



Housing Assistance Council  
**HAC News**

### **Deal reached to reopen federal government.**

As HAC staff prepared to send this issue of the *HAC News* to subscribers, President Trump announced he had reached agreement with congressional leaders to reopen the government for three weeks. HAC will post updates on its [website](#) as information becomes available about the shutdown's aftermath.

***Note that the articles in this issue were written before the deal to reopen the government was announced.***

### **HAC calls for shutdown to end, citing severe impact on rural towns and families, suggests ways to help.**

"Every day," HAC's [statement](#) points out, "Americans are losing out on billions of dollars' worth of affordable housing, clean drinking water, and community facilities, like town halls, fire stations and hospitals." HAC has posted links to [news articles](#) covering rural housing impacts, and will keep updating the list. As the shutdown continues, HAC will be reaching out to stakeholders to help spread the word on the damage it is causing to communities across the country, pressure lawmakers to come to a resolution and share your own stories of hardship. Visit HAC's [website](#) to sign up for information and resources.

### **USDA working to resolve rental assistance shortfalls and inform landlords.**

USDA reports that all 521 Rental Assistance contracts that are expiring in January will be renewed. The Department acknowledges that there is no money left to renew further RA contracts, including the approximately 700 RA contracts expiring in February and 1,000 in March. USDA is considering short-term measures, such as allowing owners to use project reserves to cover costs, but has yet to finalize any plans or notify property owners. The need for such notification became clear when managers of USDA-financed properties in [Arkansas](#) and in [Arkansas, Louisiana, Missouri and Mississippi](#) sent notices to tenants telling them their RA was ending in January and they would be responsible for paying their full rent, then backpedaled when informed by USDA the RA [will be paid](#).

### **USDA rural housing programs remain closed.**

No new direct or guaranteed loans or grants have been made in over 30 days. When open and operating, USDA's Rural Housing Service obligates an average of 28,927\* transactions (loans, grants, assistance payments) per month. January 25 is the 35<sup>th</sup> day of the government shutdown. For more information on USDA's rural housing activity, visit HAC's [website](#).

*\* HAC estimate from monthly USDA obligation data.*

### **USDA Secretary reopens Farm Service Agency, leaves Rural Development closed.**

USDA Secretary Sonny Perdue has [ordered](#) 9,700 field staff in local Farm Service Agency offices across the country to return to work without pay, although not all FSA services are available. FSA has reopened programs such as the Tree Assistance Program and Marketing Assistance Loans.

### **Indian Country substantially impacted by shutdown.**

Calculating a dollar amount is not possible, [reports](#) the Center for Indian Country Development, but the effect is "substantial and unique" because government employment is disproportionately high in Indian Country, tribal staff such as those who plow reservation roads are furloughed, and education funds may be cut. Because of the unique relationship between the U.S. and tribes, tribal services are often closely tied to federal funding.

### **Shutdown delays Puerto Rico disaster funds.**

In response to Hurricane Maria, which tore through Puerto Rico in 2017, Congress appropriated \$20 billion in CDBG disaster relief funding. Only \$1.5 billion of that money was [approved](#) before the shutdown, and HUD [will not disburse it until the shutdown ends](#). HUD approval of disaster spending plans or amendments from California, Florida, Georgia, Missouri and the U.S. Virgin Islands is [also on hold](#). Even before this delay, an [analysis](#) by scholars from the University of Michigan and University of Utah found the federal response in funding and staff was larger and faster after Hurricanes Harvey and Irma in Texas and Florida than after Hurricane Maria in Puerto Rico.

### **Legal impacts of shutdown on HUD and USDA tenants summarized.**

A [memo](#) from the National Housing Law Project explains the rights of federally assisted tenants during the government shutdown.

### **Tribal housing survey finds focus on HUD, new units and rehab.**

HUD is the primary source of housing development funding for tribes, according to [results](#) of a 2018 survey of Tribally Designated Housing Entities by the National American Indian Housing Council and the Center for Indian Country Development. Respondents expressed interest in other financing sources as well, including Low Income Housing Tax Credits and USDA RD housing programs. Although the low response means this survey may not represent Indian Country overall, a large majority of respondents were developing new rental and homeownership units, and all were maintaining and rehabilitating existing units.

### **Unsheltered homelessness increasing.**

In [its annual homeless assessment report to congress](#), HUD states homelessness has increased for the second year in a row. Rural Continuums of Care had the highest rates of unsheltered homeless persons (40%). Homeless individuals in largely rural areas were more likely to be women than those in other areas. Predominantly rural areas also had the highest rates of unsheltered homelessness among people in families with children.

### **New infographic explains rapid re-housing.**

The National Alliance to End Homelessness has released an [infographic](#) based on data from the Urban Institute explaining what rapid re-housing is – an approach that ends people’s homelessness quickly by helping them to find and move into a home in their community, then to address other challenges – as well as who it helps and what effect it has.

### **Federal Reserve examines link between millennial migration and student loan debt.**

[“Rural Brain Drain”: Examining Millennial Migration Patterns and Student Loan Debt](#), an analysis by the Federal Reserve Board Division of Consumer and Community Affairs, shows that student loan borrowers are more likely to leave rural areas than non-borrowers. The study notes this does not show that loan balances cause borrowers to leave. It analyzes credit outcomes, economic conditions and migration patterns of rural student loan borrowers. The writers recommend further study to create community development models that could address the outmigration issue.

### **Holistic Housing Podcast focuses on rural housing issues.**

HAC CEO David Lipsetz appeared on [“Rock on, Rural America”](#), the 18<sup>th</sup> episode of NACCED’s Holistic Housing Podcast, discussing HAC’s work in rural areas, the inspiration he gets from working with local

organizations across the country, why rural and urban America need not be at odds and how public policy could change to embrace more rural-focused development. Listen on [iTunes](#), [Stitcher](#), or [TuneIn](#).

### **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](mailto: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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