

**Subject:** Affordable Housing Bulletin - March 26, 2007

**From:** Ken Smith

**Date:** Mon, 26 Mar 2007 09:36:36 -0400 (EDT)

**To:** [dhc@housingforall.org](mailto:dhc@housingforall.org)

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**Affordable Housing Bulletin**  
**Delaware Housing Coalition**  
**March 26, 2007**  
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**PLUC Rally - March 30 in Wilmington**  
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The Peace, Living Wage, Universal Health Care (PLUC) Coalition is composed of groups from organized labor, communities, veterans, religious, and social and economic change groups in Delaware.

PLUC's mission is to call for peace, living wages, and universal healthcare for all people of Delaware through direct action and holding our elected officials and the corporate community of Delaware accountable. PLUC will be having a rally on Friday, March 30, at 3:00 pm, in Rodney Square. You can join PLUC by contacting Sally Milbury-Steen at 302/656-2721 or [pinterris@aol.com](mailto:pinterris@aol.com).

## Connections Takes Homeless Outreach Statewide

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In the next few weeks, Connections CSP will be making its statewide PATH Homeless Outreach Program statewide, including daily street outreach to the homeless as well as full-service walk-in clinics in each county, in an effort to connect homeless persons with behavioral health treatment, access to emergency and short-term transitional housing, referrals to permanent supportive housing, and other services. The statewide locations and opening dates are:

- NEW CASTLE: Beginning 3/27: 500 W. Tenth Street, Wilmington
- KENT: Beginning 3/23: 2 - 4 Forrest Avenue, Dover
- SUSSEX: Beginning 4/11: 21305 Berlin Road, Unit #4, Georgetown

For more information: Call 866/477-5345 and ask for Homeless Outreach.  
[Kirsten Olson, Connections]

## April Fair Housing Events

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April is Fair Housing Month! The following events are already scheduled.

- The 14th Annual Fair Housing Conference of the Division of Human Relations will take place from 8:00am to 3:00pm on April 10th at Dover Downs (Contact Sherese McGhee at 302/577-5050 or [sherese.mcghee@state.de.us](mailto:sherese.mcghee@state.de.us))
- The Delaware Community Reinvestment Action Council (DCRAC) will be holding Fair Lending/Fair Housing Forums in all three counties. (Free. To register: 1-877/825-0750.)
  - NEW CASTLE: April 24, 11:00am to 3:00pm, Francis X. Norton Center, 917 N. Madison Street, Wilmington.
  - KENT: April 25, 11:00am to 3:00pm, Public Archives Building, 121 Duke of York Street, Dover.
  - SUSSEX: April 26, 11:00am to 3:00pm, Lewes Public Library, 111 Adams Street, Lewes.

## Delaware Gets "C Minus" from NAMI

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NAMI, the National Alliance on Mental Illness, presents this first comprehensive state-by-state analysis of mental health care systems in 15 years. Every U.S. state has been scored on 39 specific criteria resulting in an overall grade and four sub-category grades for each state. The national average grade is D. Five states receive grades in the B range. Eight receive Fs. None received As. Delaware received a C minus.

In his study, Christopher G. Hudson, Ph.D., chairperson of the School of Social Work at Salem State College, examined the records of more than 34,000 mentally ill patients who had been hospitalized at least twice between 1994 and 2000 to examine the links between poverty and mental illness. His findings show that increased services, both psychological and logistical, would greatly impact mentally ill patients, even prior to a diagnosis.

In 2000, the American Psychological Association (APA) adopted a Resolution on Poverty and Socioeconomic Status which is a concise and clear list of facts linking poverty and mental illness as well as a list of 17 resolutions they are taking up in order to better serve mentally ill patients.

Available at: [http://www.nami.org/gtstemplate.cfm?section=grading\\_the\\_states&lstdid=701](http://www.nami.org/gtstemplate.cfm?section=grading_the_states&lstdid=701)  
[Class Action March Enews]

## Income Inequality and Tax Cuts

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With debate beginning on the Senate budget resolution, congressional supporters of the 2001 and 2003 tax cuts have begun recycling old arguments for extending all of these tax cuts. Among these is the claim that the tax cuts have made the tax code more progressive.

The reality is that the tax cuts have made the tax code more regressive. A progressive tax code is one that makes the distribution of after-tax income more equal than the distribution of pre-tax income, and one tax code is "more progressive" than another if it has a larger effect in reducing income inequality. So, in order for the 2001 and 2003 tax cuts to have made the tax code more progressive, after-tax incomes would have to be less unequal today than if the tax cuts had not occurred. In fact, however, the reverse is true: the tax cuts made the distribution of after-tax income more unequal.

<http://www.cbpp.org/3-19-07tax.htm>

<http://www.cbpp.org/3-19-07tax.pdf>, 4pp.

[Michelle Bazie [bazie@cbpp.org](mailto:bazie@cbpp.org)]

## Senate Budget Good but Needs to Be Better

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The Senate Budget Committee passed its FY08 budget resolution on March 15 by a vote of 12-11. The measure is expected to be taken up by the full Senate the week of March 19, when the House Budget Committee will also take action on its own version of the budget. The two measures will then be reconciled into the FY08 budget resolution, the blueprint for Congress's spending and revenue plans for the fiscal year that starts on October 1, 2007.

The Senate Budget Committee's resolution would provide \$410.7 billion for overall domestic discretionary funding in FY08, "a small increase in an area badly underfunded by the Bush Administration," committee documents state.

The committee's proposal would provide only \$7.3 billion in new domestic discretionary spending, once inflation is taken into account. Advocates are seeking at least \$450 billion in domestic discretionary funding for FY08. While the committee's amount is a vast improvement over the President's domestic spending plan for FY08, it is not enough to begin to meet the many pressing human needs, including housing, that have been neglected for the past six years. An effort will be made to increase the amount of discretionary funding on the Senate floor and in the House.

The committee's FY08 resolution would set up a reserve fund for the Affordable Housing Fund within the government sponsored enterprises (GSEs). Senate Budget Committee documents also state that the resolution would reject the President's proposal to cut the Community Development Block Grant (CDBG) program. The committee's resolution would fund CDBG at its FY07 funding level plus inflation, or \$3.8 billion. The committee's resolution would also reject the President's proposal to cut the Low Income Home Energy Assistance Program (LIHEAP). The committee would fund LIHEAP at \$2.45 billion, \$250 million above the inflation-adjusted FY07 level. [NLIHC Memo to Members, Vol. 12, No. 11]

## PHA Regulation Changes

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The March edition of Asset Management e-Newsletter, published electronically by HUD's Office of Public and Indian Housing (PIH), concentrates on procedures and reporting requirements that PIH intends to streamline in the wake of public housing's switch to asset management.

Public housing agencies (PHAs) with 250 or more units must convert to "asset management," which means orienting a PHA's financial, physical and management performance on individual public housing projects, rather than on the PHA as a whole.

PIH states in the newsletter that "the norms and practices of private, multifamily housing play a large hand" in shaping the regulatory changes and report streamlining that HUD intends to undertake. PIH will apply to public housing the practices currently used by HUD's Office of Multifamily Housing programs that subsidize (project-based Section 8) and insure (Section 236 or Section 221(d) (3) BMIR) properties.

Asset Management e-Newsletter lists seven areas where regulatory reform is most likely over the next year: the PHA plan, tenant participation, grievance procedures, inspections, the Public Housing Assessment System (PHAS), capital fund administration and provisions governing PHA-owned or leased

projects.

HUD expects to issue a revised PHA Plan template later in March. On August 22, 2006, PIH published for comment its proposal to virtually eliminate the PHA Plan template, potentially causing resident loss of access to key components (see RegWatch entries, under "Public Housing: Other Issues" from 8/22/06 through 10/17/06 at [www.nlihc.org/template/page.cfm?id=42](http://www.nlihc.org/template/page.cfm?id=42).)

Regarding tenant participation regulations, on page 10 of Asset Management e-Newsletter, PIH states, "In a proposed rulemaking action, HUD intends to eliminate restrictive provisions related to the organization and recognition of tenant councils, tenant council funding matters, and related actions. HUD anticipates issuing this proposed rule by the third quarter of CY 2007."

Recall HUD's March 1 Federal Register notice (see Memo, 3/2) announcing its willingness to waive "Tenant Participation" regulations (24 CFR 964) relating to: the PHA's role in resident participation activities, requirements concerning resident council membership, resident council election procedures, and the role of jurisdiction-wide resident councils.

PIH also "intends to remove restrictive language regarding grievance procedures," but does not elaborate. Proposed rules are anticipated by July.

Tenants and advocates might also be concerned about HUD's intention to streamline Form 50058 which contains unit and tenant information. If there is less information about the characteristics of public housing units and the households occupying them, PHA accountability could be further eroded.

Asset Management e-Newsletter is available at [www.hud.gov/offices/pih/programs/ph/am/newsletter/mar07.pdf](http://www.hud.gov/offices/pih/programs/ph/am/newsletter/mar07.pdf).

[NLIHC Memo to Members, Vol. 12, No. 11]

## Fair Housing Guidance for CDBG Program

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Two HUD Assistant Secretaries issued a joint policy memorandum providing guidance in the use of Community Development Block Grant (CDBG) funds in ways that support fair housing activities and help jurisdictions meet their obligation to affirmatively further fair housing (commonly abbreviated to AFFH).

The Fair Housing Act of 1968, which is Title VIII of the Civil Rights Act, prohibits discrimination in all housing-related activities. Discrimination is prohibited on the basis of race, color, religion, sex, national origin, familial status (number and age of children) and disability. The Fair Housing Act also requires HUD to carry out its programs in a way that affirmatively furthers fair housing, and the law creating the CDBG program requires jurisdictions receiving CDBG to certify that they will AFFH.

The memorandum explains that actions to affirmatively further fair housing actively promote wider housing opportunities while maintaining a nondiscriminatory environment in all aspects of public and private housing markets.

The law's requirement that CDBG-recipient jurisdictions certify that they are AFFH is codified in the

Consolidated Plan regulations at 24 CFR 91.225 (urban areas) and 92.325 (states). In making an AFFH certification, a jurisdiction makes three assertions:

- It has conducted an analysis to identify impediments to fair housing choice within its boundaries (known as an Analysis of Impediments, or AI).
- It is taking appropriate actions to overcome the effects of identified impediments.
- It is maintaining records to document the analysis and the actions taken.

The memorandum reminds jurisdictions that CDBG funds can be used to conduct an AI as well as to provide a variety of fair housing services such as making residents aware of the range of housing options available, fair housing enforcement, education, outreach, providing translation and interpretation services for people with limited English proficiency (LEP) and testing for discriminatory practices.

The policy memorandum, dated February 9, 2007, is available on the web page of the Office of Fair Housing and Equal Opportunity (FHEO) [www.hud.gov/offices/fheo/promotingfh/fairhousing-cdbg.pdf](http://www.hud.gov/offices/fheo/promotingfh/fairhousing-cdbg.pdf). It is not yet on the CDBG web page. [NLIHC Memo to Members, Vol. 12, No. 11]

## HUD Reports Decline in Housing Market

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U.S. Housing Market Conditions, a quarterly report from HUD, shows that the nation's housing market declined significantly in 2006, both throughout the year and in comparison to 2005. For the first time in many years, housing sector activity subtracted from rather than added to the overall economic growth rate.

Building permits decreased 14.8% from 2005 and housing starts decreased 12.9%. Completions, however, increased 2.4% overall and 9.6% for single-family housing, setting a new record for the fourth consecutive year.

An attitude survey measuring home builders' expectations for current and future sales found that builders were less optimistic in 2006 than in 2005 by 25 points; the index reached its third lowest value in the survey's 22-year history.

Sales declined 17.3% for new single-family homes and 8.4% for existing single-family homes from 2005. The median sales price decreased 2.4% for new homes and 2.6% for existing homes.

Housing affordability declined in 2006, largely because of rising interest rates. A household earning the national median income had 106% of the income required to purchase the median-priced home, down 5.8% from 2005.

The homeownership rate was 68.8%, not statistically different from the 2005 rate of 68.9%. While there was no significant change in the rental vacancy rate of 9.8%, the vacancy rate for homeowner housing increased significantly from 2% in 2005 to 2.7% in 2006.

The housing sector's poor performance in the fourth quarter of 2006 was consistent with the steady decline over the past four quarters. All indicators worsened from the third quarter except completions

and new home sales, which both grew. Existing home sales experienced their sixth consecutive quarter of decline.

The report also includes regional housing market data and historical data.

The full report is available from [www.huduser.org/periodicals/ushmc/winter06/USHMC\\_Q406.pdf](http://www.huduser.org/periodicals/ushmc/winter06/USHMC_Q406.pdf).

[NLIHC Memo to Members, Vol. 12, No. 11]

## DHC Links...

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[DHC Day for Housing - May 9](#)

[\\$15 Million for Housing in FY08!](#)

## Contact Information

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phone: 302/678-2286    fax: 302/678-8645  
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## Legislative Action

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[To Contact Delaware's Congressional Representatives:](#)

### [Senator Biden](#)

Wilmington (573-6345) | Milford (424-8090) | DC (202/224-5042)

### [Senator Carper](#)

Dover (674-3308) | Georgetown (856-7690) | Wilmington (573-6291) | DC (202/224-2441)

### [Congressman Castle](#)

Wilmington (428-1902) | Dover (736-1666) | DC (202/225-4165)

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