

## Charity Advocacy Blocked In Bill Passed By House of Representative[s]

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The United States House of Representatives has approved a housing bill that includes an amendment that blocks advocacy work for organizations that access affordable housing funds.

Despite the nonprofit sector rallying in opposition, H.R.1461, the Federal Housing Finance Reform Act of 2005, passed in the U.S. House of Representatives by a recorded vote of 331-90, with the anti-advocacy language in the Affordable Housing Fund (AHF) amendment remaining intact.

A fiercely divided House voted 210-205 in favor of the AHF amendment, which had been tacked onto H.R.1461 last minute by financial services chairman Michael Oxley, R-Ohio.

As per the amendment, any nonprofit that carries on voter engagement activities, such as voter registration or get-out-the-vote efforts, is prohibited from applying for or receiving grants from the Affordable Housing Fund -- even if the efforts are non-partisan and even if the nonprofit pays for the activities using private funds.

"(The AHF amendment) is a gag order on nonprofits serving low-income families and is tantamount to voter suppression," said Nan Aron, president of the Alliance for Justice in Washington, D.C. "To force a nonprofit to choose between building affordable homes in low-income communities and encouraging voter participation among the people who live in those communities is absurd."

Rick Cohen, executive director, National Committee for Responsive Philanthropy (NCRP) in Washington, D.C., further contends that the amendment, which does not apply to for-profits, creates an un-level playing field for nonprofits and hinders many core functions of the sector.

"Nonprofits that do affordable housing not only do this where the private market is not operating -- which is why you have nonprofits in the first place -- but they're also doing affordable housing from a constituency-controlled, community-based perspective. It's building community," said Cohen. "And that's the last thing you want to sacrifice in a program dealing with poverty in American cities and rural areas."

So broad is the reach, said Cohen, "there are the provisions in the (AHF amendment) that are attacks on nonprofits being affiliated with other kinds of organizations that did even a modicum of advocacy and so forth." According to Cohen, affiliation meant not just creating a (c)(4), but having overlapping board members, participating in a joint funding project, or simply sharing office space.

Likewise, added Anna Oman, communications coordinator at OMB Watch, a nonprofit watchdog organization in Washington, D.C., "the affiliation language of the gag provision essentially would create guilt-by-association for nearly every nonprofit that would be seeking the (affordable housing) funds."

The original intent of the bill was to strengthen oversight of government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac and establish an Affordable Housing Fund that would require the GSEs to contribute 5 percent of their after-tax income to the AHF. This would provide low-income individuals with affordable housing, beginning with Hurricane Katrina victims. However, in what Cohen regards as a "stealth" move, Rep. Oxley tacked on last minute the AHF Manager's amendment with its anti-advocacy language. Neither spokespeople for Rep. Oxley nor Rep. Richard Baker, R-La., the bill's sponsors, returned telephone calls seeking comment.

As the bill moves to the joint House/Senate Conference Committee, along with the Senate version, S.190 (which does not have an Affordable Housing Fund provision), both Cohen and Oman have high hopes that H.R.1461 will pass with the AHF provision, but sans anti-advocacy language. "I hope that people in the Senate will get behind the idea that this is an inappropriate, if not unconstitutional, assault on core nonprofit rights and functions," said Cohen.

Added Aron, "The obstacles nonprofits would face to access this much-needed new fund (AHF) are unnecessary and potentially unconstitutional. The anti-advocacy provisions in this bill are a

clear attempt to destroy privately-funded, nonpartisan programs that encourage Americans to vote."

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