

## GOVERNMENT AFFAIRS

## AIA to Congress: reduce plight of homelessness



At Congressional hearing: Abell (left) meets Reps. Henry Gonzalez (D-TX) and Peter Hoagland (D-NE). (Christopher Cortright)

"The idea of widespread homelessness in America--of families and women and children sleeping in cars or huddled under bridges--should be unthinkable. Ten years ago it was. Today, homelessness is a reality for every major community in this country and many smaller ones as well." With these remarks, James Abell, AIA, Phoenix, challenged Congress to help reduce the ever-increasing plight of the homeless.

Testifying before the U.S. House Subcommittee on Housing and Community Development, Abell underscored the urgent need for permanent housing in this country. To emphasize the close relationship between homelessness and low-income housing, he cited gloomy statistics on homelessness, including soaring housing and rent prices, declining income among single-parent renter households, and 6 million households paying more than half their income for rent.

"Architects and housing go hand in hand," said Abell, whose firm

designed Casa Teresa, a Search for Shelter boardinghouse for homeless women in Phoenix. "At the heart of the profession lies a commitment to benefit society by designing good places for people to live in attractive, wholesome environments."

Joint federal/private partnerships and supplemental funding of the Stewart McKinney Act were mentioned as partial solutions to "develop the permanent affordable housing options that can make the difference between a decent place to live and no fixed address for thousands of low-income Americans."

The complicated nature of the causes of homelessness was acknowledged at the recent Congressional hearing. But whatever the cause, expert witnesses agreed: the homeless situation is not going to improve without measures to house people, and the entire country will suffer the consequences until such efforts are made. Staff contact: Al Eisenberg, (202) 626-7384.

## AIA leads coalition to avert tax burden

The AIA is spearheading lobbying efforts of a broad-based coalition to thwart Congressional proposals that would impose additional, unwarranted tax burdens on many non-profit associations.

**The Unrelated Business Income Tax (UBIT) Coalition** has written key members of the House Ways and

Means Oversight Subcommittee forwards any UBIT proposals to the full committee.

The coalition, representing a broad range of associations, states in its letter: "In several important respects, we believe the proposals would have imposed burdensome tax obligations

## AIA opposes IR tax code change

The AIA is working with a coalition of professional, business, and trade associations to oppose tax code changes that penalize firms offering employee benefit plans. The group is lobbying Congress to delay implementing penalties in the law--Section 89 of the Internal Revenue Code--and eventually repeal the new provisions.

In the meantime, the government affairs department is responding to several inquiries relating to Section 89. This new provision, which covers employee benefit plans, could have a profound impact on design firms, as well as financial obligations to employers. Here's more about it:

Section 89 requires employers to determine if their employee benefits are divided fairly between highly paid employees and rank-and-file workers. The law, effective Jan. 1, calls for new paperwork and tightens federal antidiscrimination tests. (The law, however, redefines discrimination.) Under Section 89, offering benefits equally to all employees does not guarantee that you'll pass the IRS tests.

The tests measure how many employees actually participate in your plans. In other words, if lower- and mid-level workers choose not to sign up for a benefit, they could cause that plan to fail Section 89 tests.

Although you must administer the law, it is your highly compensated employees who pay the price if any

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