

# Breaking Ground

The Monthly Newsletter of the Coalition on Homelessness and Housing in Ohio

..... August 2004

## House Committee Cuts Most HUD Programs

The FY05 HUD appropriations bill was marked up in both the VA-HUD Appropriations Subcommittee and the full House Appropriations Committee the week of July 19. In both the Subcommittee and full Committee, all HUD programs with the exception of housing vouchers received substantial cuts from FY04 levels. Further, neither the Subcommittee nor the committee took any steps to reverse the effects of the Administration's April changes to the Section 8 funding of the voucher program in FY04.

Responding to overwhelming grassroots advocacy on the voucher program, the July 20 Subcommittee action did provide funding for Section 8 vouchers and project-based housing above what the President asked for in his FY05 budget. While the Administration proposed cutting voucher funds by \$1.6 billion, the Committee allocated an amount that advocates believe might be sufficient to renew current vouchers in FY05. However, Section 8 funding came at the expense of all other HUD programs, which generally received 4.3 percent cuts. Outraged housing advocates flooded House offices with calls between the two markups, but funding levels for all HUD programs remained the same in the full Committee on July 22.

House Appropriations Committee Ranking Member David Obey (D-WI) spoke about the importance of HUD programs at the onset of the markup, as did Representative Marcy Kaptur (D-OH). Only a handful of public witnesses were allowed into the mark up, however, so advocates were not able to hear Members' remarks firsthand. Included in the House Appropriations Committee's cuts are:

- More than \$276 million cut to Public Housing and HOPE VI.
- More than \$209 million cut to community development programs.
- More than \$79 million cut to HOME.
- More than \$53 million cut to McKinney-Vento Homeless Assistance programs.
- More than \$32 million cut to Section 202 Housing for the Elderly.
- More than \$11 million cut to Section 811 Housing for Persons with Disabilities.
- More than \$28 million cut to Native American housing block grants.
- More than \$12 million cut to Housing for Persons with AIDS.
- More than \$1.5 million cut to fair housing activities.
- More than \$850,000 cut to HUD's rural housing and economic development program.
- More than \$2 million cut to Family Self Sufficiency service coordinators.
- Almost \$7 million cut to lead hazard reduction.

Advocates took some solace in the fact the full Committee rejected two efforts to further cut HUD funds during its mark up. Ignoring the severity of the cuts in the Subcommittee, efforts surfaced in the full Committee markup 48 hours later to divert HUD funding to other programs. These efforts, by Representatives Virgil Goode (R-VA) and Dave Weldon (R-FL) were voted down and withdrawn, respectively. Mr. Goode's amendment would have shifted \$1.5 million from Section 8, HOPE VI and the Corporation for National Service to veterans' health care. The amendment failed on voice vote.

The amendment offered by Mr. Weldon would have authorized the implementation of the Administration's Flexible Voucher Proposal and funneled its purported savings to NASA, and was offered as the Committee came under much pressure from House Majority Leader Tom DeLay (R-TX) to increase spending for NASA programs. This amendment was withdrawn. The Committee's report accompanying the VA-HUD bill explains that the Flexible Voucher Program proposal was not included because "such changes fall outside the Committee's jurisdiction. However, the Committee strongly urges the Authorization Committees to take the actions necessary to reform the program."



For the Section 8 tenant-based voucher program, the Committee's report "reiterates that the Section 8 voucher program is funded as a discretionary program, not a mandatory program. Consequently, the Department and the public housing authorities must manage the program within a budget." The FY05 voucher program is continued, as it was in FY04, as a budget-based (not unit-based) program. This means that funds are based on the amount appropriated and not the number of units leased by a housing authority. The bill cuts housing authority reserves to just one week (from one month in FY04) and does not fund a separate central reserve. The Committee prohibits housing authorities from over-leasing, and directs HUD to provide a report to the Committee by November 15, 2004, of all housing authorities that have over-leased and the resulting sanctions.

For the first time, the bill divides the Section 8 account into two distinct accounts, one for tenant-based (discussed above) and one for project-based. For project-based housing, the bill increases overall project-based spending by a total of \$204 million above the FY04 level. Section 8 project-based contracts receive an increase of \$321 million while funds for mod/rehab contracts are decreased by \$46 million, and Single Room Occupancy contracts are decreased by \$3 million compared to FY04.

The bill cuts the public housing capital fund by \$116 million. Included in this account are the Resident Opportunity and Self-Sufficiency program, which sustained a cut of \$1.5 million, and funds for emergency capital repairs, which received a decrease of \$2 million. The Committee's bill does not include language to implement the Administration's Freedom to House demonstration program, which the National Low Income Housing Coalition (NLIHC) opposed. The bill cuts the public housing operating fund by \$154 million.

The Community Development Block Grant program was cut by more than \$51 million. Funding was also cut for the Self-Help Homeownership Opportunity Program (\$1 million cut), Youthbuild (\$3 million cut) and Neighborhood Initiatives (\$24 million cut). The HOME program was cut by \$79.8 million, including a \$2.5 million cut to the President's American Dream Downpayment Act.

Homeless assistance grants were cut by \$53.5 million. The bill notes that the FY04 funding will cover the renewal of all expiring Shelter Plus Care contracts. Language is included requiring that not less than 30 percent of funds (excluding Shelter Plus Care renewal funds) go to permanent housing, plus a 25 percent match for social service activities.

The bill does not provide funding requested by the President for a new Prisoner Reentry initiative, or for his Samaritan Housing Initiative.

The bill cuts Section 811 housing for people with disabilities by more than \$11 million. The report notes the Committee's frustration with HUD over miscalculating anticipated costs associated with tenant-based assistance contracts and the late notice the committee received for needed but unexpected amendments to prior-year voucher contracts for people with disabilities. Section 202 elderly persons housing is cut by more than \$32 million.

The Senate has not taken action on its FY05 HUD spending bill. On July 24, President Bush threatened to veto the VA-HUD appropriations bill if the cuts made to NASA remain in the bill upon enactment.

In an editorial on the House's actions, *The New York Times* summarized the HUD portion of the bill by stating, "The budget restores money to the Section 8 rental-subsidy program, which allows two million of the country's poorest families to keep roofs over their heads, but cuts all of the other important programs in the housing budget, including some that serve the elderly, the disabled and the homeless."

*The Times* concluded by criticizing the Committee for shifting funds from other housing programs stating: "Faced with complaints from governors and local officials, Congress put more money into Section 8 than the Bush administration wanted. But it has not put enough money into the program to meet the national need. Instead, the Congressional leadership has opted for a sleight of hand that props up the Section 8 voucher program by cutting money from other programs that subsidize housing for the elderly, the disabled and the homeless. Having paid lip service to the goal of ending chronic homelessness, Congress and the White House seem bent on budgetary tactics that place more families at risk."

**POINT OF VIEW by Sheila Crowley, NLIHC President**

After months of anticipation, rumor, and angst, Congress gave its first official response to the Bush Administration's "flexible voucher" proposal this week. Fortunately, the House Appropriations Committee rejected this ill-advised, half-baked idea. This idea was so bad that it will be a long time before anyone can use the word "flexible" in reference to housing programs without evoking a visceral distrust among housing advocates. However, the VA-HUD-IA Appropriations Subcommittee was left with the mathematically impossible task of funding the programs within its jurisdiction without enough money to do so. They added absolutely necessary increased funding to the Section 8 program, heeding the calls from housing advocates to at least preserve the number of vouchers currently in use. But they did so by cutting every other HUD program, including McKinney-Vento Homeless Assistance, HOPWA, Sections 211 and 811, and public housing, all of which serve the very lowest income people. Unless and until we can restore these programs to at least their current funding level while protecting the funds for Section 8, we cannot claim success this year. It will be a tragedy if the unified campaign by housing advocates that made the case so effectively for protecting the voucher program unravels as proponents of particular programs scramble to get their piece of the funding pie restored. A cynic might say that this is what some in Congress intended, a divide and conquer strategy to get us to get them out of the mess they have made for themselves. It is a strategy that we should resist getting sucked into. The federal budget and appropriations process is in disarray. How Congress is going to work its way out of the fiscal chaos it has created is anybody's guess. But it is not our job to figure that out for them. Our job is to make sure they know the human and political consequences of what they have done and what they still might do.

**Federal Budget Faces Tight Squeeze as Deficit Worsens & Revenue Drops**

On July 29, the White House's Office of Management and Budget released its "Mid-Session Review" of the Federal budget, revealing the extent of the growing deficit and the lowest revenue in 50 years. The federal budget deficit has risen to \$445 billion for fiscal year 2004, up from \$375 billion in 2003. Federal revenue has dropped to 16.2 percent of gross domestic product -- the lowest level since 1950, according to OMB Watch, an independent research and advocacy group in Washington, DC. In a statement made in response to the new report, the group warned: "The budgetary situation will become even more dire when looking out over the next 10 years and beyond. With the retirement of the baby-boom generation, increases in expenditures for Social Security and Medicare will combine with massive deficits and low revenue to put an extreme squeeze on the rest of the budget. The squeeze will ultimately impact many essential governmental areas, including education funding, student loans, services for families and children, funding for parks and historic preservation, and many other programs of vital importance to the American public." To download the White House's "Mid-Session Review", go to [www.whitehouse.gov/omb/budget/fy2004/pdf/04MSR.pdf](http://www.whitehouse.gov/omb/budget/fy2004/pdf/04MSR.pdf) To read the summary and analysis by OMB Watch, see [www.ombwatch.org/budget/pdf/msr04302004.pdf](http://www.ombwatch.org/budget/pdf/msr04302004.pdf).

**Petition Filed to Move National Housing Trust Fund Bill to House Floor**

The National Low Income Housing Coalition has reported that three cosponsors of the National Affordable Housing Trust Fund (NHTF) legislation recently filed a motion for a discharge petition in an attempt to move the bill, H.R. 1102, to the floor of the House for debate and an up-or-down vote. Although the legislation had amassed 214 cosponsors in the House, the leadership of the committee with jurisdiction over the bill had done nothing to bring it to a vote. The motion to move the bill forward was made late last month by Representatives Barbara Lee (D-CA), Michael Capuano (D-MA) and Bernie Sanders (I-VT). Should the petition acquire 218 signatures (a majority of House Members), the committee would be "discharged" of its responsibility for considering the bill, and the bill would go directly to the House floor. The most recent example of legislation that was successfully kick-started in such a way was the McCain-Feingold bill on campaign finance reform. H.R. 1102, the subject of the discharge petition, has one significant difference from the original bill: the source of funding to pay for the Trust Fund is no longer specified. More information on the recent petition and NHTF legislation can be found at [www.nhtf.org](http://www.nhtf.org).

## **HUD Memo Instructs PHAs to Shift Burden to Residents and Landlords**

In a July 26 memo to all public housing authorities that administer Section 8 vouchers, HUD Secretary Alphonso Jackson continued to defend HUD's FY04 voucher funding notice by arguing that Congress has mandated program changes due to "astronomical" cost increases in Section 8 over the past four years. The letter then offers suggestions on how housing authorities can deal with funding shortfalls, and uses the problems resulting from the funding shortfalls to justify the Administration's proposed changes to the voucher program.

Bill Jacobs, Executive Director of the McDonough County Housing Authority in Macomb, IL, responded to the memo with a letter to Mr. Jackson. "You used the word astronomical to describe the cost increase to the voucher program. I could use the same word to describe the increased cost of housing," he wrote.

Mr. Jackson's memo continues to blame Congress for the problems confronting the Section 8 program in FY04 (problems that will continue if the House Appropriations Committee's FY05 HUD bill is enacted). "Congress was very clear in its direction, and we are following its instructions exactly as the law requires," Mr. Jackson states. Those in the housing industry and other housing advocates argue that HUD stretched the intention of the FY04 appropriations bill and is unduly harming residents and housing authorities by using a very extreme interpretation in the April 22 notice.

Mr. Jackson writes that HUD will assist with the shortfalls in "any way that we can." But the release of the memo is seen as a statement that HUD will continue to pressure housing authorities to do more with fewer dollars and to shift costs to residents and landlords, as the memo then offers four suggestions to housing authorities to help meet their voucher needs within their current funding allocations.

First, the memo suggests modifying payment standards, indicating that this action has the most direct impact on controlling costs. "The Fair Market Rent (FMR) stipulation allows you to pay landlords quite a bit more than the private market would suggest," Mr. Jackson wrote. "If this is the case, do not feel obliged to pay any more than the going market rent."

Second, the memo urges housing authorities to review their rents to be sure that they are "not paying a dollar more rent than [they] need to." The argument that rents are artificially high is based on Mr. Jackson's assertion that "vacancy rates are at their highest levels in decades"

Third, housing authorities are urged to redouble their efforts on income matching and verification efforts to ensure that families are honestly reporting all income. Finally, the memo reminds housing authorities they can impose minimum rents of up to \$50 on voucher-holding families.

The memo does not mention that some housing authorities are expected to receive additional funds as a result of appeals to agencies' annual adjustment factors (AAF), which are used to calculate payments to housing authorities for voucher use. The deadline for appealing the AAF offered in the April 22 notice was July 15, and HUD has until August 31 to respond to these appeals.

"The voucher program is broken, and it is in desperate need of repair," Mr. Jackson's memo went on to say. He suggests that the reforms the Bush administration has sent to Congress, including the Flexible Voucher Program, are the answer to fixing the program.

The memo also references the House Appropriations Committee FY05 VA-HUD bill of July 22, in which appropriators chose to adequately fund the voucher program while cutting all other housing programs by more than 4 percent. "Section 8 has already begun eating away at essential HUD programs that families and communities across America depend upon," Mr. Jackson wrote. Advocates disagree, pointing out that HUD programs do not need to compete with one another for funding.

Mr. Jackson's memo will be posted at [www.nlihc.org](http://www.nlihc.org).

## Strong Support For Low-Income Housing Policies in Latest NLIHC Poll

In the most recent NLIHC poll of likely voters, 65 percent of respondents say they saw, read or heard news about the housing problems of low-income people in the past month. Further, more than one quarter (27 percent) of respondents report having had trouble meeting their own housing expenses in the past year, a number that has grown slightly since November 2003. Thus it may not be surprising that when asked whether they agree or disagree with a series of statements about the role of government in addressing affordable housing problems, in all cases more than 65 percent of likely voters agree that government needs to invest in low-income housing.

The most support is for low-income housing that is described as an “investment in the future;” 73 percent of likely voters said they support government investment in housing that allows low-income parents to provide decent homes for their children.

Statements about the economic value of investing in low-income housing also have wide appeal. The statement that more affordable housing is needed for a “balanced economy” receives support from 70 percent of likely voters. Similarly, 69 percent feel the government should make certain that even low wage workers are able to rent a decent apartment. Government housing policy designed to stem the decline of the middle class had the support of 65 percent of respondents.

When investments in housing were described as part of efforts to provide people with the opportunity to achieve the American dream, 67 percent of likely voters voiced support. The notion that housing policy has been skewed toward the rich, and that government should do better at making housing affordable to all is supported by 66 percent.

The statement that “it is time for those who are the most well-off to pay a fair share of taxes so that the government can invest sufficient resources into affordable housing for the lowest income Americans,” received support from 68 percent of likely voters. This is the statement that received the strongest support, with half of all likely voters being in strong agreement.

By far the least support was voiced for government disinvestment. Only 21 percent of likely voters expressed strong support for the notion that government should not be involved in solving housing problems. Only 8 percent say they strongly agree with the notion that affordable housing “must take a backseat” to national defense and the war on terrorism. Strong opposition to this last message exceeds strong support by 41 points.

This support translates to opposition to the Administration’s current voucher proposals. Two out of three likely voters continue to oppose the Administration’s proposed cuts to the Housing Choice Voucher program, three months after the proposal was introduced and NLIHC first asked likely voters about their support. Today, nearly 40 percent of likely voters say they strongly opposed the cuts.

There is also a message for advocates in this poll: Though an overwhelming majority of voters perceive a housing affordability crisis and oppose cuts to the voucher program, more than 70 percent of those who remember news on low-income housing problems oppose the voucher cuts, compared to 57 percent of those who said they do not remember any such news.

The national survey of 800 likely voters was conducted July 18-20, 2004 and has a margin of error of +/- 3.46 percent. Similar polls have been conducted by NLIHC on April 18-24, 2004; November 2-4, 2003; May 27-29, 2003; and August 19-21, 2002. For more on NLIHC polling and research, visit [www.nlihc.org/research](http://www.nlihc.org/research).

**Two out of three likely voters continue to oppose the Administration’s proposed cuts to the Housing Choice Voucher program.**

**Excerpts of Remarks of Sen. John Kerry (As Prepared for Delivery) at the 2004 National Urban League Conference - 7/22/04**

When I look around this city -- when I look around neighborhoods and towns and cities across this nation, I see what so many of you see everyday.

We see jobs to be created.  
We see families to house.  
We see violence to stop.  
We see children to teach -- and children to care for.

We see too many people without health care and too many people of color suffering and dying from preventable diseases like cancer and AIDS and diabetes.

Today we have an administration in Washington that looks at the challenges we face here and around the world and says this is the best we can do. They say what we have now is the best economy of our lifetimes. They have even called us pessimists for speaking truth to power. Well, I say the most pessimistic thing you can say is that America can't do better.

Don't tell us 1.8 million lost jobs is the best we can do, when we can create millions of new jobs. We can change that...and we will.

Don't tell us unemployment is not a problem, when we see that African American unemployment is now above 10 percent -- double the rate for whites. It is unacceptable in the wealthiest nation on earth that we tolerate vast and growing pockets of poverty -- from the hills of Appalachia to the streets of Detroit. Raising the minimum wage and making life better for the working poor is part of my vision for a stronger America. We can change that...and we will.

Don't tell us crumbling and overcrowded schools and underpaid teachers are the best we can do. We have the means to give all our children a first-rate education. We can change that...and we will.

Don't tell us we have to accept racial profiling, hate crimes or the assault by right-wing judges on our precious civil rights progress. We can change that...and we will.

Don't tell us that in the strongest democracy on earth, a million disenfranchised African Americans and the most tainted election in history is the best we can do. We can change that...and we will.

Don't tell us in the richest country in the world, that we can't do better than 44 million people uninsured. Nearly 60 percent of Hispanics and 43 percent of African Americans lacked health insurance for all or part of the last two years. We can change that...and we will.

During the course of this campaign I've met young people who want nothing more than to be able to find a job in the place they were raised. I've met steelworkers and mineworkers and autoworkers who have seen their jobs and equipment unbolted before their eyes and shipped overseas. Some have even had to train their foreign replacements. I've spent time with seniors who have worked for a lifetime but can't pay for their medicines or hardly make ends meet. And I have talked with parents full of hope and ambition for their children but they don't know what to do about classrooms that are overcrowded and teachers who are underpaid. And they are worried that they won't be able to afford to send their kids to college.

My faith teaches me, "Where your treasure is, there your heart will be also." Let me tell you where my heart is: it's with the middle class who are the heart of this country; it's with the working families who built this country; it's with the veterans who saved this country; with the cops and firefighters and soldiers who protect this country; and it is with the children who are the future of this country.

They deserve a president who believes in them, who shares their values, and who with every fiber of his being to uphold them.

For four years, we have heard a lot of talk about values. John Edwards and I have the vision and values to bring our country together again and build stronger communities. For us and for you, values are more than just words on a page. They are about the causes we champion and the choices we make.

And I am running for president because I believe that what matters most is not the narrow values that divide, but the shared values that unite all of us in this country.

Let me tell you what values mean to me and John Edwards.

Values mean having an opportunity agenda for metropolitan America. That means bringing capital, small business opportunities and job creation to all of our communities -- especially our central cities and the surrounding metropolitan areas.

As president, I will create a small business opportunity fund to ensure that small businesses have the support they need to grow and thrive -- expanding loans to micro-enterprises, increasing the federal government's venture capital investments and expanding loan programs for small businesses. I will also increase federal contracting opportunities for minority-owned small business growth in urban areas. I will maintain support for empowerment zones, New Markets Tax Incentives and the Community Re-investment Act. And I will make sure the New Market Venture Capital Program has the funding it needs to fulfill its promise of meeting the unmet equity needs of low income communities.

Values mean helping all Americans lay the cornerstone of the American Dream with the purchase of their own home. The Urban League has a long track record in counseling consumers and fighting to make the dream of homeownership real for millions of people. Yes, it's true, since the 1990s, homeownership has gone up in America. And that's a good thing. But it's not that simple. While homeownership has risen, programs that help hard-pressed families put a roof over their head have been cut. Those are the people we need to help the most. The Administration's budget would cut Section 8 vouchers by more than \$1 billion, denying 250,000 families housing assistance. At the same time, he has proposed to entirely eliminate the HOPE VI program, that's been critical to revitalizing distressed public housing.

John Edwards and I understand what you understand: programs like Section 8 and HOPE VI are just the right kind of community-based solutions some people need to get on the road to homeownership. And, when I am president, we will strengthen, not weaken these bridges of opportunity.

Values also means building an America where the middle class is doing better, not being squeezed. That means cutting middle-class taxes so middle-class incomes go up. The wealthiest among us don't need another tax cut, but middle-class families do. Our middle class tax cuts will help families pay for health care and college tuition; they'll help hard-working Americans get ahead.

Creating opportunity also means creating good-paying jobs. More than a million Americans who were working three years ago have lost their jobs. African-American unemployment is now at 10 percent -- double the rate for whites. And the new jobs finally being created pay an average of \$9,000 less a year.

We value an America that exports products, not jobs. And we believe American workers should never have to subsidize the loss of their own jobs.

We'll close tax loopholes that pay companies to move our jobs overseas - and we'll reward companies that create jobs right here in the good old USA.

Values also mean giving all our children a first-rate education, with smaller classrooms and better paid teachers. Today, we see two school systems in America: one for the well off and one for the left out. For us and for you, values mean opening the doors of opportunity to all our children.

We believe that educating our children is more important than giving another tax break to the wealthiest Americans. This Administration's budget falls \$27 billion short of its promise to fully fund No Child Left Behind. John Edwards and I have a plan to invest in our future, provide the needed funding and put a good teacher in every classroom -- so that finally and truly, no child will be left behind.

Values mean making health care affordable and accessible for all Americans. In the last four years, four million people have lost their health insurance. Millions more are struggling to afford it. When I am in the White House, we are going to change that. We are going to stop being the only industrial nation on the face of the earth that doesn't understand that health care is not a privilege for the wealthy, the connected or the elected. Health care is a right for all Americans.

We've got a plan to get the waste and greed out of our health care system and help families save up to \$1,000 on their premiums.

I know that great things are happening across America to strengthen families, lift up communities and bring opportunity and hope to our young people. Some of these efforts are faith-based, some are community based. They are all making a difference. But for every good thing we're doing there are millions more in need who are not being reached.

We need to do more to help our faith-based institutions that are on the front lines helping our families, and working with community-based organizations to meet this challenge. And we need to do it in a way that values our Constitution and also values the role that churches play in our communities across America.

I believe we must do more to give the young people in our cities and metropolitan areas alternatives to lives of hopelessness and alienation. Just between 2000 and 2002, the number of gang-related murders rose by 40 percent. That means that literally hundreds of lives once full of hope and promise have been lost. The response of this administration has been to cut support for cops on the beat and cut support for efforts to prevent gang violence.

We can do so much better -- better for the communities that are living in fear because of gang violence, and better also for these young people who have a real future if we just reach out to them. We have to stop being a nation content to spend as much as \$50,000 a year to keep a young person in prison for life -- when we can spend \$10,000 a year to give them Head Start, Early Start, Smart Start, the best possible start in life.

This is the most important election of our lifetime. Our health care is on the line. Our jobs are on the line. Our children's future is on the line. America's role in the world is on the line. Our empowerment is on the line.

We can provide a new direction for America if we remember that in all the great movements for civil rights and equal rights, the environment and economic justice for all, we have come together as one America to give life to our highest ideals.

My friends, the America we believe in is calling us to service once again, and we must answer.

Excerpts of Remarks of President George Bush at the 2004 National Urban League Conference - 7/23/04

I believe this country can and will be a place of opportunity and hope for every single citizen. It's not a given; there's work to be done. But it's a goal, and it's an important goal.

I don't care what party you're in, what city you live in, or what state you're from, the goal has got to be -- America has got to be an hospitable, hopeful place for every single citizen. That's what I believe. That's kind of the heart of what they call compassionate conservatism, that the American experience must be alive and viable for everyone, and that government has a role to help people have the tools so they can help themselves. See, I believe in the human spirit; I believe if people have the opportunity and the ability, they will achieve their God-given talents. That's what I believe. And I think that's a proper role for the federal government, to help people.

The last three-and-a-half years, we've worked on that. We've worked hard to make opportunity available and prosperity real and justice not a word. And I'm here to tell you, we're making good progress.

Progress for African Americans and all Americans require a healthy, growing economy. It's hard to realize dreams if -- if you're in a recession; it's hard to realize dreams if jobs aren't being created; it's hard to realize dreams if the entrepreneurial spirit is flat, at best, and that's not the case today.

The economy went through a lot. But we acted. See, I happen to believe if people have more of their own money in their pocket, they're going to spend, save, or invest, and when they do, that revitalizes economic growth and entrepreneurship. That's what the tax cuts were all about. That's why we raised the child credit. If you happen to have a two-year-old son, it enables you to be -- have more money in your pocket. We reduced the marriage penalty.

What kind of tax code is it, by the way, that penalizes marriage? We ought to be encouraging marriage in the United States of America.

We reduced the 10 percent bracket; we reduced taxes on everybody. I think that's the fair way to do things. And as a result, the economy is growing. The economy, since last summer, has been growing at the fastest rate in nearly 20 years. That's the truth, and that's positive news. If people are looking for work, you've got to have an economy which is vibrant and growing.

There's more work to do, of course. Job opportunity isn't in every neighborhood and every corner of the country, I fully recognize that. But the economy today is strong, and it's growing stronger. And we've always got to remember why. I mean, inherent in the -- in new job creation is small businesses. That's the most important part of new job creation. See, most new jobs are created by the small business owners of America. And therefore, policy has got to recognize that. That's why we've got to have fair -- a fair legal system that doesn't -- these frivolous lawsuits make it awfully difficult for a small business owner to thrive.

See, if you own something, you have a vital stake in the future of America. This administration promotes what I call the ownership society. When people tell me statistics, they say, more people are owning their own small businesses, and a lot of minorities are owning their own small businesses. That's really good news for the future of the country. It also happens to be really good news for the economy. The more small businesses there are, the more likely it is people are going to find work.

And that's what's happening right now in our society. We've rewarded \$6 billion in new markets tax credits. Those are important. They promote economic and community development in low-income areas.

And when you do that, the spinoff is more ownership for businesses. When there's a vitality in a neighborhood that has been -- that needed help, new businesses spring up. That's all part of a vital tomorrow. Our plan is to help people help themselves, is to create an environment where the entrepreneur can flourish.

An interesting project that's going on inside inner cities, which makes life better but also helps the entrepreneurial spirit, is the cleanup of brownfields. Since I've come to office, we've cleaned up more than 1,000 brownfields. Those are old industrial sites which have been abandoned. They're not only eyesores, they're blight in the communities. They've been cleaned up. They're now viable pieces of property. Businesses are springing up -- businesses around, businesses are springing up. An integral part of stimulating economic growth and activity to give people a chance to start and own their own company is wise policy in the inner city, such as brownfields cleanup policy. We've been aggressive with brownfields, just like we have with empowerment zones.

What I'm telling you is, the role of government is to create an environment where people from all walks of life have a chance to realize their dream. And that's precisely what's taking place in America. And the economy is better for it, and more people are finding work, and we must not go backward to the days of high taxes, high spending, more regulation and more lawsuits, if we expect more people to own their own business.

Progress for African Americans, and progress for all Americans, requires good schools. The system tended to shuffle kids through, and you know what I'm talking about.

You know, the hard-to-educate were labeled that, and they just moved through, that's what was happening. We can play like it wasn't happening. It was happening. That's what you get when you get low expectations. It's what I call the soft bigotry of low expectations.

But you know what else has changed? For the first time, the federal government is asking the question, can our children actually read? And see, I feel comfortable asking that question, because I believe every child can read. You don't ask that question if you believe certain children cannot read; you say, okay, fine, shuffle them through, the consequences of which, when people get out of high school, they're illiterate, they're lost, they're frustrated. They don't have a chance to realize the great promise of the country. We're changing that attitude in public schools.

Progress for African Americans and all Americans depends on more citizens living the dream of owning their own home. There's nothing better than somebody saying, welcome to my house; I'm putting out the welcome mat in my piece of property. And this has been a focus of this administration, because we want people owning their own home. It's a vital part of the -- of the American experience, isn't it.

So we're providing downpayment assistance, good counseling. Listen, people walk in, first-time home buyers, and they take a look at the contracts and the print's about that big, and they say, forget it. You know? They get driven away by the complexity of the situation. Sometimes they get skinned by loan sharks, you know? And we're doing everything we can to make sure the loan application process is understandable and fair and open. We're proposing tax credits to encourage the building of more affordable housing, particularly in inner-city America. In other words, we want there to be a greater supply of homes.

Let me tell you something hopeful about the country. For the first time in our history, a majority of families and minority groups own their own homes. We're making progress. People are saying, this is my home. And we must continue the progress we're making.

Progress for African Americans and all Americans depends on safe streets. Safe streets are important for any -- any community, particularly important for communities in which parents feel like they've got to keep their kids locked in.

But there's more than just fighting crime. We need to help the 600,000 men and women who are being released from prison each year. I went to the Congress in my State of the Union, I talked about a prison reentry program. I said, put some money up to help these souls come out. Let's make sure we're the country of the second chance. Let's make sure people have got a chance to get an education and a job. Let's make sure there's -- if need be, let's make sure there's church families available to welcome a person back in community. And so this prison reentry program is a vital part of making sure America is a safe country.

Progress for this country, for African Americans, and all Americans, depends on the full protection of civil rights and equality before the law. My administration and its Justice Department has vigorously enforced the civil rights laws.

Progress for African Americans and for all Americans depends on driving the drugs out of our neighborhoods. We put forth a comprehensive approach. We're doing everything we can to interdict drugs so they don't make it into the country in the first place. We have encouraged faith-based programs to help change hearts so people change habits. We've got money directed at the people who need the most help, which are the addicts of America -- an intensive, focused, real effort to save lives.

Progress for all our citizens, including African Americans, depends on the spirit of compassion for others.

Government can hand out money, but it cannot put hope in a person's heart or a sense of purpose in a person's lives. And we'll have the traditional programs of help, the safety nets. They're there. And that's an important part of federal funding. But I strongly believe the federal government must welcome programs of faith into the compassionate delivery of help and service to those who hurt.

My community and faith-based initiative recognizes the true strength of this country is in the hearts and souls of our citizens; that we recognize that oftentimes there's -- a change of heart will change behavior and governments can't change hearts. That changes when somebody who has heard a universal call to love a neighbor, puts their arm around somebody who hurts and says, I love you brother, I love you sister, what can I do to help you on your walk so your life is improved. This community and faith-based initiative is a vital part of this administration's program to help save lives. We've opened up federal grants to the faith community for the first time. I shouldn't say "for the first time." Most vigorously, let me put it to you that way.

And so now we've had over a billion dollars go out the door to faith-based programs, programs all aimed at serving America by saving lives. And it makes sense. It just makes sense. It makes sense to tap into the great strength and spirit of the country.

And I believe in my heart that the policies and actions of this administration, policies that empower individuals and help communities, that lift up free enterprise and respect and honor the family, those policies are good for the nation as a whole. That's what I believe.

## CRA Protections Threatened

The Office of Thrift Supervision (OTS), under authority that has been questioned by the National Community Reinvestment Coalition (NCRC), has increased the threshold that savings associations must meet before being affected by Community Reinvestment Act (CRA) requirements—from \$250 million to \$1 billion. Meeting the threshold triggers compliance with CRA performance evaluations on the levels of lending, investing, and services to low and moderate income communities. While four banking regulatory bodies, including the OTS, were considering raising their CRA thresholds, only OTS moved forward. As a result, 88 percent of thrifts (828 institutions) in the United States will now have only cursory CRA exams that look only at limited lending activity.

While two other bank regulators, the Office of the Comptroller of the Currency and the Federal Reserve, withdrew their proposals to increase threshold levels, the fourth regulator, the Federal Deposit Insurance Corporation, may now follow OTS's lead. According to the National Association of Affordable Housing Lenders (NAAHL), if the FDIC increases its CRA exam threshold from \$250 million to \$1 billion, nonprofit providers of affordable housing that rely on bank investments in loan pools, tax credits and purchase of mortgages on affordable rental housing will face significant declines in resources. And, because institutions with assets of \$250 million to \$1 billion comprise substantial market share in rural areas, such a change would mean that many rural communities and states would not have any institutions required to offer services and investments that benefit low and moderate income communities, according to NAAHL.

## Newsbriefs...

### "Paycheck to Paycheck"

For the last five years, the Center for Housing Policy has published a series of reports documenting the growing numbers of working families with critical housing needs. One recent study revealed a dramatic 67 percent increase between 1997 and 2001 in the number of low- to moderate-income working families paying at least half their income for housing. To put a "face" on aggregate numbers, the Center developed "Paycheck to Paycheck" analyses which look at wages for selected vital occupations to see how working families relying on these earnings fare in housing markets around the country. A new interactive version of "Paycheck to Paycheck" allows visitors to select among 64 occupations for each of more than 130 of the nation's largest housing markets. The report is based on data dated 4/1/2003. For more information, visit [www.centerforhousingpolicy.org/p2p/index.php](http://www.centerforhousingpolicy.org/p2p/index.php).

### Disability Medical Assistance Program Temporarily Re-opens

Ohio's Disability Medical Assistance (DMA) Program provides medical assistance to certain low-income Ohioans who are medication dependent and not eligible for Medicaid. Services offered through the DMA Program include coverage for doctor visits, prescription drugs and other services. Starting July 15, the program resumed accepting applications and will do so until the Ohio Department of Job and Family Services issues another suspension order. Individuals may be eligible for DMA if they: are not eligible for Medicaid; are found medication dependent by a licensed physician; meet the DMA income and resource limits; are an Ohio resident; and meet the DMA citizenship requirement. To apply for DMA, individuals must complete an application. A face-to-face interview with a caseworker at the County Department of Job and Family Services is required. The application can be found: at the local CDJFS and on the ODJFS web site at <http://jfs.ohio.gov/ofam/cmandfsa.stm>. The application can be downloaded, printed and submitted to the local CDHFS.

### Children and Housing Assistance

The Children's Defense Fund has released a new report titled *"The Bush Administration Set to Exacerbate the Growing Housing Crisis for Families with Children,"* which shows that 3.6 million children live in low-income families who pay more than half of their income for rent or live in severely substandard housing. One third of Americans with such worst-case housing needs are children. The report also illustrates that families with children make up 40 percent of the U.S. homeless population. Children make up a disproportionate share of families who live in overcrowded or unsafe housing, the report finds. While 37 percent of all renter and homeowner households contain children, they are present in 93 percent of over-crowded households, and 56 percent of households with multiple housing problems such as crowding, inadequate plumbing and heating systems, or health hazards. CDF reports that the Administration's FY05 budget proposal would slash funding for the Section 8 program, leaving it underfunded by \$1.6 billion. Such cuts would fall heavily on children. CDF closes the report by calling on Congress and the Bush Administration to fully fund the Section 8 voucher program, noting that as wages fail to keep up with rising housing and health care costs, housing assistance is ever-more critical to low-income families. The report can be found at [www.childrensdefense.org/familyincome/housing/housing\\_crisis.pdf](http://www.childrensdefense.org/familyincome/housing/housing_crisis.pdf).

**Congress Examines Problem of Incarcerating Juveniles with Mental Illness**

A recent report details the practice of improperly incarcerating children due to a lack of access to mental health treatment. The Democratic staff of the House Committee on Government Reform surveyed 698 juvenile detention centers across the country and found that 347 facilities in 47 states hold youth who do not need to be in detention as they wait for mental health services outside the juvenile justice system. Some additional report findings include:

- About 15,000 children with mental illness were improperly incarcerated in detention centers in 2003 because of a lack of access to treatment.
- One hundred seventeen detention centers incarcerated children with mental illness who are younger than age 11.
- Two-thirds of the juvenile detention facilities that hold youth waiting for community mental health services report that some of these youth have attempted suicide or attacked others.
- One-quarter of the reporting facilities provide no or poor mental health services and half report inadequate levels of mental health training for staff.
- Juvenile detention facilities spend an estimated \$100 million each year to house youth who are waiting for community mental health services.

To see the entire report, go to [www.house.gov/reform/min/pdfs\\_108\\_2/pdfs\\_inves/pdf\\_health\\_mental\\_health\\_youth\\_incarceration\\_july\\_2004\\_rep.pdf](http://www.house.gov/reform/min/pdfs_108_2/pdfs_inves/pdf_health_mental_health_youth_incarceration_july_2004_rep.pdf).

**HUD Issues Proposed Rule on Supportive Housing Program**

On July 20th, HUD published a Proposed Rule on the Supportive Housing Program that would “improve the implementation of existing program requirements in conformance with recent statutory changes.” According the Federal Register, “the Department believes that the changes made by this proposed rule will promote a better understanding of the Supportive Housing Program by program participants and allow for the full implementation of the Stewart B. McKinney-Vento Homeless Act.” The Proposed Rule, which is 15 pages in length, would make a number of changes to the program covering everything from the addition of Safe Havens as an eligible component, to increasing the participation of homeless persons in the decision-making process. As best we can tell, most of the changes included in the Proposed Rule are benign (i.e. they are not likely to adversely impact the effectiveness of the program). That being said, however, we are still in the process of comparing the Proposed Rule to the existing regulations in an effort to determine other changes. The comment period for this Rule ends on September 20th, and we hope to have draft comments that we can share with you in the September edition of *Breaking Ground*. In the meantime, please click on the following link to download (in PDF) a copy of the Proposed Rule: <http://a257.g.akamaitech.net/7/257/2422/06jun20041800/edocket.access.gpo.gov/2004/pdf/04-16390.pdf>.

**New Voter Project Assists Battered Women**

The National Network to End Domestic Violence (NNEDV) has started a VotePower project to draw attention to the fact that battered women can and should vote. NNEDV Fund is taking VotePower across the country, partnering with domestic violence coalitions in several states to do outreach and education on helping abused women register to vote and get to the polls. The Fund is also creating a manual that will be distributed to all domestic violence state coalitions. The issues facing the victims of domestic violence make it especially urgent for them to be able to vote, domestic violence advocates note. Nearly half of all homeless women are fleeing from domestic violence. And the lack of affordable housing or permanent places for those women to go to can often result in them returning to their abusers. More information is available at [www.nnedv.org](http://www.nnedv.org).

**Housing Trust Fund Request for Proposals**

The Office of Housing and Community Partnerships (OHCP) within the Ohio Department of Development (ODOD) will distribute approximately \$13.5 million of the Ohio Housing Trust Fund through the Housing Assistance Request for Proposals (RFP) Program. The RFP submission deadline is 5 pm on September 2, 2004. Applicants must submit one original and three copies of the application to OHCP, 77 South High Street, 24th Floor, Columbus, Ohio 43215.

Applicants may choose one of the following methods to obtain a copy of the application and guidelines:

- 1) obtain a copy of the application via email attachment (Microsoft Word 97) by emailing Brent Merriman at [bmerriman@odod.state.oh.us](mailto:bmerriman@odod.state.oh.us);
- 2) download a copy from the ODOD website at [www.odod.state.oh.us/webforms](http://www.odod.state.oh.us/webforms); or
- 3) contact OHCP at 614/466-2285. Applicants are encouraged to read the guidelines and application thoroughly since there are several changes in the application format and terminology.

Questions regarding the HTF RFP process should be directed to Mary Ervin, Patrick Hart, Peggie Janotka or Bob Johnson at 614/466-2285.

## **Building the Political Will to End Homelessness**

Congress is in recess for the month of August, and presidential and congressional candidates for political office are using that time to reach out to voters. This situation provide voters a good opportunity to educate current and prospective legislators about issues of concern to them, for example, how individuals and families are impacted by homelessness and the difficulty of finding affordable housing in their community.

In addition to arming candidates with information about homeless, August is a good time to provide individuals who are experiencing homelessness with opportunities to register to vote and become educated about the candidates for political office who seek to represent their interests. Examples of such involvement include holding candidates forums or attending public events where candidates can be asked questions of concern to people experiencing homelessness.

The National Alliance to End Homelessness has developed materials that can be modified by local providers, advocates, and constituents to send to candidates for political office in their area. The materials can be tailored for the community with the inclusion of local data about homelessness and housing affordability. These materials are available at [www.endhomelessness.org/elections](http://www.endhomelessness.org/elections).

The National Low Income Housing Coalition ([www.nlihc.org](http://www.nlihc.org)) and the National Coalition for the Homeless ([www.nationalhomeless.org](http://www.nationalhomeless.org)) have extensive resources available about voter registration and on voter education activities such as candidates forums.

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## **New Homelessness Bill Introduced**

The Services for Ending Long-Term Homelessness Act (SELHA) was introduced in the House of Representatives on Tuesday, July 20. Representatives Richard Burr (R-NC), Anna Eshoo (D-CA), and eight other original cosponsors joined in introducing the legislation (H.R. 4866), which would fund a variety of services in permanent supportive housing for people who experience chronic homelessness. The program would be administered by the Substance Abuse and Mental Health Services Administration (SAMHSA) within the Department of Health and Human Services. Features of SELHA include:

- Funding for a flexible array of services in permanent supportive housing, tailored to the needs of people who experience chronic homelessness
- Multi-year, renewable grants, providing a dependable source of services funding
- Tools to help communities leverage mainstream resources

The legislation is an important complement to efforts at the Federal, state and local levels to end chronic homelessness, which affects nearly a quarter million people. Over the last several years, research has helped galvanize a consensus around the need for 150,000 units of permanent supportive housing to achieve this goal. However, there is currently no efficient mechanism for funding those services. SELHA would provide such a mechanism.

In a letter to Representative Burr praising the bill, the NAMI Executive Director Michael Fitzpatrick stated: "HR 4866 is critically important to efforts in North Carolina and across the nation to ensure continued investment in permanent supportive housing and progress toward the goal of ending chronic homelessness..."

The Energy and Commerce Committee will now consider the bill, and similar legislation is expected in the Senate soon. For more information, please contact Norm Suchar at the National Alliance to End Homelessness at [nsuchar@naeh.org](mailto:nsuchar@naeh.org).

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## Builder Magazine Questions the Presidential Candidates

Housing advocates, who have noted the limited attention paid to housing in the presidential campaign so far, will be pleased to see answers to housing questions posed to both President George Bush and Senator John Kerry (D-MA) in the July issue of *Builder Magazine*, a leading public publication for the home building industry. Moreover, the theme of the July issue is the housing affordability crisis. The editor opens with a message titled, "A House Divided: The nation increasingly breaks down between the housing haves and housing have-nots," and challenges the readers, whom he acknowledges are among the big winners in today's housing market, to learn about the rest of the housing story.

Each candidate answers three questions that are specific to policy proposals. President Bush is asked why he hasn't pushed for full funding for his American Dream Down Payment Initiative, whether he supports consumer safeguards in his Zero Down Payment proposal, and why he opposes the National Housing Trust Fund. The questions for Senator Kerry are broader. How would he meet the nation's affordable housing needs? What will his Community Development Homeownership Tax Credit bill do? And "as the sponsor of the National Housing Trust Fund, please explain how it will meet the nation's critical housing needs and expand homeownership?"

President Bush emphasizes his preference for homeownership and argues in favor of his two proposals, the American Dream Down Payment and the Zero Down Payment initiatives. He objects to the National Housing Trust Fund because he says it would duplicate the HOME program. He also objects because the use of the FHA surplus to fund the trust fund would increase the deficit, as well as reduce reserves in the FHA account.

Senator Kerry cites the loss of 50,000 affordable homes since President Bush took office and affirms the importance of federal housing assistance to keep families from living in substandard housing or becoming homeless. He reviews the lack of homeownership opportunities for low-and moderate-income families and explains that the homeownership tax credit will encourage construction of 500,000 new homes. He then says that the National Housing Trust Fund will support development of 1.5 million affordable rental homes, and offers the fact that the National Housing Trust Fund is included in the Children's Defense Fund's Act to Leave No Child Behind as an indication of the importance of good housing to child well-being. To read the full article, go to [www.builderonline.com/magazines/Current-Builder-Issue.asp?sectionID=60](http://www.builderonline.com/magazines/Current-Builder-Issue.asp?sectionID=60).

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## VA Makes Homeless Assistance Funds Available

On July 15th, the U.S. Department of Veterans Affairs announced the availability of funds for a number of activities through their Homeless Providers Grant and Per Diem Program. More specifically, the following four program areas are accepting applications between now and August 17th, 2004:

Homeless Providers Grant and Per Diem Program, Grant and Per Diem Field Office  
VA Grant/Per Diem Program, Life Safety Code Grant  
[www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004\\_LSC/listing.html](http://www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004_LSC/listing.html)

Homeless Providers Grant and Per Diem Program, Grant and Per Diem Field Office  
VA Grant/Per Diem Program, Technical Assistance Grant  
[www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004\\_TA/listing.html](http://www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004_TA/listing.html)

Homeless Providers Grant and Per Diem Program, Grant and Per Diem Field Office  
VA Grant Per Diem Program, Special Needs Grant - Chronically Mentally Ill  
[www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004\\_SN\\_CMI/listing.html](http://www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004_SN_CMI/listing.html)

Homeless Providers Grant and Per Diem Program, Grant and Per Diem Field Office  
VA Grant/Per Diem Program, Special Needs Grant - Women, Frail Elderly, or Terminally Ill  
[www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004\\_SN\\_WFT/listing.html](http://www.fedgrants.gov/Applicants/VA/HPGPDP/GPDFO/2004_SN_WFT/listing.html)

## Judge Throw Out Toledo's Predatory Lending Law

Mark Reiter and Tom Troy, The Blade, Toledo

July 22, 2004

A Lucas County Common Pleas Court judge yesterday struck down Toledo's tough law banning predatory lending practices.

Judge Robert Christiansen granted a summary judgment to a national trade group, which had been joined by the state attorney general in claiming the city's law was in direct conflict with state law.

The ordinance, passed with Mayor Jack Ford's first tie-breaker vote almost two years ago, was designed to restrict deceptive and high-pressure tactics that push people into loans they cannot pay back.

But lenders feared the law would cost them business, and some threatened to stop writing home loans if it was enacted.

The ordinance was approved by Toledo City Council Nov. 5, 2002, after a 6-6 tie vote on a procedural motion was broken by Mr. Ford. The measure went on to pass 11-1. However, it was stayed pending the outcome of the lawsuit.

Yesterday, Mr. Ford said he intends to appeal the summary judgment.

The mayor, who has a law degree, said Judge Christiansen wrote a "somewhat conservative analysis" that was not open to the city's policy considerations.

"I could have seen it going the other way if it had been in front of a judge who might tend to be more consumer-oriented," Mr. Ford said.

He said he wants to defend the law and Toledo's home-rule rights.

The American Financial Services Association, a national mortgage lender and credit issuer group, filed the lawsuit against the city in March, 2003, to overturn the ordinance.

Toledo was one of a handful of cities around the country that moved to regulate practices that were seen as taking advantage of desperate, elderly, or unsophisticated people.

Those practices include excessive fees, exaggerating the value of a home to justify a large loan, and the use of hidden "balloon" payments.

The Washington-based mortgage industry trade group asked the court to overturn the law because it was vaguely written, conflicted with state law, and was unconstitutional.

Ohio Attorney General Jim Petro intervened in the case against Toledo to defend the state's predatory lending law that was enacted in May, 2002.

In his 25-page decision, Judge Christiansen said the state lending law provides uniform coverage to regulate creditors and protect borrowers throughout the state.

"On its face, [the state law] does not discriminate among localities," Judge Christiansen said.

Bob Beasley, a spokesman for Mr. Petro, said the attorney general petitioned to join the lawsuit out of concern that a patchwork of local laws was developing to regulate lending practices.

"Mr. Petro believes there should be a single, uniform standard for lenders to follow and, in this case, it is the state law," Mr. Beasley said. "The attorney general supports strengthening state laws to further protect Ohio citizens from predatory lenders," he added.

But Lisa Rice, chief executive officer of the Toledo Fair Housing Center, said Toledo's ordinance was designed differently than the state law and was not intended to regulate lending or set standards on prices. Rather than trying to define predatory lending, Toledo's ordinance required extensive notification and disclosure.

"The main reason why we went ahead and drafted the law for Toledo was because we knew the state law would be highly ineffective," she said.

Ms. Rice said Ohio has the highest number of foreclosures on homes in the country.

Chris Joseph, owner of Westchester Mortgage Services Inc., said he is glad the law was struck down.

"I'm not in favor of predatory lending under any circumstances. But I'm against patchwork legislation that doesn't allow people to do business," Mr. Joseph said.

He said he believes greater awareness among the borrowers and lenders and more oversight from the state has reduced the practice.

Mayor Ford said Toledo acted because the state legislature passed a law that didn't rein in abusive practices.

"[The state law] was pretty much written by the lobbyists for the lending industry," Mr. Ford, a former state representative, said.

About the Loans

Predatory loans originate from institutions that capitalize on the opportunity to lock unsuspecting people into high interest rates, unnecessary fees, and prepayment penalties. Some loan officers define predatory lending simply as leaving a borrower worse off after the loan than before it. Key components of the city of Toledo's predatory lending law made it a crime to:

- Knowingly make a loan based on an overstated appraisal of a property.
- Misrepresent the income of a borrower.
- Take advantage of a borrower's physical or mental infirmities, ignorance, or illiteracy.
- Steer a borrower into a loan detrimental to them solely for the monetary benefit of the lender.

The ordinance also spells out disclosures both the lender and borrower must initial, such as if there is a balloon payment due at the end of the regular payments.

Reprinted with permission - The Blade, Toledo, Ohio, July 22, 2004.

Bladel Introduces Legislation

Representative Chuck Bladel has introduced H.B. 482, a bill that includes the consensus recommendations from the Predatory Lending Study Committee. The bill includes provisions for addressing financial literacy, national criminal background checks for mortgage brokers and various licensing provisions for real estate appraisers. The bill can be viewed at www.legislature.state.oh.us/bills.cfm?ID=125\_HB\_482.

Ohio # 1 in Foreclosures

The quarterly foreclosure and delinquency report from the Mortgage Bankers Association named Ohio as having the highest foreclosure rate in the country. Ohio had the highest percentage of loans in foreclosure in the first quarter of this year. Its rate of 3.41 compared with the national average of 1.27 percent.

COHHIO's Predatory Lending Hotline - 877-228-1645

Coalition on Homelessness and Housing in Ohio Membership

Name \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ County \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Individual:    \_\_\_\_\_ \$35 (Regular)                      \_\_\_\_\_ \$75 (Benefactor)    \_\_\_\_\_ \$250 (Sustainer)

   \_\_\_\_\_ \$10 (Low-Income)                      \_\_\_\_\_ Fee Waiver Requested

Agency (according to budget):

   \_\_\_\_\_ \$35 (\$100,000 or less)                      \_\_\_\_\_ \$75 (\$100,001 - \$250,000)

   \_\_\_\_\_ \$125 (\$250,001 - \$500,000)                      \_\_\_\_\_ \$200 (\$500,001 - \$1 million)

   \_\_\_\_\_ \$250 (\$1 million-\$1.5 million)                      \_\_\_\_\_ \$300 (over \$1.5 million)

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## HUD Releases HMIS Data and Technical Standards Final Notice

On Friday July 30th, 2004, the Department of Housing and Urban Development, Office of the Assistant Secretary for Community Planning and Development released Homeless Management Information Systems (HMIS); Data and Technical Standards through Federal Register/ Vol. 69, No. 146. The Final Notice follows publication of a draft Notice on July 22nd, 2003. The Effective Date of the Final Notice is August 30th, 2004.

On July 22nd, 2003, HUD published a draft Notice that described the data and technical standards for implementing HMIS. An HMIS is a computerized data collection application that facilitates the collection of information on homeless individuals and families using residential or other homeless assistance services and stores that data in electronic format. Over the past several years, Congress has directed HUD to assist local jurisdictions in implementing HMIS and in using data from these systems to understand the size and characteristics of the homeless population, analyze local patterns of services usage, and assess local service needs. HUD's goals for the development of local HMIS are threefold:

1. Bringing the power of technology to the day-to-day operations of individual housing and service providers;
2. Knitting together housing and service providers within a local community into more coordinated and effective delivery systems for the benefit of homeless clients; and
3. Obtaining and reporting critical aggregate information about the characteristics and service needs of homeless persons.

To achieve these goals, HUD initiated a yearlong process to develop national data and technical standards for HMIS. The Final Notice, which marks the end of this process, is divided into five sections. The first section presents background information on the Congressional directive on improving homeless data collection and analysis at the local and national levels, and specific statutorily based programmatic and planning requirements for addressing homeless needs.

Section 2, the Universal Data Elements, describes the data elements that are collected from all clients served by all homeless assistance programs reporting to the HMIS. Universal data elements are needed by the Continuum of Care (CoC) to understand the basic dynamics of homelessness in their communities and for HUD to meet a Congressional directive to develop unduplicated counts of homeless service users at the

local level; describe their characteristics; and identify their user of homeless assistance and mainstream resources.

Section 3, the Program Level Data Elements (sometimes referred to as Program Specific Data Elements), describes data elements that are required for programs receiving certain types of funding, but are optional for other programs. Most program specific data elements are required for programs that receive funding under the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act)(42 U.S.C. 11301 et seq.) and complete Annual Progress Reports.

Section 4 contains prescribed Standards for Data Confidentiality and Security, and

Section 5, Technical Standards, describes how data are to be safeguarded and the technical requirements for HMIS applications and for the CoC's or other entities responsible for storing HMIS data.

With Congressional support, HUD has been encouraging local CoC's to implement HMIS. Since 2001, the implementation of HMIS has been a fundable activity for CoC's under the Supportive Housing Program, and since 2002, making progress towards implementing an HMIS has been part of HUD's review of the CoC applications.

Before implementation of an HMIS became a federal initiative, some communities had already developed sophisticated client-level information systems based on the technology of the time. The success of these pioneering data management systems has prompted an increasing number of CoC's to develop similar systems capable of documenting client demographic data, storing information on clients needs and on case management or treatment plans, identifying available services and tracking referrals, and monitoring service provisions, progress, outcomes and follow-up.

Reflecting experiences at both local and national levels to develop and test first-generation HMIS software, today's advanced HMIS software combines a number of functions to enhance individual service providers together into a broader CoC data system. These functions include:

- Client Profile: Client demographic data obtained at intake and exit.
- Client Assessment: Information on client's needs and goals, as well as case management or treatment plans.

- Service Outcomes: Client-level data on services provided, progress, outcomes and follow-up.
- Information and Referral/Resource Directories: Timely data on the network of available services within the Continuum to determine eligibility and provide referrals.
- Operations: Operational functionality that permits staff to manage day-to-day activities, including bed availability, and incident reporting.
- Accounting: Traditional accounting tools and special components to record service activity/ expenditures against specific grants.

Thus, HMIS software provides local providers and agencies with comprehensive information on the nature of homelessness in their communities, and also with the ability to generate reports on their internal operations and for various funding streams.

It is expected that all CoC's will make progress toward meeting the Congressional directive for implementation of HMIS by October 2004. A CoC's first priority is to bring on board emergency shelters, transitional housing programs, and outreach programs.

Providers of emergency shelter, transitional housing, and homeless outreach services should be included in the HMIS as early as possible, regardless of whether they receive funding through the McKinney-Vento Act or from other sources.

As a second priority, HUD encourages CoC's to actively recruit providers of permanent supportive housing funded by HUD McKinney-Vento Act programs and other HUD programs. As a third priority, CoC's should recruit homelessness prevention programs, Supportive Services Only programs funded through HUD's Supportive Housing Program, and non-federally funded permanent housing programs.

Other Federal agencies that fund McKinney-Vento Act programs have their own data collection and reporting requirements. Key Federal agency representatives were invited and participated in consideration of the proposed HMIS data elements for this Notice. HUD continues to work with those agencies to maximize standardization of McKinney-Vento Act reporting requirements and to broaden adoption of HMIS based data.

For additional information on the Data Standards or on HMIS in general, contact Paula Jenkins at COHHIO at 614/280-1984 or paulajenkins@cohhio.org.

## Save Up to 95 percent on Workers' Compensation Premiums

As Workers' Compensation costs continue to rise and dividends from the Ohio Bureau of Workers' Compensation (BWC) come and go, you need a solution that will help you realize the highest possible savings. As a member of COHHIO, you can join our group rating plan, administered by The Frank Gates Service Company, and save up to 95 percent on your premiums. Frank Gates, a leader in workers' compensation, offers outstanding service and more than a decade of accurate savings estimates. Joining the COHHIO group rating plan will put you in a better position to control your workers' compensation expenses. Our rating plan now offers more discount levels than ever before – for organizations big and small. For the 2004 rating year, members of our group rating plan saved an average of \$11.35 for every \$1 invested in the group. For a free, no obligation savings estimate, simply fill out a Savings Estimate Authorization (AC-3) form available on the Frank Gates web page ([www.frankgatesgroups.com](http://www.frankgatesgroups.com)). The form can either be submitted on-line or you can print it out and fax it back to Al Gardner with Frank Gates at: 614/798-5510. Additional questions regarding the COHHIO group rating plan should be directed to Al at either 800/777-4283 ext. 757 or [agardner@frankgates.com](mailto:agardner@frankgates.com).

### Workers' Compensation University Slated for this Fall

This fall, the Ohio Bureau of Workers' Compensation (BWC) will be sponsoring a series of day-long sessions which will focus on cost containment strategies and workplace safety initiatives. The sessions, which are being held throughout the state and are referred to as Workers' Compensation University, are free and will help employers learn effective ways to protect their employees and manage claims. To learn more about the Workers' Compensation University or get registration information, please visit the BWC's web page at: [www.ohiobwc.com](http://www.ohiobwc.com) or call 800/466-6292.

### Frank Gates to Offer Workers' Compensation Seminars

As part of their effort to ensure that employers have access to the most up-to-date information on workers' compensation, Frank Gates will be offering their annual seminar series later this year. The half-day sessions are designed to cover topics related to claim investigation, cost control and managed care, as well as risk management. There is a \$25 registration fee, which includes a continental breakfast, take home manuals, and refreshments. For additional information, please contact Frank Gates at 800/395-4119.

## Resources

### TRAININGS

- August 30 - *Getting to "Home Sweet Home": Housing Issues Facing Domestic Violence Shelters*, Action Ohio, Columbus. \$25. Workshop objectives are to provide information about state and federal housing options for battered victims and their children; and to inform advocates how to assist battered victims in overcoming roadblocks that limit victims' access to public and private housing. For more information, visit [www.actionohio.org](http://www.actionohio.org).
- September 14 - *Lead Risk Assessor Refresher*, Office of Housing and Community Partnerships, Ohio Department of Development, Newark. Provides certified risk assessors with a review of the Lead Inspector/Risk Assessor training and update participants regarding Ohio's lead abatement laws and regulations. \$50. For more information, visit the OHCP web site at [www.odod.state.oh.us/cdd/ohcp](http://www.odod.state.oh.us/cdd/ohcp) and select "Lead-Based Paint Issues" or contact Betsy Giffin at [bgiffin@odod.state.oh.us](mailto:bgiffin@odod.state.oh.us) or 614/466-2285.
- September 26-29 - *Great Lakes Conference on Addictions & Mental Health*, Indianapolis. Sponsored by the Great Lakes Training Associates and Community Addictions Services of Indiana. For more information, visit [www.greatlakesconference.org](http://www.greatlakesconference.org).
- September 29 - October 1 - *Community Development: A Civil Right*, Ohio CDC Association Annual Conference, Cleveland. For more information, contact Celia Elkins at [celkins@ohiocdc.org](mailto:celkins@ohiocdc.org) or 614-461-6392.
- October 13-15 - *Enterprise Foundation 2004 Network Conference*, New York. For more information, visit [www.enterprisefoundation.org](http://www.enterprisefoundation.org).
- November 3-5 - *What's Next?: Exploring New Adventures*, 2004 Ohio Housing Conference, sponsored by the Ohio Capital Corporation for Housing and the Ohio Housing Finance Agency, Columbus. For more information, visit [www.och.org](http://www.och.org) or [www.homebuyerohio.com](http://www.homebuyerohio.com).
- *Ohio University Executive Leadership Institute*, Athens. October 5-8 - *Leading with Vision, Value and Strategy*. November 4-5 - *Strategic Triangle in Depth: Leading Change*. Spring 2005 - *Courage and Compromise in Public Leadership*. For more information, visit <http://oueli.voinovichcenter.ohio.edu/>.

### PUBLICATIONS

- *Manufactured Housing Community Tenants: Shifting the Balance of Power*, AARP. Discusses the problems faced by owners who rent lots in manufactured home communities, reviews state statutes, and presents a model statute. Available at [www.aarp.org/ppi](http://www.aarp.org/ppi).
- *The Health Care of Homeless Persons: A Manual of Communicable Diseases & Common Problems in Shelters & on the Streets*, the National Health Care for the Homeless Council. A resource for clinics, shelters, service sites and housing facilities affected by the markedly poor health of homeless people, the manual describes 36 serious health problems that frequently afflict homeless people and discusses appropriate responses and treatment. Also includes patient education materials in English and Spanish that can be easily reproduced for clients, staff, and volunteers. Available for purchase at \$15 each (including postage). For further information, visit [www.nhchc.org/manual.htm](http://www.nhchc.org/manual.htm) or call 615/226-2292.
- *A Practitioner's Guide to Combating Predatory Lending*, Neighborhood Reinvestment Corporation and the Local Initiatives Support Corporation Center (LISC) Center for Home Ownership. Looks at the issues surrounding predatory lending, then focuses on the tools and strategies that community organizations and other groups have used to combat such lending in their communities. For more information, visit [www.lisc.org/resources/2004/06/practitioners\\_7027.shtml](http://www.lisc.org/resources/2004/06/practitioners_7027.shtml).

### WEBSITES

- Department of Labor (DOL) has announced a new website to help Americans experiencing homelessness to find jobs through mainstream and targeted training, education and placement services. The website provides links to DOL's homeless programs as well as to other major government and non-government homeless websites and programs. Among the programs that can be accessed through the website are the Homeless Veterans Reintegration Program; the Incarcerated Veterans Transition Program; the Ready4Work and the Serious and Violent Reentry Initiative; the Jobs Corp Foster Care Recruitment Initiative; the Ending Chronic Homelessness through Employment and Training grants; and the President's new \$300 Million Dollar Reentry Initiative for transitioning incarcerated individuals back into their communities and reducing recidivism. The new site is located at [www.dol.gov/dol/audience/aud-homeless.htm](http://www.dol.gov/dol/audience/aud-homeless.htm).

## COHHIO's Vehicle Donation Program

COHHIO can now accept vehicle donations. This program is an easy way to support COHHIO's work. Donated vehicles may include cars, trucks, motorcycles, boats, or RV's. This program has been made possible through a partnership with the Volunteers of America of Central Ohio. Contact Susan Francis at COHHIO for more information at [susanfrancis@cohhio.org](mailto:susanfrancis@cohhio.org) or 614-280-1984.

## Look for COHHIO in your Company's Workplace Campaign

Community Shares of Mid Ohio and our thirty seven member agencies, including COHHIO, will be participating in workplace charity campaigns in 2004. Community Shares members are community-based, volunteer-led nonprofits preventing family, school, and neighborhood violence, homelessness and hunger, child abuse and neglect, and environmental devastation; protecting civil and human rights; increasing literacy, democracy, healthy lives, and diversity.

### HOW YOU CAN HELP

- Support COHHIO in your workplace giving campaign. It's easy to give and easy to help when you give through payroll deduction. You can direct your campaign gift to one or several specific agencies. Look for Community Shares in your federal, state, county, and city workplace as well as at The Ohio State University.
- And, please encourage your family, friends and coworkers to consider giving to COHHIO at the workplace.

You can reach Community Shares at 614/262-1176 or comshare@core.com or at [www.communityshares.net](http://www.communityshares.net). Or you can contact Susan Francis at COHHIO at 614-280-1984 or [susanfrancis@cohhio.org](mailto:susanfrancis@cohhio.org).

### Public/governmental workplaces

Combined Federal Campaign of Central Ohio  
Miami Valley (Dayton area) Combined Federal Campaign  
Combined Federal Campaign of Southeastern Ohio  
State of Ohio Combined Charitable Campaign  
City of Columbus  
Franklin County  
COTA Central Ohio Transit Authority  
The Ohio State University Community Charitable Drive  
Columbus State Community College  
Columbus Metropolitan Libraries  
Westerville Public Schools  
South Western City Schools

### Private workplaces

COSI  
Southeast Inc.  
Ohio Civil Service Employees Association OCSEA  
Suburban News Publications  
Ohio Historical Society  
Hahn Loeser and Parks  
Millcraft Paper Company  
WWHO UPN 53  
Ohio Capital Corporation for Housing  
AT&T  
CNA Insurance  
Wells Fargo

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## Rolling to Overcome Poverty: Call to Renewal's Isaiah Platform Bus Tour and Worship Service - Thursday, October 14, Cleveland

Call to Renewal will promote an anti-poverty platform in order to help bring the message into the public debate that overcoming poverty is both a religious and electoral issue. Local and national religious leaders plan to travel through the heartland of America to participate in events in 10 cities, including Cleveland and Akron. Call to Renewal is working to help make overcoming poverty a religious and electoral issue; raise awareness for the needs of low-income people; and encourage voting and the vision of Isaiah as we go to the polls in November. Call to Renewal is the broadest network of churches and faith-based groups in America working to overcome poverty.

On Thursday, October 14, people of faith from throughout Northeast Ohio, health care, hunger and housing advocates, union members, environmentalists, peace and social justice advocates and others will gather in Cleveland. For more information, contact Tom Allio, Cleveland Diocesan Social Action Office at 888/620-5280 or [tallio@aol.com](mailto:tallio@aol.com).

How to Contact...

**NATIONAL**

- Corporation for Supportive Housing:** [www.csh.org](http://www.csh.org)
- National Alliance to End Homelessness:** [www.endhomelessness.org](http://www.endhomelessness.org)
- National Coalition for the Homeless:** [www.nationalhomeless.org](http://www.nationalhomeless.org)
- National Community Reinvestment Coalition:** [www.ncrc.org](http://www.ncrc.org)
- National Low Income Housing Coalition:** [www.nlihc.org](http://www.nlihc.org)

**President Bush** - 1600 Pennsylvania Avenue NW, Washington, DC 20500; 202/456-1414; 202/456-2461 (fax); [president@whitehouse.gov](mailto:president@whitehouse.gov)

**Senators Voinovich & DeWine** - United States Senate, Washington, DC 20510  
Voinovich - 202/224-3353; 202/228-1382 (fax); [voinovich@voinovich.senate.gov](mailto:voinovich@voinovich.senate.gov)  
DeWine - 202/224-2315; 202/224-6519 (fax); [senator\\_dewine@dewine.senate.gov](mailto:senator_dewine@dewine.senate.gov)

**Representatives** - United States House of Representatives, Washington, DC 20515; 202/224-3121

**STATE**

- Governor Taft** - 77 South High Street, Columbus, Ohio 43215; 614/466-3555; 614/466-9354 (fax)
- Ohio Senate** - State House, Columbus, Ohio 43266-0604; 614/644-5466 (fax-R); 614/644-1982 (fax - D)
- Ohio House of Representatives** - 77 South High Street, Columbus, Ohio 43215; 614/644-9494 (fax)

Legislative Directories are available by contacting us: COHHIO - 35 East Gay Street, Suite 210, Columbus, Ohio 43215-3138; 614/280-1984; 614/463-1060 (fax); [www.cohhio.org](http://www.cohhio.org).

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- Paula Jenkins, HMIS Support Coordinator - [paulajenkins@cohhio.org](mailto:paulajenkins@cohhio.org)
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- Spencer Wells, Tenant Outreach Coordinator - [spencerwells@cohhio.org](mailto:spencerwells@cohhio.org)
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**Newsletter of the Coalition on Homelessness and Housing in Ohio (COHHIO)**  
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COHHIO is a coalition of organizations and individuals committed to ending homelessness and to promoting decent, safe, fair, affordable housing for all, with a focus on assisting low-income people and those with special needs.