National Housing Trust Fund Allocation Formula

$43 Million for Illinois

The proposed regulations governing how NHTF funds will be allocated were published in the Federal Register on December 4. The regulations were developed by HUD. With the factors used to determine the formula for distribution now known, the National Low Income Housing Coalition (NLIHC) has estimated how much money each state and territory will receive assuming an initial $1 billion funding allocation.

The proposed allocation formula is consistent with the intent of the National Housing Trust Fund to serve the lowest income households where the need for housing production is the greatest by giving a combined weight of 75 percent to the two factors in the formula that address the needs of Extremely Low Income (ELI) renter households. One of these two factors, the ratio of the shortage of standard rental units both affordable and available to ELI renters in the state to this shortage at the national level, is given the highest priority with a weight of 50 percent. The other factor addressing ELI renters is given a weight of 25 percent. The remaining two factors in the formula address the needs of very low income renters and are given less weight (12.5 percent each). The formula also takes into account the relative cost of construction in each state compared to the national cost of construction.

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Rental Housing Affordability Gap

NLIHC released a new research note on November 30 detailing the extent to which the rental housing shortage for the lowest income households worsened from 2007 to 2008.

In this period, with the economy in a downfall and the for-sale housing market weakening, many Americans turned to rental housing, with the number of renter households nationwide increasing by 2.4%. The supply of rental housing largely kept pace with demand, with the number of rental units increasing by 2.2% during this same period, and the proportion of renters to rental units remaining fairly constant.

However, an examination of the data they relate to extremely low income (ELI) households (those earning less than 30% of the state’s median family income), paints a starkly different picture. Among the five successive income categories included in the report, the increase in renters in the ELI category was the largest, increasing from 8.9 million in 2007 to 9.2 million the

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Legislation to Re-Energize Housing Tax Credit

Representative Bill Pascrell (D-NJ) introduced H. R. 4109 on November 18. While the text of the bill was not available as of publication time, the bill is described as allowing Low Income Housing Tax Credits (LIHTC) to be ‘carried back’ five years, in an effort to reenergize the market for the credits.

The economic downturn has adversely affected the demand for the LIHTC as traditional investors, including Freddie Mac, Fannie Mae, and other financial institutions, have left the market. An October 8 report prepared by Ernst & Young found that allowing the tax credit to be carried back, or used against prior years’ income, over a five-year period could have a substantial impact on marketability of the LIHTC.

Low Income Housing Tax Credits are taken over a 10-year period and are subject to recapture over a 15-year period. Therefore, these long periods make the LIHTC a difficult investment for entities that typically make investment decisions based on shorter time periods. By allowing the credit to be used to offset prior tax liabilities over five years, instead of one year as under current law, the carry-back proposal effectively reduces the timeframe over which an investor needs to be profitable and still fully utilize the credit.

H. R. 4109 was referred to the House Committee on Ways and Means.

For further information, contact the National Low Income Housing Coalition at the address in Headlines Directory.

NAEH on Homelessness Funding Need

A new analysis by the National Alliance To End Homelessness (NAEH) shows that recent legislation will boost funding for many homelessness activities, but will also require that Congress significantly increase funding. The three-page analysis shows that the recently enacted Homeless Emergency Assistance and Rapid Transition to Housing Act (endhomelessness.org/content/general/detail/2098) (HEARTH Act) would increase funding for homelessness prevention and rapid re-housing, rural programs, and community-wide administration. However, to implement these changes without affecting other activities would require much more funding.

The analysis includes four funding scenarios for FY 2011, the first year covered by the HEARTH Act. The scenarios include funding increases of the following amounts:

- The level authorized in the HEARTH Act ($2.2 billion);
- An increase of 5 percent;
- Sufficient funds to cover new activities mandated by the HEARTH Act and continue development of other activities at the same rate as FY 2009; and
- Sufficient funds to cover new activities mandated by the HEARTH Act and continue development of other activities at the same rate as FY 2010.

The last of these, the level needed to maintain FY 2010 levels of activity, would require a 28 percent increase in funding to $2.4 billion.

HEARTH Act Funding Analysis - http://endhomelessness.org/content/article/detail/2591
Homeland Headlines

Homelessness Rate Higher Among Veterans

Approximately 131,230 veterans were homeless at a point in time in 2008, a new report from the National Alliance to End Homelessness (NAEH) finds. This means that for every 10,000 veterans, 58 are homeless, a rate that is more than double that of the general population.

The new data are from the Department of Veteran Affairs’ (VA) Community Homeless Assessment, Local Education and Networking Group (CHALENG), and the report is an update to one released by NAEH in 2007 using previous CHALENG data.

The VA also reported that the number of veterans served by the VA’s Health Care for Homeless Veterans program increased by 9% between 2007 and 2008, a result of veterans returning from the current conflicts in Afghanistan and Iraq. The data also show an increased need for services for homeless female veterans.

NAEH notes requires the adoption of a comprehensive approach. Specific policy solutions recommended in the report include creating a homeless prevention and rapid re-housing program within the VA; continuing to expand the HUD-VA Supportive Hosing program (HUD-VASH); ensuring an adequate supply of affordable housing for veterans with low incomes; and enhancing and bringing to scale existing VA homelessness programs.

The report, Vital Mission: Ending Homelessness Among Veterans, including state-by-state analysis, is available at www.endhomelessness.org/content/article/detail/2572

Making the Connection

Determination of SNAP Benefit

Contributor: DuPage Federation on Human Services Reform

Navigating the Supplemental Nutrition Assistance Program (SNAP formerly Food Stamps) process sometimes can be a challenge and is not easily understood. Our clients will come back and tell us that the state caseworker did not ask or want information about all of their expenses or the worker needed something that makes us wonder. In order to ensure our clients successfully navigate this system, it is helpful to know what the state needs to determine a person’s eligibility for SNAP benefits.

Besides having to prove your identity, the caseworker needs information about the following things:

- **Income** (both earned and unearned): All earned and unearned income is counted. This is verified by pay stubs, employer statements, letters from Social Security or pension plans. Seems simple but there are always exceptions. Here are a few, but if you want more information you can check out state PM 08-04-04 for information about unearned income and PM 08-04-01 for Earned Income.
  - If income is from a loan it usually is not income. The caseworker will ask for proof that the money received is a loan. A legally executed document is not required to verify that income is a loan. A statement signed by both parties is enough to verify the income is a loan, if it contains: the amount of the loan; that the payment is a loan, and that repayment is required.

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One in eight Americans - and one in four children - is now receiving SNAP/Food Stamps, a program that is becoming “as ordinary as the groceries it buys.” The latest figures show that more than 36 million people in this country receive the benefit and use it through “inconspicuous plastic cards for staples like milk, bread and cheese.” Many are seeking out the assistance because of the economy, foreclosed homes and unemployment. Those receiving SNAP/Food Stamps are near or below the federal poverty line, “but their eclectic ranks testify to the range of people struggling with basic needs.”

SNAP/Food Stamp participation is growing at a rate of 20,000 people a day, and 239 counties in the U. S. have at least a quarter of their population receiving the assistance, according to data collected by The New York Times, November 29, 2009. In areas hit by the housing crisis, growth in the program has been especially fast, although these areas were once-prosperous places.

Even with this record growth rate, USDA wants to grow the program faster, since only two-thirds of those eligible are receiving SNAP/Food Stamps. (Illinois has one of the highest participation rates in the country.) “I think the response of the program has been tremendous,” said Kevin Concannon, a USDA under secretary who oversees the program. “But we’re mindful that there are another 15, 16 million who could benefit. This is the most urgent time for our feeding programs in our lifetime, with the exception of the Depression.” For many, SNAP/Food Stamps are the only aid they are eligible for, making the program the “safety net’s safety net.” Growth in the federal cash welfare program has stayed “virtually flat” nationally. Only about half of jobless individuals receive unemployment benefits, and those that do only receive half their income.

SNAP/Food Stamps are also an indicator of where the economy is sickest; in Northwest Ohio counties, where car parts are made, SNAP/Food Stamp participation is up between 60 and 84 percent. Southwest Florida, which experienced high foreclosure rates in the housing bust, has seen rates more than double. SNAP/Food Stamps are achieving a new prominence in the suburbs, since this is the first recession in which a majority of the poor live in the suburbs. The interactive map (www.nytimes.com/interactive/2009/11/28/us/20091128-foodstamps.html) shows SNAP/Food Stamp usage across the country and contains information for each county, based on county population estimates, and state. The map also shows SNAP/ Food Stamp usage among children, whites and blacks, and contains information on the change in the number of people receiving SNAP/ Food Stamps between 2007 and 2009.

Seventeen Illinois counties are among the top one-third of the 3,136 counties listed by percent of residents receiving Food Stamps on the interactive map. (See table below.) Although most of the Illinois counties are in the rural far southern part of the state, larger counties throughout the state are also listed.

For further information, contact the Food Research and Action Center at the address in Homeless Directory.
SNAP Benefit
(Continued from page 3)

- Money exchanged between roommates to pay a shared housing cost is not counted as income. For example each month your client Mary receives $250 from her roommate Jane to pay the $500 a month rent. Mary then writes the check to the landlord. The $250 is NOT income. Mary however will only be given credit for rent of $250.

- Payments made by a third party directly to the vendor are not income (so if your client’s mother pays the rent, paying it to the landlord directly means it is not income, but if she gives it to your client each month without expectation of repayment it would be income).

- All educational loans, grants, scholarships, fellowships, Social Security and Veterans educational benefits, and work study money are not income.

Assets (excluded are the value of the home you live in, one car, and tax exempt retirement and educational accounts): Cash in the bank, savings, checking, Certificates of Deposit, stocks, bonds to name a few are counted as assets and statements will need to be provided. Stock value on the date of decision is what is normally used for the value. USDA asset standards are $2000 for households without a qualifying member and $3000 for households with a qualifying member. For detailed information check out PM 07-04-00, but here are a few situations you may run into:

- Money in accounts with that have tax-deferred status such as a 401K, Keogh, SEP, as well as education savings accounts that have a tax-preferred status under the federal tax code is exempt assets.

- Equipment or supplies needed to generate self employment income are exempt.

- If a home is vacant due to a natural disaster and payments are still being made for the destroyed home the cost is an allowable housing cost if not reimbursed by insurance or other assistance program.

Citizenship status: You must be a U.S. Citizen or qualified non-citizen: A qualified immigrant is usually:

- Lawful Permanent Resident (LPR) who has lived in the U.S. for 5 years (children who are LPR do not have to meet the 5 year rule. This usually means the parent receives the benefits in their name, but they are not included in the benefit. There are also some additional exceptions to the 5 year rule such as U.S. veterans and active duty personnel and their dependents. For more exceptions go to PM 03-01-03-f)

- Refugee or Asylee regardless of date of entry. If the Refugee/Asylee later adjusts their status to LPR they still receive benefits without the 5 year wait. For example Josse enters the U.S. as a Refugee in November 2006. He receives SNAP benefits until he gets a job. In 2008 he becomes a LPR. In November 2009 he is laid off his job and re-applies for SNAP. Since he entered the U.S. three years ago as a refugee he does not have to meet the 5 year wait criteria.

- Mortgage or rent payment: This includes payments made on a first or second mortgage, a home equity loan, property taxes, home owners insurance, and assessments.

- If a home is vacant due to a natural disaster and payments are still being made for the destroyed home the cost is an allowable housing cost if not reimbursed by insurance or other assistance program.

Utility expenses: The worker basically needs to know if you pay for heat or air conditioning, and if not what bills do you pay, and if you pay for a land line or cell phone.

- If not in a home due to a natural disaster you receive credit for one set of utility costs.

- The amount deducted for utility expenses are capped: $304 if the persons pays for heat or AC, $190 if limited utilities without heat or AC; $41 if there is a single utility, and $29 for a telephone. For example Joe reports he only pays for his electricity which includes Air Conditioning (AC) and his monthly bill is $80. The most that can be allowed for his utility deduction will be is $41 not the $80 he actually pays. If roommates share the utility costs, then the caps are divided by the number of people who are responsible to pay the utility. For example Mary, Jane and Sue rent an apartment where they have air conditioning. Each pays a share of the electric bill. Mary applies for SNAP, the most she receives as a deduction for the AC cost is 1/3 of $304 or $101.

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Affordability Gap

(Continued from page 1)

following year, a 3.5% increase. At the same time, the number of units affordable to ELI households (those for which rent and utilities would cost 30% or less of the household’s income), declined from 6.2 million to 6.1 million units. As a result, the shortage of units affordable to ELI households increased significantly from 2.7 million in 2007 to 3.1 million in 2008.

The report also considers that not all units affordable to ELI households are available to them. In actuality, 2.7 million units affordable to ELI households were occupied by households in a higher income category, making the measured gap between demand and the supply of affordable and available rental units in 2008 for America’s lowest income households 5.8 million. For every 100 ELI renter households, there were just 37 affordable and available rental units in 2008, down from 39 such units in 2007.

These research findings are based on an analysis of the 2007 and 2008 American Community Survey (ACS) data. The ACS is an annual survey of approximately three million households, focusing on characteristics of Americans and their housing.

In a press release announcing the report’s findings, NLIHC called on Congress to address the growing shortage of units affordable and available to the lowest income families by providing $1 billion to capitalize the National Housing Trust Fund. This initial funding would support the immediate construction of 10,000 rental homes, the release noted, creating 15,100 new construction jobs and 3,800 new jobs in ongoing operations. In addition, NLIHC called on Congress to include $15 billion for the NHTF in any new jobs bill it considers. Doing so would create an additional 283,500 jobs.

SNAP Benefit

(Continued from page 5)

🔗 Medical expenses: This deduction is given only if you are 60 or older or you have been determined disabled, SNAP calls the 60+ or person with a disability a qualified member.

- Joe applies for SNAP. He is 30 and recently in the hospital due to appendicitis and owes $1000. Even though he owes on the bill, there is no deduction for this expense. If Joe was 60 and had the same bill, he could receive a deduction when his benefits are determined for the $1000 medical expense.

🔗 Dependent Care Costs: This includes payments made for care of children while you work, or care for the elderly: This cost is not capped.

- If you need to work, but your mother who lives with you has early onset Alzheimer’s. You pay your neighbor $300 a week to watch your mom. This expense is deducted from income when considering how much in SNAP benefits you will receive.

🔗 Child Support paid for children not in the home: This must be court ordered and actually paid: This expense is deducted from your gross income after all the other deductions are made.

The caseworker does not need information about charge cards, cable bills, internet service, etc.

Once all the information is received, the caseworker usually does a quick check to see if someone in the home meets the citizenship or qualified immigrant rules. If they do, then the caseworker compares the income and assets to the SNAP income and asset levels. You can find these levels at

www.fns.usda.gov/snap/applicant_recipients/eligibility.htm. If these criteria are met, the caseworker will then ensure all the other calculations are completed. The final balance after the deductions are made is called the Net SNAP Income. It is the Net SNAP Income that determines the amount of SNAP benefits received. The higher the Net Income the less SNAP benefits received, and the lower the income the more benefits received.

The DuPage Federation on Human Services Reform, a non-profit 501(c)(3) organization focused on advocacy and planning in DuPage County, Illinois and designer and trainer of Making the Connection: A Guide to Accessing Public Benefits. The DuPage Federation is affiliated with Northern Illinois University, Regional Development Institute. Questions can be directed to knelson@dupagefederation.org or ckling@dupagefederation.org

Trust Fund

(Continued from page 1)

The minimum allocation amount that a state can receive is $3 million, so any states with an estimated allocation amount below that amount will receive $3 million and the allocations to all other states will be adjusted accordingly.

HUD is accepting public comments on these regulations through February 2, 2010.

The proposed regulations can be found in the Federal Register for December 4 at edocket.access.gpo.gov/2009/pdf/E9-28984.pdf


For further information, contact NLIHC at the address in Headlines Directory.
Homeless Headlines

Funding Resources

Ecolab Foundation
370 Wabasha St.
St. Paul, MN 55102-1323
Telephone: (651) 293-2658
Contact: Kris J. Taylor, V.P.
E-mail: ecolabfoundation@ecolab.com
URL: www.ecolab.com/CompanyProfile/CommunityInvolvement/

Type of Grantmaker: Company-sponsored foundation

Limitations: Giving primarily in areas of company operations, including Elk Grove Village and Joliet, IL. No support for sectarian or denominational religious organizations not of direct benefit to the entire community, political or lobbying organizations, or disease-specific organizations. No grants to individuals (except for Visions for Learning), or for industry, trade, or professional association memberships, sports or athletic programs or facilities, or fundraising events or sponsorships; no loans or program-related investments.

Financial Data (Year ended 12/31/07):
Assets: $11,860,321 (market value)
Total giving: $5,223,695
Giving activities include: $4,698,760 for 1,095 grants (high: $150,000; low: $25)
Number of Staff: 2 full-time professional

Purpose and Activities: The foundation supports organizations involved with arts and culture, education, employment, housing, youth development, human services, and community development. Special emphasis is directed toward programs designed to improve the educational and economic opportunities of low- and moderate-income persons; and enhance the cultural and artistic life of communities. Fields of Interest: Community/economic development; Education; Employment; Federated giving programs; Housing/shelter; Human services; Youth development

Population Groups: Children/youth; Economically disadvantaged; Young adults

Type of Support: Employee matching gifts; General/operating support; Grants to individuals; Program development

Application Information: Initial approach: Telephone or E-mail

U.S. Bancorp Foundation, Inc.
BC-MN-H21B
800 Nicollet Mall, 21st Fl.
Minneapolis, MN 55402
Telephone: (612) 303-4000
Contact: John Pacheco, Dir., Fdn.
Fax: (612) 303-0787
URL: www.usbank.com/cgi_w/cfm/about/community_relations/charit_giving.cfm

Type of Grantmaker: Company-sponsored foundation

Limitations: No support for fraternal organizations, merchant associations, 501(c)(4) or (6) organizations, 509(a)(3) supporting organizations, pass-through organizations or private foundations, religious organizations, political organizations or lobbying organizations, United Way-supported organizations, or child care providers. No grants to individuals, or for fundraising events or sponsorships, travel, endowments, debt reduction, or chamber memberships or programs.

Financial Data (Year ended 12/31/07):
Total giving: $20,051,456;
Giving activities include: $18,675,831 for 2,869 grants (high: $1,000,000; low: $500); $1,375,625 for 4,555 employee matching gifts. Grants: $20,500,000

Purpose and Activities: The foundation supports organizations involved with arts and culture, education, employment, housing, youth development, human services, and community development. Special emphasis is directed toward programs designed to improve the educational and economic opportunities of low- and moderate-income persons; and enhance the cultural and artistic life of communities. Fields of Interest: Community/economic development; Education; Employment; Federated giving programs; Housing/shelter; Human services; Financial counseling; Youth development

Population Groups: Children/youth; Economically disadvantaged; Young adults

Type of Support: Capital campaigns; Employee matching gifts; General/operating support; In-kind gifts; Program development; Scholarship funds

Application Information: Proposals should be no longer than 1 page. Visit Web site for state charitable giving contacts and application deadlines. Application form required. Initial approach: Download application form and mail proposal and application form to nearest charitable giving contact. Board meeting date(s): 6 times per year. Deadline(s): Varies