



Appropriations process continues. Facing several significant issues, including appropriations, the Senate reconvened on January 3 and the House returns January 8. The current continuing resolution funds the federal government through January 19, so before that date members of Congress must either agree on changes to Budget Control Act spending caps and set funding levels for the remainder of FY18, or pass another CR. Separately, in December the House passed H.R. 4667, providing \$81 billion in disaster relief, but the Senate has not yet considered the bill.

Final tax law preserves LIHTC, lowers mortgage interest deduction. The bill, signed into law on December 22, preserves the LIHTC and private activity bonds. By cutting the corporate tax rate, however, the measure is likely to reduce the investment value of tax credits to corporations. The law reduces the mortgage interest deduction, making it available on mortgages only up to \$750,000 rather than the previous \$1 million, but does not target the resulting federal revenue for housing purposes. Because it is expected to increase the federal deficit, the law is also expected to increase political pressure to cut federal spending in FY18.

RHS Chief of Staff becomes Acting Administrator. Curtis Anderson, recently named Chief of Staff for the Rural Housing Service, has also been designated the agency's Acting Administrator.

Court rules in favor of Small Area FMRs. On December 23 a federal judge granted a preliminary injunction against HUD's suspension of Small Area Fair Market Rent regulation (see HAC News, 12/14/17). Therefore, PHAs in 24 metro areas should have begun implementing the rule on January 1, 2018. Further court proceedings will determine whether HUD is permitted to suspend the rule permanently.

USDA RD offers Section 538 rental loan guarantees. Lenders may request guarantees of loans for new construction or acquisition with rehabilitation of affordable rural rental housing. USDA's notice is effective through December 31, 2021. For more information, contact an RD state office.

HUD withdraws proposed rule for Rural Housing Stability program. Citing Executive Orders on reducing regulations, HUD has withdrawn a proposed rule for this program, which would have addressed homelessness in rural areas. The proposal was published March 27, 2013 (see HAC News, 4/3/13), but never finalized. Rural counties would have been able to choose whether to apply for homelessness funding through the Continuum of Care process or through this program. Four other proposed rules have been cancelled as well, addressing floodplain management and construction standards, demolition or disposition of public housing, streamlining formation of PHA consortia, and physical needs assessments of public housing. The proposed rule that covered the rural program also included a revised definition of "chronically homeless," and HUD issued a final definition on December 4, 2015.

Fannie and Freddie set final Duty to Serve plans, FHFA issues evaluation guidance. The plans describe specific activities Fannie Mae and Freddie Mac will undertake from 2018 through 2020 to fulfill their Duty to Serve obligations in three underserved markets: rural, manufactured housing, and preservation. The Federal Housing Finance Agency has also published its final Evaluation Guidance for the Duty to Serve program, explaining how FHFA will evaluate and report on performance.

Interagency Task Force on Agriculture and Rural Prosperity submitted final report. According to a December 21 press release listing USDA's 2017 accomplishments, the task force, created by Executive Order in April 2017, "has submitted its final report to the White House with concrete recommendations for improving the economic situation across America's heartland." The report does not seem to be posted online.

Youth homelessness different in rural areas, says new study. Missed Opportunities: Youth Homelessness in America: National Estimates, published by Chapin Hall at the University of Chicago, reports that nationally, one in 10 young adults (age 18-25) and one in 30 adolescents (ages 13-17) experience some form of homelessness over the course of a year. Researchers found similar rates of homelessness among young adults and adolescents in rural, urban, and suburban counties. Homeless youth in rural counties were twice as likely to be staying with other people as were those in suburbs or cities. As a result, the report recommends that policymakers "tailor supports for rural youth experiencing homelessness to account for more limited service infrastructure over a larger terrain."

Three webinars offered on financing Farm Labor Housing with USDA Section 514/516 funding. Preparing the Pre-application is set for January 24 at 2:00 pm (EST). Final Application Processing and Closing will be February 7, followed by Construction and Lease-up on February 24. Registration is free. The webinars will also be archived online for later viewing. The sessions are sponsored by Tierra del Sol Housing and the Community Resources and Housing Development Corporation, and hosted by HAC. For more information, contact Shonterria Charleston, HAC, 404-892-4824.

NEED CAPITAL FOR YOUR AFFORDABLE HOUSING PROJECT?

HAC's loan funds provide low interest rate loans to support single- and multifamily affordable housing projects for low-income rural residents throughout the U.S. and territories. Capital is available for all types of affordable and mixed-income housing projects, including preservation, farmworker, senior, and veteran housing. HAC loan funds can be used for pre-development, site acquisition, site development, and construction/rehabilitation. Contact HAC's loan fund staff at hacloanfund@ruralhome.org, 202-842-8600.

Please note: HAC is not able to offer loans to individuals or families. Borrowers must be nonprofit or for-profit organizations or government entities (including tribes).

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