

## **Campaign for Housing and Community Development Funding**

*Working to insure maximum federal resources for housing and community development.*

## **Presidential Candidate Questionnaire Results: Housing and Community Development**

The Campaign for Housing and Community Development Funding (CHCDF) functions as an education, strategy and action center for more than 100 national organizations dedicated to adequate federal housing and community development funding. CHCDF represents a continuum of housing and community development interests, including faith-based, private sector, financial/intermediary, public sector and advocacy organizations. The Campaign's broad network of policy and program experts is united to advocate for adequate funding for housing and community development programs to address pressing needs with proven federal tools.

CHCDF sent the following eight questions to the Bush-Cheney 04 and Kerry-Edwards 04 Campaigns. Their answers follow, exactly as they were submitted to CHCDF.

For more information on registering, educating and mobilizing low income and homeless citizens, please visit [www.nlihc.org/vrem](http://www.nlihc.org/vrem), or contact Katie Fisher at 202-316-1722 or [katie@nlihc.org](mailto:katie@nlihc.org).

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### **1) The Availability of Affordable Housing**

In 2002, the bipartisan Millennial Housing Commission reported an acute shortage of affordable housing in this country. What generally should be the role of the federal government in filling that gap, and what specific steps would you take as President to encourage the production of more affordable units for the families most in need?

#### Kerry-Edwards

America is facing an affordable housing crisis. For millions of low-income families and their children, the cost of privately owned housing is simply out of reach. Today,

#### Bush-Cheney

Expanding affordable housing and homeownership is a priority of my Administration.

teachers, janitors, social workers, police officers and other working families with children are struggling to afford even modest housing in cities across the nation.

I wrote the National Affordable Housing Trust Fund Act to address this crisis. This proposal would create a dedicated source of funding to build 1.5 million affordable rental units over 10 years for those who need it most, renewing the federal government's commitment to producing affordable rental housing. By contrast, the Bush Administration has consistently fought efforts to pass housing production proposals.

In addition to new construction, we also need to preserve existing affordable rental housing. Bush Administration policies have resulted in the loss of thousands of affordable units, with even more at risk. I helped write legislation that has preserved thousands of these apartments and I have worked on legislation in Congress to expand existing preservation efforts.

I also introduced the Community Development Homeownership Tax Credit Act to encourage the construction of homes for low- and moderate-income families in economically distressed areas.

As President, I would make sure that Section 8 vouchers are adequately funded because I know they are an important tool to address the

I set a new goal of increasing the supply of affordable homes by seven million over the next 10 years. To accomplish this, we proposed the Homeownership Tax Credit, which will help create an additional 40-50,000 affordable single-family homes annually, and are working with states and communities to remove regulatory barriers to affordable housing. Studies have shown that regulatory barriers can add to the costs of a home by 20 to 35 percent. The Department of Housing and Urban Development (HUD) launched the America's Affordable Communities Initiative, an aggressive effort to help communities across America identify and overcome regulatory barriers to affordable housing. I am also challenging the private sector to help us meet this goal. We are also pursuing the development of Opportunity Zones, as described below, and part of that effort is the creation of more affordable housing.

Since 2001, my budget requests have tripled funding for the Self-Help Homeownership Opportunities Program (SHOP), which offer homeownership opportunities to families willing to contribute their own "sweat equity."

In addition, we are working to help low-income families overcome the barriers to homeownership. I signed the \$200 million American Dream Downpayment Act into law in December 2003, and proposed the Zero-Downpayment Initiative.

affordable housing crisis. In the Senate, I have successfully fought for thousands of new vouchers. I have consistently fought the Bush Administration's repeated attempts to cut this vital program, including their plan to cut 250,000 vouchers next year.

Combined, these programs would help nearly 200,000 families a year overcome the hurdle of a high down payment.

## 2) Housing and Community Development

Research shows that poor neighborhoods often lack access to employment, affordable housing, convenient shopping and amenities, and business and housing finance. In what ways would housing development, preservation, and community development be a part of your revitalization plan?

### Kerry-Edwards

Too often, our housing policy has resulted in isolation of the poorest Americans from good schools, good jobs, important services, transportation networks, and other amenities. One of our goals in the 1998 public housing reform legislation that I helped write was to encourage the creation of more economically diverse communities, and there were similar incentives in the . National Affordable Housing Trust Fund proposal. I will promote policies to make sure that neighborhoods that are experiencing revitalization and gentrification maintain an appropriate base of affordable housing. While we very much want to encourage growth and development, particularly in our poorest communities, the residents

### Bush-Cheney

Our Nation's economy is changing and getting stronger. During these times of change, America's economic growth is not felt equally throughout the Nation. In poorer communities and in communities where traditional industries do not employ as many workers as they did a generation ago, opportunity can seem more distant. I believe that the government should work to bring opportunity to every community in America, so that it can expand and flourish and every American can enjoy prosperity. To extend the arm of economic prosperity to every corner of our country, I proposed a new "Opportunity Zone" initiative to assist America's transitioning neighborhoods – those communities that are poorer or that have lost a significant portion of their economic

of those communities must benefit from increased economic activity.

I strongly believe that urban and rural areas need access to capital to help develop the businesses that will breathe new life into struggling neighborhoods, create jobs, and expand opportunity. As President, I will create a "Small Business Opportunity Fund" to provide loans to micro-enterprises, expand venture capital investments in small high-tech firms and expand loan programs for small business.

Unfortunately, the Bush Administration has attacked many of the programs that help produce housing and expand economic opportunity in urban and rural areas. Specifically, the Bush Administration has opposed the enactment of a housing trust; proposed deep cuts to the Small Business Administration budget; weakened the Community Reinvestment Act (CRA); cut the Section 8 voucher program; cut the COPS program; and failed to fully fund the No Child Left Behind Act. In too many neighborhoods, lack of access to mortgages and small business loans has caused property values and business activity to plummet, while crime and poverty escalate. We can and must do better.

base as a result of our changing economy. Opportunity Zones would ease that transition by targeting Federal resources and encouraging new and existing businesses to invest in these areas. They provide a comprehensive, results-based approach, expanding the focus of assistance beyond economic activity to encompass education, job training, affordable housing, and other activities critical for a vibrant community. To stimulate growth, opportunity, and job creation, Opportunity Zones would have access to tax incentives to encourage businesses to locate, invest, and hire in the community.

In addition, the Government Sponsored Enterprises (GSEs) were established to provide market liquidity and to facilitate the financing of affordable housing for low- and moderate-income families. The Administration is working to ensure that the goals we set for the GSEs are real, and will have a real, positive impact on individuals in those communities most in need. This includes very low-income families and low-income families in low-income areas, low- and moderate-income families, and underserved areas such as central cities and rural areas.

### **3) Federal Housing Programs**

Several proposals to reform federally assisted housing programs have been introduced over the past sessions of Congress. How, if at all, would you propose to

change federally assisted housing programs, including Section 8 housing vouchers and public housing that serve the lowest income households?

Kerry-Edwards

I have led the fight in Congress to make sure that Section 8 vouchers and public housing are targeted to those who need help most. I introduced the Housing Trust Fund Act to create long-term affordable, mixed-income developments in areas with the greatest opportunities. I believe that we should make vouchers more effective by ensuring that they are funded at actual cost. We should also improve voucher portability.

I support creating new “thrifty” vouchers, which can be combined with capital subsidies to expand the stock of affordable housing. I also support a form of the proposal put forth by the Millennial Housing Commission that would move public housing towards a more efficient asset-based management model and allow Public Housing Authorities to raise private capital to make significant physical improvements, while ensuring that the housing be retained as public housing. We must also do more to address the growing homeownership gap between white and minority Americans. While much progress was made in the 1990s, that progress has slowed in this decade.

Bush-Cheney

My Administration is committed to continuing to open opportunities for all Americans, particularly low and moderate income families.

We recognize that the Section 8 program is in great need of reform. In the past four years, funding for Section 8 has increased by 41 percent, to more than half of HUD’s total annual budget. Unfortunately, the growth in the Section 8 budget does not mean that more families are being served, and it is crowding out funding for programs like those that serve the elderly, people living with AIDS, and the homeless. We have proposed to strengthen the Section 8 program by allowing local housing agencies more flexibility to run the program provided they serve at least the same number of families. By promoting self-sufficiency and more effective use of the subsidy, more families currently on waiting lists will be served.

In contrast, the Bush Administration has proposed deep cuts to federal public housing programs. Specifically, the Administration has proposed cutting the Section 8 voucher program and eliminating the targeting requirements. This year, for the first time in the history of this program, the Administration refused to fund all leased vouchers at actual cost, despite the fact that the Congress provided full funding. The Administration has proposed turning the voucher program into a block grant, which will make it easier to cut in future years. It has even proposed replacing public housing with vouchers (so-called “vouchering-out”), even though there are simply not enough affordable apartments where vouchers can be used. I strongly oppose the Bush Administration’s ill-considered cuts and proposals.

#### **4) Minimum Wage**

The federal minimum wage is now worth 24% less than it was in 1979; however, the cost of many essentials, such as housing and health care, have risen at a rate higher than that of inflation. As President, how would you revise federal wage policy?

##### Kerry-Edwards

I will raise the minimum wage from \$5.15 to \$7.00 by 2007. An increase in the federal minimum wage is well overdue. It has fallen further and further behind the cost of living, and the impact of the last increase has been entirely eroded by inflation.

##### Bush-Cheney

My first goal is to make sure that every American who wants to work can find a job. Since August 2003, we have created more than 1.9 million new jobs, and the unemployment rate has dropped to 5.4 percent – lower than the average

This increase will impact nearly 15 million American workers, helping families move another step towards the American Dream by ensuring that no parents working full time will have to raise their children in poverty.

rate in the 1970s, 1980s, and 1990s. The jobs our economy is creating are good jobs. A recent analysis by Business Week indicated that employment growth in higher-paying groups accounted for well over half of total job growth during the past year. This is good progress, but there still more we can do to ensure that more Americans are working.

We have expanded economic opportunity by cutting tax rates for every tax-paying American. Because we doubled the child tax credit to \$1,000, provided marriage penalty relief, cut taxes for small business owners, and created a new 10 percent tax bracket, more than 111 million Americans are saving money, including 43 million families with children. We want to make the tax relief permanent so that Americans will continue to keep more of their hard-earned money.

I would consider any reasonable proposal to increase the Federal minimum wage – provided it does not place unreasonable costs on small businesses or price workers out of jobs.

## **5) Housing and Other Domestic Priorities**

The role of housing in other life quality issues, including education, health, and economic stability, is critical. There are political platforms for education, health and the economy. As President, would you establish a housing-based strategy to address the needs of low income families, i.e. lack of quality education and poor health?

## Kerry-Edwards

Affordable housing in a stable neighborhood is the foundation for the success of the American family. Children cannot learn properly if a family moves from place to place and school to school. Studies show that a lack of housing stability leads to troubled pregnancies. We know that children suffer serious health consequences from living in run down housing that may be suffering from roach or rodent problems. If a parent is always looking for a new place to live, or is forced to miss work to care for a child suffering from an asthma attack induced by unhealthy conditions at home, they cannot hold a steady job.

We also know that homeownership is closely associated with better school performance, lower teenage pregnancy, more civic involvement, and other important social and economic goals. We need to work toward creating affordable rental homes so that, when possible, families can save the money needed to make the transition to homeownership. We must focus on each rung of the ladder of housing opportunity to ensure positive, long-term outcomes for the nation's children.

## Bush-Cheney

Homeownership is the foundation for economic strength and stability. I strongly believe that as we work to build an ownership society, we will extend the reach of prosperity to every corner of the Nation.

Ownership is the first step to ensuring financial security for Americans. And an ownership society will open the doors to other important initiatives, like getting a good education and accessing affordable health care.

Providing individuals and families with the steadiness that comes with homeownership will help to create stable and successful communities, and in turn will attract the investment and opportunity that will improve the quality of life for Americans.

And to extend the arm of economic prosperity to every corner of our country, I proposed a new "Opportunity Zone" initiative to assist America's transitioning neighborhoods. These Zones provide a comprehensive, results-based approach, expanding the focus of assistance beyond economic activity to encompass education, job training, affordable housing, and other activities critical for a vibrant community.

## **6) Housing and the Economy**

Many people see building new housing as a way to increase jobs and wages as well as the demand for goods and services. One might also argue that it helps

communities to leverage funds that might not be available to them otherwise while aiding in the creation of tax revenues. Do you believe that the production of affordable housing could benefit the economy and do you plan to add it your economic stimulus package?

Kerry-Edwards

It's clear that building new housing creates jobs and boosts our economy. With a strong economy and housing market, we can create construction and construction-related jobs and increase urban and rural economic growth and employment. This will help revitalize many inner-city neighborhoods and rural areas where unemployment and crime have been a fact of life for too long. That is why I wrote the legislation which authorized federal funding for YouthBuild and have led a coalition of Senators in support of federal funding for this important program. YouthBuild is the only national program that provides young adults an immediately productive role in the community rehabilitating housing, while at the same time providing: basic education toward a diploma; skills training toward a decent paying job; leadership development toward civic engagement; adult mentors to help overcome personal problems; and participation in a supportive community with a positive set of values. I believe it is crucial to invest in programs, like YouthBuild, that bring young adults into employment, post-secondary

Bush-Cheney

Homeownership is a strong indicator of our economic recovery. In August, new home sales jumped by 9.4 percent – the fastest acceleration of sales in almost four years. As we have seen with the historic rate of homeownership, when Americans own something, they have a vital stake in the future of our country. Owning a home not only strengthens the economy, it also helps to provide individual families with financial stability and security for the long-term. By creating an ownership society, we are building economic prosperity for communities throughout the Nation. That is why I have set a new goal of increasing the supply of affordable homes by seven million over the next 10 years. My Homeownership Tax Credit will provide tax credits to home builders who build affordable homes and lead to 40-50,000 new affordable single-family homes annually.

education, and constructive civic engagement.

I strongly support the Community Reinvestment Act (CRA) and the Community Development Financial Institutions fund because I believe that low-income Americans, if given the opportunity, the capital, and the guidance, can create new businesses and new jobs for their communities. CRA is also crucial to creating new homeowners.

On the other hand, the Bush Administration has tried to weaken CRA and cut funding for the CDFI fund. They have actively worked against housing production and the Trust Fund, and even proposed tax proposals that would undermine the effectiveness of the Low Income Housing Tax Credit.

## **7) Homelessness**

Each year, 3.5 million Americans experience homelessness, including nearly 1.5 million children. A recent study of U.S. cities found that in 2001, 37% of all requests for emergency shelter went unmet. As President, what will you do to address homelessness in America?

### Kerry-Edwards

Solving the problem of homelessness should not be a partisan issue. As a result of a number of excellent studies, we know that about 10% of the homeless population, which is chronically homeless and suffers from a number of psychological

### Bush-Cheney

Combating homelessness is a priority, and my Administration has committed to ending chronic homelessness by 2012. When I took office, I revitalized the U.S. Interagency Council on Homelessness to coordinate homelessness policy across 20

and/or substance abuse problems, uses about 50% of the homeless resources. Providing permanent housing with supportive services for these individuals, many of whom are veterans, is the best way to solve the problem for the chronically homeless. Finally, we now know that providing service-enriched permanent housing is cost effective – without this housing, the chronically homeless cost the government just as much or more money in terms of emergency shelter space, emergency room visits, jail stays, and other services.

Having established a broad consensus on the solution to this problem, we have to devote the resources to accomplishing the goal – ending homelessness. Unfortunately, while the Bush Administration has adopted much of this rhetoric, they have consistently failed to provide appropriate resources to solve the problem of homelessness. Indeed, they are cutting Section 8 vouchers, a crucial part of the solution to homelessness.

As President, I will make sure that various federal agencies, including HUD and HHS, will work together to use existing resources effectively. I will also make sure that there are additional resources, if needed, to build the kind of permanent supportive housing we know works for the chronically homeless. Finally, for many other homeless, particularly homeless

Federal departments and agencies. The Council has worked to build collaborations, resulting in governors of 49 states and territories taking steps to create State Interagency Councils on Homelessness, and 155 mayors and county executives now underway with a local 10-year plan process.

My Administration has spearheaded new and innovative initiatives to achieve its goal, and we have provided increased – and in some cases – record investments for housing, services, and other supports for homeless people, including for persons experiencing chronic homelessness. We have emphasized prevention in the FY 2005 budget, providing for youth aging out of foster care, reentry of ex-offenders, and persons seeking substance abuse treatment.

We proposed the new \$70 million collaborative Samaritan Initiative based on the growing success of last year's \$35 million Collaborative Initiative in moving people from the streets to housing. Last year, HUD announced a record \$1.27 billion in 4000 awards to states, communities, non-profits, and faith-based agencies.

Other agencies like the Department of Veterans Affairs (VA), the Department of Health and Human Services, the Department of Labor, and the Social Security Administration are all focusing on combating homelessness. For

families, the problems are more straightforward – there is not enough available affordable housing. By increasing the amount of affordable housing, as I have proposed, including adequately funding Section 8 vouchers, we can address most of the rest of the problem.

example, the VA's major homeless-specific programs constitute the largest integrated network of homeless treatment and assistance services in the country. This is an effort that my Administration is dedicated to pursuing in a compassionate and coordinated manner.

## 8) Discrimination

According to the Census Bureau's Moving to America, Moving to Homeownership 1994 - 2002, the homeownership gap between whites and blacks has increased from 23% in 1940 to 27% today. As President, what actions would you take to eliminate housing discrimination and other civil rights violations?

### Kerry-Edwards

As President, I will increase HUD's support for non-profit fair housing groups that help monitor, enforce, and educate the public about the Fair Housing Act.

Another example of housing discrimination is predatory lending, which disproportionately affects minorities and the elderly. A study by the Center for Community Change shows that many middle and higher income black and Hispanic homeowners are steered into higher cost subprime loans. Other studies show that this occurs even when these borrowers could qualify for a prime loan.

I am deeply concerned about predatory lending because it

### Bush-Cheney

I set bold goals for homeownership, including my challenge to the Nation to create 5.5 million new minority homeowners by the end of the decade. And we have implemented housing and economic policies that are working. Since I launched this effort, there are more than 1.6 million new minority homeowners in this country. For the first time in history, more than 50 percent of minorities are homeowners.

There are several barriers to homeownership including coming up with the downpayment, navigating the home-buying process, and lack of affordable homes in some areas. We are working to address all these barriers. I signed the \$200 million American Dream

threatens to undermine our efforts to revitalize neighborhoods and expand homeownership opportunities. I have a plan that would allow legitimate subprime lending to occur, while protecting people from the abusive practices that strip hard-earned home equity. My plan would limit the financing of points and fees into the loan, prohibit most balloon payments, and reduce prepayment penalties. States must also have the right to enact stronger anti-predatory laws. We must improve consumer literacy and increase disclosures by lenders to make it easier for homeowners to stop predatory lenders.

Today, too many minority families still face barriers which keep them from living the American Dream of owning their own home. According to the most recent Census data, the gap between white and minority homeownership rates, while closing during the 1990s, has increased during the Bush Administration. These numbers are simply unacceptable. By raising incomes and encouraging homeownership for all Americans, we can close the homeownership gap.

Downpayment Act into law in December, 2003, and proposed the Zero-Downpayment Initiative. Combined these programs would help nearly 200,000 families a year overcome the hurdle of a high down payment.

I am committed to expanding affordable housing by 7 million units in 10 years through a Homeownership Tax Credit, regulatory reform, increased funding for self-help ownership programs, and by calling on the housing industry to do their part.

Often, low-income communities lack access to good information to help them make informed decisions regarding their housing options. Since 2001, I have doubled the funding for housing counseling for families to help take the uncertainty out of home buying for thousands of Americans, empowering them to avoid predatory lending, make more informed home purchases, and understand the lending process more clearly.

Source: <https://nlihc.org/>