**Policy/Advocacy Update – July 2014**

*Advocates continue to work with the Delegation on the following issues:*

* *Continued support for all HUD funding. Some particulars:* 
  + *Working to offset the 5.1% cuts to HUD (and other discretionary spending areas) enacted by sequestration. These cuts will affect the next nine years;*
  + *Continued support of Section 8 including renewal of all existing Housing Choice Vouchers in FY 2014, passage (assuming necessary revisions) of the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA), formerly SEVRA (Section Eight Voucher Reform Act), and support to provide additional funding for incremental vouchers allowing local strategies to end homelessness using deep subsidies coupled with services, such as HUD-VASH;*
  + *Fully funding McKinney Vento so that the HEARTH Act can be properly implemented;*
* *Funding for the National Housing Trust Fund;*
* *Continuation of the Low Income Housing Tax Credit program, including ensuring support for the continuation of the Community Reinvestment Act.*
* *Continued funding for the Runaway and Homeless Youth Act.*
* *Continued funding for PATH.*
* *Continued funding for DOJ grants for DV.*
* *Funding for SAMHSA grants for services.*
* *Funding for HOPWA*

**National Alliance to End Homelessness 2014 National Conference on Ending Homelessness –** This important annual conference will take place from July 29th – July 30th in Washington, D.C. A group of approximately 12 individuals from Maine will attend and have the opportunity to meet with Maine’s delegation. These meetings serve as an important opportunity to inform the Delegation of the current homeless issues facing Maine, including: Section 8, including renewal of all existing Housing Choice Vouchers in FY 2015 and fully remedying sequestration; support to fully fund McKinney Vento so that the HEARTH Act can be properly implemented; capitalizing the National Housing Trust Fund (NHTF) including funding for rental subsidies; funding of the Projects for Assistance in Transition from Homelessness (PATH) program; services for supportive housing under SAMSHA; and continued funds for the Runaway and Homeless Youth Act (RHYA) and the DOJ Second Chance Act grant programs. The group will update the Delegation on the very latest research in Maine about the success of supportive housing for homeless populations, as well as Maine’s long term stayers initiative which is poised to dramatically reduce, and eventually end, long term homelessness in Maine. The group will be reporting back to all three Maine Regional Homeless Councils, two Continuums of Care, and the Statewide Homeless Council on these meetings.

**Federal Legislation Update:**

* **Representatives John Delaney (D-MD), John Carney (D-DE), and Jim Himes (D-CT) introduced H.R. 5055, the Partnership to Strengthen Homeownership Act, on July 10. The bill is the third major housing finance reform proposal by Members of Congress this year. Like the Johnson-Crapo bill, and House Committee on Financial Services Ranking Member Maxine Waters’ draft Housing Opportunities Move the Economy (HOME) Forward Act, H.R. 5055 provides for substantial funding for the National Housing Trust Fund (NHTF). Just as other proposals being considered in the House and Senate, the bill would wind down the government sponsored enterprises Fannie Mae and Freddie Mac. The bill would create a mortgage insurance program run through the Government National Mortgage Association (Ginnie Mae), a government-owned corporation housed at HUD.**

**Under the bill, in return for insuring securities, Ginnie Mae would charge a fee of 10 basis points on the total principal balance of insured mortgages. The bill would apply 75% of this fee revenue to the National Housing Trust Fund (NHTF), 15% to the Capital Magnet Fund, and 10% to a new Market Access Fund. This is identical to what the Johnson-Crapo and Waters bills do for the NHTF. However, unlike other the other bills, H.R. 5055 adds FHA mortgages in the determining the base upon which the 10 basis point fee is assessed. Thus, the overall fund would be valued at $6 billion a year, $1 billion more than the amount provided in the other bills. The amount going to the NHTF would be $4.5 billion.**

* **The House marked up their THUD bill in the full committee on Wednesday, May 21st. The only two attempts to increase HUD funding were for CDBG and HOME. None passed.** The spending legislation contains a $40.3 billion dollar budget for the Department of Housing & Urban Development (HUD), approximately $2 billion below the President’s FY 2015 Budget Request and $770 million below currently enacted FY 2014 spending levels. **The full House passed the bill on June 10th.**

CB&PP reports the bill would:

* Risk locking in the loss of more than 70,000 Housing Choice Vouchers cut in 2013 due to sequestration;
* Freeze funding for homeless assistance grants, thereby stalling recent progress on reducing homelessness;
* Continue and deepen the shortfalls in public housing funding;
* Cut HOME funding by 30 percent, and sharply reduce funding for a range of other HUD programs.

The House bill provides $9.75 billion for Project-Based Rental Assistance (PBRA), a 1.7% reduction from the current FY 2014 funding level of $9.92 billion. This funding level is equivalent to the amount proposed in the President’s FY 2015 budget.

* + Tenant-Based Rental Assistance (TBRA) is funded at $19.36 billion, a 1% increase over the FY 2014 enacted level of $19.18 billion. Slightly more than $17.69 billion is allocated to Housing Choice Voucher contract renewals, which is an approximately 2% increase over FY 2014. Initial analysis indicates that this funding level is not adequate to fully fund all existing vouchers without public housing agencies (PHAs) implementing additional cost savings measures. HUD-Veteran Affairs Supportive Housing (HUD-VASH) vouchers for homeless veterans are level funded at $75 million.
  + McKinney-Vento Homeless Assistance Grants are level funded at the FY 2014 enacted level of $2.1 billion. This amount includes a $1.8 billion set aside for the continuum of care and rural housing stability assistance programs, at least $200 million for Emergency Solutions Grants and $5 million for a National Homeless Data Analysis Project.
  + The House bill cuts HOME Investment Partnerships Program (HOME) funding levels to $700 million, down 30% from $1 billion in FY 2014. This would be the lowest funding level for the HOME Program since it was authorized.
* The Senate Appropriations Committee approved its FY2015 HUD funding bill on June 6th, which provides $2.4 billion more for the Transportation-HUD bill than the House did. **The full Senate was expected to vote the week of June 16; however, on June 19th Senator Reid pulled the FY 15 minibus (including THUD) from the floor for consideration as an agreement could not be made regarding amendments.** The Senate bill is a significant improvement over its House counterpart but still falls short in major respects. Like the House bill, it fails to restore the vouchers lost due to sequestration cuts in 2013, and, with the exception of 10,000 new vouchers for homeless veterans (HUD-VASH), fails to make progress on reducing homelessness. On the positive side, the Senate bill does provide substantially more funding than the House bill for public housing and for administrative fees for the Housing Choice Voucher program, as well as for the HOME block grant.

The Senate Committee report notes that it will continue to monitor voucher leasing. If public housing agencies use their 2014 funds to provide vouchers to more families, there is still the possibility that the final bill will provide increased voucher renewal funding.

Senate T-HUD Highlights

* + - Community Development Block Grant (CDBG): $3.02 billion for the CDBG program. The recommendation is $220 million more than the budget request and $10 million less than the 2014 enacted level.
    - Section 8 Rental Assistance: $19.6 billion for tenant base rental assistance. The recommendation is $385 million more than the fiscal year 2014 enacted level and $483 million less than the President’s request. The program also includes $75 million for HUD-VASH to provide housing for 10,000 additional veterans experiencing homelessness.
    - Section 8 Project-based Rental Assistance (PBRA): $9.7 billion for project-based rental assistance, which supports an estimated 17,400 contracts with private owners of multifamily housing. The recommendation is consistent with the budget request and $200 million below the fiscal year 2014 enacted level.
    - Homeless Assistance Grants: $2.15 billion for the Homeless Assistance Grants program, The recommendation is $261 million below the request and $40 million above the fiscal year 2014 enacted level.
    - Public Housing: The bill provides public housing agencies (PHAs) with resources to manage their programs, including $1.9 billion for the public housing capital fund and $4.48 billion for the public housing operating fund. The recommendation for the capital fund is $25 million more than the fiscal year 2014 enacted level and $25 million less than the budget request. The recommendation for the operating fund is $75 million more than the fiscal year 2014 enacted level and $125 million less than the budget request.
    - HOME Investment Partnerships Program (HOME): $950 million for the HOME program, which helps support the creation of affordable housing. This level of funding is $50 million below the fiscal year 2014 enacted level and equal to the President’s request.

**State Legislation Update:**

* Maine Attorney General Janet Mills blocked Gov. Paul LePage’s plan to exclude asylum seekers from receiving General Assistance aid, calling his proposed rule change unconstitutional. Mills is refusing to sign off on the measure, which would cause as many as 1,000 immigrants in Maine to lose access to a program that provides the poor with vouchers for necessities such as food and housing. In a PPH interview late Thursday, May 23rd, Mills said the primary flaw in the proposal is that it violates a provision in the Maine Constitution that prevents the state from requiring local governments to increase spending unless the state provides at least 90 percent of the funding.
  + Governor LePage and DHHS are ignoring Attorney General Mills’ interpretation that the measure is unconstitutional. The Department of Health and Human Services formally notified cities and towns Monday evening, June 16th, that the state will no longer reimburse them for General Assistance to undocumented immigrants and will begin auditing municipalities in October. **The Governor sent out a subsequent letter detailing that any municipality that continues to serve this population will not receive any state GA reimbursement (not just for this population as first noted).** One large criticism is that this will turn GA offices into mini immigration offices, attempting to determine people’s immigration status – which can be very difficult due to a multitude of different visa types. Additionally, if GA offices require legal status they must ask everyone to prove legal immigration status (it is illegal per the Constitution to single one group out asking for documentation). The real issue, according to many, is that the LePage Administration made this decision without a thoughtful process including public notice and input, legal review and formal enactment. Officials from Portland, South Portland, Lewiston, and Bangor said Tuesday that they will continue to offer emergency assistance to undocumented immigrants. **Maine Municipal Association is filing a lawsuit to seek Superior Court determination on the matter. On July 8th the City of Portland and the City of Westbrook announced they would join the MMA as a co-plaintiffs in the case.**
    - Two women from Burundi living in Maine have joined a lawsuit challenging the LePage administration's rule change that would deny General Assistance to asylum seekers and other undocumented immigrants. The American Civil Liberties Union of Maine and Maine Equal Justice Partners filed the complaint against Maine Department of Health and Human Services Commissioner Mary Mayhew on behalf of the two women, who advocates say came to Maine to escape violence in their native country.