



Housing Assistance Council
HAC News

Federal government funded through December 9. A continuing resolution, passed along with the full Military Construction/VA appropriations bill and emergency funding for the Zika virus, provides FY16 funding levels for federal programs and an 0.5% across-the-board cut. As expected (see HAC News, 9/8/16), it allows USDA to spend a disproportionate amount of Section 521 Rental Assistance funds early in the fiscal year in order to renew contracts when they expire. Congress is now in recess until November 14, after the election.

Temporary preference given to certified packaged 502 loans. USDA is temporarily classifying Section 502 direct applications submitted through the certified loan application packaging process as its fourth funding priority because funds are insufficient to serve all program-eligible applicants. This reclassification will remain in effect until further notice. The priority does not apply to certified packaging bodies working without an intermediary. Contact Tammy Repine, USDA, 360-753-7677.

USDA suggests above-code standards for single-family housing. In an Unnumbered Letter dated October 4, 2016, RD recommends – but does not require – that Section 502 and 504 homeowners, lenders, and others use building standards that exceed building codes. It provides information about standards that could be used for wind hazard resistance and water efficiency, and also discusses “location efficiency.” That refers to a home’s nearness to jobs, schools, and essential goods and services, impacting the greenhouse gas emissions generated by transportation. Contact a USDA RD state office.

Administration housing toolkit addresses local barriers. A Housing Development Toolkit issued by the White House focuses on ways states and localities can “promote healthy, responsive, affordable, high-opportunity housing markets.” It provides examples of “modern housing strategies” such as taxing vacant land or donating it to nonprofit developers, streamlining permitting processes and timelines, eliminating off-street parking requirements, allowing accessory dwelling units, employing inclusionary zoning, and using property tax abatements.

GAO recommends improvements for services in HUD Section 202 properties. To review how Section 202 properties connect residents to services and HUD’s related monitoring efforts, the Government Accountability Office researched the presence of service coordinators, how properties without coordinators connect residents with services, and HUD’s monitoring of Section 202 properties’ efforts to connect residents with supportive services. Elderly Housing: HUD Should Do More to Oversee Efforts to Link Residents to Services (GAO-16-758) recommends that HUD improve the accuracy of relevant data, develop written guidance on assessing compliance with supportive services requirements, and develop procedures for verifying and analyzing performance data.

RAD may not be reaching rural places well. HUD’s Rental Assistance Demonstration program, which began in 2012, allows PHAs to convert public housing units to project-based Section 8 contracts in order to attract additional financing. An interim report on RAD by HUD consultant Econometrica presents early results on subjects such as PHAs’ choices whether to participate and what external capital sources they used. Small PHAs had a low participation rate. Among the reasons given for not taking part were lower area rents and a perceived lack of investor interest in small towns and rural areas. Econometrica recommended HUD offer examples of successful use of RAD in rural places. A final report will be issued in three years, after RAD has been in effect long enough for its impacts to be studied.

Black-white wage gaps are larger today than in 1979. Research by the Economic Policy Institute found that the gaps grew during the early 1980s, shrank in the late 1990s – due in part to tighter labor markets and minimum wage increases – and have grown again since 2000. As of 2015, relative to the average hourly wages of white men with the same education, experience, metro status, and region of residence, black men make 22.0% less, and black women make 34.2% less. Black-White Wage Gaps Expand with Rising Wage Inequality notes the gaps have expanded most for college graduates, so education alone is not a solution. EPI attributes the increase to discrimination and the growth in income gaps in general, and suggests policy solutions. Another study on this topic was covered in the HAC News, 8/10/16.

Register by October 21 for the 2016 HAC Rural Housing Conference! Registration fees rise after October 21. The national conference will be held November 30-December 2 in Washington, DC with pre-conference activities on November 29. Information about registration, scholarships, exhibiting, and more is [now online](#).

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