



# HOUSING PRESERVATION NEWS

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## FY2007 Appropriations—Housing Advocates Prevail!

January 30, 2007, San Francisco, California

**BREAKING NEWS.** The California Housing Partnership learned early this morning from Congressional sources that affordable housing advocates scored a major victory in persuading the Appropriations leaders in both houses to agree to several of our key requests in putting together the FY 2007 Joint Funding Resolution that will be voted on by the House as early as Wednesday, January 31st. Congress will add \$502 million more for tenant based rental assistance (Section 8 Vouchers) and \$300 million more to the Public Housing Operating account. Equally important, Congress will jettison the glaringly inefficient and unfair three-month "snapshot" approach used by HUD since FY2004 for appropriating funds for the Section 8 Voucher program. While these amounts are nowhere near the sums needed to fully fund these programs—especially public housing—in a year when every last dollar is being fought over fiercely by interests from all discretionary spending categories, this is a major achievement. But for this intervention, these programs would have been funded at their FY2006 levels using the old allocation formula, which would have cost California more than \$100 million in critical federal housing resources and would have likely caused the displacement of hundreds if not thousands of extremely low-income families from stable housing.

**WHO'S RESPONSIBLE.** California affordable housing advocates played a major role in this victory, generating dozens of letters and calls to staff in the offices of our Congressional representatives to make sure they are aware of what is at stake in their home districts. Speaker Pelosi's office was particularly helpful in communicating our information directly to the staff of the Chairs of the appropriations committees. Senator Feinstein's office along with the offices of our representatives on the House Appropriations Committee (Sam Farr, Barbara Lee, Mike Honda, Lucille Roybal-Allard and Adam Schiff) also weighed in as did the office of Maxine Waters, the new chair of the Housing Subcommittee of the Housing Financial Services Committee, whose leadership will be essential to the passage of new housing legislation in this 110th Congress. *For those of you who contacted your Congressional representatives, we urge you to communicate your thanks for their leadership in negotiating this favorable compromise.*

**WHAT'S NEXT.** The Joint Funding Resolution is scheduled to go to the House floor for a vote on January 31, with action in the Senate expected in the following weeks before the expiration of the current Continuing Resolution on February 15th. While nothing is final until these votes have actually occurred, sources close to the leadership in both houses predict that the current version of the Joint Funding Resolution will be approved with minimal or no changes.

**THE DETAILS.** The following are the details released today on the Joint Funding Resolution:

- 1. Section 8 Tenant-Based Assistance** - Congress will provide \$15.92 billion for the Tenant Based Rental Assistance account. This amount is \$502 million above the FY 2006 appropriation and should be sufficient to fund all vouchers currently in use and restore some of the cuts that have cost California's Housing Authorities 7,627 vouchers since 2004.
- 2. Section 8 Project-Based Program** - Congress will provide \$5.9 billion for the Section 8 Project-Based Rental Program account. This is an increase of \$939 million above the FY 2006 funding level and should be sufficient to fund all contracts as well as to fund enhanced vouchers for tenants who would otherwise be displaced by owners opting out of the program.

**3. Section 8 Housing Voucher Program Funding Formula** – Language is included in the Joint Funding Resolution to change the funding formula for the Section 8 Tenant-Based Program. The current formula is based on information from 2004 that is out of date and results in some Public Housing Authorities getting more money than they can spend while others have less than they need. This provision would correct that problem by directing HUD to use the most recent 12-month leasing and cost data. Last week HUD announced that a similar provision would be included in their 2008 budget request to be implemented in 2009. By including the language now, 2007 funds will be put to their intended use – funding housing units for low-income families and individuals rather than sitting unspent.

**4. Public Housing Operating Fund** – The Joint Funding Resolution increases Public Housing Operating funds by \$300 million over the level that would otherwise have been available based on FY2006 funding. This increase will bring the Operating Fund to a total of \$3.8 billion for FY 2007, still far short of the estimated \$4.5 billion required to fully fund this critical program.

*This newsletter made possible with support from:*

