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HUD - FY 2000 Vouchers

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 20, 1999

STATEMENT BY THE PRESIDENT

Today I have signed into law H.R. 2684, the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000."

This Act will fund vital housing, community development, environmental, disaster assistance, veterans, space, and science programs. Specifically, it provides funding for the Departments of Veterans Affairs (VA) and Housing and Urban Development (HUD), the Environmental Protection Agency (EPA), the National Aeronautics and Space Administration (NASA), the Federal Emergency Management Agency (FEMA), the National Science Foundation (NSF), and several other agencies.

The Act funds a number of my Administration's high priorities, including the Corporation for National and Community Service at this year's current funding level. National Service gives young people the opportunity to obtain funding for a college education while serving the country in areas of great need, such as the environment, public safety, and human services. National Service also allows young people to participate in service-learning programs that provide substantial academic and social benefits, including the opportunity to learn responsible citizenship.

I am pleased that the Act also provides full funding of HUD's highest priority: $10.9 billion for the renewal of all Section 8 contracts, assuring continuation of HUD rental subsidies for low-income tenants in privately owned housing. I am also pleased that the Act provides 60,000 housing vouchers for low-income families. In addition, the Act adequately funds programs to help distressed communities, including my new initiative for America's Private Investment Companies (APIC), Community Development Block Grants (CDBG), assistance to the homeless, the Community Development Financial Institutions (CDFI) Fund, Brownfields redevelopment, and rural and urban empowerment zones. The CDBG program promotes housing and economic activity in low- and moderate-income areas. It provides funding for housing rehabilitation, construction, and homebuyer assistance. The CDFI Fund helps to create a network of community development banks across the country, spurring the flow of capital to distressed neighborhoods and their currently underserved low-income residents.

The Act includes funding that could support part of my New Markets proposal, which will help ensure that all Americans share in our economic prosperity. APIC and the rural and urban empowerment zones will help revitalize communities so that they can take advantage of the strength of the economy and help those left behind in our economic boom. Additionally, $1.02 billion is provided for homeless assistance grants, enabling localities to continue to shape and implement comprehensive, flexible, coordinated "continuum of care" approaches to solving homelessness.

I am pleased that the Act adequately funds Fair Housing programs, which will enable HUD to expand significantly its activities aimed at reducing the level of housing discrimination nationwide.

The Act provides $710 million, a significant increase, for elderly housing, recognizing the dramatic rise in our elderly population and the changing housing needs that accompany this unprecedented demographic shift. The Act replaces old models, which separated housing from services, with new models that bring services to elders where they live -- allowing seniors to remain in their homes and communities longer.

I am also pleased that H.R. 2684 provides $19.8 billion for the medical care of our Nation's veterans. Since January, long waiting times in VA medical centers have disrupted the level and quality of medical care that veterans have received. This level of service is unacceptable, and the funding levels in the Act will allow us to address this issue. The Act will also allow for the provision of a range of home- and community-based care for those high-priority veterans who do not have access to such services, and it provides resources for the aggressive testing and treatment of Hepatitis C.

The Act provides $7.6 billion for the EPA, which will enable the agency to adequately implement our environmental laws. I am pleased that H.R. 2684 adequately funds EPA's portion of the Clean Water Action Plan and the Drinking Water State Revolving Fund. However, the Act should have provided full funding for the Climate Change Technology Initiative and the new Clean Air Partnership Fund at the requested levels. Furthermore, I continue to believe that the provision pro-hibiting implementation of the Kyoto Protocol is unnecessary, as my Administration has no intent of implementing the Protocol prior to ratification. This year's language is identical to last year's provision. Since this year's House and Senate report language is contradictory, we will implement the Kyoto provision consistent with the language in last year's conference report. I also am disturbed that the conference report includes new language that is aimed at restricting efforts to reduce smog by delaying EPA action on several States' clean air petitions. My Administration has a strong commitment to clean air and will continue to use the full range of authorities under the law to make our Nation's air safe to breathe for all Americans.

The Act also adequately funds the Nation's investment in space and science programs. It provides $13.65 billion for NASA and $3.9 billion for the NSF, including $126 million for my Administration's Information Technology in the 21st Century Initiative. If we want to maintain our current economic prosperity, it is essential that we sustain our investment in long-term research across all the scientific and engineering disciplines. This Act maintains the Nation's investments in science, technology, and learning, which have fueled unprecedented economic growth for the past decade.

Finally, I am pleased that H.R. 2684 adequately funds FEMA to help cope with unforeseen disasters. The $2.5 billion in contingent emergency funds, along with the $821 million appropriated, ensures that the country is well prepared to deal with unforeseen natural disasters and that FEMA has adequate resources to respond to Hurricane Floyd and other disasters.

I am pleased that my Administration and the Congress were able to work together successfully on this bill -- in a spirit of cooperation -- to resolve our respective differences and produce a bill that is fully paid for and effectively addresses critical needs of the American people. I am especially pleased that we were able to achieve acceptable funding levels in a number of areas by providing offsets that were agreed on by both sides. I urge the Congress to work with my Administration in similar fashion in coming to mutually acceptable agreements on the remaining FY 2000 appropriations bills and to do so expeditiously. The American people deserve no less.

WILLIAM J. CLINTON

THE WHITE HOUSE,
October 20, 1999.

# # #

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 20, 1999

Making Bipartisan Progress On The Budget: The President Signs VA/HUD/Independent Agencies Appropriations Bill Into Law

October 20, 1999

Demonstrating that progress can be made through bipartisan cooperation and agreement on spending priorities and acceptable offsets, President Clinton today will sign into law the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act for FY 2000. In order to reach a successful resolution, the Administration identified priorities and provided resources to pay for them -- consistent with the President's commitment to fiscal discipline. This legislation, which was negotiated on a bipartisan basis between the Administration and Congress, provides $69.4 billion for these agencies in fiscal year 2000, an increase of $2.8 billion from fiscal year 1999. It maintains America's commitment to veterans, housing and science and technology programs, supports critical investments that empower communities, improves environmental clean-up, and promotes key research in space and science programs.

Highlights of bipartisan progress in the bill include:

Empowering Communities and Providing Affordable Housing. President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget will help revitalize our nation's communities so that all American's share in the economic prosperity by:

- Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families. The bill includes $347 million for 60,000 new housing vouchers for low-income families. The President's budget had requested 100,000 new vouchers (building on last year's level of 50,000) and the House and Senate-passed bills had approved zero funding. These vouchers will subsidize the rents of America's hard-pressed working families and enable families to move closer to economic opportunities. This is particularly important in a booming economy where about two-thirds of new jobs are being created in the suburbs far from where many low-income families live. Families with such vouchers pay about a third of their income in rent, with the vouchers paying the remainder of the cost. Last year, the President secured the first new housing vouchers in four years.

- Creating American Private Investment Companies (APICS) -- Part Of The President's New Markets Initiative. The bill includes $20 million in funding (if authorized) for America's Private Investment Companies, a key element of the President's New Markets Initiative that would leverage up to $800 million dollars of new investment in America's underserved communities. The President requested $37 million for APICs -- the House and Senate-passed bills included no funding.

- Continuing To Build A Network Of Community Development Banks Across The Nation. The bill included $95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested $125 million for the CDFI Fund -- the House appropriated $70 million and the Senate appropriated $80 million. These added resources bring funding up to FY99 levels.

- Additional Funding For Empowerment Zones. The bill provides $70 million in funding for Rural/Urban Empowerment Zones. The President's budget requested $165 million for next year -- the House and Senate bills included no funding. All of the Urban and rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.

- Expanding Rent Subsidies For Low-Income Families. The bill includes $10.8 billion for the renewal of all Section 8 contracts, an increase of $1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing. In addition, the bill includes expansion of funding for affordable housing for the elderly and disabled by $911 million, $57 million above FY 1999, enabling 150,000 people to have affordable housing. Also included was a Housing Security Plan for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.

- HUD Fair Housing. The budget includes $44 million for efforts to fight housing discrimination, a $4 million increase from last year's enacted level, as part of his "One America" initiative.

IMPROVING HEALTH CARE FOR VETERANS. The bill provides $19.8 billion for the medical care of our nation's veterans. This funding will help improve the quality of veteran's medical care and cut down on waiting times consistent with the President and Vice-President's commitment to improving access and delivery of veteran's medical services. Funding provided in this bill will improve service and allow for the provision of a range of home and community-based care for those high priority veterans who do not have access to such services, and provides resources for the aggressive testing and treatment of Hepatitis C.

Investing in Space and Science. The bill increases the nation's investment in scientific discovery and education, which has helped fuel our remarkable economic growth for the past decade.

- NASA - Investing in Our Future. The bill includes $13.7 billion for NASA, an additional $100 million. This funding levels passed by the House would have cut the NASA budget by almost $1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth's climate system, and strengthening aviation safety for the travelling public.

- NSF - Strengthening Our Commitment to Research and Education in Science and Engineering. The bill includes an additional of $45 million for the National Science Foundation, the only agency that supports research in all science and engineering disciplines, for a total of $3.9 billion. The bill provides $126 million for the President's "Information Technology for the 21st Century" Initiative, consistent with the recommendations of the President's Information Technology Advisory Committee. This investment is critical, since the information technology sector accounts for 1/3 of U.S. economic growth, and is generating jobs that pay almost 80 percent more than the private sector average.

Keeping Community Service Strong. The bill includes $438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in their community service projects across the country. This funding level is roughly at the last year's level; the President will continue to push for an expansion of AmeriCorps so that 100,000 members can serve every year and so that more of our young people can give back to their communities through service.

Boosting Funding For Natural Disasters Such As Hurricane Floyd. So that FEMA can continue its efforts to help victims of Hurricane Floyd, the bill includes $2.5 billion in contingent emergency funds, along with the $821 million appropriated, to ensure that the country is well-prepared to deal with unforeseen natural disasters.

Investing in Cleaner Environment. The bill also includes investments for improving water pollution and speeding up toxic cleanups.

- The bill includes $630 million for the Clean Water Action Plan, a five-year initiative to help communities and farmers clean up almost 40 percent of America's surveyed waterways still too polluted for fishing and swimming. In addition, the budget provides $820 million for Drinking Water State Revolving Fund, $45 million above the House passed bill which would have frozen funds at last year's levels.

- The bill includes $1.4 billion for Superfund to keep the program on track to meet the President's goal of 900 site cleanups by 2002.

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THE WHITE HOUSE

Office of the Press Secretary
(Aboard Air Force One)

For Immediate Release October 1, 1999

STATEMENT BY THE PRESIDENT

The Department of Housing and Urban Development yesterday released $280 million in rental assistance vouchers to help 50,000 families in 35 states move from welfare to work. These housing vouchers are an integral part of our efforts to reform welfare, reward work, and provide affordable housing for low-income families. They will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job.

Today, our economy is strong, incomes are up, and poverty is at the lowest rate in 20 years. But there are still more than 5 million low-income families who need affordable housing. That is why I have asked Congress for an additional 100,000 rental assistance vouchers to meet the critical housing needs of families moving from welfare to work, the homeless and the elderly. As Members of the House and Senate meet in conference to debate this year's budget for the Department of Housing and Urban Development, I want to underscore my strong commitment to this initiative. Congress should not turn its back on families that are playing by the rules and moving from welfare to work. A budget without new vouchers would shortchange the American Dream.

###

HUD WELFARE -TO-WORK VOUCHERS

STATE	RECIPIENT	AMOUNT	VOUCHERS
ALABAMA			
	Housing Authority of City of Prichard	$2,593,879	525
	Housing Authority of Walker County	$152,469	69
	State Total	**$2,746,348**	**594**
ALASKA			
	Alaska Housing Finance Corp. (Anchorage)	$4,000,000	652
	State Total	**$4,000,000**	**652**
ARIZONA			
	Phoenix Housing Authority	$331,821	50
	State Total	**$331,821**	**50**
CALIFORNIA			
	Alameda City Housing Authority	$689,835	100
	Anaheim Housing Authority	$3,946,239	700
	City and County of Fresno	$5,333,938	1400
	Culver City	$353,696	75
	Los Angeles City	$4,850,684	700
	Los Angeles County	$4,358,125	700
	Marin Housing Authority	$598,317	60
	Merced Housing Authority	$2,086,811	400
	Monterey Housing Authority	$2,240,073	450
	Norwalk Housing Authority	$563,947	100
	Plumas Co.	$200,331	60
	Sacramento Co. Housing Authority	$3,318,718	700
	San Bernardino Housing Authority	$4,000,000	700
	San Joaquin Housing Authority	$2,543,047	700
	San Jose City Housing Authority	$3,861,432	366
	Santa Clara Housing Authority	$7,395,824	700
	Tulare Housing Authority	$1,300,303	400
	Vallejo Housing Authority	$3,653,401	639
	State Total	**$51,294,721**	**8950**
COLORADO			
	Colorado Dept. of Human Services	$1,095,885	160
	Colorado Springs Housing Authority	$630,976	125
	Jefferson County	$1,023,253	200
	State Total	**$2,750,114**	**485**

CONNECTICUT			
	Department of Social Services	$9,139,184	1489
	State Total	**$9,139,184**	**1489**
FLORIDA			
	Broward County Housing Authority	$3,702,988	575
	Lakeland Housing Authority	$1,195,353	373
	Miami-Dade Housing Agency	$4,000,000	581
	Tampa Housing Authority	$2,725,197	450
	State Total	**$11,623,538**	**1979**
GEORGIA			
	Atlanta Housing Authority	$3,372,579	450
	Augusta Housing Authority	$1,961,301	700
	Georgia Dept of Community Affairs	$8,242,737	2000
	State Total	**$13,576,617**	**3150**
HAWAII			
	Hawaii Co Housing Authority	$909,974	200
	Hawaii Housing Community Development Commission (Honolulu)	$7,043,055	1108
	Maui County Housing Authority	$3,326,754	370
	State Total	**$11,279,783**	**1678**
ILLINOIS			
	Champaign Housing Authority	$1,322,983	200
	Chicago Housing Authority	$6,227,103	1025
	State Total	**$7,550,086**	**1225**
KENTUCKY			
	Housing Authority of Pike County	$620,501	185
	Housing of Hopkinsville	$241,658	60
	State Total	**$862,159**	**245**
MARYLAND			
	Baltimore County Department of Social Services	$2,047,776	700
	Housing Authority of Baltimore City	$4,120,895	700
	Housing Authority of Rockville	$411,952	50
	Housing Opportunities Commission	$1,586,185	200
	Prince George's Co. Housing Authority	$4,000,000	469
	St. Mary's County Housing Authority	$1,024,513	200
	State Total	**$13,191,321**	**2319**
MASSACHUSETTS			
	Boston Housing Authority	$3,337,263	300
	MA Dept. of Housing & Community Dev.	$13,041,671	2000
	State Total	**$16,378,934**	**2300**
MICHIGAN			
	Ann Arbor Housing Commission	$1,361,970	250

	(Washtenaw)		
	Grand Rapids Housing Commission	$914,187	250
	Michigan State Housing Development Authority (MSHDA) - Benton Harbor	$66,206	20
	MSHDA - Grand Rapids (non-metro)	$1,984,861	500
	MSHDA - Jackson	$65,639	20
	MSHDA - Lansing	$213,031	50
	MSHDA - Muskegon/Holland	$601,069	160
	Plymouth (Wayne)	$2,831,688	408
	Wyoming	$783,934	175
	State Total	**$8,822,585**	**1833**
MINNESOTA			
	Metropolitan Council Housing Redevelopment Agency	$646,278	150
	St. Paul Housing Authority	$250,533	45
	State Total	**$896,811**	**195**
MISSOURI			
	Housing Authority of Kansas City	$4,000,000	700
	State Total	**$4,000,000**	**700**
MONTANA			
	Billings Housing Authority	$449,801	115
	State Total	**$449,801**	**115**
NEVADA			
	Las Vegas Housing Authority	$4,713,157	700
	State Total	**$4,713,157**	**700**
NEW HAMPSHIRE			
	New Hampshire Housing Finance Authority	$2,571,740	500
	State Total	**$2,571,740**	**500**
NEW JERSEY			
	Bergen County Housing Authority	$4,809,722	700
	Monmouth County Housing Authority	$3,624,354	500
	Newark Housing Authority	$5,271,130	700
	Perth Amboy Housing Authority	$1,326,589	160
	West New York Housing Authority	$955,780	146
	State Total	**$15,987,575**	**2206**
NEW MEXICO			
	Albuquerque Housing Authority	$3,155,326	700
	State Total	**$3,155,326**	**700**
NEW YORK			
	Albany NY Housing Authority	$2,196,332	497
	City of Niagara Falls Housing Authority	$277,302	100
	Geneva Housing Authority	$222,724	50
	New York Housing Authority	$5,767,747	700

	NYC Dept. of Housing Preservation and Dev.	$4,340,700	700
	Rochester Housing Authority	$1,875,010	450
	Town of Colonie Housing Authority	$174,563.00	50
	State Total	**$14,854,378**	**2547**
NORTH CAROLINA			
	Charlotte Housing Authority	$4,000,000	700
	Laurinburg Housing Authority	$290,229	100
	Northwestern Regional Housing Authority (Wilkes)	$354,580	100
	Raleigh Housing Authority	$3,942,569	700
	State Total	**$8,587,378**	**1600**
OHIO			
	Akron Metropolitan Housing Authority	$348,854	100
	Cuyahoga Metropolitan Housing Authority	$4,000,000	700
	Hamilton Metropolitan Housing Authority	$420,445	100
	Licking Housing Authority	$411,459	100
	Lucas Metropolitan Housing Authority	$836,030	200
	Zanesville Metropolitan Housing Authority	$147,647	50
	State Total	**$6,164,435**	**1250**
OKLAHOMA			
	Housing Authority of the Cherokee Nation	$3,054,381	638
	Norman Housing Authority	$390,872	100
	Tulsa Housing Authority	$2,267,702	400
	State Total	**$5,712,955**	**1138**
OREGON			
	Central Oregon Regional Housing Authority	$448,102	100
	Confederated Tribes of Siletz	$214,677	37
	Douglas County Housing Authority	$139,194	35
	Housing Authority of the City of Salem	$931,180	225
	Mid-Columbia Housing Authority	$383,878	100
	Washington County Housing Authority	$7,502,877	1400
	State Total	**$9,619,908**	**1897**
PENNSYLVANIA			
	Butler Co. Housing Authority	$1,180,584	300
	Chester County Housing Authority	$329,636	50
	Easton Housing Authority	$245,500	50
	Montgomery County Housing Authority	$309,204	50
	State Total	**$2,064,924**	**450**
SOUTH CAROLINA			
	Aiken Housing Authority	$812,113	165
	State Total	**$812,113**	**165**
TENNESSEE			

	Chattanooga Housing Authority	$2,631,924	650
	State Total	**$2,631,924**	**650**
TEXAS			
	Austin Housing Authority	$3,593,260	700
	City of Amarillo, Community Service Div.	$422,905	100
	Hidalgo County Housing Authority	$322,844	100
	Houston Housing Authority	$3,596,301	700
	Texoma Council of Govts (Fanning Co.)	$161,761	50
	Texoma Council of Govts (Grayson Co.)	$376,453	100
	State Total	**$8,473,524**	**1750**
UTAH			
	Salt Lake City	$988,722	200
	Salt Lake County Housing Authority	$2,411,669	400
	St. George Housing Authority	$292,083	80
	State Total	**$3,692,474**	**680**
VIRGINIA			
	Chesapeake Housing Authority	$1,507,277	350
	Virginia HAD (Bedford, Culpepper)	$6,401,365	860
	State Total	**$7,908,642**	**1210**
WASHINGTON			
	Bellingham/Whatcom County	$1,961,427	430
	City of Wala Wala Housing Authority	$252,722	75
	Everett City Housing Authority	$7,887,596	1275
	Island County Housing Authority	$203,323	35
	King County Housing Authorities	$8,871,101	1400
	Spokane Housing Authority	$2,468,483	700
	Thurston County Housing Authority	$1,279,537	250
	State Total	**$22,924,189**	**4165**
WEST VIRGINIA			
	Parkersburg Housing Authority	$655,040	233
	State Total	**$655,040**	**233**
WISCONSIN			
	Kenosha	$746,495	200
	State Total	**$746,495**	**200**
	Grand Totals	**$280,000,000**	**50,000**

Karin Kullman 10/20/99 11:28:06 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: VA\HUD

fyi

---------------------- Forwarded by Karin Kullman/OPD/EOP on 10/20/99 11:27 AM ---------------------------

Christine A. Stanek 10/20/99 11:14:36 AM

Record Type: Record

To: Stephanie A. Cutter/WHO/EOP@EOP, Setti D. Warren/WHO/EOP@EOP, Victoria L. Valentine/WHO/EOP@EOP

cc: Karin Kullman/OPD/EOP@EOP
Subject: VA\HUD

Final List of Attendees at Today's Signing

Andrew Rivas
Catholic Charities USA

Diana Aviv
United Jewish Communities

Mary Ann Gleason
National Coalition on the Homeless

Lisa Carr
Lutheran Services in America

Sheila Crowley
National Low Income Housing Coalition

Jeffrey Lubell
Center on Budget and Policy Priorities

Thomas Shellaberger
US Catholic Conference

Jane Hull Harvey
General Board of Church and Society of the United Methodist Church

Mary Cooper
National Council of Churches

Ken Steadman
VFW

Bill Smith
VFW

John Sommers
American Legion

David Woodbury
AMVETS

Rodney Carroll
Welfare to Work Partnership

Nan Roman
National Alliance to End Homelessness

Message Sent To:

Bruce N. Reed/OPD/EOP@EOP
Eric P. Liu/OPD/EOP@EOP
Sarah A. Bianchi/OVP@OVP
Thomas L. Freedman/OPD/EOP@EOP
Christopher C. Jennings/OPD/EOP@EOP
Jeanne Lambrew/OPD/EOP@EOP
Cathy R. Mays/OPD/EOP@EOP
Nicole R. Rabner/WHO/EOP@EOP
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Leanne A. Shimabukuro/OPD/EOP@EOP
Paul J. Weinstein Jr./OPD/EOP@EOP
Mary L. Smith/OPD/EOP@EOP
Essence P. Washington/OPD/EOP@EOP
Andrea Kane/OPD/EOP@EOP
Teresa M. Jones/OPD/EOP@EOP
Devorah R. Adler/OPD/EOP@EOP
J. Eric Gould/OPD/EOP@EOP
Irene Bueno/OPD/EOP@EOP
Bethany Little/OPD/EOP@EOP
Eugenia Chough/OPD/EOP@EOP
Ruby Shamir/OPD/EOP@EOP
Eric P. Liu/OPD/EOP@EOP
Ann O'Leary/OPD/EOP@EOP
Andy Rotherham/OPD/EOP@EOP
Anna Richter/OPD/EOP@EOP

Francis S. Redburn 09/11/99 10:35:34 AM

Record Type: Record

To: Andrea Kane/OPD/EOP@EOP

cc:
Subject: VA/HUD in the Senate

Here is an update on this subject that I received after we talked yesterday:

Chairman Stevens has decided to proceed with marking up the VA/HUD/Independent Agencies bill on Tuesday by reducing the allocation for the Labor/HHS/Education Subcommittee by $7.3 billion in budget authority and $5.0 billion in outlays. The revised Senate VA/HUD/Independent Agencies allocation will be $69.6 billion in budget authority and $82.5 billion in outlays, $4.2 billion below the President's request for budget authority but $1.0 billion above the request for outlays. If the Senate were to accept our $4.2 billion advance appropriation proposal for HUD Assisted Housing, the revised Senate allocation would be almost identical to the request. The revised allocation is $1 billion over the House.

David Kass ~

Senate won't mark up til next week — if levels close to last yr's may have to go along. If not we veto & have a better chance to get what we need.

Decs. as to whether use surplus to ↑ make decs.

Senate Dems sending letter to Approps supporting 100,000 vouchers — this is biggest new piece, along-side w/ APIC ~~Black~~ Also asking Black Caucus for similar letter

allies — J. Kerry, Barney Frank concern abt Section 8 opt at

Approps: will be negotiated in Sept. — if WH demands it, it will happen. OMB is critical — is this an avr

Editorial Bd mtgs w/ sec reps around the country. Put together info on waiting time lists for P.H./Sec 8 by state.

Nat'l Alliance to End Homelessness — how budget cuts will affect each Cong. Dist.

message — we shd expand not cut.

H. approps to mark up M (subcomm), full comm F, floor following week

WELFARE TO WORK HOUSING VOUCHERS

BACKGROUND

The Presidents FY 2000 budget will request an additional $144 million for an additional 25,000 new welfare - to - work vouchers, which increases available FY 99 funding for these purposes by an additional 50 per cent. Families can use these housing vouchers to move closer to a new job or necessary child care, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time and perform best on the job. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place. In many places, jobs are being created far from where most welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare eligible recipients live in central cities or rural areas. These housing vouchers complement the Access to Jobs transportation funding administered by the Department of Transportation to assist states and localities to develop flexible transportation alternatives for welfare recipients and other low income workers.

The VA/HUD FY 99 Appropriations bill (H.R. 4194) was approved by Congress and signed into law by President Clinton on October 21, 1998. Included in this legislation was President Clinton's request for 50,000 new welfare-to-work housing vouchers for welfare recipients who need housing assistance in order to get or keep a job.

A notification of fund availability, (NOFA) is being prepared that will make approximately $248.2 million of the $283 million approved by Congress available on a competitive basis. The remainder of the funds, at the direction of Congress, are being made available to eight specified demonstration communities with each community receiving approximately $4m to fund welfare to work vouchers. This NOFA will be published in the Federal Register this week.

HOW WILL THE VOUCHERS WORK

Housing, combined with appropriate services, is an important tool in helping to assure that families are able both to find the initial job that will help free them from welfare dependency and to stay in that job or advance to a better job once they have been employed for some time. Other Federal agencies and private organizations in the welfare reform and housing arenas agree on the essential role of housing and have made commitments to see that the other important actors in welfare-to-work programs including welfare agencies, Private Industry Councils, transit providers, child care providers, workforce development organizations, small business operators, public and private service delivery agencies, and state and local governments - provide the cooperation and contributions necessary to make the welfare-to-work vouchers work in helping families with a strong desire to free themselves of welfare dependency succeed in achieving financial independence.

The importance of housing as a key link in welfare reform and the ability of housing agencies to partner with other important local actors has been underscored by the results of other welfare reform efforts. In the first round of the Department of Labor's welfare-to-work competitive grants, 20 percent of the grantees either were housing authorities or included housing authorities as partners in their projects. In the second round, that number jumped to over half. The Department of Transportation has also recognized the importance of housing by encouraging partnerships with housing agencies in its Access to Jobs grant program.

As with the first round of welfare-to-work vouchers, these additional FY 2000 vouchers to be included in the President's budget proposal will be awarded competitively to housing agencies including those in Indian areas, with well-designed local programs to use the vouchers strategically to help families move from welfare to work and to coordinate with the local welfare and DOL welfare to work agencies, as well as other local partners, to see that participating families are given the services and supports essential to their success..

The 50,000 vouchers which are included in HUD's FY 99 appropriation represent the first new housing vouchers in five years. HUD's FY 99 appropriation also supports welfare to work efforts by establishing new income targeting rules for assisted housing that protect the neediest families on waiting lists while permitting more economic integration and deconcentration in our nation's public housing. In addition the bill merges the housing voucher and certificate programs and encourages and rewards work by members of families receiving housing assistance.

NEXT STEPS

Upon publication of the NOFA, the Department will publicize the availability of these funds through interest group meetings, local conferences, through HUD's web site and links to the web sites of other federal agencies actively involved in welfare to work initiatives such as the Departments of Labor, HHS and Transportation.

!/99

Francis S. Redburn 04/19/99 11:55:51 AM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:

Subject: Re: NE Housing Coalition

Still on. Rm. 9104 at 10 a.m. tomorrow. We should probably chat ahead of time re. the tentative agreement on a budget amendment for "marking up to market" and what we can and cannot say about it publicly at this point. We are receiving a lot of letters on the subject.

John Bohm -

2 concerns: (1) caps in budget resolution + amount that cuts into for committee allocs (haven't been assigned allocs yet)

(2) continuing clash over funding existing vs. new vouchers (NH etc). HUD trying to solve the renewals but at w/o ignoring the ~~ex~~ additional demands.

Senate Approps Hearing is Thursday

It's critical for members to hear from people about the need, but also be realistic about competing priorities

"Jacquie M. Lawing" <Jacquie_M._Lawing @ hud.gov>
04/20/99 08:55:07 AM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: Re: Vouchers

This sounds fine..Jon will need to check w/ our GC because ethics sometimes does not want us to veen release the # of apps...but we'll check it out. Thanks.

Andrea_Kane@opd.eop.gov on 04/19/99 09:45:44 AM

To: John F. Bohm/CIR/HHQ/HUD
cc: Jacquie M. Lawing/SECY/HUD/GOV, Nancy Kirshner-Rodriguez/CIR/HHQ/HUD, Stephen J. Yank/PDR/HHQ/HUD, Deborah Greenstein/PDR/HHQ/HUD, Cynthia_A._Rice@opd.eop.gov, Paul_J._Weinstein_Jr@opd.eop.gov
Subject: Vouchers

The New England Housing Coalition is coming by to meet with us and OMB tomorrow. Can you either email or call me w/ an upate on the vouchers situation by COB today -- any Hill feedback, upcoming hearings, intergovernmental or constituency group actions, etc.

One idea we'd like to propose: since it sounds you're expecting an enthusiastic response to the FY 99 NOFA for WtW vouchers, it might be good for the Secretary to do a release on April 29th noting the number of applicants, highlighting that the demand clearly exceeds available resources (assuming of course that it does), and saying that's why we need to increase vouchers available for FY 2000. What do you think?

Message Copied To:

"John F. Bohm" <John_F._Bohm @ hud.gov>
Nancy Kirshner-Rodriguez <Nancy_Kirshner-Rodriguez @ hud.gov>
"Stephen J. Yank" <Stephen_J._Yank @ hud.gov>
Deborah Greenstein <Deborah_Greenstein @ hud.gov>
Cynthia A. Rice/OPD/EOP
Paul J. Weinstein Jr./OPD/EOP
"Gloria J. Cousar" <Gloria_J._Cousar @ hud.gov>

CWLA Child Welfare League of America, Inc.
440 First Street, NW, Third Floor, Washington, DC 20001-2085 • 202/638-2952 • FAX 202/638-4004

February 5, 1999

Dear Colleague:

Enclosed is the Notice of Funding Availability (NOFA) for the new U.S. Department of Housing and Urban Development (HUD) Welfare-To-Work Section 8 program. This $248-million program provides 50,000 new Section 8 housing vouchers to support eligible families making the transition from welfare to work. The eligibility criteria are very broad, so that many families on housing authority waiting lists as well as families in the child welfare system will be eligible for these housing subsidies.

We were heartened by the keen interest in this program we saw at our Family Unification Program (FUP) training conference last month. Jeff Lubell from the Center on Budget and Policy Priorities stressed the strong relationship between this new program and FUP: similarities of program design and also potential participants.

As with FUP, the primary applicant for the program is the housing authority. And like FUP, the application process *requires* strong on-going coordination with other state and local social service agencies: in this case, those administering the Temporary Assistance to Needy Families (TANF) program and the agency, if any, with Department of Labor welfare to work funding. HUD also *encourages* housing authorities to partner with private industry councils, child care and child welfare agencies, transit providers, work force development organizations, small businesses, public and private service delivery agencies, and state and local governments to help recipients of Welfare-To-Work vouchers get and keep jobs.

This critically important housing and services resource for families in the welfare system represents the largest number of new HUD Section 8 vouchers since 1994. For child welfare and low-income families it offers the chance to avoid the lengthy waiting list process, obtain Section 8 housing, and a faster and surer foothold for self-sufficiency.

Both FUP and the Family Self-Sufficiency program offer housing authorities strong effective models of collaboration with welfare, employment and supportive service agencies. The FUP Memorandum of Understanding (MOU) and the self sufficiency agreements are useful tools for the Welfare-To-Work program and its application. You may obtain the FUP MOU through our website (www.cwla.org) or by calling Amy Garland at 202/638.2952.

Child welfare agencies should advise their local housing authorities of their interest in partnering on Welfare-To-Work and their willingness to serve on the Welfare-To-Work application drafting committee. The child welfare agencies bring strong family support capacity and valuable funding resources for vulnerable families.

As indicated in the enclosed NOFA, you may contact HUD's Public and Indian Housing Information and Resource Center (1-800-955-2232) for the application kit, information and technical assistance. You may also download the NOFA and other pertinent information through HUD's website, www.hud.gov. **Applications are due April 28, 1999.**

Please call us if we can be of help.

Cordially,

Robert E. McKay
Director, Housing and Homelessness Programs

U.S. Department of Housing and Urban Development
Washington, D.C. 20410-1000

Office of the Assistant Secretary for
Congressional and Intergovernmental Relations

OFFICE OF LEGISLATION
Facsimile Transmission

Office: (202) 708-0005
FAX: (202) 708-3794

Date: 1/20/99

TO: Andrea Kane FROM: John Bohm

FAX: 456 7431

PHONE:

Number of pages (including cover) 3

COMMENTS:

Andrea
You all mentioned yesterday how we could make the vouchers / need for vouchers real by example. You all may want to read attached and follow up. Let us know how we can assist.
JB

VOUCHERS SCENARIO

For mother and daughter, a new struggle

Homeless family finds welfare cutoff still applies

By Doris Sue Wong
GLOBE STAFF

Janice Botticelli and her 4-year-old daughter Ariana share a room at an East Boston shelter that's so tiny most of the space is taken up by the well-worn twin beds in which they sleep.

Within its pale green walls, however, the mother and daughter have found temporary refuge.

Seven months ago the family stepped into the world of homelessness, thrown out of their Revere apartment after the building's new owner raised their rent and they fell further and further behind in payments.

Now the Botticellis are on the verge of losing their welfare benefits as well.

In a move that has advocates for the poor alarmed, state welfare officials are holding fast to the two-year limit on cash assistance, even for families such as the Botticellis.

Allowing homeless families to stay on welfare, the officials say, would only encourage able-bodied parents to dally in their search for jobs and induce other families approaching the time limit to give up their homes to continue receiving cash aid.

"If they are in a homeless shelter they will still have a roof over their head," said Dick Powers, spokesman for the Department of Transitional Assistance. "If the welfare checks were to stop, it should certainly provide an incentive for them to find work."

Advocates for the homeless scoff at the notion that families would willingly give up secure housing for welfare checks.

"(State officials) are afraid it is going to open up the floodgates," said Peter Cullinane, executive director of the Massachusetts Coalition for the Homeless. But, he said, "No family would pick a shelter over their own place."

Philip Mangano, head of the Massachusetts Housing and Shelter Alliance, said the state's strict adherence to the time limit could end up costing it more money.

Families who do not find jobs that pay at least what they get in welfare benefits will stay in shelters longer, needing more time to scrape together enough money to cover the expenses of getting an apartment: first and last months' rent, security deposit, and moving costs.

The state pays an average of $90 a night to house a family in a homeless shelter, while it provides a welfare grant of about $415 a month to the average family of three living in a shelter and facing the welfare cutoff.

"You don't want to have a policy whose unintended consequence is to catapult people into more instability and to become more dependent on the government," Mangano said.

Welfare officials estimate half of the nearly 800 families now in state-funded homeless shelters are subject to the two-year limit on welfare, and about 40 of them, including the Botticellis, were among the first group to run out of time last month.

Botticelli continues to collect welfare benefits because the cutoff of her benefits is under appeal.

Advocates for the poor believe the number of homeless families is much higher because the state does not include families living in privately funded shelters or in the homes of families and friends.

Looking back on the past two years, Botticelli said she regrets not preparing earlier for the end of her welfare.

She has no answers for why she did not.

She said she fretted over how she would be viewed by prospective employers after not having worked for nearly five years. She also was wary about leaving her daughter in the care of strangers. And ultimately, since she had worked before, unlike some other parents on welfare, she thought she would have no trouble finding a job in today's booming economy when the time for it came.

What Botticelli did not count on was losing her home, or the challenge she would face in trying to find a job, child care, and transportation that meshed neatly.

So Botticelli, who began searching for a job five months ago at the prodding of her welfare caseworker, has yet to find steady work.

She received one job offer, as a $10-an-hour receptionist at a mailing company in South Boston. But she had to be at her desk each weekday at 8 a.m., the same time the bus pulled up outside the Crossroads Family Shelter in East Boston to pick up her daughter and three other children for preschoo

In addition, she and her dau ter would have been forced to lea the shelter, because her earnin would have pushed her over t maximum income limit of $826 month that the state imposes homeless families of two.

Yet she still had no housi lined up; all the low-income housi programs told her to expect at lea a year's wait for a unit to open up And even though she had been put ting aside a portion of her and he daughter's welfare benefits each month, she still had nowhere nea the $1,100 she would need to cove the expenses of getting a new place

She turned down the job, and for the past three months has found part-time clerical work through a temporary employment agency.

But Botticelli has had trouble holding onto those jobs.

Three quarters of the way through a two-month filing project at a law firm, Botticelli was let go in November. She had missed two days of work to stay at the shelter with her daughter, who had come down with a fever and strep throat.

In the two weeks before Christmas the job assignments dried up, leaving Botticelli and her daughter with $55 a month in welfare benefits, which had been cut from $250 because of her earnings from the

1/2

SEC. REP. OFFICE
Fax:617-565-6558 Jan 5 '99 11:20 P.02

part-time job. She also gets $200 a month in child support that the state sends from Ariana's father, who owes $12,000 in unpaid support.

Botticelli said she has applied for an extension of her cash benefits beyond the cutoff date, but her welfare caseworker has told her he would recommend that it be denied because she did not begin her job search in earnest early enough.

"It's infuriating," she said. "They're not taking into consideration that I don't have a permanent job, that I need time to get on my feet. To have no income, it's scary."

Botticelli seemed eager for the time when she and her daughter will have a place they can call home again.

Shelter living seems to have taken its toll on the pair.

Botticelli must abide by a number of shelter rules. Every week she has to contact at least 20 housing programs or landlords in search of an apartment, even if it means inquiring about a place she knows she cannot afford. She also must attend four weekly meetings, one on parenting, one with other shelter residents, one with the shelter's housing advocate, and another with a social worker.

Botticelli worries about her daughter, who has become unruly in recent months at the shelter.

In the past two months, Botticelli said, her daughter has been more often ill than healthy, as one viral infection after another makes its way through children at the shelter.

On this day, the girl, who has same chestnut hair and brown eyes as her mother, was silent and sullen, her stomach churning with hunger because she was sick and unable to keep down even a glass of water.

Botticelli longs for more space for her and her child. She tries to find moments of privacy at the shelter by retreating with her daughter to their tiny third-floor room.

"It's very depressing and confining," she said. "Sometimes I have to sit with the door open because I feel the walls are closing in on me."

2/2

the daily focus at hud

Tuesday, January 26, 1999

- **President Clinton's FY 2000 budget proposal asks for 25,000 new welfare-to-work rental vouchers**

****

Welfare reforms proposed by President Clinton yesterday would use HUD rental assistance vouchers to help 25,000 more families move from welfare to work and self-sufficiency.

The President's proposed budget for fiscal year 2000 will request $144 million to pay for the 25,000 new welfare-to-work vouchers for people who are on welfare or have been on welfare in the past year.

In addition, the budget would provide continued funding for the 50,000 welfare-to-work vouchers created in the current fiscal year – for a total of $430 million in funding for 75,000 welfare-to-work vouchers. The vouchers in the FY 1999 budget were the first new rental assistance vouchers approved by Congress in five years.

The new vouchers would help more welfare recipients rent housing on the private market and live closer to available jobs, said Secretary Cuomo. "You can't help someone move from welfare to work unless that person can get to work," he said. "We want to help people make the journey from home to job that can transform their lives and create better futures for their families."

The additional 25,000 welfare-to-work vouchers are needed because about two-thirds of new jobs are being created in the suburbs, but three out of four welfare recipients live in rural areas or central cities. Because many welfare recipients are unable to afford cars, getting to work poses special challenges. Public transportation often does not travel to job sites outside cities, or involves long commutes when it does. In addition, public transit often operates less frequently or not at all overnight, making it difficult or impossible for welfare recipients to travel to night-shift jobs.

HUD will publish an official notice this week seeking applications from housing authorities around the country for the 50,000 welfare-to-work vouchers in the current year's budget. The vouchers will be awarded on a competitive basis. To compete for the vouchers, housing authorities will submit plans showing how they would help families move from welfare to permanent jobs.

For more information on HUD programs and what's new at HUD, visit HUD's Home Page on the World Wide Web at **http://www.hud.gov/**.

Francis S. Redburn 01/04/99 01:23:32 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: Katherine L. Meredith/OMB/EOP, James F. Jordan/OMB/EOP, Alexandra Gianinno/OMB/EOP
Subject: Re: WTW Housing Vouchers

We have a total of 100,000 incremental housing vouchers in the 2000 budget. This includes 25,000 for Welfare to Work (plus renewal of this year's 50,000). Of the 100,000 total, 15,000 would be permanently authorized (i.e., mandatory funding) and designated for initial use in elderly projects financed with the low-income housing tax credit (designed to make these units affordable to those with incomes below 30 percent of local median income). Of the other 60,000 discretionary incrementals, 18,000 will be designated for the homeless as announced in Baltimore by the President two weeks ago.

The savings account mechanism would be used to pay for renewals starting in 2001. However, initial funding would not be contingent on realizing savings or recording them in the savings account; so, as a practial matter, incremental funding depends only on convincing appropriators that they will have the means (from savings, higher caps, or elsewhere) to continue funding them after 2000. HUD is still disputing details of the savings account, which we would argue creates a moral presumption that any future savings be dedicated to them rather than to some other, perhaps non-HUD, purpose.

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc: Paul J. Weinstein Jr./OPD/EOP
Subject: Validators for housing vouchers

Here are people who a reporter could talk with to learn more about how the vouchers work and why they are good. I have NOT alerted any of them so they do not know about the budget increase. Let me know if I should. I also have NOT yet alerted HUD that we may do this -- let me know once you decide and I can call Jacqui Lawing.

Housing Vouchers

Center on Budget and Policy Priorities
Barbara Sard 781-232-0573
Jeff Lubel 202-408-1080

American Public Human Services Association
Bill Waldman or Elaine Ryan 202-682-0100

The Center, APHSA, National Association of Housing and Redevelopment Officials, and Council on Large Public Housing Authoritities put out a joint letter explaining the opportunity presented with the current year vouchers (I'm faxing to 6-2878). Provides a good overview of the program.

Three places that are doing something similar: New Jersey (Roy Ziegler, New Jersey Division of Housing and Community Resources 609-633-8084), CT, and San Mateo County, CA (we have other contact info if needed, and the Center has done fact sheets)

hud NEWS

Department of Housing and Urban Development – Andrew Cuomo, Secretary
Office of Public Affairs, Washington, DC 20410

HUD No. 98-20
(202) 708-0685
http://www.hud.gov/news.html

FOR RELEASE
10:30 a.m. Monday
January 25, 1999

CUOMO SAYS PRESIDENT CLINTON'S WELFARE REFORMS WOULD USE HUD ASSISTANCE TO HELP 25,000 MORE FAMILIES BECOME SELF-SUFFICIENT

WASHINGTON – Housing and Urban Development Secretary Andrew Cuomo said that welfare reforms proposed by President Clinton today would use HUD rental assistance vouchers to help 25,000 more families move from welfare to work and self-sufficiency.

The President announced today that his proposed budget for the 2000 fiscal year will request $144 million to pay for the 25,000 new welfare-to-work vouchers for people who are on welfare or have been on welfare in the past year.

In addition, the budget would provide continued funding for the 50,000 welfare-to-work vouchers created in the current fiscal year – for a total of $430 million in funding for 75,000 welfare-to-work vouchers. The vouchers in the current year's budget were the first new rental assistance vouchers approved by Congress in five years.

The new vouchers would help more welfare recipients to rent housing on the private market and live closer to available jobs, Cuomo said. People receiving HUD rental vouchers pay 30 percent of their income for rent, with HUD subsidies picking up the remainder of their rent.

"You can't help someone move from welfare to work unless that person can get to work," Cuomo said. "We want to help people make the journey from home to job that can transform their lives and create better futures for their families."

The additional 25,000 welfare-to-work vouchers are needed because about two-thirds of new jobs are being created in the suburbs, but three out of four welfare recipients live in rural areas or central cities, Cuomo said.

Because many welfare recipients are unable to afford cars, getting to work poses special challenges. Public transportation often does not travel to job sites outside cities, or involves long commutes when it does. In addition, public transit often operates less frequently or not at all overnight, making it difficult or impossible for welfare recipients to travel to night-shift jobs.

Cuomo said HUD will publish an official notice this week seeking applications from housing authorities around the country for the 50,000 welfare-to-work vouchers in the current year's budget. The vouchers will be awarded on a competitive basis.

-more-

In order to compete for the vouchers, housing authorities will submit plans showing how they would help families move from welfare to permanent jobs. The plans will be developed in close coordination with state and local welfare agencies and other organizations.

HUD's welfare-to-work vouchers will complement the Access to Jobs transportation funding administered by the Department of Transportation. This program helps states and localities to develop flexible transportation alternatives for welfare recipients and other low-income workers.

In addition, HUD will work with private industry councils, transit providers, child care providers, workforce development organizations, small businesses, public and private service delivery agencies, and state and local governments to help people receiving welfare-to-work vouchers get and keep jobs.

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The Washington Post
FRIDAY, AUGUST

Housing voucher
FY2000
get rept

POLITICS
David Von Drehle

Hatch Apologizes to NAACP

Another apology from another Utah senator for another racial remark. Republican Sen. **Orrin G. Hatch** said he had been "inarticulate" and apologized to NAACP officials for a statement in which he contrasted the legal rights of homosexuals and blacks.

What the GOP presidential candidate said was: "People of color can't do anything about their color." That preceded: "I do believe gay people have a choice to live within the legal rules or not. That's why we have civil rights laws to protect African Americans from discrimination."

Jeanetta Williams, president of the Salt Lake branch of the NAACP, and **Edward J. Lewis**, president of the NAACP tri-state conference for Utah, Nevada and Idaho, said they believed that Hatch's apology was sincere after meeting with him for 45 minutes on Wednesday, the Salt Lake City Tribune reported.

Hatch has already explained that he meant no offense to gay people.

Earlier this week, Sen. **Robert F. Bennett** (R-Utah) apologized to the Utah NAACP for a racially insensitive comment he made in talking about Texas Gov. **George W. Bush's** presidential campaign.

Bush's Youth: Open Book?

Déjà vu on the campaign trail: Texas Gov. **George W. Bush** was fumbling yesterday for an answer to a question about his youthful indulgences.

This time the inquisitor was a little nipper at Royall Elementary School in Florence, S.C., who wanted to know what was Bush's favorite book as a child.

"I can't remember any specific books," Bush answered. He did like reading about Willie Mays, he added—and there was some book on Texas history he enjoyed. Mostly, he read because his mother made him.

The other question about his past—you know the one—did not resurface. Despite a rough stretch last week, Bush said, "I think the press has been fair to me. I don't get to decide what you ask," he told reporters in Myrtle Beach, S.C., "but I get to decide how I answer."

Habla Español?

There could be a lot of Spanish spoken on the campaign trail if a new poll is any indication. The poll, by the William C. Velasquez Institute, shows **Vice President Gore** with a 2 to 1 lead over **Bush** among Hispanics in California; the two Spanish-speaking candidates split Hispanic support in Texas.

Quotable

GOP pollster Linda DiVall on the impact Republican members of Congress have on the party's presidential prospects: "Well, right now they're home, so that's a good thing."

HUD Criticizes Spending Cut Plan

Report Cites Effect On Jobs, Housing

By Paul Shepard
Associated Press

Proposed cuts in the Department of Housing and Urban Development's budget would deprive nearly 100,000 people of new jobs and leave 156,000 families without affordable housing, the agency said yesterday.

In addition, 16,000 families and individuals who are homeless or who have AIDS would lose housing assistance, HUD said.

"This nation is doing extraordinarily well . . . but that's not to say everyone, everywhere is sharing in the success," HUD Secretary Andrew M. Cuomo said. "That makes the cuts all the more onerous."

A department report titled "Losing Ground: The Impact of HUD Budget Cuts on America's Communities" details how $1.6 billion in budget cuts proposed by the House Appropriations Committee in July will affect communities in the number of jobs that won't be created and housing that won't be available to low-income people.

President Clinton had proposed a $2 billion increase for the department in fiscal 2000, up from $28.5 billion this year.

Clinton has threatened to veto the committee's spending plan because of the cuts, but Republican budget writers say they had to make them to stay within spending caps that were imposed two years ago.

Appropriations Committee spokeswoman Elizabeth Morra said the cuts were made in specific programs, rather than across the board, and that "some tough choices had to be made."

"While we are short of President Clinton's request, we have done our best to prioritize spending under tight budget caps imposed in 1997," Morra said.

Cuomo, who called the cuts "irresponsible and repugnant," said the strong economy has increased the nation's need for affordable housing by driving up rents.

He attributed the cuts to a 10-year, $792 billion tax reduction that the Republican-led Congress approved earlier this month.

"Congress shouldn't rob the poorest Americans to provide reckless tax cuts and create a new deficit," Cuomo said. "Now is the time to invest in a brighter future for people and places left behind."

At a news conference with Cuomo, Lee Clancy, mayor of Cedar Rapids, Iowa, said a reduction in grants for community development would cost her city 35 jobs and housing subsidies for 113 families.

The department's budget already is inadequate, said Cushing Dolbeare, president of Meeting America's Housing Needs, an advocacy group. "Cutting it further makes a bad problem worse," he said.

FILE PHOTO/BY LARRY MORRIS—THE WASHINGTON POST

HUD Secretary Andrew M. Cuomo called $1.6 billion in budget cuts "irresponsible and repugnant."

U.S. to Rotate Haiti Force

By Roberto Suro
Washington Post Staff Writer

Over the next few months, the United States will replace its permanent military contingent in Haiti with rotating teams of troops, continuing a gradual reduction in the military commitment that began five years ago, administration officials said yesterday.

White House spokesman Joe Lockhart said the U.S. military will periodically send teams to the Caribbean nation for humanitarian and development projects.

"The forces, our presence, there will not be withdrawn. But as we've said for some time now, we want to move away from the current configuration of a permanent deployment and more to a rotational and more project-specific configuration," Lockhart said.

Under the new plan, the U.S. military presence in Haiti will be no different than in other Latin American nations, according to a senior Pentagon official. "Units will go in on a routine basis to do things like building roads or conducting an immunization campaign, and then they'll come home," the official said.

U.S. forces occupied Haiti in September 1994 to restore the elected government of President Jean-Bertrand Aristide, who had been deposed and forced into exile by the Haitian military.

Of a force that initially numbered 20,000, only about 450 U.S. troops remain. But the decision to end the full-time deployment followed a debate within the administration over whether the move might be seen as abandonment of Haiti as it struggles to achieve economic and political stability.

During a visit to Washington in June, a delegation of Haitian business people pleaded with the administration and Congress to leave a symbolic contingent in place through the parliamentary elections in November and the presidential vote a year later.

Their argument, however, was overwhelmed by strong views at the Pentagon and among Republican leaders in Congress. General Charles E. Wilhelm, head of the U.S. Southern Command, has publicly recommended a pullout, saying it would be safer for U.S. troops to be based elsewhere and go into Haiti for limited missions. In June, a provision ordering a withdrawal by the end of the year was inserted by the House of Representatives into its version of the annual defense spending bill, which has yet to be finalized.

Speaking to reporters on Martha's Vineyard, where President Clinton is vacationing, Lockhart said the new "configuration" should not be viewed as a reflection of diminishing U.S. concern for Haiti. "I think the important thing to note here is the U.S. remains committed to the policy of helping promote democracy there," he said.

At the Pentagon, the meaning of the new policy seemed unambiguous. "The Department of Defense is leaving Haiti, and it is going to be just like any other country in the region as far as the military is concerned," said a senior defense official.

Francis S. Redburn	12/09/98 07:58:16 AM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: Katherine L. Meredith/OMB/EOP, James F. Jordan/OMB/EOP

Subject: Re: Housing Vouchers

We debated this and decided that, on balance, it was better to give HUD the ability to allocate incremental assistance based on need and other considerations. This weakens somewhat the local PHA's incentives to collect, but instead shifts the incentive for collection to HUD who can use its contractual power to incentivize PHAs. We have had a real problem in getting HUD to focus on good rent collection procedures that reward honesty and generate resources for incremental assistance.

Please call me early today if you can, to discuss how we can get more WTW housing vouchers in FY 2000.

Have authority for pub housing + tenant based to make this Δ
for project based - needs
other congressional reforms - - - wd be scored + used to
HUD: practical probs w/ OMB approach, minimal aerophmatic [illegible]
cd take credit in 2000 - w/ contingent appropr for same
more vouchers
Sec. now has pd attn to this proposal after several yrs
of having this @ low levels - but it's [illegible]
[illegible]
want to create climate of voluntary compliance

Andrea Kane [illegible] PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:
Subject: Housing Vouchers savings account

Re: your question to Cynthia about OMB's proposal to provide up to 36,000 more vouchers through a savings account, I'm faxing you some info from HUD passback, but here's my assessment in a nutshell:

In general, the proposal sounds like an innovative accountability measure -- give communities an incentive to implement management reforms by allowing them to use the savings generated from such reforms in future years for additional vouchers. But, there's definitely a lag and it's hard to know now how much savings will be generated, and when. While the accountability measures sound worth pursuing anyway, it's not clear we should rely on them in the short term as a way to pay for more vouchers. They definitely don't provide any more vouchers in FY 2000.

As OMB has proposed this, we'd request a 'contingent' appropriation from Congress in FY 2000 for 'up to' $215 million in incremental vouchers, but vouchers would not be allocated to communities until **FY 2001** after verification of savings generated during FY 2000. Most of the savings would be expected from doing a better job of collecting rent from public and assisted housing residents. OMB has a detailed plan they have outlined to HUD, but HUD has not yet signed on. It includes making more effective use of administrative data bases such as SSA and IRS records to more accurately determine people's income (HUD estimates $3 billion of under-reported income, which translates into about $900 million in annual rent underpayments).

Katherine L. Meredith
12/04/98 11:24:16 AM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: Francis S. Redburn/OMB/EOP
Subject: WTW Vouchers

Per your question:

HUD requested 50,000 additional WTW vouchers at a budget authoity cost of $289 million in FY 2000.

Passback provides 25,000 additional WTW vouchers at a budget authority cost of $144 million (not counting the 36,000 that couldd be funded through savings account mechanism -- for WTW and other purposes).

Please let me know if you have any more questions,

KM

respond / follow up w/ CM re' partners & next steps

Michael Deich
11/17/98 07:37:50 PM

Record Type: Record

To: Francis S. Redburn/OMB/EOP

cc: See the distribution list at the bottom of this message
Subject: Re: Discussions with Greenstein and other CBPP Staff

1, 2, 3 sound good. on 4, can you get barbara chow's folks to agree?

Message Copied To:

Alan B. Rhinesmith/OMB/EOP
James F. Jordan/OMB/EOP
Theodore Wartell/OMB/EOP
Patricia E. Romani/OMB/EOP
Katherine L. Meredith/OMB/EOP
Andrea Kane/OPD/EOP
Hang T. Tran/OMB/EOP

elderly

Francis S. Redburn 11/17/98 05:27:57 PM

Record Type: Record

To: Michael Deich/OMB/EOP

cc: See the distribution list at the bottom of this message

Subject: Discussions with Greenstein and other CBPP Staff

Bob Greenstein, Jeff Lubell, and Barbara Sard of CBPP talked with Andrea Kane, Paul Weinstein, and me today about their ideas for implementing Welfare to Work housing vouchers, getting more in FY2000, and providing related services to move people to jobs.

Remarkably, they are actually doing work on a possible WTW voucher NOFA that they intend to share with HUD -- work that should accelerate HUD's own thinking and advance the timing of implementation. They will share this with us shortly. For them, a major issue for FY1999 awards is avoiding the tendency to spread funds too thinly. They think that an optimal allocation would reach maybe 80 large jurisdictions (500 WTW vouchers each) and a number of smaller ones. Reasons are to ensure that only high quality applications are funded initially, to provide a critical mass to have a local impact and spread overhead, and to leave a number of unfunded PHAs hungry for a second funding round in 2000. Sounds right to me.

Ideas that I suggest we pursue are:

1. Consider including in FY2000 appropriations language an option for applications from non-PHAs, possibly with endorsement of the PHA. (The thinking here is in part to make sure the program reaches places with weak performing PHAs but a big need. Another advantage might be selecting entities that can administer regionally to avoid the administrative barriers to portability across jurisdictions.)
2. If we propose statutory waivers, craft the language so that it is not totally open and therefore indicates more clearly our intentions to allow flexibility that is related to the purposes of the program. (We may need to go back and forth with them on this.)
3. If we want to permit regular Section 8 vouchers to be converted, with HUD approval, to WTW vouchers, consider a way to do this within current law rather than sending up appropriations language. One reason for this is to avoid undercutting our effort to get incremental funding by giving appropriators an alternative way to create more WTW vouchers and claim credit without adding funding. (Because we didn't get the waiver authority we sought in 1999, I think that we can effectively create larger pools of "WTW vouchers" administered in coordination with local welfare reform efforts by telling PHAs that get incremental WTW vouchers that they can enlarge their programs by adding regular voucher holders to their programs. I also agree that, to avoid diluting the quality of the effort and keep a measure of administrative control over what constitutes a WTW housing voucher program, we are better off limiting this "rollover" approval of expansion to places that receive a WTW housing voucher award.) allowing
4. Look at possible ways to leverage TANF funds by requiring a TANF match for HUD's ED/SS funds (@$55M in 1999 and 2000, as a CDBG setaside). (Because of the unexpected success of welfare reform in moving people off the rolls, there is underutilized TANF grant money that could be mobilized by such a requirement. CBPP also proposes increased funding for ED/SS, which isn't something we would recommend, but the matching requirement is appealing.) current match?

Because I had to leave while the discussion was still going, Andrea may want to add other points of interest or comment on the above.

Message Copied To:

Alan B. Rhinesmith/OMB/EOP
James F. Jordan/OMB/EOP
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Jeff Lubell <jeff @ mail.cbpp.org>
11/17/98 05:43:40 PM

Please respond to lubell@cbpp.org

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:

Subject: welfare-to-work voucher summary

It was good to meet you.

The one question we didn't get to ask was how many vouchers the Admin. plans to request for FY 2000 and whether they will all be welfare-to-work, or some combination of w-t-w and another form of vouchers. We fully support seeking more w-t-w vouchers but are concerned that some on the Hill may favor incrementals. At this stage, it may make sense to hedge your bets and seek something like 50,000 w-t-w vouchers and 50,000 incrementals (or one of the hybrids we discuss in our memo), and see which takes off.

As promised, attached is a draft of the overview of the welfare-to-work voucher program we plan to send to housing and welfare agencies. We'll send you a hard copy on letterhead when it is final.

We'll send suggestions on w-t-w voucher NOFAs tomorrow.

Thanks again for the meeting.

- draft.wpd

CENTER ON BUDGET AND POLICY PRIORITIES

Memo

To: Michael Deich, Steve Redburn, and Ted Wartell, OMB
Andrea Kane, Cynthia Rice, DPC
Bill Apgar, John Bohm, Xavier de Souza Briggs, Jon Cowan, Debbie Greenstein, Jill Khadduri, Jacquie Lawing, Rod Solomon, HUD

From: Barbara Sard and Jeff Lubell, CBPP

Date: November 3, 1998

Re: A Proposal to Increase HUD Funding in FY 2000 for Services That Help Section 8 Families Move from Welfare to Work

The attached memo describes a proposal for a modest increase in HUD funding in FY 2000 to help Section 8 residents access services to help them move from welfare to work. At present, most HUD funding for services is provided to public housing residents only.

We envision this proposal as secondary in priority to an increase in the number of Section 8 vouchers. Given the reduced share of newly available public housing units reserved for poor families under the new housing bill, we view increased Section 8 assistance to be a top priority for FY 2000.

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Overview

With the sharp decline over the last few years in the number of families receiving welfare funds, states are reporting that their welfare caseloads increasingly consist of harder-to-serve families. A substantial share of the families remaining in state welfare programs appear to be longer-term welfare recipients with multiple barriers to work. A critical challenge for welfare reform is to help these families make a successful transition from welfare to work.

By the end of FY 1999, families in at least 15 states will have hit state time limits for receipt of TANF funds. Families in most of the remaining states will hit time limits in FY 2000 or FY 2001. Many families will face significant hardships if they fail to find work before they hit their states' time limits.

As of early 1997, about one-fourth of the families receiving state or federal welfare funds were recipients of federal housing assistance. Compared with the welfare population as a whole, welfare families receiving housing assistance tend to be longer-term welfare recipients. With the successful transition to work of many of the shorter-term welfare recipients with the fewest barriers to employment, there is reason to believe that the proportion of welfare caseloads consisting of subsidized housing residents is rising.

Contrary to popular belief, most families with children living in subsidized housing and receiving state or federal welfare funds do not live in public housing. Nearly half of such families participate in the Section 8 certificate or voucher program, which subsidizes the rents of apartments that tenants locate in the private market. About one in four subsidized housing residents receiving welfare funds lives in privately-owned Section 8 housing projects. Only a little more than one in four subsidized housing residents receiving welfare funds live in a public housing project.

Despite the fact that nearly three in four subsidized housing residents receiving welfare participate in the Section 8 program rather than the public housing program, the vast bulk of funds that HUD makes available for services to help subsidized tenants move from welfare to work is reserved for public housing residents. For example, at least 75 percent of supportive services provided through the Economic Development and Supportive Services (EDSS) program must be for services furnished to public housing residents. *All* supportive services provided through the HOPE VI program go to public housing residents. So do the vast bulk of drug elimination funds (which may be spent on programs designed to ameliorate the conditions that lead to drug use by promoting economic opportunity). Overall, in fiscal year 1998, somewhere between three-quarters and nine-tenths of the funds HUD made available for work-promoting services could be used to assist public housing residents only. A similar ratio is likely in FY 1999.[1]

While we support the continued funding of work-promoting services for public housing residents, we believe a modest increase in HUD's services funding is warranted to permit PHAs and private owners of Section 8 housing projects to provide additional work-promoting services to Section 8 tenants. The successful transition to work of Section 8 participants who receive welfare is important not only to advance the goals of welfare reform but also to help protect the federal budget from the adverse consequences of the termination of these families' welfare benefits. In the project-based Section 8 program, HUD is contractually obligated to pay the difference between apartment rents and tenant rent contributions; in the Section 8 voucher program, PHAs have similar obligations. Should a significant number of HUD-assisted families hit welfare time limits, lose their TANF grants without finding work, and suffer substantial reductions in income, their diminished rent contributions could lead to a potential shortfall in HUD's portion of the federal budget.

With only a modest increase in funding, HUD could provide work-promoting services to tens of thousands of Section 8 families without decreasing the current level of services for public housing residents. Even more families could be helped if the increase in funding were accompanied by matching requirements. The robust economy has left some states with budget surpluses; many states also have unused federal TANF funds. Other sources of matching funds might include the private sector and community foundations. By requiring recipients of new services funds to match a portion of their grants with monetary contributions, these funding streams could be tapped to help welfare reform succeed for HUD-assisted tenants.

Finally, HUD funding for work-promoting services could help facilitate coordination among PHAs and state and local agencies working to promote and implement welfare reform. State welfare agencies by and large have not included PHAs as partners. By giving PHAs some funds to bring to the table to attract the interest of welfare agencies, and by requiring collaboration among these agencies as a condition for receipt of new services funding, HUD could make work-promoting services more accessible to Section 8 tenants and encourage more rational and focused efforts to help these tenants find and retain work.

[1] Although a very important addition to the welfare reform arsenal, vouchers provided under the welfare-to-work voucher program will be used to help the transition to work of families *not already receiving* Section 8 rental assistance. Even if the competitive allocation process for these new vouchers rewards PHAs that partner with agencies that provide a range of services to the selected families, existing Section 8 residents on welfare will not be aided to secure or retain employment.

HUD Funds for Work-Promoting Services

In each of the last several years, the Department of Housing and Urban Development (HUD) has made a modest amount of funds available to Public Housing Authorities (PHAs) for use in providing work-promoting services to HUD-assisted tenants. Among other services provided with these funds are job training and placement services, child care programs, transportation to jobs, education programs, and loans and training to help residents start small businesses. The funds may also be used to provide service coordinators to help tenants obtain existing services in their communities.

Through the provision of funds for work-promoting services, HUD accomplishes two parallel aims. First, HUD helps tenants obtain the services they may need to secure and retain employment. Second, HUD fosters collaborative relationships between PHAs and other agencies to facilitate coordinated efforts to help families move from welfare to work.

HUD currently provides funds for work-promoting services through four main programs:

- The Economic Development and Supportive Services (EDSS) program. For FY 1998, HUD expects to award about $25 million to provide supportive services to families through the EDSS program. (Additional EDSS funds provide services to elderly and disabled households.) In recent years, HUD has required that at least three-fourths of the households served by each EDSS grant be public housing residents; the balance must be Section 8 participants.

- HOPE VI. This program provides funds for the revitalization of severely distressed public housing. HUD estimates that about $35 million of the HOPE VI funds appropriated in FY 1998 will be spent on supportive services. All HOPE VI funds are spent on public housing residents.

- The Drug Elimination Program. In addition to such services as drug prevention and treatment and security services, drug elimination funds may be used to ameliorate the conditions that may lead to drug use by promoting economic development and self-sufficiency. In FY 1998, HUD made available $288.5 million in drug elimination funds for public housing programs and $16.26 million in such funds for project-based Section 8 developments.

- Family Self-Sufficiency (FSS) Program. This program encourages work through case management services and the use of escrow accounts. In FY 1998, HUD provided PHAs with about $50 million to defray the cost of FSS coordinators who provide case management services and help administer the escrow accounts. These funds were divided roughly equally between the public housing and Section 8 programs.

For FY 1999, Congress appropriated the same amount of funds for the EDSS Program and the Drug Elimination Program as in FY 1998. Congress appropriated $75 million more in FY 1999 for the revitalization of severely distressed public housing (HOPE VI) than in FY 1998. As a result, a small amount of additional funds may become available for work-promoting services to public housing tenants.

In Section 538 of the Quality Housing and Work Responsibility Act of 1998, Congress authorized a new program to provide supportive services to residents of public housing. Congress' intent in enacting this provision appears to be to consolidate

Additional Details on HUD Programs that Fund Work-Promoting Services

Family Economic Development and Supportive Services (EDSS). The EDSS program provides funding for economic development and supportive services. Permissible economic development activities include entrepreneurship training and development, microloan funds, developing credit unions, employment training and counseling, and employer linkage and job placement efforts. Supportive services may include child care, computer-based training, education, transportation, substance abuse and mental health treatment, and case management or service coordinators. PHAs are required to partner with other agencies and nonprofits to leverage other resources. Only PHAs may apply for EDSS funds, and no more than 25 percent of the persons receiving assistance from a PHA through EDSS may be Section 8 tenants.

HOPE VI. HOPE VI provides grants to PHAs for the revitalization of severely distressed public housing. Of the $550 million appropriated for HOPE VI in FY 1998, HUD expects that approximately $35 million will be spent on community and supportive services such as job training, computer skills, and child care for families in the affected public housing developments.

Drug Elimination Program. While much of these funds are spent on drug prevention and treatment and security services, HUD's March 31, 1998 SuperNOFA encourages the use of these funds to "reduce/eliminate drug-related crime through a program designed to provide education, training and employment opportunities for residents..... Economic and educational opportunities for residents . . . should be discussed in the context of 'welfare to work' and related . . . efforts."

Family Self-Sufficiency (FSS). Some 40,000 subsidized housing residents (most of whom are Section 8 recipients) currently participate in the FSS program, which has two major components: case management services that provide participating families with assessments of their employment goals and education/training needs and help them access work-promoting services, and an escrow feature, in which PHAs put rent increases resulting from a family's employment into an escrow account the family may access by meeting certain self-sufficiency requirements. HUD provides a little more than $25 million to PHAs annually through additional operating funds for FSS coordinator costs in public housing. In addition, HUD made $25 million available in FY 1998 for grants to small PHAs (PHAs that administer fewer than 1,500 certificates and vouchers, but at least 25 FSS participants) to help meet the costs those PHAs incur for FSS coordinators for Section 8 recipients. HUD does not provide larger PHAs with funds for FSS coordinators for Section 8 families.

EDSS and the tiny Tenant Opportunities Program.[2] The new program, however, only authorizes funds to be spent on public housing residents.[3]

Most Work-Promoting Services Are Provided to Public Housing Tenants

Although nearly three in four subsidized housing residents receiving welfare participate in the Section 8 program rather than the public housing program, the vast bulk of funds that HUD makes available for work-promoting services is reserved for public housing residents. Public housing tenants currently receive:

- 100 percent of services provided through the HOPE VI Program.
- 95 percent of services funded by the Drug Elimination Program.
- At least 75 percent of services provided through the EDSS Program.
- Half of the funds provided for FSS Program Coordinators.

Table 1

Housing Program	Percentage of TANF Families Receiving HUD Housing Subsidies that Have Each Type of Housing Assistance	Maximum Percentage of HUD Special Funding for Work-Promoting Activities*	
		(Including Drug Elimination Grants)	(Excluding Drug Elimination Grants)
Public Housing	27.7%	90.0%	77.3%
Section 8	72.3%	11.5%	28.4%
▸ Tenant Based	▸ 47.5%	▸ 7.6%	▸ 28.4%
▸ Project-Based	▸ 24.8%	▸ 11.5%	▸ 28.4%

* Totals exceed 100% because some funds are available to serve tenants in more than one program.

[2] Funding under the Tenant Opportunities Program may be used to provide welfare-to-work services to public housing residents. Because funding for this program is low – only $5 million in FY 1999 – and may be spent on programs other than work-promoting services (such as development of tenant organizations), we have not included it in our discussion of HUD programs funding work-promoting services.

[3] There is nothing in the legislative history to suggest that Congress deliberately intended to withhold funding for services from Section 8 families. The mostly likely explanation for the new provision is that Congress has conceived of EDSS as a program to provide services to public housing residents. The statute provides no guidance as to whether this new version of EDSS should continue to be funded as a set-aside within CDBG or in some other manner.

Table 1 shows the percentages of HUD-assisted families receiving AFDC/TANF benefits that participated in each of the main rental assistance programs (as of early 1997) and the proportion of services funding available to assist these families. As indicated, in fiscal year 1998, somewhere between three-quarters and nine-tenths of the total funds HUD made available for work-promoting services could be used to assist public housing residents only.[4] A similar ratio is likely in FY 1999.

Furthermore, while a small portion of the funds available for work-promoting services *may* be used with Section 8 families, PHAs generally are not required to spend any of these funds on Section 8 families.[5] While hard data are not available, anecdotal evidence suggests that PHAs allocate to Section 8 families even less funding for work-promoting services than the small amount available for their use.

The share of HUD services funds provided to Section 8 residents will be even smaller in FY 2000 if Congress chooses to fund only the services program provided in the Quality Housing and Work Responsibility Act of 1998, and not the old EDSS program. As noted above, the new program authorizes services to public housing residents only.

In making this comparison, we do not mean to suggest that the amount of funds available to provide work-promoting services to public housing tenants is too high. To the contrary, the need for welfare-to-work services among public housing residents

4 This proportion reflects the amount of funds "available" (largely on a competitive basis) to PHAs seeking to provide work-promoting services to families participating in the Section 8 program, and not the proportion of such funds *actually* provided to Section 8 families, which is not known. The one-tenth figure assumes all funds provided for the Drug Elimination Program are available for work-promoting activities. Since Drug Elimination funds may be used both for work-promoting services and non-work-promoting services (such as drug prevention and treatment and security services), we have also calculated this statistic without the inclusion of these funds. Excluding Drug Elimination funds, about three-fourths of the funds HUD made available in FY 1998 for use in providing work-promoting services could be used to assist public housing tenants only.

5 The one exception is funding for a limited number of FSS service coordinators for Section 8 programs. In designing the FSS program, Congress intended that training and other work-promoting services be provided through existing community programs, with case management and services coordination provided by the PHA or collaborating agencies in the community. While HUD reimburses PHAs for the cost of FSS service coordinators serving public housing residents through the public housing operating subsidy, it reimburses only a limited number of PHAs for the costs of FSS service coordinators to serve Section 8 residents. As a result, many PHAs have been reluctant to undertake FSS programs to serve Section 8 families or to operate their programs at the size required by Congress. By virtue of Congressional mandates attached to incremental funding in the early 1990s, PHAs are obligated to run FSS programs for some 200,000 families, nearly all of whom must be Section 8 certificate or voucher holders. However, only a little more than 40,000 families are estimated currently to participate in the FSS program. While most of the current participants are Section 8 families, it is clear that far fewer Section 8 families are enrolled in the FSS program than required by Congress. Some PHAs claim that the limited funding for FSS service coordinators to serve Section 8 residents leaves them unable to participate at the mandated levels.

almost certainly exceeds the funds available for this purpose. Rather, our point is that too little money is currently available to provide work-promoting services to Section 8 tenants who may need such services to help them move from welfare to work.

Importance of Funding Work-Promoting Services for Section 8 Participants

With the successful transition to work of many of the more work-ready households, states report their welfare caseloads consist to a greater degree of longer-term welfare recipients with multiple barriers to employment. Many of these families – at least one in four – live in subsidized housing. The time remaining to help these families find work before reaching time limits is growing shorter.

The failure of large number of households receiving federal rental assistance to secure and retain employment could have adverse consequences. In addition to leading to hardship among some subsidized housing residents, it could lend ammunition to critics of subsidized housing who see it as "the problem" rather than part of the solution of helping families rise out of poverty and achieve the stability they need to focus on obtaining and retaining work. Such a failure also could adversely impact the federal budget.

Should HUD-assisted tenants reach the end of their TANF benefits without finding work, their incomes – and thus their rent contributions – are likely to drop significantly, resulting in increased operating expenses and a potential shortfall in the federal budget.

- In the project-based Section 8 program, where HUD is contractually obligated to pay the difference between approved rents and tenant rent payments, a reduction in tenant contributions would result in higher costs for the federal government.

- In the tenant-based Section 8 program, where PHAs are contractually obligated to pay the difference between approved rent standards and tenant rent payments, a drop in tenant contributions could lead to a reduction in the number of vouchers PHAs could provide with existing funds. To continue serving the same number of families despite decreased tenant rent contributions, the federal government would have to increase funding significantly.

- In public housing, decreased tenant rent contributions could cause deficiencies in PHAs' operating budgets and lead to pressure for increased federal operating subsidies.

While certainly no panacea, a modest increase in HUD services funding aimed at helping Section 8 residents obtain and retain employment could help additional families move from welfare to work. Among the work-promoting services that could be provided with these funds are child care, computer-based training, education, transportation, substance abuse and mental health treatment, and case management or service coordinators.

An important benefit of services funding provided through HUD is HUD's ability to use the funding as a carrot to encourage coordination between PHAs and state and local agencies working to promote and implement welfare reform. While housing and welfare agencies serve many of the same families, they seldom coordinate their efforts. By requiring collaboration among these agencies as a *condition* for receipt of new services funding, HUD could encourage more rational and focused efforts to help assisted tenants find and retain work.

The 50,000 new welfare-to-work vouchers for FY 1999 will encourage partnerships in some locations among PHAs and welfare agencies, but most areas likely will not receive welfare-to-work vouchers. In those areas that receive such vouchers, the focus of coordination is likely to be on the new voucher holders, rather than existing Section 8 participants. HUD's services programs can help welfare reform succeed for tenants not participating in the welfare-to-work voucher program.[6]

HUD services funding also can be leveraged to ensure that additional funds are used to help HUD-assisted families move from welfare to work. The robust economy has left some states with budget surpluses; many states also have unused federal TANF funds. Other potential sources of matching funds include the private sector, local governments, non-profit organizations and community foundations. By requiring recipients of new services funds to match a portion of their grants with monetary contributions, these funding streams could be tapped to help welfare reform succeed for HUD-assisted tenants.

With the passage this year of public housing reform, services funding directed at tenant-based Section 8 residents becomes particularly important. Of the three main HUD programs serving poor families, the Section 8 tenant-based program already serves the highest percentage and largest number of poor families with children. The Quality Housing and Work Responsibility Act of 1998 ensures the continuation (and likely amplification) of this trend. The new legislation authorizes PHAs to increase the mix of incomes within public housing by admitting somewhat higher-income tenants, while reserving the vast majority of Section 8 tenant-based assistance for families with incomes below 30 percent of the area median income. Many of the very poor families receiving tenant-based assistance will be long-term welfare recipients in need of services to help them obtain and retain work.

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[6] While the recently-enacted housing legislation, the Quality Housing and Work Responsibility Act of 1998, exhorts PHAs to enter into cooperation agreements with agencies providing welfare and public assistance programs to families, it does not require such cooperation. By conditioning the receipt of services funds on the establishment of collaborations among PHAs and welfare agencies, HUD would help realize the Congressional intent of encouraging such inter-agency collaboration.

Increasing Services Funding for Section 8 Families

There are a number of different ways to increase the funding available to provide work-promoting services to Section 8 families. Although other options are possible, the two main possibilities would seem to be increased funding for a modified form of EDSS or a new program focused on participants in the Section 8 programs.

Additional funding for a modified form of EDSS

One way to increase the amount of HUD funding available to provide work-promoting services to Section 8 families would be to increase funds for the EDSS program. Funded as a set aside within CDBG, this program provides grants to PHAs on a competitive basis for self-sufficiency activities. For FY 1999, Congress has set aside $55 million of CDBG funding for EDSS, of which $20 million is required to be spent on service coordinators for elderly and disabled residents and $5 million is available for the Moving to Work Demonstration. As some modest portion of the remainder will likely go to families served by Indian Housing Authorities, about $25 million in EDSS funds should be available on a competitive basis in FY 1999 to provide services to families with children in the public housing and Section 8 programs.

The chief obstacle to using EDSS as a vehicle for increasing services funding to Section 8 families is the new authorization language for that program in the Quality Housing and Work Responsibility Act of 1998 (QHWRA). Section 538 of that act appears to replace EDSS with a new program that provides funds only to public housing residents. At a minimum, therefore, the statute would have to be amended to provide that funds could be used for Section 8 residents.[7] This could be accomplished either through the FY 2000 Appropriations Act or as a technical correction to the QHWRA. The QHWRA provides that HUD has until mid-July, 1999, to submit technical corrections to the appropriate legislative committees.[8]

That alone, however, would likely be insufficient to make EDSS an effective vehicle for increasing services funding for Section 8 residents. In light of PHAs' tendency to focus more on public housing tenants than on other HUD-assisted tenants,

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[7] Alternatively, Congress could specify in the appropriations act that EDSS funds may be used to assist Section 8 families without explicitly amending the Housing Act.

[8] We have spoken with some Congressional staff who indicate they would be receptive to such a technical correction. The correction we envision would be to specify that Section 8 residents are eligible recipients of services funded under the new version of EDSS and that private owners of Section 8 housing and community organizations could apply for funds to serve project-based or tenant-based Section 8 families. (On the latter point, see text on the next page.) Other modifications to EDSS practice that we discuss below, such as requiring a certain percentage of funds to be spent on Section 8 residents or changing the matching requirements, would, in our opinion, better be accomplished through language in the appropriations act; this would preserve flexibility to further refine and modify these requirements in response to changing circumstances in subsequent years.

the only way to ensure that Section 8 families receive a fair share of available funds would be to *require* in the appropriations act that a certain portion of the funds be spent on Section 8 families. (This year's appropriations act contained a similar requirement with respect to "service coordinator and congregate services for the elderly and disabled.")

Seems reasonable → discuss w/ HUD

Another desirable change to past EDSS practice would be to require that a PHA or other applicant for EDSS funds coordinate with state and local agencies working to promote and implement welfare reform. In FY 1998, such coordination was not a requirement of EDSS funding, but rather a condition for receiving certain points in the competitive process. Moreover, the points could be earned by showing a partnership with virtually any entity; coordination with state welfare agencies, or local agencies administering welfare-to-work grants, was not required.

Finally, the appropriations act should clarify that private owners of Section 8 housing as well as community organizations may apply for funds to serve project-based or tenant-based Section 8 families. This clarification is important to ensure that services are provided to families living in project-based Section 8 developments who are unlikely to benefit from programs run by PHAs.[9]

A new program targeted on Section 8 families

If section 538 of the QHWRA is interpreted to require the replacement of the EDSS program (which served both public housing residents and Section 8 participants) with a program that serves only public housing residents, as discussed above, this change could justify the addition of a new CDBG set-aside or line item in the Section 8 certificate fund to provide services to Section 8 families no longer able to benefit from EDSS. Such an initiative could be portrayed as a re-categorization of a prior funding stream to provide separately for funds to provide services to Section 8 participants.

Matching Requirements

To leverage the limited amount of HUD resources available for work-promoting services and to encourage PHAs to collaborate with state and local agencies working to promote and implement welfare reform, grant recipients should be required to

[9] The FY 1998 and FY 1999 appropriations acts are somewhat ambiguous about whether entities other than PHAs or Indian Housing Authorities (IHAs) may apply for EDSS funds. While one part of the appropriations acts empowers "nonprofit corporations, and other appropriate entities" to receive EDSS funds, another section states that "the Secretary shall select public and Indian housing agencies to receive assistance," without mentioning other agencies. HUD has implemented this statutory language by restricting the entities eligible to apply for EDSS funds to PHAs, while permitting PHAs to subcontract with other agencies to carry out parts of their program.

supplement their grants with contributions from the private sector or state and local government.

HUD currently requires grantees of EDSS funds to show matching contributions equal to the amount of the EDSS grant, but requires only one-fourth of the match to consist of monetary contributions. That is, for every dollar of federal EDSS funds, grantees must provide evidence of an additional dollar in resources obtained from sources outside of HUD, of which at least 25 cents must be in cash. The balance may be in donations of time or property or other in-kind contributions.

The new version of EDSS authorized by the Quality Housing and Work Responsibility Act of 1998 contains somewhat weaker matching requirements. It requires a minimum contribution of 25 cents for every dollar in federal funds but does not require that any of the contribution be in cash. The statute permits grantees to count as their contribution funds from "other Federal sources," "State or local government sources," "private contributions" or "the value of any in-kind services or administrative costs provided to the applicant." While the statute permits the Secretary to increase the amount of the match, it is unclear if the Secretary could require that some portion of the match consist of monetary rather than in-kind contributions.

While in-kind contributions can be helpful, they are no substitute for monetary contributions. In some cases, in-kind contributions may simply reflect pre-existing resources rather than newly leveraged contributions. To ensure the Secretary continues to have the authority to require monetary contributions, we recommend that such a match be specified in the appropriations act. At a minimum, HUD should continue the current practice of requiring monetary contributions of 25 cents for every federal dollar. Consideration also should be given to stronger matching requirements, such as 50 cents in monetary contributions for every federal EDSS dollar.[10]

One thorny question is whether grant recipients should be permitted to count other federal funds (such as TANF funds or funds from DOL welfare-to-work grants) as part of their match. Normally, federal funds cannot be matched with other federal funds. The concern is that by allowing state or local governments to use federal dollars (rather than their own funds) to match other federal dollars, the pool of funds available to help low-income families is not expanded.

On the other hand, the new statutory authorization for EDSS already allows federal funds to match HUD funding of work-promoting services to public housing residents. Given this precedent, it would not be too much of a stretch if federal funds

[10] The same matching requirements should apply whether the services are provided to public housing families or Section 8 families. For both programs, we would apply stricter matching requirements only to services provided to families with children. To ensure continued funding for service coordinators for elderly and disabled residents, we do not recommend a change in existing matching requirements for services provided to such households.

were permitted to match funding for services provided to Section 8 residents as well (whether by modifying the authorization for EDSS or through a new program). (It also is worth noting that the Access to Jobs program established by the new transportation bill permits the use of federal funds to match other federal funds.) Finally, since most PHAs are not state entities or controlled by state entities, it seems unlikely that states would be willing to contribute their own funds to PHAs to meet a matching requirement absent a special incentive to do so; federal TANF and other block grant funds may thus be the only realistic source of matching funds for these programs.[11]

Although we do not yet have an estimate of a desirable funding level for this program expansion, we believe even a modest increase would be useful. An increase in the overall level of HUD's services funding is necessary to ensure that increased services for Section 8 residents do not come at the expense of public housing residents who may benefit from work-promoting services.

[11] A potential alternative or addition to an authorization to match the new HUD services funds with other federal funds would be to give priority in funding to applications that demonstrate how services provided by state welfare agencies, or other sources such as local government or the private sector, are channeled to help subsidized tenants.