



**NATIONAL LOW INCOME
HOUSING COALITION**

*Dedicated solely to ending America's
affordable housing crisis*

Summary of FY07 Joint Funding Resolution, H.J. Res. 20

January 30, 2007

On January 29, House Appropriations Committee Chair David Obey (D-WI) filed the FY07 joint funding resolution, which he co-authored with Senate Appropriations Committee Chair Robert Byrd (D-WV). The legislation will be voted on by the House of Representatives on January 31. The Senate is expected to take the measure up the week of February 5. The details of the resolution, H.J. Res. 20, are good news for housing advocates.

In December, Chairs Obey and Byrd announced they would finish the nine FY07 appropriations bills left over from the last Congress, including the bill that funds HUD, with a long-term joint resolution and that FY07 appropriated levels would be funded with FY06 levels unless “cataclysmic” impacts could be demonstrated. Federal programs funded by these nine bills are currently operating under a continuing resolution, which expires on February 15.

The joint resolution filed on January 29 is good news for housing advocates who communicated with members of Congress their concerns about funding HUD programs at FY06 levels in FY07 and the need to enact program reforms within the joint resolution.

The resolution requires HUD to submit to the House and Senate Appropriations Committees, within 30 days of enactment, “a spending, expenditure, or operating plan for fiscal year 2007 at a level of detail below the account level.”

Below are some of the highlights of the exceptions from funding at FY06 levels included in the resolution for FY07:

Housing Choice Vouchers

The resolution provides the \$487 million increase for voucher contract renewals requested by the President for FY07. And, the bill also includes key policy reforms needed to revise the voucher funding distribution system, which Congress and HUD’s misguided changes dismantled in 2004 and has cost housing authorities 150,000 vouchers since then. The resolution requires HUD to fund voucher renewal costs based on the most recent 12 months of voucher cost and leasing data (the current broken system relies on a three-month snapshot in 2004 plus some insufficient adjustment factors). The new funding policy provides that the FY07 funds that an agency cannot use be distributed to other PHAs that are prevented from leasing up to their authorized level because of increased rents or low incomes of residents. The new funding formula distributes voucher funds equitably so that PHAs can use all their funds up to the authorized level of vouchers. Housing authorities will now get what they need, no more and no less.

To be safe, the resolution also provides \$100 million for public housing authorities that experienced significant renewal costs due to unforeseen circumstances or from voucher portability provisions and for public housing authorities that will face significant decreases in funding in the shift to the new funding distribution system. The funding increase for FY07 and the policy change will mean that no housing authorities will have to cut any vouchers in 2007.

Project-Based Section 8

The resolution provides an increase of \$939 million for Section 8 project-based contract renewals. This increase will allow HUD to renew all of the Section 8 contracts that expire in FY07.

The resolution also extends the mark to market program, which reduces long-term subsidy costs while preserving project-based affordable housing. The program sunsetted on September 30, 2006; the resolution extends the program until September 30, 2011.

Public Housing

The resolution increases funding for the public housing operating fund by \$300 million, the amount of shortfall in this account in FY06. The increase will allow housing authorities to be reimbursed by HUD for an estimated 84.5% of their operating costs; the current rate of funding is at 76% of what HUD knows public housing authorities need to operate their 1.2 million public housing units.

The resolution extends the HOPE VI public housing revitalization program, which expired on September 30, 2006. The resolution extends HOPE VI until September 30, 2007.

Homeless Assistance Grants

The resolution increases homeless assistance grants by \$115 million. Homeless assistance programs are also authorized until September 30, 2007.

CDBG

While the resolution makes a number of changes to the Community Development Fund, mostly by eliminating earmarks, it provides level funding with FY06 for Community Development Block Grants (CDBG).

Supportive Housing for the Elderly

The resolution does not repeat \$4 million in FY06 funding for an intergenerational housing demonstration program within the Section 202 supportive housing for the elderly program. Although not good news for the intergenerational housing demonstration, this will result in an additional \$4 million for Section 202 funding in FY07.

Lead Hazard Reduction

The resolution provides level funding for the lead hazard reduction program but deletes most requirements regarding how the HUD Secretary will disburse competitive lead hazard reduction grants.

Policy Development and Research

The bill provides \$50 million for HUD's Office of Policy Development and Research but eliminates FY06 set-asides of \$5 million for Partnerships for Advancing Technology and \$750,000 for the National Research Council. The resolution keeps intact the \$20.6 million set-aside for Historically Black Colleges and Universities, Hispanic Serving Institutions and for Alaska Native, Native Hawaiian and tribal colleges. The result is a decrease of \$3.1 million for policy development and research funding in FY07.

The resolution does not provide funding in FY07 for:

- HUD's \$307 million in member earmarks from FY06 (called "economic development initiatives" in the HUD appropriations bill)
- Youthbuild
- Neighborhood Networks

The Census

The resolution fully funds the 2010 Census and other censuses and programs related to the decennial count at \$694.1 million, the amount requested by the President.