



Housing Washington

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INSIDE

- 2 The Impact of Sequestration
- 3 Tacoma Education Project
- 4 Low-wage Jobs Dominate Growth
- 5 Systemic Inequalities in King County
- 6 Shaun Donovan at Housing Washington
- 10 100,000 Homes
- 11 HTF Awards
- 12 Tax Increment Funding
- 15 States Misuse Mortgage Settlement Funds
- 17 House of the Future

Bellingham Voters Pass Housing Levy

By Joshua Okrent

On November 6, a tax levy to help provide low-income housing in Bellingham won handily, buoyed by support in the city's core neighborhoods. The measure passed with 55 percent of the overall vote.

The levy will collect property taxes in the city to raise nearly \$21 million over seven years to help low-income people get into affordable housing. The owner of a \$250,000 home will pay \$90 more a year for what's known as the Bellingham Home Fund.

The Home Fund attracted a coalition of voters from dense, urban areas and traditionally liberal neighborhoods. City Council member Cathy Lehman, who lives downtown, said people in that neighborhood, the Central Business District – see the effects of homelessness every day. After the Sehome neighborhood, the downtown neighborhood had the strongest support for the Home Fund, at 73 percent.

Downtown residents encounter a large number of homeless people who are there for transit and other services, Lehman said. "When I walk to work or to City Hall, I'm really faced with the reality of having constituencies of people who don't have adequate housing," she said.

Campaign co-chairman Greg Winter, who is director of the Whatcom Homeless Service Center, said the people who live on the verge of homelessness downtown should be taken into account when

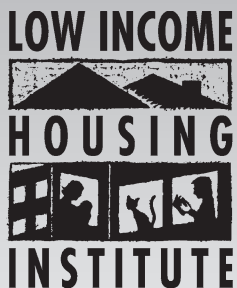


A tax levy to help provide low-income housing in Bellingham won handily with 55% voter approval.

considering the large proportion of favorable votes there. "A lot of the people who live downtown are naturally supporters of this because they are likely to know firsthand what it's like to have scarce housing resources," Winter said.

One explanation for why the levy fared better in urban areas and not so well in the outer neighborhoods was the campaign's doorbelling strategy, Winter said. "We concentrated that kind of intensive outreach in neighborhoods that tend to be more walkable," he said. "You end up in

continued on page 18



The Impact of Sequestration on Housing

By Ben Miksch

In recent weeks, we have been bombarded with the news of Congress endlessly debating proposals for an agreement about the budget, taxes, and automatic spending cuts scheduled for January 2. It's possible that by the time this story is published, Congress will have cut a deal and the country will already know whether funding for affordable housing and programs to end homelessness were protected or betrayed. What's more likely is that Congress will be debating these issues in one form or another for much of the year, and it will be up to us as advocates to protect the programs that serve the most vulnerable in our communities.

First, some history on how we got here in the first place. Last summer, Congress passed the Budget Control Act (BCA) of 2011. The BCA created "sequestration" or automatic, across-the-board spending cuts if Congress was unable to come up with a better plan for how to reduce deficits. To date, Congress has not come to an agreement, and sequestration will start to take effect on January 2 of next year.

If sequestration is enacted, Washington state would lose funding for 4,040 Housing Choice Vouchers. For many families and individuals, these vouchers are literally the difference between being housed and being homeless. Our estimates are that cuts to this program alone could single-handedly increase homelessness in Washington by 20 percent or more.

It is true that housing and homelessness service providers are

no strangers to cuts and would do everything in their power to take care of people in need. But the fact is that these cuts would be compounded by additional cuts happening to every other program that people in our communities depend upon. Public Housing Authorities will be compromised from cuts to their operating and capital budgets, while programs like Community Development Block Grants, HOME grants, Homeless Assistance Grants, and even programs like Meals on Wheels would all be facing similarly sized cuts as well. Across-the-board cuts mean that no programs are spared.

It is important to note that if Congress has not come to an agreement by January 1, our country will not fall off of a "fiscal cliff." As long as we are working towards an agreement, it's likely that HUD and other agencies would be able to frontload their budget allocations so the cuts wouldn't immediately hit our communities. Thus, it is less important that we have an agreement before an artificial deadline passes. Rather, most important is that we push for the very best deal that doesn't balance the budget on the backs of those who have the least in our communities.

Nobody has a crystal ball for what exactly will happen next. One possibility, mentioned above, is that Congress will continue to be gridlocked and the automatic sequestration cuts take effect. In this scenario, it is especially important that housing advocates are loud and

clear about the effects these cuts would have and how we need to prevent them. Another possibility is that Congress comes up with a two-part agreement: first, an immediate "down-payment" which would avert the sequestration. Then Congress



Ben Miksch of Washington Low Income Housing Alliance speaking at the Housing Washington conference, October 2012. Photo by Patrick Dixon

would work on a specific agreement about the exact mix of tax increases and cuts that would accomplish the rest of the deficit reduction. In this scenario, it will still be extremely important for housing advocates to be involved in the conversation. Not only will we need to protect the programs we depend on through HUD and other government agencies, but we will also need to protect critical tax policies such as the Low Income Housing Tax Credit and the New Markets Tax Credit.

There will be other federal advocacy opportunities for housing champions. Some people believe we are ready to talk about Mortgage Interest Deduction reform. We at the Housing Alliance would

continued on page 18

Tacoma Housing Authority's Education Project Shows Progress

By Michael Power and Dan Voelpel

Since 1940 the Tacoma Housing Authority (THA) has engaged in a wide range of efforts to help its City meet the growing need for affordable housing. THA develops and manages real estate, provides rental housing, and helps families pay the rent in the private rental market. THA seeks to do its work in ways that help neighborhoods be attractive places to “live, work, attend school, shop and play”, and that help Tacoma be “safe, vibrant, prosperous, attractive and just.”

Recently, THA has launched a landmark Education Project as a collaboration with the Tacoma School District to find out whether and how a housing authority can use its housing resources in ways that promote two outcomes:

- School success among the children THA houses;
- Success of the schools that serve THA's properties.

THA became interested in education for three reasons. First, THA's mission is to help the families it serves prosper. It wants their time with THA to be transforming in that way, and temporary. Education is an important part of this transformation. Second, THA is a real estate and community developer. The social and financial success of its developments depends on successful schools. Third, the school district needs help, and THA sees the education of Tacoma's children as a community responsibility.

This innovative collaboration between THA and Tacoma Public Schools (TPS), along with many community partners, seeks to stabilize the McCarver Elementary School student population and improve school outcomes. McCarver serves the Hilltop neighborhood in Tacoma, and its student population is very low-income. It has the most homeless children of schools in its region. As a consequence, the student annual turnover rate has ranged in the past few years from 107 percent to 179

percent, with destructive consequences on school performance.

In response, THA and TPS began a focused, innovative, highly coordinated and closely evaluated five-year project. Its first school year was 2011-2012. Funding for this effort comes from THA, the Bill & Melinda Gates Foundation, Building Changes, Pierce County, and KBTC Public Television.

THA is providing rental assistance and intensive case management services to 50 formerly homeless families of McCarver students. These families have 70 McCarver students who comprise about 20 percent of the school. The assistance will last for up to five years. The rental assistance starts high and tapers down to zero over the five years.

Participating parents must commit to keep their children enrolled at McCarver, participate actively in the school and in their children's education, and invest in their own education and employment prospects, with the help of an array of social service partners.

TPS and the McCarver staff and faculty have been a full partner in this project. Most significantly, they have committed the substantial investment of money and training to turn McCarver into a Primary Years International Baccalaureate School.

The data from the first year of this five-year program offer preliminary support for the proposition the program seeks to test: that stabilizing a family's home life and keeping children continuously enrolled in the same school can boost academic achievement. Students whose families enrolled in the program showed more than three times the gains in reading test scores over key comparison groups, along with greatly increased housing stability, according to a newly



The data from the first year of this five-year program supports the proposition that stabilizing a family's home life can boost academic achievement. Photo courtesy of McCarver Elementary School.

continued on page 8

Post-Recession Job Growth Limited to Low-Wage Jobs

by Joshua Okrent

Low-wage jobs have dominated employment growth since the economic recovery began, according to a new report from the National Employment Law Project (NELP). Most middle-wage jobs lost during the recession have not returned to the market, and the disappearance of the mid-wage, mid-skill workforce reflects longer term economic patterns, contributing to income inequality.



Low-wage jobs have dominated employment growth since the economic recovery began. Food preparation and service jobs are among the lowest paid in the United States. Photo by Stuart Matthews

NELP drew data from the Current Population Survey (CPS), focusing on trends across occupations classified into three groups by median hourly wage: low wage (median hourly wage between \$7.69 and \$13.83), mid-wage (median hourly wage between \$13.84 and \$21.13) and high-wage (median wage above \$21.14). The researchers tracked net employment within these occupations during the recession years (2008 Q1 to 2010 Q1) and during the recovery (2010 Q1 to 2012 Q1).

While mid-wage jobs accounted for 60% of jobs lost during the recession,

these jobs comprised only 22% of new jobs gained during the recovery period. Instead, a large proportion of new jobs gained (58%) were characterized by low wages. Low-wage occupations grew 2.7 times as fast as mid-wage and high-wage occupations during the recovery period.

Since 2010, 43% of new net employment growth can be attributed to three low wage industries: food services, retail and employment

services. Many of the jobs in the employment services industry are temporary, and the majority of occupations (76%) in all three of these growing industries are low-wage. The recovery is led by job growth in retail sales, with an average hourly wage of \$10.97 and food prep, with an average hourly wage of \$9.04.

• *Lower-wage occupations* constituted 21 percent of recession losses,

but 58 percent of recovery growth.

• *Mid-wage occupations* constituted 60 percent of recession losses, but only 22 percent of recovery growth.

• *Higher-wage occupations* constituted 19 percent of recession job losses, and 20 percent of recovery growth.

Moreover, the unbalanced recession and recovery have meant that the long-term rise in inequality in the U.S. continues. The good jobs deficit

is now deeper than it was at the start of the century:

- Since the first quarter of 2001, employment has grown by 8.7 percent in lower-wage occupations and by 6.6 percent in higher-wage occupations.
- By contrast, employment in mid-wage occupations has fallen by 7.3 percent.

Within most industries, job growth is not evenly distributed. Within educational and social assistance, recent growth has occurred at opposite ends of the wage spectrum. Health care remains one of the only industries with job growth across all wage levels. Overall, job growth patterns during the recovery continue to reinforce income inequality across the United States.

The full report, [The Low-Wage Recovery and Growing Inequality](http://bit.ly/PaLePh), can be accessed on NELP's website at <http://bit.ly/PaLePh>.

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Systemic Inequalities Plague South King County Residents

The first report of King County Equity and Social Justice shows the county is increasingly diverse, with a non-white population that has grown from 13 percent in 1980 to 35 percent in the 2010 census. The document says that trend is expected to continue, as nearly half of all county residents under 18 are non-white. More than 100 languages are spoken in King County, and 11 percent of those over age 5 have limited-English proficiency.

“It’s a basic American ideal that personal success should be based upon merit – talent, drive, determination – not upon race, or class, or zip code,” said County Executive Dow Constantine in a news release. “Our economy depends on everyone being able to contribute, and we must remove the barriers that artificially limit the ability of some to fulfill their potential. Only when all can fully participate can we have true prosperity.”

County Council Chairman Larry Gossett said the report makes it “painfully clear that the lives of far too many people in our county continue to be impacted by systemic inequities. “In 2008, we made a commitment to reduce these inequalities. King County has accomplished much in a very short time, but there’s still a lot of work that needs to be done to achieve the ideals supported by Equity and Social Justice.”

The report highlights the 14 determinants of equity, or the conditions in which county residents are born, grow, live, work, and age. These are baseline markers to assess progress and areas for improvement in creating a fair and just society. The report includes maps and other statistics that reveal inequities across King County.

South King County and south Seattle have the greatest concentration of households below the median household income, the report says. In 2010,

African American and Native American households earned just over half of the median income of white households.

The largest decline in home values has occurred in South King County communities, low-income areas and more racially diverse communities.

The incarceration rate for African Americans in King County is roughly eight times the rate of incarceration for whites. Food hardship has increased by

South King County.

“These findings will direct us in identifying solutions that increase the quality of life for all people regardless of your zip code, the size of your bank account or your ethnicity.”

Affordable housing and more housing choices, along with ending homelessness “are key elements in assuring equal opportunity for a successful and prosperous community,” said Stephen Norman, executive director of the King County Housing Authority.

Constantine said the report also highlights King County efforts to promote fair and just conditions for all through the siting and delivering of services; policy development and decision making; education and communication within county government; and community engagement and partnerships. For example, the budget office held all agencies accountable for considering equity impacts in their 2012 budgets and business plans.

The executive said Metro Transit included social equity as one of three criteria in its new Transit Strategic Plan, which determines how transit services are allocated in King County.

King County Elections expanded voter registration and education outreach activities through partnerships with ethnic communities and other underserved populations,” he said.

The Metropolitan King County Council in 2010 adopted legislation integrating the principles and practices of equity and social justice into all agencies and branches of County government. The ordinance establishes definitions and directs implementation steps related to the “fair and just” principle of the King County Strategic Plan that guides all county activities and functions.

The full report is available at www.kingcounty.gov/equity.

“IT’S A BASIC AMERICAN IDEAL THAT PERSONAL SUCCESS SHOULD BE BASED UPON MERIT – TALENT, DRIVE, DETERMINATION – NOT UPON RACE, OR CLASS, OR ZIP CODE. OUR ECONOMY DEPENDS ON EVERYONE BEING ABLE TO CONTRIBUTE, AND WE MUST REMOVE THE BARRIERS THAT ARTIFICIALLY LIMIT THE ABILITY OF SOME TO FULFILL THEIR POTENTIAL. ONLY WHEN ALL CAN FULLY PARTICIPATE CAN WE HAVE TRUE PROSPERITY.”
– KING COUNTY EXECUTIVE DOW CONSTANTINE

half since 2007 in King County and varies significantly by race. Nearly two in five Latino adults and more than one in five African American adults report food hardship.

“As the report shows, dramatic disparities continue to exist in King County, particularly in South King County,” said King County Councilmember Julia Patterson, 5th District, which includes part of

Secretary Shaun Donovan at Housing Washington Conference

HUD Secretary Shaun Donovan spoke at Housing Washington 2012, held at the Tacoma Convention Center on October 17. The following is an edited transcript from his speech that day.

Today I want to talk about the partnership Senator Patty Murray and I have forged together these last three-and-a-half years. My partnership with Senator Murray began in the days just before President Obama took office. 800,000 jobs were lost just that month; home prices were cratering for 30 straight months; and foreclosures were setting records on a monthly basis.

But together, we pushed back. With Senator Murray's partnership, we worked to help keep families in their homes. And to ensure families still had access to the housing market, we extended and expanded the First Time Homebuyer tax credit – and provided critical support to the FHA. From the beginning, Senator Murray recognized that it wasn't just homeowners that were hurt by the crisis – that nearly half of those displaced by foreclosures were renters.

And as we worked to craft the Recovery Act, I saw myself how her first concern was those who the crisis put most at risk – the men, women and families who were going to fall into homelessness. It was with her leadership and guidance that we crafted the Homelessness Prevention and Rapid Re-housing program – or HPRP.

Senator Murray understood providing families with short-term assistance was all many folks need to get back on their feet. She also saw how foreclosures were impacting not simply individual homeowners – but whole communities. And together, we worked to scale up the Neighborhood Stabilization Program, which

helped communities struggling with concentrated foreclosures.

Senator Murray also understood that frozen credit markets were a threat not only to homeowners – but to anyone in need of affordable housing. Nowhere was that clearer than her efforts to revive the Low-Income Housing Tax Credit.

The tax credit was the single most important capital source for funding affordable housing – and with a thousand developments stalled virtually overnight, the irreversible loss of the tax credit market was a distinct possibility. Because of the Recovery Act, Treasury's Tax Credit Exchange Program and HUD's Tax Credit Assistance Program, we were able to keep tens of thousands of affordable homes in the pipeline – and thousands of construction workers on the job.

Just as important in some ways to liquidity during the credit crunch was Treasury's New Issue Bond Program, which was critical to the outstanding work done throughout this crisis by the team at the Washington State Housing Finance Commission. At a time when investors were deeply concerned about the future of the housing market, these efforts were critical to keeping funds flowing to single and multifamily housing – and supporting thousands of good-paying construction jobs at a moment when we needed them most.

Because of the work we've done to pull together, today we stand at a far more encouraging moment. Because we provided help to homeowners facing foreclosure *and* the communities they live in, the number of people falling into foreclosure is the lowest it's been in five years. Places with targeted neighborhood stabilization investments have seen vacancies fall

and home prices rise.

Because we jumpstarted developments stalled by the economic crisis, we not only provided critical affordable housing during the crisis



HUD Secretary Donovan on Senator Patty Murray. "Even as homeowners and renters begin to see the light at the end of the tunnel and emerge from this crisis, Senator Murray is focused on the broader challenges facing the families of Washington and the country."

Photo by J. Vidhee

– we also saved the tax credit for future generations.

And because we provided families with rent, basic case-management services and something as simple as a security deposit or utility payment, more than 1.3 million people were saved from homelessness. Cities report that about 90 percent of families who received rapid re-housing assistance through the Recovery Act remain housed today. And the US Conference of Mayors says that HPRP is "fundamentally changing" the way communities respond to homelessness.

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Building on Our Progress

None of this is to say the job is done. But taken in tandem with the best year of home sales since the crisis began – with the number of underwater homeowners dropping 11 percent since end of last year and home price improvements in the first half of this year lifting 1.3 million families above water – our housing market has momentum we haven't seen in over five years.

And with the recent \$25 billion settlement with the five largest servicers, struck earlier this year by the Administration and 49 bipartisan state attorneys general, we have critical tools to keep that momentum going. A preliminary report covering just the first few months of the settlement showed that roughly 165,000 homeowners, including 3,600 here in Washington, had already received almost \$14 billion in relief – \$76,000 on average.

But the job's not done. One-in-five homeowners here in Washington – folks who are doing the right thing, and making their mortgage payments every month – still can't take advantage of record-low interest rates because they're underwater.

That's why last fall the President challenged us to step up our efforts. Within six weeks, we had identified barriers that were preventing people with loans backed by Fannie Mae and Freddie Mac from refinancing. But even with refinancing at a 3-year high – up 60 percent here in Washington since these changes were put into place – we need to do more. President Obama is pushing Congress to act on a series of legislative proposals that will help families refinance and rebuild what they've lost.

Building Strong, Resilient Neighborhoods

But even as homeowners and renters begin to see the light at the end of the tunnel and emerge from this crisis, Senator Murray is focused on the

broader challenges facing the families of Washington and the country.

She knew that it was no coincidence that the places that faced the brunt of the economic crisis and had the highest foreclosure rates and the deepest job losses, were often the most unsustainable – with the most troubled housing, the poorest performing schools, the least access to transportation, and the far too little economic opportunity. Senator Murray also understood that leaving kids behind in neighborhoods of concentrated poverty isn't just wrong for

residents in the neighborhood, it's also hired and trained hundreds of residents of the Salishan public housing community.

With Choice Neighborhoods, communities have the tools they need to address the capital needs of not just distressed public housing, but all kinds of HUD-assisted housing in a neighborhood. And by aligning those investments with the Department of Education's Promise Neighborhoods initiative it puts school reforms at the center of those efforts.



HUD Secretary Shaun Donovan. "Do we settle for a country where a shrinking number of people do really well, while more Americans barely get by? Or do we work together to build a nation where everyone gets a fair shot, does their fair share, and plays by the same rules?"

them – it's also wrong for our economy.

That's the idea behind our Choice Neighborhoods program. Choice Neighborhoods builds on the success of HOPE VI, which created over 90,000 public housing units in healthy, mixed-income communities – leveraging twice the federal investment in additional capital and raising the average income of residents by 75 percent or more.

Here in Tacoma, the Salishan Hope VI development is not only transforming over 1,200 mixed-income homes. With a strong commitment to Section 3, which ensures local projects create opportunities for low-income

In Seattle's Yesler Terrace neighborhood, a stone's throw from the City's commercial business district, the community is using its Choice Neighborhoods Grant to transform an aging public housing complex into 6,000 mixed-income homes – leveraging this investment to build retail, educational facilities, health clinics, and additional transportation infrastructure. And by partnering with Seattle University to increase the number of children enrolled in evidence-based early learning programs, the community is making a commitment not just to families today – but to its economy for the years to come.

continued on page 8

Ending Homelessness

When government does not act alone, but as a leader among private and non-profit partners, goals like these don't just begin to take shape. For the first time, they become achievable.

Senator Murray had been watching how leaders in Washington responded to homelessness very closely. She saw a Journal of the American Medical Association study that featured Seattle's 1811 Eastlake – and the striking results supportive housing there produced. She saw that in the year after homeless men and women entered 1811 Eastlake, days spent in jail were cut almost in half. Medicaid costs dropped by more than 40 percent. And hospital visits dropped by almost a third.

With evidence that combining housing and supportive services had reduced chronic homelessness nationally by more than a third inside of five years, she knew we could do more than just “fight” homelessness. She believed we could actually *end* homelessness.

And she saw that we could do it for one of our most vulnerable populations: our veterans. Today, we still have more homeless Vietnam-era veterans on our streets than troops that died in the war itself – this at a time when more than 1 million service members are expected to transition out of the military and back into communities throughout America by 2016.

While the innovative HUD-VASH program had shown so much promise – combining HUD's Housing Choice Voucher rental assistance with case management and clinical services provided by the VA – by the time President Obama was sworn in, it had leased properties to less than 1,200 veterans.

But with Senator Murray's focus and leadership, that began to change – and fast. With her pushing us to

document our results and combine different tools to speed progress, we've been able to house more than 30,000 veterans since the President took office – helping 1-in-5 veterans get off of our nation's streets in 2011 alone.

Building on that success, the Administration launched Opening Doors – the first federal strategic plan to prevent and end homelessness – committing 19 federal agencies to ending chronic homelessness and homelessness among veterans in five years, ending homelessness for families, youth, and children within a decade – and setting us on a path to end *all* homelessness.

Housing and Communities Built to Last

The budget debate in Washington isn't just about whether we create jobs faster or grow the economy. It's also about whether we ask everyone to pay their fair share – so that we don't balance the budget on the backs of our most vulnerable.

The choices are very clear: Do we put 200,000 people back to work rebuilding vacant homes? Or do we allow abandonment in our hardest-hit neighborhoods to keep dragging down the property values of our neighbors and our home equity along with it?

Do we continue making progress on ending veterans' homelessness? Or do we leave heroes to fight their toughest battle alone? Do we settle for a country where a shrinking number of people do really well, while more Americans barely get by? Or do we work together to build a nation where everyone gets a fair shot, does their fair share, and plays by the same rules?

I have no doubt Washington State and Patty Murray can help our nation make the right choice.

For the full text of Secretary Donovan's speech please visit <http://portal.hud.gov>.

released report by GEO Education & Research.

For example:

- Students within the program made substantial progress in reading (22 percent gain overall; 29.2 percent for grades K-2, which is more than three times the gain of students in similar schools and cohorts);
- The turnover rate for the school declined from 107 percent in the year before the program to 96.6 percent for the program's first year; the turnover rate among program students was 4.5 percent, while the mobility rate for the rest of the student population was 114 percent.

According to Dr. Carla Santorno, the Superintendent of Tacoma Public Schools, “We appreciate the partnership with the Tacoma Housing Authority and the important work being done with the McCarver students and their families. What we're confirming is what we've always suspected – that school is more difficult for kids from families forced to move often due to economic and other life circumstances. Not every school can teach exactly the same things at the same time on every subject. So bouncing around from school to school with breaks in between means some kids don't get that solid foundation of learning concepts that build on each other. For these kids in the Housing Authority program at McCarver, the stability they're experiencing could mean they will experience huge academic successes that otherwise might pass them by.”

Michael Power is Manager of Educational Programs at Tacoma Housing Authority; Dan Voelpel is Director of Public Information at Tacoma Public Schools. For more information about THA, go to www.tacomahousing.org.

HOUSING BRIEFS

HUD Reports Slight Decline in Homelessness in 2012

On a single night last January, 633,782 people were homeless in the United States. HUD's annual 'point-in-time' estimate seeks to measure the scope of homelessness over the course of one night every January. Based on data reported by more than 3,000 cities and counties, last January's estimate reveals a marginal decline in overall homelessness (-0.4%)



"We have more work to do and will not be satisfied until no Veteran has to sleep on the street." Photo by Drunk Lando

along with a seven percent drop in homelessness among veterans and those experiencing long-term or chronic homelessness. In releasing HUD's latest national estimate of homelessness, Shaun Donovan cited as hopeful that even during a historic housing and economic downturn, local communities are reporting significant declines in

the number of homeless veterans and those experiencing long-term chronic homelessness.

"This report continues a trend that clearly indicates we are on the right track in the fight to end homelessness among Veterans. While this is encouraging news, we have more work to do and will not be satisfied until no Veteran has to sleep on the street," said Secretary of Veterans Affairs Eric K. Shinseki. "What success we have achieved is directly attributable to the strong leadership from the President and hard work by all of our federal, state, and community partners who are committed to ending Veteran homelessness."

Read HUD's 2012 Point-in-Time Estimates of Homelessness, including community-level data, at www.budhre.info.

State Looks More Closely at Low-Income Housing Needs

The Affordable Housing Advisory Board (AHAB) plans to develop a statewide housing needs assessment. According to state housing official Dan McConnon, the study is supposed to be released prior to the 2014 legislative session. McConnon, the deputy director for the community services and housing division of the Washington Department of Commerce, told the House of Representatives' community development and capital budget committees that "I believe the demand exceeds the supply."

The state's Housing Trust Fund has been steadily shrinking, said the fund's managing director. The fund had \$200 million in 2007-2009, \$130 million in 2009-2011, and \$117 million in 2011-2013. The fund spent \$67 million in fiscal 2012, resulting in 2,349 low-income housing units being built. Each \$1 from the trust fund usually leverages an additional \$5 in loans

and investments from other sources, McConnon said.

The AHAB advises the Department of Commerce on housing and housing-related issues and has 22 members representing a variety of affordable housing interests around the state. The Legislature will set next biennium's amount in its capital budget, with taxable bonds providing the fund's revenue.

More at www.commerce.wa.gov

NLIHC Launches Innovative New Database

Having comprehensive, up-to-date information about subsidy types, contract expiration dates and other factors is essential to the ability of advocates to intervene and preserve our vulnerable housing stock.

The National Low Income Housing Coalition has created the National Housing Preservation Database, the first resource of its kind to integrate data from HUD and USDA into one property-level database at the national level. It's a powerful tool that provides communities with the information necessary to effectively preserve the existing stock of public and assisted housing. The database is part of NLIHC's longstanding, data-driven effort help preserve this vital supply of affordable rental homes.

Whether you are an advocate focused on preservation, or a researcher interested in learning more about the housing in a particular community, this database should be of immense value to you. There is also a mapping tool that allows you to see where affordable housing is located in your community.

Visit the database at www.preservationdatabase.org. Contact Research Director Megan Bolton at megan@nlihc.org for more information and to offer feedback.

100,000 Homes Campaign for Housing Veterans: from Survey Data to Solutions

By Aaron Long

The 100,000 Homes Campaign is an organization founded with the purpose of housing 100,000 of the nation's most vulnerable homeless persons within 3 years. Campaign staff surveyed 23,000 homeless persons in 47 communities around the country to help them decide how to focus their efforts.

After analyzing the surveys, the 100,000 Homes Campaign found that veterans tend both to be over-represented in the homeless population – they represent less than 9% of the population nationally, but represented 15.2% of the homeless population surveyed – and to be homeless longer than non-veterans: an average of 5.7 years vs. 3.9 years. Additionally, the survey found that veterans who reported having been homeless for more than 2 years were more likely than those who had been homeless less than 2 years to report serious physical and mental health conditions, to report jail and prison histories, and to report recent patterns of alcohol and substance abuse.

The Campaign team, led by the NYC-based non-profit Community Solutions, concluded that the data warranted a special emphasis on housing veterans and began to look for solutions. In conjunction with the US Interagency Council on Homelessness, the Got Your 6 Campaign, the Rapid Results Institute, the VA, and HUD, they began work on a targeted effort to help their 166 participating communities to permanently house chronically homeless veterans.

For homeless veterans, finding housing often involves navigating multiple service systems that amount

to a “giant maze of terror,” in the words of Jake Maguire of 100,000 Homes. A key step in creating solutions is to get all stakeholders to the table to map out that maze. Then, stakeholders must do everything possible to simplify the path to housing – remove unnecessary steps and dead ends, prevent backtracking, remove forking paths, and add helpful signposts that guide the way. Agencies must help by eliminating redundancies, increasing cooperation and coordination, and streamlining within individual agencies.

Mapping the maze is a feature of “Rapid Results Housing Placement Boot Camps,” training events across the country that help communities house homeless veterans more quickly. These events bring together VA staffers, outreach teams, local governments, housing authority representatives and others from participating communities for a two-day slate of brainstorming exercises designed to help participants revamp their local veterans housing systems. Each community concludes by setting an “unreasonable but achievable” goal to house as many chronically homeless veterans as possible in 100 days. The countdown begins as soon as the training ends. So far, pilot events have resulted in several communities more than doubling the rate at which they house homeless veterans.

The Boot Camps are one prong of a three-pronged strategy that the 100,000 Homes Campaign developed. The other two are “Registry Weeks” and “Local VA Integration.”

Registry Weeks are weeklong, volunteer-driven efforts to identify every homeless person in a given community by name and gather

enough information to triage them into appropriate housing. For several mornings in a row, volunteers walk the streets of their communities between the hours of 4 and 6 am, surveying their homeless neighbors with the Campaign's Vulnerability Index (VI). The VI is a short questionnaire designed to assess an individual's personal,

FOR HOMELESS VETERANS, FINDING HOUSING OFTEN INVOLVES NAVIGATING MULTIPLE SERVICE SYSTEMS. A KEY STEP IN CREATING SOLUTIONS IS TO GET ALL STAKEHOLDERS TO THE TABLE TO MAP OUT THAT MAZE. THEN, STAKEHOLDERS MUST DO EVERYTHING POSSIBLE TO SIMPLIFY THE PATH TO HOUSING – REMOVE UNNECESSARY STEPS AND DEAD ENDS, PREVENT BACKTRACKING, REMOVE FORKING PATHS, AND ADD HELPFUL SIGNPOSTS THAT GUIDE THE WAY.

social, and institutional history as well as their risk of dying on the streets based on leading medical research into the primary causes of death among homeless Americans. Among other things, the VI helps communities identify chronically homeless veterans quickly and begin immediately to connect them to HUD-VASH vouchers or other available housing subsidies. So far, more than 5,000 volunteers in over 70 communities have completed

continued on next page

State Housing Trust Fund Awards \$65 Million

10,000 Homes

continued from previous page

registry weeks, conducting more than 35,000 surveys with homeless Americans.

Local VA Integration involves working aggressively to connect local governments, community nonprofits and outreach organizations throughout the country with local VA medical center staffers. Improved relationships between these groups are already helping VA to take advantage of local registry week data to identify and begin processing housing applications for the large number of chronically homeless veterans that may remain hidden or fail to seek VA services of their own accord. These local connections are helping VA move steadily closer to its goal of allocating 65% of all HUD-VASH housing vouchers to chronically homeless veterans.

The communities participating in the 100,000 Homes Campaign are seeing real results. In just 100 days, San Diego went from placing 14 homeless veterans in housing per month to 32. San Antonio chopped 136 days off the average time it takes to house a newly homeless person in an apartment: from 207 down to 71. Detroit instituted one-stop shopping by locating all its veteran housing agencies together, and reduced its average housing placement time from 113 days to just 20. In Atlanta, Houston, San Diego and New Orleans, local teams are now housing more than one homeless veteran per day.

For the full survey results, please see www.va.gov. For more info about 100,000 Homes and links to the many resources they offer, please visit <http://100khomes.org>.

By Sharon Lee

The State Department of Commerce announced \$65 million in awards from the Housing Trust Fund to 49 projects throughout the state. This funding is part of the 2012 Jobs Now Act passed by the Legislature. A total of 2,122 low-income units and 227 beds will be developed or preserved. 2,866 jobs will be generated. King County projects received 27% of the funds, urban projects 45%, and rural projects 28%. Projects in 23 counties were funded.

Janet Masella, HTF managing director, reported at the Policy Advisory Committee (PAT) meeting on December 6, that the HTF serves the most vulnerable populations. Housing for homeless people received the largest allocation, accounting for 29% of the funds or \$29 million. The next largest category is housing for seniors and/or physically disabled, which received \$9.6 million. Farm worker housing received \$6.2 million. Housing for families with children received \$7.2 million.

This funding round maintained a high leverage ratio. Each dollar from the HTF will leverage \$5.33 from other sources. The \$65 million from the HTF will leverage \$346 million in bank financing, federal funds, low income housing tax credits as well as other public and private sources.

Of the 49 projects funded, 44 were rental housing and 5 projects were homeownership. 39% are new construction projects. Four projects received Operating and Maintenance (O & M) awards. All projects must be under construction by June 30, 2013, except for

9% tax credit projects, which must start construction by September 30, 2013. The state received a total of 67 Stage 2 applications and 18 were not funded.

At the PAT meeting, Dan McConnon, deputy director for community services and housing, stated that the funding process will start soon for the next round. Dept. of Commerce will seek Stage 1 preliminary applications which will be due January 7 so that a similar list like last round can be developed for legislators in time for the next legislative session. The

HOUSING FOR HOMELESS PEOPLE RECEIVED THE LARGEST ALLOCATION, ACCOUNTING FOR 29% OF THE FUNDS OR \$29 MILLION.

projects must be able to proceed during the 2013-2015 biennium, with full funding committed by March, 2015 and construction started by June, 2015. The amount that can be requested by project sponsors will be \$3 million per sponsor per year (or total of \$6 million for the biennium) and \$3 million per project. A waiver may be requested to exceed the per project limit. The deadline for Stage 2 application will depend on the outcome of the state budget for the HTF.

The list of Housing Trust Fund awards are posted on the Department of Commerce website at www.commerce.wa.gov.

Proposed “TIF” Law Would Rob City’s Tax Base for Special Interests

by John V. Fox and Carolee Colter

Tax Increment Financing, or “TIF” as it has come to be called, may be headed soon to your community, unless citizen groups organize to block it during the next session of the Washington State Legislature.

What’s the problem? TIF threatens to drain millions from already shortchanged municipal budgets and, like many of the worst urban planning schemes we’ve seen of late, it’s being promoted under the banner of “Transit Oriented Development”.

So what is TIF? If allowed by state law, a city can draw boundaries to create a special district of almost any size. The city then sells bonds to pay for “public works” projects in that area in the

strip malls, downtown development, and other big-ticket special interest projects.

This happens because TIF laws generally do not contain adequate limitations restricting use of TIF to “brown”, blighted, or deteriorated areas, nor are they tailored to ensure that low-income people and small businesses are the primary beneficiaries.

More often TIF gets used in areas where high levels of growth are already anticipated, where there’s confidence that enough new tax revenues will be generated in future years to pay off the bonds that were floated for the TIF improvements in the first place. And these of course are the areas with powerful interests able to push projects that serve them.

By funding projects where growth is expected to occur anyway, instead of creating new economic activity and new jobs where they didn’t exist before, TIF projects just become another form of corporate welfare.

Tax revenues that otherwise would have gone into the general fund for police, roads, bridges, and human services to the benefit of the whole city including poorer neighborhoods – instead are captured for big-ticket redevelopment projects to fuel still more redevelopment in those TIF districts. The rich areas get richer and the poor areas of the city effectively get poorer.

On those occasions where TIF is used in poorer communities, the projects that are funded more often serve to promote big box retailers and strip malls that suck the life out of existing small businesses areas or displace longtime residents.

To get buy-off from the larger community, sometimes cities promise to earmark a portion of the TIF revenues for low-income and “affordable” housing and social services. But invariably that amounts to no more than 10-20 percent of the total tax dollars that are taken,

not nearly enough to build replacement units for all those who are displaced by these redevelopment schemes. And the so-called affordable units built with these funds often are priced closer to market rate than what low-income people from these areas can afford.

In states where there are few restrictions, TIF districts proliferate, draining away as much as 15-20 percent of municipal budgets. Then cities are forced to raise additional taxes to cover budget deficits or cut back on basic services and there is less money available for housing and job development in truly needy areas.

Nearly every year it seems, development interests make another attempt to get Olympia to pass some form of TIF. Fortunately, every time they do, citizen activists like us have followed them down there and, with help from several key legislators, managed to turn back the worst of these bills.

Now however, a new coalition of interests is gearing up for the next legislative session. Led by the Puget Sound Regional Council, the group includes several mainstream environmental groups like Futurewise, Forterra, and Transportation Choices coupled with the more usual commercial land and development interests. The coalition even includes a smattering of labor-related interests and non-profit housing developers hoping to piggyback onto the new TIF legislation. Their goal is to have new TIF legislation drafted and fully ready for the next session of the legislature this spring.

The legislation is being touted to promote “affordable housing” in “Transit Oriented Development” (TOD) areas around rail and major bus stops. But it looks to us more like cover for the same old developer agenda. Few of the TIF dollars will go anywhere but into developer pockets. And a

BY FUNDING PROJECTS WHERE GROWTH IS EXPECTED TO OCCUR ANYWAY, INSTEAD OF CREATING NEW ECONOMIC ACTIVITY AND NEW JOBS WHERE THEY DIDN’T EXIST BEFORE, TAX INCREMENT FUNDING PROJECTS JUST BECOME ANOTHER FORM OF CORPORATE WELFARE.

hope that this will stimulate economic growth that otherwise would not occur. Thereafter, sometimes for 20-30 years, all additional property tax revenues (the increment) accompanying new growth in that district are used to pay off the bonds. This is why boosters claim that TIF projects “pay for themselves.”

That’s the theory anyway, but the reality is quite different. In states that allow it, TIF has been used to divert hundreds of millions of the future tax dollars for such things as sports arenas,

continued on page 18

Rhode Island Passes 'Homeless Bill Of Rights'

By Joshua Okrent

In June 2012, Rhode Island's governor signed into law the first "Homeless Bill of Rights" in the United States, formally banning discrimination against homeless people and affirming their equal access to jobs, housing and services.

The legislation bucks a national trend among municipalities toward outlawing behaviors associated with homelessness such as eating, sleeping and panhandling in public spaces. Among other steps, the Rhode Island law would guarantee homeless people the right to use public sidewalks, parks and transportation as well as public buildings, like anyone else "without discrimination on the basis of his or her housing status."

The new law prohibits governments, police, healthcare workers, landlords or employers from treating homeless people unfairly because of their housing status. It guarantees a "reasonable expectation of privacy" with respect to personal belongings similar to that of people who have homes.

While other laws already guarantee many of the rights specified in this legislation, supporters say it was necessary due to widespread discrimination. "I think we've set the bar high in the U.S. for homeless people, and I'm very proud of that," said Senator John Tassoni, a sponsor of the bill. Advocates say the state's new homeless bill of rights goes further than any other law in the nation to prevent discrimination against people who lack housing.

"It's important as a stand-alone piece of legislation but also as it's juxtaposed with other communities that are in the process of criminalizing homelessness," said Neil Donovan, executive director of the National Coalition for the Homeless. "This just affirms the rights and existence of the unhoused in America."

A report in April from the White House's Interagency Council on

Homelessness noted a "proliferation of local measures to criminalize 'acts of living'" such as sitting, standing or asking for money in public places.

"You're just looked down on because you're carrying your life on your back," said John Joyce of Providence, who was homeless for three years and now is co-director of the Rhode Island Homeless Advocacy Project.

The bill of rights was designed to be enforceable, so that homeless people who believe they've faced discrimination have grounds to sue. But it was also designed to send the message that the homeless have the same rights as anyone else, according to Jim Ryczek of the Rhode Island Coalition for the Homeless.

Specifically, The bill guarantees that homeless individuals:

- Have the right not to face discrimination while seeking or maintaining employment due to lack of a permanent mailing address or a mailing address that is a shelter or social service provider;
- Have the right to use and move freely in public spaces (sidewalks, public parks, public transportation, public buildings) in the same manner as any other person and without discrimination on the basis of housing status;
- Have the right to emergency medical care free from discrimination based on housing status;
- Have the right to vote, register to vote and receive documentation necessary to prove identity for voting without discrimination due to housing status;
- Have the right to protection from disclosure to law enforcement agencies without appropriate legal authority any records or information provided to homeless shelters and service providers and the right to confidentiality of



The new law prohibits governments, police, healthcare workers, landlords or employers from treating homeless people unfairly because of their housing status. "I think we've set the bar high in the U.S. for homeless people, and I'm very proud of that." Rhode Island State Senator John Tassoni.

personal records and information in accordance with limitations on disclosure established by the Federal Homeless Management Information Systems, the Federal Health Insurance Portability and Accountability Act and the Federal Violence Against Women Act;

- Have the right to a reasonable expectation of privacy of personal property to the same extent as personal property in a permanent residence.
- Have the right to equal treatment by all state and municipal agencies, without discrimination on the basis of housing status.

"Civil rights laws have always been primarily about changing behavior," Ryczek said.

A lawmaker who sponsored the new law said he hopes the rest of the U.S. takes notice of what the nation's smallest state has done.

"Now we're a leader in something," said state Sen. John Tassoni, D-Smithfield. "Hopefully other states will now pick up the slack and move this all the way across the country to California."

For more information please visit www.rilin.state.ri.us.

Federal Legislative Priorities

By Ben Miksh

The 113th United States Congress has been elected, and will be seated in January for the next 2-year session of the United States government's legislative branch. This 2013-2014 session holds the possibility of being a historic one. At its outset, this Congress will have 43 African American members (all in the House of Representatives), and a record high number of female and LGBT members.

Washington State housing and homelessness advocates are optimistic about what this session holds, and the Washington Low Income Housing Alliance (Housing Alliance) has released a summary of their legislative priorities, guiding their work as they advocate for positive policy change in "the other Washington." The Housing Alliance's national policy priorities closely follow the D.C.-based National Low Income Housing Coalition and are as follows:

America Deserves a Fair and Equitable Budget

The national news media and many politicians have spoken of sequestration with hysteria and sense of urgency. Washington Senator Patty Murray summed it up very well:

"I don't want us to go over the fiscal cliff, slope, or mountain or whatever. That provides a lot of uncertainty for the country. But taking an even worse deal simply for the sake of getting a deal would be deeply irresponsible, and it would hurt families far more than sequestration in the long run."

The Alliance opposes the sequestration of federal funds for homelessness, and wants to see sequestration replaced. Ultimately, we recommend pushing for the very best plan possible, a plan that doesn't balance the budget on the backs of those who have the least in our communities. We ask Congress to adopt a balanced approach to deficit reduction that brings in new revenue instead of relying on further cuts to programs that

support affordable housing, community development, and ending homelessness.

Invest in the National Housing Trust Fund

The National Housing Trust Fund was established as a provision of the Housing and Economic Recovery Act of 2008, signed into law by President George W. Bush. This trust is intended to fund the production, preservation, rehabilitation, or operation of rental housing. A small amount of trust fund dollars can be used for certain home ownership activities for first-time homebuyers.

State housing trust funds provide a useful model for the benefits of a National Housing Trust Fund. For instance, Washington State's Housing Trust Fund dollars have helped create quality, affordable homes that allow people to improve their lives, while reducing or eliminating their need for social services. This vital program has also brought more than \$3 billion into the state from private and public sector support to build or preserve more than 36,000 homes. Thus, investments in the Housing Trust Fund help energize Washington's local economies – creating much-needed construction jobs and healthier, more vibrant, and affordable communities across the state.

Unfortunately, although the fund is established and funding for the Trust Fund has been included in every one of President Obama's proposed budgets, the National Housing Trust Fund continues to remain unfunded and inactive. When it does secure funding, all states around the country could experience the same diverse benefits of a housing trust fund that we here in Washington State have experienced for the past few years. While many potential sources for the National Housing Trust Fund exist, currently we believe the best option for that funding is through reform of the Mortgage Interest Deduction, as outlined below.

Reform the Mortgage Interest Deduction

The Mortgage Interest Deduction (MID) in its current form is broken and needs fixing. The deduction benefits the richest Americans with the most expensive homes far more than it does middle-income families, many of which who can't use the credit at all because they don't itemize their tax deductions. According to the nonpartisan Tax Policy Center, 76 percent of the total benefit goes to the richest fifth of the population. Thus, wealthy Americans take advantage of the

**"I DON'T WANT US TO GO OVER THE FISCAL CLIFF, SLOPE, OR MOUNTAIN OR WHATEVER. THAT PROVIDES A LOT OF UNCERTAINTY FOR THE COUNTRY. BUT TAKING AN EVEN WORSE DEAL SIMPLY FOR THE SAKE OF GETTING A DEAL WOULD BE DEEPLY IRRESPONSIBLE, AND IT WOULD HURT FAMILIES FAR MORE THAN SEQUESTRATION IN THE LONG RUN."
– SENATOR PATTY MURRAY**

deduction to help buy million-dollar homes, while relatively few federal housing dollars exist for extremely low-income families.

The Housing Alliance is calling for Congress to redirect the benefits currently provided to wealthy homeowners to instead support housing for struggling and moderate-income families. The National Low Income Housing Alliance suggests reforming the deduction by converting it to a credit, capping eligible mortgages at \$500,000, and using the proceeds to finance the National Housing Trust Fund. These changes would mean that all homeowners with mortgages would get a tax break, not just those who have

continued on page 19

States Diverting Housing Settlement Funds to Fill Budget Holes

The landmark National Mortgage Settlement in February 2012 was supposed to provide a measure of restitution on behalf of homeowners who lost equity in the market collapse or lost their homes in the “robo-signing” foreclosure scandal.

The \$2.5 billion in direct payment to states was part of the \$25 billion national settlement negotiat-

ed by the states will be used as intended – to aid in stopping preventable foreclosures and financial fraud and to help stabilize communities scarred by the housing crisis. Though the settlement did not specifically require states to spend the bulk of their share on housing, it was widely assumed to be the intent.

While states have announced

all, or nearly all, of their settlement money for housing, while five others – New York, North Carolina, Washington, Massachusetts and Kentucky – have dedicated between 70 percent and 89 percent for housing purposes.

Fourteen others, including Idaho and Illinois, are using less than half of their funds for the intended purposes.

Andrew Jakabovics, co-author of the report and senior director of policy development and research at Enterprise, said he understood the pressure on state budgets, but that states “should do the right thing by respecting the specific language, if not the intent,” of the settlement.

Alan Jenkins, executive director of The Opportunity Agenda, a social advocacy group, called the states’ actions “economically shortsighted” and “morally bankrupt,” because states would benefit from increased tax revenue by assisting troubled homeowners.

Jenkins said minority communities and military personnel were specifically targeted for some of the worst mortgage abuses, but many did not benefit from the settlement.

“When these states get this money and dump it into their general coffers, it means that they’re not benefiting the very people that were victimized in any kind of responsive way,” he said. “It’s not that these mortgage abuses occurred randomly. They targeted some of the most vulnerable communities intentionally, and now that some measure of remedy has been extracted from the banks, it’s appalling that some states are not targeting that toward fixing the problems.”

For example, Missouri lawmakers used most of their \$39.5 million to



Some states are using their mortgage settlement payouts to bolster their budgets.

ed between the federal government, 49 states and the District of Columbia to address past improprieties by five large mortgage servicers: Ally (formerly GMAC), Bank of America, Citi, JPMorgan Chase and Wells Fargo. Oklahoma opted out of the settlement. In addition to the money for states, the companies agreed to provide \$17 billion in principal reductions and loan modifications, up to \$3 billion in refinancing relief, and additional money to borrowers who lost their homes.

But since the states split their \$2.5 billion share of the settlement, less than half of the money allocated

plans to use \$977 million of their direct payments for housing and foreclosure-related assistance, \$989 million will go to fill budget shortfalls or for non-housing purposes, according to a report released in October by Enterprise Community Partners, a national affordable housing and community development group.

The report, which updated an earlier analysis, found that six states – Missouri, California, South Carolina, Georgia, Alabama and New Jersey – ignored the agreed-upon uses for the money entirely by directing nothing for housing-related activities.

It said that 23 states are using

continued on page 19

City Auditor Says Multifamily Tax Exemption Program Lacks Oversight

By Joshua Okrent

In 1998 the City of Seattle created the Multifamily Tax Exemption (MFTE) Program to provide an incentive for the development and rehabilitation of both rental properties and home ownership projects by granting qualifying applicants a 12-year property tax exemption on the residential portion of the building. In exchange for the tax exemption, rental property owners are required to rent at least twenty percent of their units to qualified tenants at a City-designated affordable rate.

On September 19th 2012, City of Seattle auditors released a 43-page report on the program, examining data compiled over the course of the program's first 12 years. City Council member Nick Licata, chair of the council's Housing, Human Services, Health and Culture Committee, requested the audit in order to determine whether the program is meeting its goals.

The report found that rules were skirted and oversight lacking in a program providing tax breaks to Seattle developers who set aside apartments for moderate-income tenants. The city's Office of Housing was charged with oversight of the program.

According to the audit, some developers weren't setting aside the required number of rent-controlled apartments, some rents were too high, and some tenants in subsidized apartments earned more than they should to qualify. "The audit has a number of things the council absolutely has to address," Licata said.

Designed to provide incentives for nonprofits, the program has come to be dominated by for-profit developers in neighborhoods where they didn't need incentives to build, he said. "It's questionable how many units are going to the intended population," Licata said.

In addition to other findings, the report found that the City could improve its efforts to achieve the program's goals and strengthen program compliance, administration, and oversight. Specifically:

- Ordinance goals were not prioritized, most lack performance measures and timeframes, and were not linked to program requirements.
- The goal to stimulate development is difficult to measure and requirements to meet this goal have been weakened over time.
- As of 2010, 9 of 39 residential areas targeted for MFTEs had no MFTE projects and had achieved 35 percent or less of their 20 year (2004-2024) residential growth targets, while 4 target areas with MFTE projects have exceeded 100% of their growth targets.

- The City and the Office of Housing should address several policy issues to ensure affordable housing units are being rented to the target population.
- No fewer than 13 properties were non-compliant with at least one program requirement.

The report followed the audit findings with 19 recommendations, including:

- Clarifying and possibly prioritizing goals, and tying requirements to goals.
- Addressing policy issues to ensure affordable units are being provided to the target population, including implementing a periodic re-qualification process.
- Improving program oversight including obtaining copies of income verification documents, conducting audits, and doing site visits.
- Improving processes, including automating the application and tax exemption certification processes.
- Changing the Seattle Municipal Code and agreements with property owners to align the program with the City's document retention policy.

Rick Hooper, the Director of the city's Office of Housing, responded in writing to auditors. Hooper said many of their recommendations would strengthen the program. Mayor Mike McGinn is "especially interested in ensuring that the MFTE program creates meaningful public benefits in exchange for the tax exemption," Hooper wrote.

He also contends the audit report "overstates the frequency and extent of noncompliance" by developers. And Hooper stresses that while "clearly

ACCORDING TO THE 43-PAGE AUDIT, SOME DEVELOPERS WEREN'T SETTING ASIDE THE REQUIRED NUMBER OF RENT-CONTROLLED APARTMENTS, SOME RENTS WERE TOO HIGH, AND SOME TENANTS IN SUBSIDIZED APARTMENTS EARNED MORE THAN THEY SHOULD TO QUALIFY. DESIGNED TO PROVIDE INCENTIVES FOR NON-PROFITS, THE PROGRAM HAS COME TO BE DOMINATED BY FOR-PROFIT DEVELOPERS IN NEIGHBORHOODS WHERE THEY DIDN'T NEED INCENTIVES TO BUILD.

continued on page 19

House of the Future Built at Seattle Center

By Joshua Okrent

This past summer, directly in the heart of Seattle Center, a modest two-story house arose in the former Fun Forest. The “House of the Immediate Future” was erected as part of the Bumbershoot Festival in order to give attendees a look into the future. The project was part of the “Next 50” anniversary celebration of the 1962 Seattle World’s Fair.

The 1,400-square-foot four-bedroom home, built largely with volunteer labor, is a project of Habitat for Humanity Seattle/South King County, along with Seattle City Light and the architectural firm Miller Hull. The home then was moved to a new affordable-housing development in the Columbia City neighborhood of Southeast Seattle.

Its purpose isn’t just to create a home for one family, but also to showcase affordable, environmentally sound construction techniques, said Mike Jobs, a principal with Miller Hull. To kick-off the project, Miller Hull hosted a Think Tank workshop attended by over 60 local experts from across the spectrum of residential design, engineering and planning. The design experts were focused on four major topics: Construction, Energy, Program and Site. The goal was to prioritize repeatable solutions for new Habitat projects by combining the right blend of established but forward-looking techniques.

Half a century ago, depictions of futuristic homes stressed their many conveniences. Inventions of every description would take the drudgery out of housekeeping. And as the World’s Fair program notes, “After dinner, there’s no need to wash the dishes – they are disposable.” As Jobs sees it, “They weren’t thinking much about finite resources back then. They wanted gizmos.”

These days, disposable is out.



The two-story, 1,400-square-foot “House of the Immediate Future” will have elements that Habitat intends to use in future projects such as prefab “wet cores” for the kitchen and bathrooms. They will be manufactured by Method Homes and shipped to the site. Rendering courtesy of The Miller Hull Partnership.

Sustainable is in.

For example, a key idea – a particular fit for projects using volunteer labor – was the creation of “wet cores.” These are prefabricated sections containing much of a home’s plumbing and electrical workings, the parts of house building in which technical skills are most needed. These sections are made off-site by skilled professionals, who can perform most efficiently without having to maneuver around volunteers.

Among the energy-saving features of the house are extra-thick exterior walls to hold more insulation, triple-paned windows and a heat pump. Salvaged and reclaimed materials also are being used.

The house was moved to its permanent location in the Rainier Vista neighborhood near the Columbia City Link Light Rail Station. It has become a home for a 43-year old hospital worker, his wife, 10-year-old daughter and twin 5-year-old sons. “It’s amazing, almost unbelievable,” said the new owner. “I appreciate everyone who has worked on it.” He’s well on

his way to putting in the 400 hours of sweat equity required by Habitat for Humanity for home ownership.

Building a house that’s intended to be moved has its challenges, said Matt Haight, Habitat for Humanity’s construction manager. It means using screws instead of nails, so the structure can be reduced to relatively flat panels. A concrete foundation poured at Seattle Center to support the house during construction was broken up and removed later. Much of the insulation, and parts of the plumbing and electrical systems, had to wait until the house reached its permanent home.

Though the “House of the Immediate Future” was built around a single family, its purpose isn’t just to create a home for one family. Rather, it is the hope of everyone involved that this house will showcase the affordable and environmentally sound construction techniques that can be used on all new construction projects today and into the future.

For more information please visit www.millerhull.com.

Bellingham Housing Levy

continued from page 1

those denser neighborhoods that are close to the city core.” The message that resonated as campaign volunteers went door to door, Winter said, was that a vote for the Home Fund was an opportunity to help people who are less fortunate.

“I talked to hundreds of people at their doors, and that’s what people wanted to do,” he said.

Levy dollars going into the Bellingham Home Fund would build, preserve or otherwise be used for 1,300 homes and would help at least 8,500 families for years to come, backers have said.

About 76 percent of the money raised, or about \$15.9 million, would be used to build and preserve homes while 8.9 percent, or a little over \$1.8 million, would go for rental assistance and support services, according to a draft plan that the City Council will approve now that voters have OK’d the measure.

The plan was modeled on the housing levies implemented in Seattle since the 1980s.

Another 8.9 percent, or \$1.8 million, would be spent on low-income homebuyer assistance as well as acquisitions and opportunity loans. The remaining 6.1 percent, or nearly \$1.3 million, would pay for administrative costs.

The levy resulted from a recommendation of the County-wide Housing Affordability Taskforce in 2008.

“We have a real history of supporting each other and ponying up when what we’re asking for is support for people in society to participate and fully enjoy this place,” Council member Lehman said.

Information for this story came from the Bellingham Herald.

Sequestrations Impact on Housing

continued from page 2

like to see the Mortgage Interest Deduction amended according to the National Low Income Housing Coalition’s proposal. The Coalition’s plan would change the deduction to benefit low-income people who are having trouble being housed, rather than the current system, which disproportionately gives most of the money to people with the most expensive houses.

Housing advocates need to stay involved throughout this process. The Washington Low Income Housing Alliance is a great place to start with learning about the latest developments and finding actions you can take to make your voice heard. Right now we are asking people to sign a sequestration petition and asking organizations to pass a sequestration board resolution. Both options will help us tell Congress that they need to protect vital safety net programs from further cuts.

A growing chorus of voices asserts that a budget is primarily a moral document. When all is said and done, the budget that Congress agrees upon will ultimately say a lot about our society. Will it say that we care more about protecting tax breaks for the wealthiest in our nation rather than feeding the elderly, housing the homeless, and investing in our communities? Or will it say instead that we are a nation of shared sacrifice and shared prosperity, a nation of people wise enough to balance our budget while still protecting the most vulnerable among us?

Ben Miksch is State and Federal Policy Associate at the Washington Low Income Housing Alliance. Follow the WLIHA website and blog at www.wliha.org for more actions and information available as the situation changes.

Tax Increment Funding

continued from page 12

lot of the projects likely to receive funding from TIF will simply spur still more displacement, housing loss, and homelessness in our city.

We hope a lot of Seattle residents will let our area legislators know what they think of this idea. And we intend to be effectively organized and prepared to head down to Olympia next spring once again to stave off passage of a full-blown TIF mechanism hatched by PSRC’s coalition.

John Fox and Carolee Colter work for the Seattle Displacement Coalition. This article is reprinted from the June 2012 edition of City Living Newspaper. This column and others by Fox and Colter highlighting a diverse set of local issues of importance can be found at <http://www.zipcon.net/~jvf4119/>

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Federal Legislative Agenda

continued from page 14

enough income to file itemized tax returns on more than one house.

Not only would more Americans get access to the credit, but also this proposal would save the federal government billions of dollars each year.

Preserve the Low Income Housing Tax Credit

The Low-Income Housing Tax Credit is an innovative financial tool used by governments and nonprofits to create affordable homes all over the U.S. It has created over 53,000 affordable apartments and 61,500 jobs in Washington state. Having financed over 2.5 million homes over the past 26 years nationwide – 90 percent of all of the affordable housing built – it is the nation’s most successful affordable housing production tool. Without it, there would be virtually no new affordable housing. In addition, the construction of Housing Credit-funded homes have boosted local economies by creating much needed construction jobs and adding affordable homes to neighborhoods that need them.

Despite the success of the Housing Credit and the growing need for affordable housing, the program faces a major threat in 2013. Both sides of the aisle are determined to take up tax reform in 2013 and to lower corporate rates. Thus, all tax expenditures will be at risk for reduction or elimination, the Housing Credit among them. The Housing Alliance supports efforts to improve the credit, such as Senator Cantwell’s SB 1981 which would make permanent floors on the 4% and 9% variable credits, as well as Representative McDermott’s H.R. 3076 which would fix an issue where people are forced to choose between housing and school.

Read more about the Washington Low Income Housing Alliance’s advocacy work and priorities at <http://www.wliha.org/advocacy/federal>.

Mortgage Settlement Funds Misuse

continued from page 15

offset cuts in state higher education funding, the report found. Georgia steered its entire \$99 million share of the settlement toward economic development programs.

In South Carolina, Republican Gov. Nikki Haley vetoed legislation that would have redirected the state’s entire \$31.3 million settlement from its intended purposes. But the Republican-controlled state Senate overrode Haley’s veto and shifted \$21 million to the general fund and \$10 million to a state fund that provides incentives for companies to relocate to South Carolina, according to the report.

In California, which received nearly \$411 million, the settlement agreement said the state would use 10 percent of the money as civil penalties and the remaining \$360 million for housing-related services, including counseling and consumer protection investigations.

But Democratic Gov. Jerry Brown decided in May to use the money to help fill the state’s \$15.7 billion budget shortfall. The attorney general’s office ended up keeping \$18.4 million as civil penalties, the report said, with only a small portion going for housing counseling and to a state fair housing agency.

Just before the November election, an alliance of fair housing organizations sent 35,000 signed postcards to the Chicago campaign headquarters of President Barack Obama and the Boston campaign office of Republican presidential nominee Mitt Romney.

The cards urged both to do more to stop preventable foreclosures, expand affordable housing options and place more campaign emphasis on the nation’s continued housing crisis.

For more information, please visit www.enterprisecommunity.com.

Multifamily Tax Exemption Program

continued from page 16

problematic,” the compliance gaps “do not suggest that taxpayer resources were misapplied or used for anything other than their intended purpose.”

Affordable-housing activist John Fox, who has long criticized the program, pointed to flaws in the audit. It looks only at the tax-break program through 2010, said, and the program has exploded in popularity since then. More important, the audit doesn’t address whether the subsidized apartments should be considered “affordable,” he says. Rent levels that the city considers affordable are sometimes higher than market-rate rents in the same or nearby buildings.

“It’s a giveaway,” Fox said of the tax exemption. And cumulative tax breaks under the program, which Fox puts at \$177 million since 2004, are greater than what the city will spend over the course of the seven-year, \$145 million affordable-housing levy.

But the difference between the tax breaks and the levy, he says, is that voters get no say on the breaks and their benefit is minimal compared to the levy which helps extremely low-income people.

Tim Burgess, a Seattle City Councilmember who joined Mr. Licata’s call for the audit, wrote, “The MFTE program is one of a handful of tools the City has to encourage development of housing for those in between households that make too much to be served by low-income housing programs and too little to be served by market rate housing. This is precisely the point some observers use to criticize the program. What these observers miss is that healthy, vibrant neighborhoods have housing options at all points along the affordability spectrum.”

To read the full audit report, please visit www.seattle.gov/audit/docs/091912-MFTE-FinalReport.pdf.

Housing Washington

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2013 NLIHC Annual Policy Conference and Lobby Day

The 2013 National Low Income Housing Coalition conference takes place from March 17-20. This conference inspires you to challenge yourself to consider new solutions, develop new partnerships and hold your elected leaders accountable for solving America's most pressing housing problems. You will come away from these few days in D.C. with renewed energy and practical tools to make positive change in your country, and your community, during

the year ahead. At the Omni Shoreham Hotel in Washington, DC. More information and registration at www.nlihc.org/conference.

National Conference on Ending Family and Youth Homelessness in Seattle

National Alliance to End Homelessness hosts the 2013 National Conference on Ending Family and Youth Homelessness on February 21 and 22 in Seattle. People from across the country will gather at the conference to share successes and challenges, learn about the latest homelessness research, and understand upcoming changes in policies and practices. More information and registration at help.endhomelessness.org.

Registration for Housing & Homelessness Advocacy Day Now Open

Join hundreds of your fellow advocates from all corners of the state for Housing and Homelessness Advocacy Day 2013 on Monday, February 11.

Housing and Homelessness Advocacy Day is an opportunity to show our elected officials the strength of this statewide movement. It demonstrates the collective power of our community and brings a unified message of support for affordable housing and ending homelessness to Olympia! This year's theme is "2-11: Hear the *Call* for Housing and an End to Homelessness."

More info and registration at <http://wliha.org>.