



**Administration's budget offers small changes for USDA, focus on family homelessness for HUD.** The Obama Administration's final budget request, released February 9, would keep funding at current levels for USDA homeownership programs, except for Section 523 self-help technical assistance. Funds for Section 521 Rental Assistance and Section 542 vouchers would be increased to aid tenants in properties whose Section 515 mortgages are due to mature. More details are posted on HAC's website.

USDA Rural Dev. Prog. (dollars in millions)	FY14 Approp.	FY15 Approp.	FY16 Budget Proposal	FY16 Approp.	FY17 Budget Proposal
502 Single Fam. Direct Self-Help setaside	\$900 5	\$900 5	\$900 0	\$900 5	\$900 0
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 VLI Repair Loans	26.3	26.3	26.3	26.3	26.3
504 VLI Repair Grants	28.7	28.7	26	28.7	28.7
515 Rental Hsg. Direct Lns.	28.4	28.4	42.3	28.4	33.1
514 Farm Labor Hsg. Lns.	23.9	23.6	23.9	23.9	23.9
516 Farm Labor Hsg. Grts.	8.3	8.3	8.3	8.3	8.3
521 Rental Assistance	1,110	1,089	1,172	1,390	1,405
523 Self-Help TA	25	27.5	10	27.5	18.5
533 Hsg. Prsrv. Grants	3.5	3.5	0	3.5	0
538 Rental Hsg. Guar.	150	150	200	150	230
Rental Prsrv. Demo. (MPR)	20	17	19	22	19.4
542 Rural Hsg. Vouchers	12.6	7	15	15	18
Rural Cmnty. Dev't Init.	6	4	4	4	4

HUD's budget would increase several programs' funding and offers some new initiatives, including added monies to address family homelessness. It would reduce funding for CDBG while raising the setaside for colonias on the U.S.-Mexico border from 10% to 15%. It would keep HOME at its FY16 funding level but eliminate the setaside for CHDOs, a statutory change that would need to be adopted by Congress. Like past budgets from this Administration, this one would turn SHOP into a \$10 million setaside within HOME. Additional information is on HAC's site.

HUD Program (dollars in millions)	FY14 Approp.	FY15 Approp.	FY16 Budget Proposal	FY16 Approp.	FY17 Budget Proposal
Cmty. Devel. Fund	3,100	3,066	2,880	3,060	2,880
CDBG	3,030	3,000	2,800	3,000	2,800
HOME	1,000	900	1,060	950	950
Self-Help Homeownshp. (SHOP)	10	10	10 <sup>a</sup>	10	10 <sup>a</sup>
Tenant-Based Rental Assistance	19,177.2	19,304	21,123	19,628	20,854
VASH setaside	75	75	b	60	7 <sup>d</sup>
Project-Based Rental Assntnce.	9,516.6	9,330	10,360	10,622	10,816
Public Hsg. Capital Fund	1,875	1,875	1,970	1,900	1,865
Public Hsg. Operating Fund	4,400	4,440	4,600	4,500	4,569
Choice Neighbrhd. Initiative	90	80	250	125	200
Native Amer. Hsg. Block Grant	650	650	660	650	700
Homeless Assistance Grants <sup>c</sup>	2,105	2,135	2,480	2,250	2,664
Hsg. Opps. for Persons w/ AIDS	330	330	332	335	335
202 Hsg. for Elderly	385.3	436	455	432.7	505
811 Hsg. for Disabled	126	135	177	150.6	154
Fair Housing	66	65.3	71	65.3	70
Healthy Homes & Lead Haz. Cntl.	110	110	120	110	110
Housing Counseling	45	47	60	47	47
Local Housing Policy Grants	-	-	300	-	300 <sup>e</sup>

- a.** The FY17 Administration budget, like past budget requests, proposes to make SHOP a setaside in HOME. Congress has consistently rejected that proposal. **b.** The FY16 budget would have made VASH vouchers for homeless veterans part of a new \$177.5 million account covering others as well. **c.** Includes the Rural Housing Stability Program, which is not yet operational. **d.** The FY17 budget proposes \$7 million for a tribal VASH setaside. **e.** Proposed as mandatory spending.

Action on FY17 funding now moves to Congress, where Budget Committee Chairs Rep. Tom Price (R-GA) and Sen. Mike Enzi (R-WY) declined to invite OMB Director Shaun Donovan to speak about the budget. When the

House Agriculture Appropriations Subcommittee heard budget testimony from USDA Secretary Tom Vilsack on February 11, both Committee Chair Hal Rogers (R-KY) and Subcommittee Chair Robert Aderholt (R-AL) mentioned rural housing favorably. The House and Senate appropriations subcommittees have not yet scheduled hearings on USDA RD's or HUD's budgets.

**Funds available for CDFIs and Native CDFIs.** The CDFI Program offers Financial Assistance and Technical Assistance awards to certified Community Development Financial Institutions and TA awards to emerging CDFIs. The Native American CDFI Assistance Program will make FA or TA awards to certified or emerging Native American CDFIs. Deadline is April 18 for both programs. Contact CDFI Fund staff, 202-653-0421.

**HUD has HOPE VI Main Street grants.** Local governments of communities with populations under 50,000 can apply by April 12 for FY16 or FY17 HOPE VI Main Street Program grants to replace unused commercial space with affordable housing. Contact Lawrence Gnessin, HUD.

**CDFI Fund proposes Capital Magnet Fund rule changes.** An interim rule makes updates, including revisions to some definitions and project level requirements to align better with Low Income Housing Tax Credits and HOME. Comments are due April 8. Contact Marcia Sigal, CDFI Fund. The deadline for CMF grant applications remains March 30 (see HAC News, 2/3/16).

**Final rule issued for Section 502 guarantee program.** USDA's changes in the interim final rule that was issued December 9, 2013, are intended to improve program management and reduce its risk of loss. Contact Lilian Lipton, RD, 202-720-1452.

**RD offers guidelines for refinancing Section 502 direct or guaranteed loans.** In some states, borrowers with direct or guaranteed loans are eligible for the Rural Refinance Pilot, which provides a streamlined process for refinancing into new Section 502 guaranteed loans. An Unnumbered Letter dated January 21, 2016 says a new final rule will be published soon, making the pilot permanent and available in all states. Contact a USDA RD office.

**Annual tenant data shows continued loss of USDA rentals.** The 2015 Multi-Family Housing Annual Fair Housing Occupancy Report reflects a loss during FY15 of 186 Section 515 properties and 19 Section 514/516 properties (a total decrease of 2,646 units), compared to an FY14 loss of 145 Section 515 and 45 Section 514/516 properties (1,645 units). The proportion of very-low income households declined very slightly, from 92.77% in 2014 to 92.25%. The proportion of elderly and disabled households in Section 515 properties increased slightly, from 61.65% in 2014 to 62.09% in 2015.

**Diane Yentel selected for NLIHC position.** Yentel, who has served most recently as Vice President of Public Policy and Government Affairs at Enterprise Community Partners, will become President and CEO of the National Low Income Housing Coalition in April when Sheila Crowley retires.

**“Community Reinvestment Act” HAC webinar upcoming.** This webinar, the first in a series of three, will provide an overview of the CRA and how it touches rural communities. To register click here. Contact Shonterria Charleston, HAC, 404-892-4824.

### Housing Assistance Council

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