lewisville
The Coalition for the Homeless
The Partnership Center
United Methodist Women
Volunteers of America Kentucky, Inc.

Louisiana

Advocacy Committee Of Unity For the Homeless
Bacatown CDC
Brookstown CDC
Caleb CDC
Capitol Park CDC
Creole Cottage Coalition
Faubourg St. Roch CDC
H.O.P.E. CDC
Humanities, Inc. CDC
I Can! America
Louisiana ACORN
Melrose East CDC
Mid-City CDC
Neighborhood Housing Services
New Life Intracoastal CDC
New Vision CDC
Northlake CDC
Old South Baton Rouge CDC
Scotlandville CDC
SMILE Community Action Agency, Inc.
Volunteers of America/Baron Rouge
Volunteers of America/New Orleans

Maine

Bath Housing Authority
Bangor Housing Authority
Caribou Housing Authority
Coastal Enterprises, Inc.
Community Action Agency of Sommerville, Inc.
Community Concepts
Dixiefield Development Corpporation
Fort Fairfield Maine Housing Authority
Freeport Housing Trust
Genesis Community Loan Fund
Maine Affordable Housing Network
Maine & New Hampshire Housing Investment Fund
Maine AIDS Alliance
Northern New England Chapter of the American Planning Association
Penquis Cap, Inc.
Planning Decisions Inc.
Portland Maine Housing Authority
Portland West
Portland Organization to Win Economic Rights (POWER)
Preble St. Resource Center
People's Regional Opportunity Program (PROP)
R. C. Management
Sanford Housing Authority
Southern Maine Agency on Aging
South Portland Housing Authority
Sunbury Housing of Maine
The Housing Foundation

	Waldo County Committee for Social Action (WCCSA)
	York Cumberland Housing
Maryland	Am Kolel (Judaic Renewal and Resource Center)
	AIDS Interfaith Residential Services
	Baltimore ACORN
	Baltimore Jewish Council
	Baltimore Sisters of Mercy
	Coalition to End Childhood Lead Poisoning
	Community Action Council of Howard County, Maryland, Inc.
	Community Assistance Newtork, Inc.
	Community Housing Associates
	Garrett County Community Action Committee, Inc.
	Health Care for the Homeless, Inc.
	Homes For America, Inc.
	Housing Opportunities Commission of Montgomery County
	Interfaith Housing of Northern Maryland
	Maryland Center for Community Development
	Maryland Developmental Disabillities Council
	Maryland Public Interest Research Group
	Montgomery County Coalition for the Homeless
	Montgomery Housing Partnership
	Public Justice Center
	The Center for Poverty Solutions
	Tri-Churches Housing, Inc.
	United Ministries, Inc.
Massachusetts	Action for Boston Community Development
	AIDS Housing Corporation
	Allston Brighton Community Development Corporation
	Boston Housing Authority
	Cambridge Economic Opportunity
	CAN-DO
	Catholic Social Services
	Central Massachusetts Housing Alliance, Inc.
	Citizens for Adequate Housing, Inc
	Citizens Housing and Planning Association
	Circle Graphics
	City Life / Vida Urbana
	Coalition for Social Justice
	Community Service Network, Inc.
	Community Teamwork, Inc.
	Department of Mental Retardation
	Esther Sanger Center for Compassion
	Franklin County Regional Housing and Redevelopment Authority
	Friends of Orleans Addordable Homes
	Greater Lawrence Communtiy Action Council, Inc.
	Hampden Hampshire Housing Partnership
	Institute for Community Economics
	Jewish Community Housing for the Elderly
	Lower Cape Cod CDC
	Lynn Housing Authority and Neighborhood Development
	Massachusetts ACORN
	Massachusetts Association of Community Development Corporations
	Massachusetts Coalition for the Homeless
	Massachusetts Housing and Shelter Alliance
	Massachusetts Law Reform Institute
	Massachusetts Nonprofit Housing Association
	Neighborhood of Affordable Housing
	Oak Hill Communtiy Development Corporation
	Pine Street Inn
	Project Hope
	Roofless Women
	Rural Development, Inc.
	Samaritan Inn Shelter
	Shelburne Housing Authority
	Social Action Ministries
	St. Joseph the Worker Shrine, Oblate Social Justice Office
	Technical Assistance Collaborative
	The Development Corporation of Northwest Baltimore
	The Housing Partnership Network

Town of Falmouth, Human Services
Valley Opportunity Counsel, Inc.
Washington / Beech Tenant Association, Inc.
Women's Institute for Housing and Economic Development

Michigan

All Saints Housing, Inc.
Alger Marquette Community Action Board
Altrusa Teen SHARE
Bagley Housing Association
Cass Corridor Neighborhood Development Corporation
Catholic Social Services of Lansing St. Vincent Home, Inc.
Central Detroit Christian CDC
Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc.
Church of the Messiah Housing Corporation
City of Lansing, Human Relations and Community Services Department
Community Capital Development Corporation
Community Development Advocates of Detroit
Community and Economic Development Association of Michigan (CEDAM)
Community Services CDC
Community/Urban Transition, Ltd.
Cooperative Services, Inc.
Core City Neighborhoods
Corktown Consumer Housing Cooperative, Inc.
Detroit Catholic Pastoral Alliance
Economic Opportunity Committee os St. Clair County, Inc.
Eastside Emergency Operational Center
Edison Neighborhood Association
Emmanuel Community House
Freedom Builders Missions
Friends of Welfare Rights
Gogebic-Ontonagon Community Action Agency
Grandmont Rosedale Development Corporation
HOPE Consumer Group
Housing Resources, Inc. of Kalamazoo County
Hubbard Richard Citizens District Council
Islandview Village Development Corporation
Jackson Affordable Housing
Jefferson Avenue Housing Development Corporation
Kalamazoo Northside Non-Profit Housing Corporation
Listening Ear Crisis Center
Living Ways, Inc.
Macomb County Community Services Agency
Mexicantown Commercial Dev.
Michigan Housing Trust Fund
Michigan Coalition Against Homelessness
Michigan Legal Services
Michigan Neighborhood Partnership
Monroe County Opportunity Program
New Hope Non-Profit Housing Corporation
New Visions for Detroit, Inc.
NorthStar CDC
Northwest Detroit Neighborhood Development, Inc.
Oakland Livingston Human Service Agency
Portage Community Outreach Center
Prevalling CDC
Residential Opportunities, Inc.
Scared Heart/St. Elizabeth CDC
Social Work Institute for Community Life
Southwest Alliance for Neighborhood
Southwest Detroit Business Association
St. Ignatius Nonprofit Housing Corporation
The Arc Michigan
Underground Railroad, Inc.
U-SNAP-BAC
Washtenaw Housing Alliance
V.I.S.I.O.N.
Vanguard CDC
Wayne-Metropolitan Community Action Agency
We Care Non-Profit Housing Corporation
West Detroit Inter-Faith Community Organization

Minnesota

Anoka County Affordable Housing Coalition
Arc Minnesota
Battered Women's Legal Advocacy Project
Bise Inc.
CASH
Churches United in Ministry
Community Apartment Program
Community Action Duluth
Community Action for Suburban Hennipin
Community Neighborhood Housing Services
Community Home Ownership, Inc.
Dayton's Bluff NHS
East Metro Women's Council
Elim Transitional Housing, Inc.
Family Housing Fund
Greater Minneapolis Day Care Association
HOME Line
Housing Access Center
Housing Link
Housing Preservation Project
Human Services Incorporated
Intercongregation Communities Association
Jewish Community Action
Jobs and Affordable Housing Campaign
Lakes & Pines Community Action Council, Inc.
Lutheran Social Service of Minnesota
Lyndale Neighborhood Development Corporation
Metrowide Engagement on Shelter & Housing
Midwest Minnesota CDC
Minneapolis Consortium of Community Developers
Minneapolis Day Care Association
Minnesota Aids Project
Minnesota ACORN
Minnesota Coalition for the Homeless
Minnesota Housing Resources, Inc.
Minnesota Housing Partnership
North End Area Revitalization, Inc. (NEAR)
Northeast Entrepreneur Fund
Northeast Metropolitan Coalition for Affordable Housing
Office of Christian Service
Our Saviors Housing
Partners for Affordable Housing
Project for Pride in Living, Inc.
Ramsey County Community Human Services
Residents for Affordable Housing
Semcac Community Action Agency
Sa Harbor Light
Salvation Army
Selby Area Community Development Corp., Inc.
Simpson Housing Services
Southside Services
Spectrum Community Mental Health
St. Paul Tenants Union
Theresa Living Center
The Urban Coalition
Three Rivers Community Action, Inc.
Tri-Valley Opportunity Council, Inc.
Urban Ventures Leadership Foundation
Victim Services
Viking Real Estate
YWCA of St. Paul
West Bank CDC, Inc.

Mississippi

AJFC Community Action Agency, Inc.
Biloxi Housing Authority
Greater Greenville Development Foundation
Central Mississippi, Inc.
Mississippi Equity Coalition
Mississippi Housing Coalition
Yazoo Community Action, Inc.

	Tunica County CDC
	Yazoo County Fair & Civic League
Missouri	Action Protecting Tenant Safety
	Adequate Housing for Missourians
	Almost Home
	American Friends Service Committee- NH Program
	Association of Community Organizations for Reform Now
	Beyond Housing
	BJC Behavioral Health
	Black Economic Union
	Blue Hills Homes Corporation
	Boulevard Tenants Association
	Campaign For Housing And Jobs
	Catholic Charities- Archdiocese Of St. Louis
	Citizens for Missouri's Children
	Community Alternatives
	Community Assistance Council
	Community Builders of KC
	Community Development Corp. of Kansas City
	Council Tower Council
	David H. Jones Ministries
	Doorways, An Interfaith AIDS Residence Program
	East Missouri Action Agency, Inc.
	Equal Housing Opportunity
	Ethical Action Committee
	Fathers' Support Center, St. Louis
	Feed My People Help Center
	Greater Kansas City Housing Information Center
	Hager-Mace & Associates Consulting Services
	Healthy Families, Healthy Homes, Prop. H.
	Homeless Network
	Housing Law Clinic
	Kansas City Rescue Mission
	Lutheran Family & Children's Services of Missouri
	McCormack Baron Associates
	Metropolitan Churches United Pershing
	Missouri ACORN
	Missouri Association For Social Welfare
	Missouri Ozarks Community Action, Inc.
	Neighborhood Enterprises
	Northland Neighborhoods
	National Association of Social Workers-Missouri
	Old Northeast, Inc.
	Paraquad, Inc.
	Peace & Justice Office of Kansas City
	People's Health Center, Inc.
	Personal Services Consulting
	Professional Housing Resources , Inc.
	Public Housing Residents Council
	Rose Brooks Center
	Ripley County Caring Communities Partnership
	Sanctuary in the Ordinary
	Service Employee International Union- Local 880
	Shell Knob Senior Center Corporation
	Sisters of Loretto
	South Central Missouri Community Action Agency
	St. Louis Campaign for Housing and Jobs
	St. Louis Empowerment Center
	St. Patrick Center
	Step, Inc.
	Twelfth Street Heritage
	Westside Housing Organization
Montana	Coalition of Montanans Concerned with Disabilities
	homeWORD
	Montana People's Action
	Northwest Montana Human Resources, Inc.
	Opportunties Incorporated
Nebraska	Community Development Coalition, Inc.
	Blue Valley Communtiy Action

	Franciscan Ministries, Inc.
	Grand Island Area Housing Corporation
	Holy Name Housing Corporation
	High Plains CDC and Chadron Youthbuild
	Mercy Housing Midwest
	Mid-Nebraska Community Action
	Nebraska Association of CHDO's
	Mercy Services Corporation, Mid-West Region
	Mercy Housing Midwest
	Nebraska Domestic Violence Sexual Assault Coalition
	Notre Dame Sisters, Omaha Province
	Senca
	NuStyle Development
Nevada	Affordable Housing Resource Council
	Citizens for Affordable Homes, Inc.
	Community Development Programs Center of Nevada
	HELP Las Vegas
	ReStart
New Hampshire	Affordable, Housing, Education and Development, Inc.
	American Friends Service Committee- New Hampshire Program
	Greater Nashua Interfaith Hospitality Network
	Fellowship Housing Opportunities
	Manchester Emergency Housing, Inc.
	Manchester Neighborhood Housing Services
	Marguerite's Place, Inc.
	Neighborhood Housing Services of Greater Nashua
	Nashua Soup Kitchen & Shelter Inc
	New Hampshire Coalition to End Homelessness
	New Hampshire Homeless
	New Hampshire Women's Lobby
	Southern New Hampshire Services, Inc.
	Southwestern Community Services, Inc.
	The Cheshire Housing Trust
	The Concord Area Trust for Community Housing
	The Contoocook Housing Trust
	The Housing Partnership
	The Laconia Area Community Land Trust
	The New Hampshire Nonprofit Housing Network
	Twin Rivers Community
	Twin Pines Housing Trust
New Jersey	Camden City Division of Planning
	Community Action Services
	Corinthian Housing Development Corporation
	CREST
	East Trenton Community Council
	Episcopal Community Development
	Fair Housing Council of Northern New Jersey
	Fairmount Housing/Management Corporation
	Friends of Lifers Youth Corporation
	Habitat for Humanity Newark, Inc.
	Housing & Neighborhood Development Services
	Housing and Community Development Network of New Jersey
	Hudson County Housing Resource Center
	Inter-religious Fellowship for the Homeless of Bergen County, Inc.
	Jersey City Affordable Housing Coalition
	La Casa De Don Pedro, Inc.
	Middle Earth
	Middlesex County Economic Opportunities Corporation
	New Jersey Alliance for the Homeless
	New Jersey Division of Developmental Disabilities
	Office of State Monitor Advocate, NJ Dept of Labor
	Puertorriquenos Asociados for Community Organization
	St. James Community Development Corporation
	St. Matthews Neighborhood Improvement Development
	The Apostles' House
	The Crisis Ministry
	Trenton Education Development
	Tri-City Peoples Corporation
	Unified Vailsburg Services Organization

	United Community Corporation
	Urban League Affordable Housing & Community Dev. Corporation
New Mexico	Abo Healthcare for the Homeless
	Albuquerque Mental Health Housing Coalition, Inc.
	Guadalup County Health Council
	Home Education Livelihood program, Inc.
	Homeless Advocacy Network
	Las Cruces Affordable Housing Inc
	New Mexico ACORN
	Sandoval County Economic Opportunity
	Siete del Norte CDC
	Tierra del Sol Housing Corporation
New York	A-Home
	Abyssinian Development Corporation
	Asian Americans for Equality
	Action for a Better Community, Inc.
	Asian Americans for Equality
	Association of Theatrical Press Agents and Managers
	Bedford Stuyvesant Community Legal Services Corporation
	Bethel CDC
	Bishop Sheen Ecumenical Housing Foundation, Inc.
	Black Rock–Riverside NHS, Inc.
	Broadway-Fillmore NHS, Inc.
	Buffalo NHS
	Care for the homeless
	Carmelite Sisters of Charity
	Catholic Charities of the Diocese of Albany
	Chemung County Housing Coalition
	Children & Family Mental Health Services, Inc.
	Citizen's Committee for Children
	Clubhouse of Suffolk, Inc.
	Coalition for the Homeless
	Coalition of N.E. Association Inc.
	Community Action Organization
	Community Action Program Cortland County
	Community Advocates, Inc.
	Community Service Society of New York
	Common Ground Community
	Concern For Independent Living
	Conifer Realty, LLC
	Disabled in Action of Metro. New York
	Eastside Neighbors in Partnership, Inc.
	Erasmus Neighborhood Federation Inc
	Fannie Lou Hamer PAC
	Federation of Organizations for the NY State Mentally Disabled, Inc.
	Fifth Avenue Committee, Inc.
	Fillmore Leroy Area Residents
	Flatbush Development Corporation
	Genesis Apartments
	Genesis Homes
	Greater Rochester Housing Partnership
	Greater Syracuse Tenants Network
	Group 14621
	Heart of the City Neighborhoods, Inc.
	HELP Bronx Crotona Park North
	HELP Bronx Morris Avenue
	HELP Harbor
	HELP Haven
	HELP Suffolk
	HELP Supportive Employment Center
	Heritage Housing
	Hispanos Unidos De Buffalo, Inc.
	Housing Opportunities, Inc.
	Housing and Services, Inc.
	Human Development Service of Westchester
	Interfaith Council for Action Inc.
	Kensington-Bailey NHS Inc.
	Keuka Housing Council
	Kingston Cares

Long Island Advocacy Center, Inc.
Long Island Center for Independent Living
Long Island Progressive Coalition
Lovejoy N.R.S.
MBD Community Housing Corp
Nassau- Suffolk Coalition For the Homeless
National Coalition for the Homeless -New York
Neighborhood Coalition for Shelter
Neighborhood Preservation Coalition of New York State, Inc.
New Berlin Housing & Preservation Corp., Inc.
New Destiny Housing Corporation
Nontraditional Employment for Women
North East Block Club Alliance, Inc.
Northwest Community Services
Northwest Queens Housing
NYS Developmental Disabilities Planning Council
NYS Rural Advocates
NYS Rural Housing Coalition, Inc.
NYS Tenants and Neighbors
Office of Mental Retardation and Developmental Disabilities
Office of MR and DD, Office of Housing Initiatives
Opportunities for Chenango, Inc.
Outreach Project
Parkside Community Association
Patchogue-Medford Youth and Community Services
Pratt Institute Center for Community & Enviromental Development
Rensselaer County Housing Resources
Rolling Green Unified Neighbors
Rowland Housing Action Coalition, Inc
Rural Opportunities, Inc.
Saratoga County ARC
Sharp Committee, Inc.
Southern Hills Preservation Corporation
Southside Community Mission
St. Christopher Ottilie
St. Lawerence County Housing Council, Inc.
Suffolk Community Council, Inc.
Stryker's Bay Neighborhood Council
Supportive Housing Network of New York
Thorpe Family Residence, Inc.
Two Plus Four Construction Co.
Westchester Community Opportunity Program, Inc.
WestHELP Greenburgh
WestHELP Mt. Vernon
UJA Federation of New York
United Mineworkers of America
United Tenants of Albany
University Heights CDA Inc.
University Neighborhood Housing Program
Unique Poples Services
Universal Community Development Corporation
Utica Citizens in Action
West Side NHS, Inc.
Westchester Housing Fund
WIN Program
Wyandanch Community Development Corporation
Wyandanch Homes and Property Development Corporation
Village of Hempstead, Inc.

North Carolina

Alamance County Interagency Council on Homeless Assistance
Asheville-Buncombe Homeless Coalition
Arc of North Carolina
Blue Springs CDC
Black Creek United Methodist Women
Brick Capital Community Development Corporation
Davidson Housing Coalition
Downtown Housing Improvement Corporation
Durham Affordable Housing Coalition
East Tarboro-Pineville CDC
Goler-Depot Street Renaissance Corporation

	Greensboro Housing Coalition
	Habitat for Humanity of Forsyth County
	Hertford County Quality of Life Association
	Hospitality House of Asheville
	Housing Partnership of Winston-Salem/Forsyth County
	Johnston Co. Planning & Zoning
	Lexington Housing CDC
	McAuley Institute, North Carolina
	Mountain Projects, Inc.
	Mercy Housing Southeast
	Mending Hearts
	Nehemiah Community Development Corporation of North Carolina
	New Directions For Downtown, Inc.
	North Carolina Coalition to End Homelessness
	North Carolina Coalition Against Domestic Violence
	North Carolina Justice and Community Development
	North Carolina Low Income Housing Coalition
	North Carolina Smart Growth Alliance
	Northwestern Regional Housing Authority
	Self-Help Durham
	Self-Help Greenville
	Surry Womens Shelter's, Inc.
	Sisters of Mercy of North Carolina
	River City CDC
	The Homeless Coalition
	TRO, Inc.
	United Parents Against Lead of North Carolina, Inc
	Wake County HCR
North Dakota	Affordable Housing Developers, Inc.
	Catholic Family Service
	Community Action and Development Program, Inc
	Community Action Opportunities Inc
	Community Action Program Region VII, Inc.
	Dakota Prairie Community Action Agency
	Domestic Violence Crisis Center, Inc.
	Eastern Dakota Housing Alliance
	Fargo Planning and Development Department
	Grand Forks Housing Authority
	Homeless Health Services
	Lutheran Social Services of North Dakota
	North Park Homes
	North Dakota Rural Development Council
	Ruth Meiers Hospitality House
	The ARC of Bismarck
	Tri County Regional Development Council
	Wesley Shelter
	Youthworks - Mountain Plains
	YWCA of Fargo-Moorhead
Ohio	ABCD, Inc.
	ACCESS, Inc.
	Adams-Brown Counties Economic Opportunities, Inc.
	Ak/Sum. Community Action Agency
	Akron Area Association of Churches
	Akron Area Board of Realtors
	Akron Community Health Resources
	Akron Health Department
	Akron Metro. Housing Authority
	Alpha Phi Alpha Homes
	American Home Buyers
	Amethyst
	Area Agency on Aging
	Avondale/Walnut Hills Redevelopment Foundation, Inc.
	Bank One
	Barberton Area Community Ministries
	Battered Women's Shelter
	Bethany House Services
	Carver Park Local Advisory Council
	Catholic Commission
	Catholic Charities Health & Human Services

Catholic Social Services
Charter One Bank
Cleveland/Cuyahoga County Office of Homeless Services
Cleveland Neighborhood Development Corporation
Cleveland Tenants Organization
Clemont County Community Services
Clinton County Community Action Program, Inc.
Coalition on Homelessness and Housing in Ohio
Columbus City Council
Community Action Harmony House
Community Health Center
Community Legal Aid
Community Shelter Board
Community Support Services
Corporation for Ohio Appalachian Development
Council for Economic Opportunities in Greater Cleveland (CEOGC)
Crossroads
Daybreak
Diocesan Social Action Office of Cleveland
Dominion
East Akron Neighborhood Development Corporation
Emergency Assistance Services, Catholic Charities
Emmanuel Community Care Center
Fair Housing Advocates
Fair Housing Contact Services
Famicos Foundation
Family and Community Services of Portage Corporation
Family Services
Fifth Third Bank
First Grace Hunger Program
Firstar Bank
FirstMerit Bank
Forest City Residential Group
Founders Path, Inc.
Friends of the Homeless, Inc.
Greater Akron Committee for Better Housing
Greater Cincinnati Coalition for the Homeless
H.M. Life Opportunity
Habitat for Humanity
Harvard Community Services Center
Homebuilders Association of Greater Akron
Housing Network
Housing Opportunities Made EQCH.
Humility of Mary Housing
Interfaith Hospitality Network of Greater Cleveland
Jefferson County Community Action Council, Inc.
Jireh Development Corporation
League of Women Voters
Legacy III, Inc.
Licking County Coalition for Housing
Lifeline for the Empowerment & Development of Cons
Local Initiatives Support Corporation
Lorain County Community Action Agency, Inc.
Lorain County Task Force for the Homeless
Metropolitan Strategy Group
Mosyjowski & Associates Engineers
National City Bank
Nazareth Housing Development Corporation
NCS of Barberton
Neighborhood Development Corporations Association of Cincinnati
Neighborhood Properties
New Home Development 6
North River Development Corporation
Northeast Ohio Coalition for the Homeless
Northwest Pilot Project, Inc.
Ohio Savings Bank
Over the Rhine Housing Network
Partnership for Lincoln Area Neighborhoods
Portage Area Development Corporation

	RESTOC--Race Street Tenants' Co-op
	S&L Properties
	SAFE LANDING
	Salvation Army PASS Program
	Second National Bank
	Sisters of Mercy Regional Community of Cincinnati
	Snyder & Snyder Realty
	Summit Co. Children's Services Board
	Summit Co. Department of Community and Economic Development
	Summit County Housing Trust Fund
	Summit Housing Development Corporation
	Summit Twin Oaks Realty
	The Contact Center
	The Drop-In Center
	The Other Place
	Third Federal Savings
	Tri-County Independent Living Center, Inc.
	University Park Neighborhood Association / UPDC
	Veterans Services Outreach Referral Program
	Volunteers of America Crossroads
	Volunteers of America- Ohio River Valley
	W.O.M.E.N.
	Westside Council of Block Clubs
	Westside Neighborhood Development Corporation
	YWCA of Columbus
	Akron Planning Department
	Christmas In April
	International Institute
	Key Bank
	North Coast Community Homes
	Portage Area Transitional Housing
	Wings Enrichment Center
	Zanesville Metropolitan Housing Authority
Oklahoma	Broken Bow Housing Authority
	Cookson Hills Community Action Foundation, Inc.
	Debruler, Inc.
	Little Dixie Community Action Agency
	Opportunities, Inc.
	Central City Concern
Oregon	City of Hillsboro
	Community Alliance of Tenants
	Community Partners for Affordable Housing
	Elders in Action
	Goose Hollow Family Shelter
	Housing Development Center
	Northwest Housing Alternatives
	Oregon Center for Public Policy
	Oregon Coalition on Housing & Homelessness
	Oregon Food Bank
	Portland Housing Center
	Tvaltin Valley Housing Partners
	Vintage Housing, Inc.
	Womenspace
Pennsylvania	Action-Housing, Inc.
	Allegheny County Housing Authority
	Alliance For Better Housing
	Alliance For Building Communities
	Alliance for Building Communities of Monroe County
	APM (Asociacion Puertorriquenos Enmarcha)
	Blueprint to End Homelessness
	Bloomfield/Garfield Corporation
	Bucks County Housing Group
	Bucks County Opportunity Council, Inc.
	Catherine McAuley Center
	Citizens Budget Campaign of Western PA
	Columbia County Redevelopment Authority
	Columbus Property Management
	Community Action Association of PA
	Community Action Commission

Community Action Committee of the Lehigh Valley
Community Housing Resource Board
Crispus Attucks Association, Inc.
Department OF Human Services
Fayette County Community Action Agency
HCDI
HELP Philadelphia
Homeless Advocacy Project
Horizon House, Inc.
Housing Development Corporation
1260 Housing Development Corporation
J & K Siding
Lehigh Valley Coalition on Affordable Housing
McKeesport Collabrative
Mental Health Association of Southeastern PA
Mental Health Association
Mistick Construction
Monroe County Affordable Housing Coalition
National Resource Center on Domestic Violence
Network for Fairness
New Kensington CDC
North Side Coalition for Fair Housing
Northern Tier Community Action Corporation
Panpha
Pennsylvania Low Income Housing Coalition
Peoples Emergency Center
Philadelphia ACORN
Philadelphia Association of Community Development
Philadelphia Committee to End Homelessness
Philadelphia Health Management Corporation
Project Home
Ridge Center
Rural Opportunites
Schuylkill Community Action
Self Determination Housing Project of PA
Sisters of Mercy, Merion Regional Community
Sisters of Mercy of the Americas- Erie, PA
Sisters of St. Joseph- NW Province
Southwestern Pennsylvania Alliance of HUD Tenants
Tableland Services, Inc.
The Trehab Center, Inc.
Thomas Merton Center
Trehab Center
United Independent Union Local 19
United Independent Union Local 238
Urban League of Pittsburgh, Inc./Minority Elderly Outreach Program
Warren-Forest Counties Economic Opportuntiy Council, Inc.
Welfare Rights-Housing
West Moreland Homan Opportunities, Inc.

Puerto Rico

Foudita de Jesus
San Juan Neighborhood Housing Services

Rhode Island

Childhood Lead Action Project
Comprehensive Community Action (CCA)
Comprehensive CAP
Creating Safe Havens
East Bay CDC
East Greenwich Academy Foundation
Elmwood Foundation
Homeless Action for Necessary Development
Housing Network-Rhode Island Association of CDS
McAuley House
Mount Hope NLT
Opportunities Unlimited
Peoples Redevelopment Corporation
Project Basic
REACH
Rhode Island ACORN
Rhode Island Association of Facilities and Services for the Aging
Rhode Island Coalition for the Homeless

	Rhode Island Parents for Progress
	Rhode Island Public Housing Tenants Association, Inc
	Sisters of Mercy Regional Community of Providence
	Smith Hill CDC
	Star of the Sea
	Statewide Housing Action Coalition of Rhode Island
	SWAP, Inc.
	Travelers Aid Rhode Island
	UNS of Newport & Bristol Counties
	United Way of Southeaster
	Welcome House of South County
	West Elmwood HDC
	Westbay Community Actin, Inc.
South Carolina	Community Development Department, City of Spartanburg
	Douglas Company
	Fairfax Community Outreach, Inc.
	Five Rivers Community Development Corporation
	Grand Strand Housing, Inc.
	Home Alliance, Inc.
	Nehemiah Corporation
	Regency Development Associates, Inc.
	Sumter County Community Development Corporation
	Santee-Lynches CDC
	South Carolina Low Income Housing Coalition
	Spartanburg County
	Trinity Housing
	Upstate Homeless Coalition of South Carolina
South Dakota	Cangleska, Inc.
	Crow Creek Housing Authority
	Development for the Disabled
	Neighborhood Housing Services of the Black Hills
	Northeast South Dakota Community Action Program
	Northeast South Dakota Economic Corporation
	Rapid City Housing Coalition
	Sioux Empire Homeless Coalition
	Teton Coalition
Tennessee	Aid to Distressed Families of Appalachian Counties
	Blount County Community Action Agency, Inc.
	Clarksville/Montgomery County CAA
	Cumberland Region Tomorrow
	DCEA Technical Assistance
	Douglas-Cherokee Economic Authority
	Dubois-Pike Warrick Economic Opportunity Committee Inc.
	Eastern Eight Community Development Corporation
	Kingsport Housing & Redevelopment Authority
	LeMoyne-Owen College Community Development Corporation
	Mid-East community Action agency of Roane and Loud
	School of Urban Affairs and Public Policy, University of Memphis
	Tennessee Association of Community Action
	The ARC of Tennessee
	Transitional Living Program
	Upper East Tennessee Human Development Agency, Inc.
	Urban Housing Solutions
	Westside Community Development Corporation
Texas	AAMA CDC
	ABC Behavioral Health, L.L.C.
	Alamo Area Council of Governments
	Almeda CDC
	Annam CDC
	Avenue Community Development Corporation
	Aztecg Economic Development
	Capital Area Homeless Alliance
	Catholic Family Service
	Colonies Unidas
	Communtiy Council of Bowie
	Central Texas Oportunities, Inc.
	Dallas City Homes, Inc.
	Dallas ACORN
	Day Resource Center for the Homeless

	Eastwood/Broadmoor Area CDC
	El Paso Communtiy Action Agency, Project Bravo
	El Paso Collaborative for Community & Economic Development
	Extra Touch Health Care, Inc.
	Farrant County ACCESS for the Homeless
	Fifth Ward CRC
	Frisco Housng Authority
	Galveston CDC
	Greater Park Place CDC
	Guadalupe Economic Services Corporation
	Guadalupe Neighborhood Development Corporation
	Heights CDC
	House for Homeless
	Housing Authority of the city of Brownsville
	Houston ACORN
	Houston HELP, Inc.
	Jean Brooks CDC
	LISC - Houston
	Lower Valley Housing Corporation
	Megillah Avenue CDC
	Miracle of Hope, Inc.
	MCC for Human Services
	Neighborhood Housing Services of Dimmit County
	Nueces County Community Action Agency
	Office and Professional Employees 277
	Organization Progressive de San Elizaric
	Project Bravo, Inc.
	Sisters of Charity of the Incarnate Word
	SMILE Community Action Agency, Inc.
	Southeast Texas Community Development Corporation, Inc.
	Sunnyside-Up, Inc.
	Tejano Center for Community Concerns
	Telecare Mental Health Services of Texas
	Texas Alliance for Human Needs
	Texas Associations of Community Development Corporations
	Texas Development Institute
	Texas Homeless Network
	Texas Low Income Housing Information Service
	The Enterprise Foundation-Austin
	Trinity Bethel CDC
	U of Texas-Pan American, Community Outreach Partnership Center
	Upward Bound CDC
Utah	Coalition of Religious Communities
	Justice, Economic Dignity & Independence for Women (JEDI)
	Mount Benedict Monastery
	Salt Lake Community Action Program
	Share the Future CLT
	Utah HUD Tenants Association
	Utah Issues
	Utah Nonprofit Housing Corporation
	Wasatch Homeless Health Care, Inc.
	National Tongan American Society
Vermont	Abuse and Rape Crisis Program/CVOEO
	Addison County Community Action Group, Inc.
	Battered Women's Services and Shelter
	Bennington-Rutland Opportunity Council
	Brattleboro Area Affordable Housing Corporation
	Brattleboro Area Community Land Trust
	Brattleboro Area Drop-In Center
	Brattleboro Housing and Human Resources Council
	BROC- Community Action in Southwestern
	Burlington Community Land Trust
	Central Vermont Community Action Council
	Central Vermont Community Land Trust
	Champlain Valley Office of Economic Opportunity
	Committee on Temporary Shelter
	Community Action Brattleboro Area, Inc.
	Gilman Housing Trust, Inc.
	Healthcare and Rehab Services

Housing Vermont
Lamoille Housing Partnership
Morningside Shelter
New Beginnings, Inc.
Our Place Drop-In Center
Randolph Area Community Development Corporation
Rutland County Housing Coalition
Rutland Mental Health Services
Rutland West Neighborhood Housing
Sisters of Mercy, Vermont
United Counseling Services of Bennington County
Upper Valley Haven
Vermont Affordable Housing
Vermont Center for Independent Living
Vermont Community Loan Fund
Vermont Department of Housing and Community Affairs
Vermont Housing and Conservation Board
Vermont Tenants, Inc.
WomenSafe, Inc.

Virginia

Americans Helping Americans
Amherst County Commission Against domestic Violence
Better Housing Coalition (BHC)
Buckingham Housing Development Corporation
Catholics for Housing, Inc.
Coalition for Housing in Arlington
Consortium of Developmental Disabilities Councils
Council for Affordable and Rural Housing
Elderhomes Corporation
Family and Children Services
Federation of Appalachian Housing Enterprises, Inc.
H.O.M.E., Inc.
Habitat for Humanity of Northern Virginia
Henrico Community Housing Corp. of Richmond
Highland Park Restoration & Preservation Program
Homestretch, Inc.
Housing Association Of Non-Profit Developers
Interfaith Housing Corporation (IHC)
Jackson Center
Jackson Ward Association
Local Initiatives Support Corporation (LISC)
Miriam's House
NAMI Virginia
Neighborhood Housing Services
North River Community Action
Northern Virginia Interfaith Coalition for Justice
Northern Virginia Mental Health Consumers Association
Oregon Hill Home Improvement Council (OHHIC)
People, Incorporated of Southwest Virginia
Piedmont Housing Alliance
Reston Interfaith
Richmond Metropolitan Habitat for Humanity
Richmond Redevelopment & Housing Authority
Robert Pierre Johnson Housing Development Corporation
Sisters of Mercy of Virginia
Social Action Linking Together
Southampton County Assembly, Inc.
Southside Community Development & Housing. Corporation
Tahirih Justice Center
The NOVA Community
The Stop Organization
Virginia Coalition for the Homeless
Virginia Interfaith Center for Public Policy
Virginia Supportive Housing (VSH)

Washington

1000 Friends of Washington
Affordable Housing Management Association of Washington State
AIDS Housing of Washington
Aloha Inn
Blue Mountain Action Council
Bremerton Housing Authority

Capitol Hill Housing Improvement Program
First Things First
Helping Hand House
Housing Authority of Skagit County
Housing Development Consortium of Seattle-King County
Housing Hope
Housing Resources Group
Inland Empire Residential Resources
Intercommunity Housing
King County Department of Community and Human Services, Housing Finance Program
Kitsap County Consolidated Housing Authority
Longview Housing Authority
Low Income Housing Institute
Lower Columbia Community Action Council
Lutheran Alliance to Create Housing (LATCH)
National Alliance for the Mentally Ill (NAMI) Wash.
NAMI South King County
NorthWest Federation of Community Organizations, NWFCO
Northwest Regional Facilitators
Okanogan County Community Action Council
Office of Rural and Farmworker Housing
OPAL (Of People and Land) Community Land Trust
Real Change Homeless Empowerment Project
SAMCO
Sisters of St. Joseph of Peace Western Province
Spokane Neighborhood Action Programs
Southwest Washington Agency on Aging
The Homelessness Project
Transitions
Washington State Coalition for the Homeless
Washington State Council for Affordable and Rural Housing
Washington Low Income Housing Network

West Virginia

Cabell-Huntington Coalition for the Homeless
Community Works in West Virginia, Inc.
Fairmont Community Development Partnership
Greenbrier Housing Authority
Harts Community Development, Inc.
Human Resource Development and Employment, Inc.
Huntington City Mission
Huntington West Virginia Housing Authority
Multi-Cap, Inc.
Randolph County Affordable Housing & Development Corp.
REDEEM
Tiskelwatt Neighborhood Development & Advisory Council

Wisconsin

Access to Independence-Madison
Advent Lutheran ELCA- Madison
Affordable Housing Action Alliance-Madison
Allied Churches Teaching Self Empowerment
Avenues West Association
Beloit Community Development Authority
BASICS in Milwaukee, Inc.
Brown County Housing Authority
Brown County Task Force on Homelessness
C-CAP, Inc.
Christine Ann Domestic Abuse Services, Inc.
Community Advocates-Milwaukee
Community Housing Initiative, Inc.
Community of Hope UCC
Fair Housing Center of Greater Madison
Family Services
Fox Cities Housing Coalition
Franciscan Sisters of Perpetual Adoration
Freedom House Ministries, Inc.
Friends of Housing Corporation
Greater Fox Cities Area Habitat for Humanity
Heartland Properties Inc
HOMES Coalition- Madison
Housing Initiatives, Inc.
Housing Partnership of the Fox Cities

	Housing Resources, Inc.
	Hunger Task Force of Milwaukee
	Integrated Community Services- Green Bay
	Interfaith Hospitality Network- Eau Claire
	Interfaith Hospitality Network- Madison
	Juniper Court, Inc.
	Layton Boulevard West Neighbors
	League of Women Voters of Dane County
	League of Women Voters of Greater Green Bay
	Lisbon Avenue Neighborhood Development Corporation
	Lisbon Avenue Neighborhood Redevelopment
	Local Initiatives Support Corporation- Milwaukee
	Lutheran Office for Public Policy
	Madison Area Community Land Trust
	Madison Area Urban Ministry
	Menomonee Valley Partners, Inc.
	Metcalfe Park Residents Association
	Metro Milwaukee Fair Housing Council
	Milwaukee Christian Center
	Milwaukee Women's Center
	Mortgage Guaranty Insurance Corporation
	Moving' Out, Inc.
	Multicultural Student Coalition- UW Madison
	Mutual Housing Association of Brown County, Inc.
	Neighborhood Housing Services- Green Bay
	New Community Shelter
	New Concepts
	New Covenant Housing Corporation
	NEWCAP, Inc.
	Northeast Milwaukee Industrial Dev. Corp. (NMIDC)
	Northeast Wisconsin Fair Housing Council
	Opportunities Industrialization Center of Greater Milwaukee
	Project Home-Madison
	Sacred Heart Center
	Select Milwaukee, Inc.
	Southerwestern Wisconsin Community Action Program, Inc.
	Southeastern WI Housing Corp. of Racine County
	St. Francis Bank
	Toward Community: Unity in Diversity- Appelton
	United Way- Fox Cities
	University of Wisconsin Greens
	WEST END Development Corporation
	Wisconsin Association of Housing Authorities
	Wisconsin Council on Children and Families
	Wisconsin Manufacturers Homeowners Association Inc.
	Wisconsin Partnership for Housing Development
	Wisconsin Preservation Fund, Inc.
	Wisconsin Public Interest Research Group
	Women and Poverty Public Education Initiative
Wyoming	Community Action
	Diversified Services, Inc.
	Human Services Commission
	Wyoming Coalition for the Homeless

49 Individuals Supporting the National Housing Trust Fund Campaign

State	**Individual**
Alaska	Sarah Ramsey
	John Galfione
California	Lisa Feldstein, Affordable Housing Consultant
	Kristie Kesel
	Clement Lau
	Sheryl Spencer
	Jennifer Bigelow McGovern
DC	Cushing Dolbeare, Founder and Chair Emeritus, NLIHC
Florida	Susan Lang
	Bill Clift
Illinois	Herbert Rubin, Professor of Sociology, Northern Illinois University
Kansas	Robert Rutkowski

Kentucky	Miles Puckett
Maryland	David Crystal
	Joseph Harkness
	Ruth Crystal
	Travis Woodruff
Massachusettes	P. Sweeney
Minnesota	Justin Cummmings
	Anne Billier
	Nick Jamez
	Jane Lawrenz, Dakota County
	Eloise Buckingham
	Home Line
	Kari Denissen
	Sara Leedom
	Kim Lieberman
	Rarinder Flesh, MFHC
	Monica Nisson
	Michelle Poeschel
	Sara Nelson-Pallmeyer
	Norah E. Bringer
	Paula Schumacher
	Eddie L. Johnson, YMCA St. Paul
	Scott Zemke, Community Action for Surburban Hennepin
Missouri	George Niewrzel
New Jersey	Martha Lamar, Housing &Planning Consultlant
New York	Julia Koschinksky
North Dakota	Howard C. Barlow, CFRE
Pennsylvania	Jenn M. Bromwell
	Colleen Unroe
Ohio	Tricia Gillespie
	Richard Hell
	Barbara Snyder
	Cathy Tilden
Texas	Ellie Collier
Vermont	Morgan Brown, Independent and Literally Homeless Activist
Washington	Donald Harden
Wisconsin	Jay Austinson

U.S. Conference of Mayors Resolution Adopted at the 69th Annual Meeting June 2001

KEEPING THE DREAM ALIVE:
MAKING AFFORDABLE HOUSING A NATIONAL PRIORITY

WHEREAS, despite experiencing the greatest economic expansion in history, housing needs have reached an all-time high; and

WHEREAS, homelessness has increased 63 percent since 1990 and the number of children living in shelters has tripled; and

WHEREAS, working men and women and families in our cities are having a hard time finding affordable housing and elderly residents on fixed incomes are fearful of being priced out of their neighborhoods; and

WHEREAS, housing isn't a luxury, it is a fundamental right and Affordable Housing should be made a national priority; and

WHEREAS, affordable, healthy housing is at the core of strong communities; and

WHEREAS, Mayors are at the forefront in trying to address the housing crisis, putting forth strategies and resources to combat the problem, however cities can't do it alone,

NOW, THEREFORE, BE IT RESOLVED, that the U.S. Conference of Mayors urges that Affordable Housing be made a National priority and that the following actions be taken to advance the goal of increasing affordable housing opportunities and access to housing:

- Establish a Housing Production Program to assist cities with expanding and preserving the supply of rental housing for a mix of incomes.
- Develop a set of tools and tax and other financial incentives to increase homeownership
- Establish a preservation grant program that provides matching grants to states and localities for preservation and incentives to preserve the existing stock of affordable housing.
- Maintain and expand housing and community development funding in federal and state budgets.
- Ensure adequate federal resources are available for public housing so that it is fully utilized, safe and well maintained for those most in need.
- Develop a national strategy to meet the comprehensive needs of the homeless individuals and families and seek expanded federal resources beyond the HUD budget to address these needs.
- Ensure housing programs and policies address the needs of the growing elderly population.