



Housing Assistance Council  
**HAC News**

**FY16 funding bill increases Rental Assistance and HOME.** The omnibus appropriations bill, which is expected to become law, raises some of USDA's rental housing programs above the levels previously considered by House and Senate committees. Increases were possible because the 2015 Bipartisan Budget Act raised the spending cap for FY16 (see *HAC News*, 10/28/15); caps will be lower for FY17. Section 521 Rental Assistance, which did not have enough funding in FY15 (see *HAC News* 11/11/15), gets almost \$1.39 billion, \$75 million of which is set aside for renewing RA contracts that use up their funds before the end of their 12-month contract periods. USDA is required to provide quarterly reports on Rental Assistance use. Section 542 vouchers – for tenants in properties whose Section 515 loans have been prepaid – are allocated \$15 million. The MPR rental preservation program receives \$22 million.

USDA Rural Dev. Prog. (dollars in millions)	FY14 Approp.	FY15 Approp.	FY16 Budget Proposal	FY16 House Cmte. Bill (H.R. 3049)	FY16 Senate Cmte. Bill (S. 1800)	FY16 Omnibus Approps. Bill
502 Single Fam. Direct Self-Help setaside	\$900 5	\$900 5	\$900 0	\$900 5	\$900 5	\$900 5
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000	24,000
504 VLI Repair Loans	26.3	26.3	26.3	26.3	26.3	26.3
504 VLI Repair Grants	28.7	28.7	26	28.7	28.7	28.7
515 Rental Hsg. Direct Lns.	28.4	28.4	42.3	28.4	28.4	28.4
514 Farm Labor Hsg. Lns.	23.9	23.6	23.9	23.9	23.6	23.9
516 Farm Labor Hsg. Grts.	8.3	8.3	8.3	8.3	8.3	8.3
521 Rental Assistance <sup>b</sup>	1,110	1,089	1,172	1,167	1,167	1,390
523 Self-Help TA	25	27.5	10	27.5	27.5	27.5
533 Hsg. Prsrv. Grants	3.5	3.5	0	3.5	3.5	3.5
538 Rental Hsg. Guar.	150	150	200	150	200	150
Rental Prsrv. Demo. (MPR)	20	17	19	17	17	22
542 Rural Hsg. Vouchers	12.6	7	15	7	7	15
Rural Cmnty. Dev't Init.	6	4	4	4	4	4

Despite previously proposed cuts in the House and Senate funding bills, the omnibus raises HOME program funding above its FY15 level to \$950 million. CDBG remains at \$3 billion, and SHOP continues at \$10 million.

HUD Program (dollars in millions)	FY14 Approp.	FY15 Approp.	FY16 Budget Proposal	FY16 House Bill H.R. 2577	FY16 Sen. Apprs. Cmte. Bill (H.R. 2577)	FY16 Omnibus Approps. Bill
Cmty. Devel. Fund	3,100	3,066	2,880	3,060	2,900	3,060
CDBG	3,030	3,000	2,800	3,000	2,900	3,000
HOME	1,000	900	1,060	767	66	950
Self-Help Homeownshp. (SHOP)	10	10	10 <sup>a</sup>	10	10	10
Tenant-Based Rental Assistance	19,177.2	19,304	21,123	19,919	19,934	19,628
VASH setaside	75	75	b	-	75	60
Project-Based Rental Asstnce.	9,516.6	9,330	10,360	10,254	10,426	10,622
Public Hsg. Capital Fund	1,875	1,875	1,970	1,681	1,743	1,900
Public Hsg. Operating Fund	4,400	4,440	4,600	4,440	4,500	4,500
Choice Neighbrhd. Initiative	90	80	250	20	65	125
Native Amer. Hsg. Block Grant	650	650	660	650	650	650
Homeless Assistance Grants <sup>c</sup>	2,105	2,135	2,480	2,185	2,235	2,250
Hsg. Opps. for Persons w/ AIDS	330	330	332	332	330	335
202 Hsg. for Elderly	385.3	436	455	416.5	420	432.7
811 Hsg. for Disabled	126	135	177	152	137	150.6
Fair Housing	66	65.3	71	65.3	69.5	65.3
Healthy Homes & Lead Haz. Cntl.	110	110	120	75	110	110
Housing Counseling	45	47	60	47	47	47
Local Housing Policy Grants	-	-	300	-	-	-

a. The FY16 Administration budget, like past budget requests, would have made SHOP a setaside in HOME. Congress has consistently rejected that proposal. b. The 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.

**Tax extenders bill would make 9% LIHTC and EITC permanent.** Congressional leaders negotiated a tax bill that would make the 9% minimum Low Income Housing Tax Credit floor permanent and retroactive to January 1, 2015. It would extend the New Markets Tax Credit for five years at \$3.5 million per year. It also makes permanent the Earned Income Tax Credit and the Child Tax Credit. The House may vote on December 17, and the Senate after that.

**Highway law includes HUD housing provisions.** The Fixing America's Surface Transportation Act (H.R. 22), signed into law on December 4, included four housing measures that passed the House earlier in 2015. One lets public and assisted housing administrators verify income once every three years instead of annually for tenants with fixed incomes. One allows private nonprofits to administer permanent housing rental assistance provided through the Continuum of Care Program. Another permits owners (including nonprofits) of HUD multifamily housing to use property income. The fourth authorizes a HUD demonstration program for energy- and water-saving agreements.

**House committee approves housing bill.** On December 10, the House Committee on Financial Services approved H.R. 3700, the Housing Opportunity through Modernization Act of 2015. The bill makes some changes in HUD rental programs, including altering tenants' income calculations.

**FHFA proposes new duty to serve rule for Fannie and Freddie.** The Federal Housing Finance Agency regulation will implement a statutory requirement for Fannie Mae and Freddie Mac to serve the rural, manufactured housing, and affordable housing preservation markets. An FHFA webinar on December 22 will explain the rule and address questions submitted in advance. Comments will be due 90 days after publication in the Federal Register. Contact Jim Gray, FHFA, 202-649-3124. HAC will hold a webinar focusing on the rural component of the rule, probably in January, and will post its comments at ruralhome.org before the deadline. Contact Lance George, HAC, 202-842-8600.

**HUD final rule defines chronic homelessness.** The definition will be used in HUD's Continuum of Care Program and in jurisdictions' ConPlans. Contact Norm Suchar, HUD, 202-708-4300.

**FY16 Fair Market Rents set.** HUD's final FMRs took effect Dec. 11. Contact a local HUD program office.

**Comments on manufactured home code requested.** HUD invites the public to propose changes to update and revise its Manufactured Home Construction and Safety Standards. Comments are due March 31 and will be submitted to the Manufactured Housing Consensus Committee for review and consideration. Contact Pamela Beck Danner, HUD, 202-708-6423.

**Rental housing study finds growing demand.** America's Rental Housing: Expanding Options for Diverse and Growing Demand, by Harvard's Joint Center for Housing Studies, documents increases in households renting their homes, resulting in increased cost burdened rates at all income levels from 2001 to 2014. The lowest-income households far outnumber the rental units affordable to them.

=====

**KEEP YOUR HAC NEWS COMING – BY EMAIL!** Beginning in 2016, the print version of the *HAC News* will no longer be available. The *News* will still be published every two weeks, will still provide the same concise updates on issues important to rural housers, and will still be free. Back issues will continue to be available online at <http://www.ruralhome.org>. Sign up now to receive the *News* by email:

=====

### Housing Assistance Council

1025 Vermont Ave N.W., Ste 606, Washington, DC 20005

P: (202) 842-8600 | F: (202) 347-3441 | [www.ruralhome.org](http://www.ruralhome.org) | [hac@ruralhome.org](mailto:hac@ruralhome.org)

