

Federal funding deal lifts spending caps, takes government through March 23.

On February 9 Congress adopted and the President signed a large budget deal. Along with monies to address opioid addiction and other issues, and numerous other provisions, it extends federal funding at FY17 levels until March 23. It provides \$89.3 billion in disaster funds for places impacted by hurricanes and wildfires in 2017, including \$18.7 million for direct loans to rehabilitate Section 515 properties. It lifts the spending caps imposed by the Budget Control Act of 2011, allowing higher appropriations levels for FY18 and FY19. Reportedly the Administration has now asked Congress for additional FY18 funding under the increased cap, including \$500 million for broadband through RUS and \$5 billion towards the Administration’s proposed \$50 billion rural infrastructure program, most of which would be distributed to state governments.

Administration releases FY19 budget proposal.

USDA RHS. For USDA’s rural housing programs, the budget looks much the same as last year’s proposal: all housing programs would be eliminated except the single-family and multifamily guarantee programs, Section 521 Rental Assistance, and Section 542 vouchers. Tenants would be required to pay at least \$50 per month rent unless they qualify for a hardship exemption. Unlike last year, the FY19 budget suggests combining RA and vouchers into a single line item. Program advocates have estimated that the voucher program needs \$25 million in FY18 and \$28 million in FY19, as more Section 515 units leave the portfolio every year and tenants become eligible for vouchers. Congress did not adopt most of the Administration’s funding proposals for these programs last year, and is unlikely to accept them this year. Information about HAC’s annual webinar on the budget, scheduled for February 20, is below.

USDA Rural Dev. Prog. (dollars in millions)	FY16 Approp.	FY17 Approp.	FY18 House Bill (H.R. 3268)^a	FY18 Senate Bill (S. 1603)^a	FY19 Admin. Budget Proposal
502 Single Fam. Direct	\$900	\$1,000	\$900	\$1,000	0
Self-Help setaside	5	5	5	5	0
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 VLI Repair Loans	26.3	26.3	24	26.3	0
504 VLI Repair Grants	28.7	28.7	b	28.7	0
515 Rental Hsg. Direct Lns.	28.4	35	28.4	35	0
514 Farm Labor Hsg. Lns.	23.9	23.9	15	23.8	0
516 Farm Labor Hsg. Grts.	8.3	8.3	6	8.3	0
521 Rental Assistance	1,390	1,405 ^b	1,345	1,345	1,331.4
523 Self-Help TA	27.5	30	25	30	0
533 Hsg. Prsrv. Grants	3.5	5	c	5	0
538 Rental Hsg. Guar.	150	230	230	230	250
Rental Prsrv. Demo. (MPR)	22	22	15	22	0
542 Rural Hsg. Vouchers	15	19.4	20	19.4	20
Rural Cmnty. Dev’t Init.	4	4	0	4	0

a. FY18 appropriation is not yet final.

b. Included \$40 million in advance funding for FY18, so total available in FY17 was \$1.365 billion and total available in FY18 would be \$1.385 billion.

c. Section 504 loans and other non-housing loans would have been rolled into a new Rural Economic Infrastructure Grant program.

HUD. The Administration’s HUD budget proposal would eliminate the HOME, CDBG, SHOP, and Housing Trust Fund programs. It would roll the Public Housing Capital Fund into the Public Housing Operating Fund and lower the dollars available. It would cut voucher programs, including eliminating VASH vouchers for military veterans, although it would retain Tribal VASH vouchers with a reduced funding level. Funding for homelessness programs would remain at FY17 levels, although the U.S. Interagency Council on Homelessness would be eliminated.

HUD Program (dollars in millions)	FY16 Approp.	FY17 Approp.	FY18 House Bill (H.R. 3353)^a	FY18 Senate Bill (S. 1655)^a	FY19 Admin. Budget Proposal
CDBG	\$3,000	\$3,000	\$2,900	3,000	0
HOME	950	950	850	950	0
Self-Help Homeownshp. (SHOP)	10	10	10	10	0
Veterans Home Rehab	5.7	4	0	4	4
Tenant-Based Rental Assistance	19,628	20,292	20,487	21,365	18,600 ^c
VASH setaside	60	40	577 ^b	40 ^b	0
Tribal VASH	0	7	7	5	4
Project-Based Rental Assntnce.	10,622	10,816	11,082	11,507	10,952
Public Hsg. Capital Fund	1,900	1,942	1,850	1,945	0
Public Hsg. Operating Fund	4,500	4,400	4,400	4,500	3,360 ^c
Choice Neighbrhd. Initiative	125	137.5	20	50	0
Native Amer. Hsg. Block Grant	650	654	654	655	600
Homeless Assistance Grants	2,250	2,383	2,383	2,456	2,383
Hsg. Opps. for Persons w/ AIDS	335	356	356	330	330
202 Hsg. for Elderly	432.7	502.4	573	573	563
811 Hsg. for Disabled	150.6	146.2	147	147	132
Fair Housing	65.3	65.3	65.3	65.3	62.3
Healthy Homes & Lead Haz. Cntl.	110	145	130	160	145
Housing Counseling	47	55	50	47	45

a. FY18 appropriation is not yet final.

b. The House bill specifies that its entire VASH appropriation is for renewals. The Senate bill would renew current VASH vouchers and provide \$40 million for new ones.

c. Estimates calculated by the [Center on Budget and Policy Priorities](#). The budget documents, which were developed before the February 9, 2018 budget agreement that raised spending caps, present lower figures for tenant-based vouchers and public housing operations, and a separate addendum based on the budget agreement adds funding to some of the budget's numbers.

Other programs. Most [CDFI Fund](#) programs, the [U.S. Interagency Council on Homelessness](#), the [Neighborhood Reinvestment Corporation](#), the [Low Income Home Energy Assistance Program](#), the [Weatherization Assistance Program](#), and the [Delta Regional Authority](#) would be eliminated under the Administration's FY19 budget. The [Appalachian Regional Commission](#) would be funded at \$152 million, the same as its FY17 level.

Administration proposes Rural Infrastructure Program.

On February 12, the same day as its budget release, the Administration issued a [proposal](#) for infrastructure development and improvement, including \$50 billion for a Rural Infrastructure Program, defining "rural" as "areas with populations of less than 50,000." It would fund transportation, broadband, water and waste, power and electric, and water resources. Eighty percent of the funds would be distributed to states by formula, to be allocated to individual projects. The remaining 20% would be for "rural performance grants" to states. Unspecified portions of the \$50 billion would be set aside for tribes and territories.

HUD offers Youth Homeless Demonstration Program, includes rural setaside.

The [YHDP](#) will support up to 11 communities, at least five of them rural, in developing and implementing coordinated community approaches to preventing and ending youth homelessness. Applications must be submitted by CoC Collaborative Applicants and are due April 17. Selected communities will then prepare coordinated community plans and apply for project funding. For more information, contact [Caroline Crouse](#), HUD.

CFPB seeks comment on reducing burden of its enforcement.

While the Administration's [budget](#) proposes restructuring the Consumer Financial Protection Bureau and limit its funding, and a new [five-year plan](#) for the bureau states its mission more narrowly than its past plan did, the agency has also [requested public comment](#) on its efforts. It asks how best to achieve meaningful burden reduction or other improvement to the processes it uses to enforce federal consumer financial law, while continuing to meet its statutory objectives and ensuring a fair and transparent process for parties subject to enforcement authority. [Comments](#) are due April 13. For more information, contact Mark Samburg, CFPB, 202-435-9710.

Allocations, waivers, and more published for CDBG-DR grantees.

A HUD notice allocates \$3.79 billion from the September disaster appropriations act for recovery from 2017 disasters, and explains how recipients must use the funds. For more information, contact Jessie Handforth Kome, HUD, 202-708-8339.

FHFA issues housing goals for Fannie Mae and Freddie Mac.

These goals (not the same as the Duty to Serve requirements) apply to 2018-2020 and include separate categories for single-family and multifamily mortgages on housing that is affordable to low-income and very low-income families, among other categories. For more information, contact Ted Wartell, FHFA, 202-649-3157.

Perdue testifies on rural economy.

On February 6, USDA Secretary Sonny Perdue was the only witness at a House Agriculture Committee hearing on the rural economy, as the committee begins work on this year's Farm Bill. Perdue also presented the committee with a document listing 2018 Farm Bill & Legislative Principles recently developed by USDA.

Glendenning to head RHS single-family programs.

Roger Glendenning, a long-time employee at USDA Rural Development, has been named Deputy Administrator of Single-Family Housing.

Scorecard links poverty to policy, not poor choices.

Prosperity Now's annual Scorecard data compilation and its report Whose Bad Choices? How Policy Precludes Prosperity and What We Can Do About It include figures related to work, savings, debt, and health care costs and point out that economic growth is not translating into widely shared prosperity. Policy decisions on all levels of government are responsible, the report concludes. An interactive map allows users to view data by location or issue area.

Final Farm Labor Housing webinar set for February 21.

The third webinar in a series about financing farmworker housing using the Section 514/516 program, Construction and Lease-up, will be held February 21. Registration is free. The first two sessions, Preparing the Pre-application and Final Application Processing and Closing, are now archived online. 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 Kelly Cooney, HAC, 404-892-4824.

Budget, Infrastructure, Spending Caps, and More: An Update on Federal Rural Housing Funding offered on Feb. 20.

How do the FY19 budget, the infrastructure proposal, spending caps for FY18 and FY19, and appropriations for FY18 all fit together? What does the rural broadband proposal really mean? What about USDA reorganization? Join HAC's rural housing experts for a webinar reviewing the current situation and an explanation of the next steps, Tuesday, February 20, 1:30-2:30 pm Eastern.

Housing Assistance Council

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