NATIONAL LOW INCOME HOUSING COALITION

Memo TO Members

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HAPPY HOLIDAYS!

The staff of the National Low Income Housing Coalition is grateful for all our members who work to ensure the lowest income people in America have decent, accessible, and affordable homes and whose support is vital to our work. We wish you a peaceful and joyous holiday season.

Memo to Members will take a short break for the holidays. *Memo* will return on January 9, 2017.

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Take Action

NLIHC Accepting Nominations for the 2017 NLIHC Organizing Award

Submit your nominations for the 2017 NLIHC Annual Organizing Award. The Organizing Award recognizes outstanding achievement during 2016 in state, local and/or resident organizing activity that furthers NLIHC's mission of achieving socially just public policy to ensure people with the lowest incomes in the U.S. have affordable and decent homes. Special consideration will be given to nominations that incorporate tenant- or resident-centered organizing. The award will be presented at the NLIHC 2017 Housing Policy Forum, held April 2-4, 2017 at the Washington Court Hotel in Washington, DC.

Nominations for the award are due by 5:00 pm ET on Wednesday, February 1, 2017.

An Organizing Award Committee composed of NLIHC board members and previous award winners will determine this year's honoree. Two representatives of the honored organization will receive complimentary Forum registrations, hotel accommodations, and transportation to Washington, DC to accept the award.

To be eligible, nominated organizations must be current NLIHC members. Organizations may self-nominate. NLIHC board members and Award Committee members may not nominate an organization with which they are employed or affiliated.

Nominations should contain the following information:

- Name and contact information of the organization being nominated;
- Name and contact information of the individual or organization submitting the nomination (if different from above);
- Description of the organization's achievement in the area of state, local and/or resident organizing in 2016, and how that achievement has contributed to furthering NLIHC's mission (800-word maximum); and
- Supporting materials that describe the activity or impact, such as press clips or campaign materials (optional).

Please submit your nomination online using the form at http://www.nlihcforum.org/awards or send your nomination by email to jsaucedo@nlihc.org.

Contact James Saucedo at jsaucedo@nlihc.org with questions.

Deadline to Submit Affordable Housing Success Stories to Share with Congress Extended to January 6

January 6 is the new deadline for submitting affordable housing success stories for a national report on the broad, positive impacts of HUD and USDA affordable housing programs to share with Members of Congress. The report is being prepared by NLIHC and the Campaign for Housing and Community Development Funding (CHCDF).

Affordable housing advocates have our work cut out for us in the coming years. Threats to critical affordable housing programs that serve the poorest households are real and significant. President-elect Donald Trump has proposed cutting federal spending for everything but defense over the next ten years—a plan that could decimate affordable housing programs and increase housing poverty and homelessness. It is more important than ever for advocates to ensure the voices of those with the lowest incomes in our communities are heard.

NLIHC and CHCDF intend for the report to feature a wide range of success stories to demonstrate how these programs have helped low income families living in rural, suburban, and urban communities nationwide. The report is slated for publication in early 2017.

We encourage state and local organizations, as well as concerned individuals, to submit a success story to include in this publication. Please submit only one success story per organization.

It is important that we collect stories from across the country—especially if they are on our target list for the House and Senate. See the target list at: http://bit.ly/2fVEt9o

Submit a success story by January 6, 2017 at: http://bit.ly/2gzcrjR

United for Homes

NLIHC Relaunches United for Homes Campaign January 11

NLIHC is relaunching the United for Homes (UFH) campaign calling for a rebalancing of federal housing investments through mortgage interest deduction (MID) reform. NLIHC will host a webinar at 2 pm ET on January 11 for current UFH endorsers to preview a new website and an array of advocacy tools. An additional webinar will be scheduled in February for other affordable housing advocates who wish to learn more about the UFH campaign.

President-elect Trump and Republican Congressional leadership have indicated that tax reform will be one of the highest priorities in the 115th Congress. Comprehensive tax reform creates an opportunity for modest reforms to the MID, saving billions of dollars to be reinvested in affordable housing for millions of low income families without adding any additional costs to the federal government.

The federal government spends approximately $200 billion each year to help Americans buy and rent their homes. Three-quarters of those resources goes to subsidize higher income homeowners—most of whom would be stably housed without the government's help—through the MID and other homeownership tax breaks. Just one quarter is left to assist the poorest families with the greatest needs. Each year, we spend more to subsidize the homes of 7 million households with incomes of $200,000 than we do to the more than 55 million households with incomes of $50,000 or less, those far more likely to struggle to afford housing.
The MID is our nation's largest housing subsidy, but it is poorly targeted, primarily benefitting America's wealthiest families. According to the Congressional Budget Office, the nation's top 20% wealthiest households receive 75% of the benefits of the MID and the top 1% get 15% of the benefits. Four out of every 10 dollars spent on the MID benefit families earning more than $200,000 a year, and 8 out of every 10 dollars goes to families making more than $100,000. Three-fourths of all taxpayers - households who rent and approximately half of all homeowners, those who take the standard deduction on their taxes - do not benefit from the MID. Moreover, economists agree that the MID does little to promote homeownership: those who benefit from the MID would choose to buy a home whether or not they were receiving the tax benefit.

The UFH campaign calls for lowering the portion of a mortgage eligible for tax relief from $1 million to $500,000 and converting the deduction to a nonrefundable credit. These two changes would a) give tax relief to 15 million low and moderate income homeowners who do not currently benefit from the MID because they do not itemize on their tax returns and b) generate approximately $241 billion in savings over ten years to invest in affordable housing programs serving the lowest income families with the greatest needs. Just 6% of mortgages nationwide are over $500,000, and under the UFH proposals households with larger mortgages would continue to receive tax relief on the first $500,000 of their mortgages.

More than 2,300 organizations and elected officials have already endorsed the UFH campaign. The campaign relaunch will build on this strong support and garner many more endorsers from a broad array of constituents for this common sense rebalancing of federal housing expenditures. With tax reform on the near horizon and leaders like House Speaker Paul Ryan (R-WI) on record recognizing the logic of lowering the MID cap, NLIHC and the UFH campaign will work to ensure that any savings from MID reform be kept in the housing sector to benefit extremely low income households.

We urge all UFH endorsers to join the January 11 webinar and to help us promote this campaign broadly.

If you are a current UFH endorser, register for the webinar at: http://bit.ly/2hbONus

If you are not already a UFH endorser, please join the campaign at: http://nlihc.org/unitedforhomes/support

Budget

President-Elect Trump Nominates Rep. Mulvaney, Critic of Government Spending, to Head Office of Management and Budget

President-elect Donald Trump announced that he will nominate Representative Mick Mulvaney (R-SC) to serve as the director of the Office of Management and Budget (OMB). As a cofounder and leading member of the conservative Freedom Caucus, Mr. Mulvaney has voiced strong opposition to federal spending and has called for less government regulation.

The director of OMB is responsible for developing and executing the president's budget, as well as measuring the performance of federal agencies, policies and programs. OMB also has clearance authority for all federal regulations.

"Each day, families across our nation make disciplined choices about how to spend their hard earned money, and the federal government should exercise the same discretion that hardworking Americans do every day," said Mr. Mulvaney. "The Trump administration will restore budgetary and fiscal sanity back in Washington after eight years of an out-of-control, tax-and-spend financial agenda."

In Congress, Mr. Mulvaney has repeatedly rejected stopgap funding bills and has questioned the need to raise the federal debt ceiling to avoid default. He has even rejected his own party's proposed budget, saying that it included too much spending that would add to the federal deficit.

This past April, Mr. Mulvaney introduced a bill that would have suspended Fannie Mae and Freddie Mac's obligation to set aside funds for the national Housing Trust Fund (NHTF) and Capital Magnet Fund (CMF) until the government sponsored enterprises (GSEs) reached a certain level of capitalization.

FHFA

FHFA Announces Final Rule on Fannie and Freddie's Duty to Serve

The Federal Housing Finance Agency (FHFA) released on January 14 its final rule detailing Fannie Mae and Freddie Mac's "duty-to-serve" underserved markets as required by the "Housing and Economic Recovery Act of 2008." Under the rule, the government sponsored enterprises (GSEs or Enterprises) would be required to serve three specific underserved markets: manufactured housing, affordable housing preservation, and rural markets.

The rule requires the GSEs to submit three-year Underserved Market plans detailing the scope of activities and objectives they will pursue to increase liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for very low, low, and moderate income families who reside in the three underserved markets. FHFA will evaluate each plan and consider: development of loan products, use of more flexible underwriting guidelines and other innovative approaches, the extent of the GSE's outreach to qualified loan sellers and other market participants, the volume of loans purchased by the GSEs relative to available market opportunities, and the amount of investments in eligible projects. The plans will go into effect in January, 2018.

"With this final rule, which reflects extensive input from a wide variety of stakeholders, FHFA is fulfilling its statutory requirement to implement the Duty to Serve provisions in the Housing and Economic Recovery Act," said FHFA Director Mel Watt. "We look forward to working with Fannie Mae and Freddie Mac to help meet the critical housing needs for very low, low, and moderate income American families around the country in the manufactured housing, affordable housing preservation, and rural housing markets. As we do so, we of course will evaluate each Enterprise proposal to ensure that it will not compromise safety and soundness."

NLIHC submitted comments responding to the proposed rule and made several recommendations to strengthen and improve the rule, some of which were adopted by FHFA. Those include allowing the GSEs to receive duty to serve (DTS) credit for supporting new construction that preserves subsidies of existing affordable rental housing units and broadening the definition of "areas of concentrated poverty" to also include racially and ethnically concentrated areas of poverty, bettering underscoring the fair housing obligations of the GSEs. FHFA also adopted recommendations made by our partners, the Housing Assistance Council and the National Manufactured Home Owners Association, which NLIHC endorsed regarding the GSEs' duty to serve the rural and manufactured housing markets.

Under the rule, the GSEs may receive DTS credit for an eligible activity where the property underlying the GSE mortgage purchase received national Housing Trust Fund (HTF) or Capital Magnet Fund (CMF) funding from a source other than the GSE. It is important to note that, while the GSEs provide funding for the HTF and CMF, there are no instances where they use allocations to these two accounts to fund their own mortgage purchases.

The final rule will allow the GSEs to reenter the low income housing tax credit (LIHTC) investment market, but only in rural areas. NLIHC had recommended that FHFA not allow the GSEs to reenter that market unless market conditions changed in a way that necessitated their participation.

FHFA has launched a new, dedicated webpage (www.FHFA.gov/DTS) to post updates related to the DTS program and to collect feedback from stakeholders on DTS implementation.

FHFA and the GSE will hold public listening sessions to hear input from stakeholders on the GSEs' Underserved Market plans. Information on how to register for these sessions will be available at www.FHFA.gov/DTS after December 19, 2016.

The Duty to Serve final rule becomes effective 30 days after publication in the Federal Register.

Read the final rule at: http://bit.ly/2hy4Rcs

Read NLIHC's comments at: http://bit.ly/1pQoyg9

Treasury

IRS Issues Two Documents Regarding LIHTC and Fair Housing

The Internal Revenue Service (IRS) issued Revenue Ruling 2016-29 stating that the IRS Code does not require or encourage state agencies allocating Low Income Housing Tax Credits (LIHTCs) to reject proposals that do not obtain the approval of the locality where a project is proposed to be developed. The IRS also issued Notice 2016-77 stating that LIHTC Qualified Allocation Plans (QAPs) may only give preference to projects in Qualified Census Tracts (QCTs) if there is a "concerted community revitalization plan" containing more components than just the LIHTC project.

Revenue Ruling 2016-29 notes that the IRS Code requires state agencies that allocate tax credits to distribute them according to their QAP, which must contain certain preferences and selection criteria specified in the Code. The Code also requires agencies to notify the chief executive officer of the local jurisdiction where a proposed LIHTC-assisted property is to be located and to provide that individual with a reasonable opportunity to comment on the project.

The Revenue Ruling presents a hypothetical situation in which a QAP requires an agency to reject a LIHTC application if a proposed project does not secure local approval. The Revenue Ruling observes that securing local approval is much more likely if a proposed LIHTC project is to be located in an area with a greater proportion of minority residents and fewer economic opportunities than in higher-opportunity, non-minority areas.

The IRS states that providing the chief executive officer of a locality a reasonable opportunity to comment on a proposed LIHTC project is not the same as requiring the jurisdiction's approval. The Revenue Ruling states that the Code does not require or encourage LIHTC allocating agencies to bestow veto power over LIHTC projects either to local communities or to local public officials.

In the hypothetical example, the IRS points out that because the LIHTC allocating agency requires (or in other hypothetical situations gives preference to) projects to secure local approval, a pattern is created that allocates tax credits to projects in predominantly lower-income or minority areas, perpetuating residential and economic segregation. This practice, "therefore, has a discriminatory effect based on race," which is a protected class under the Fair Housing Act of 1968. The Revenue Ruling refers to HUD's new final regulations regarding the obligation to affirmatively further fair housing (AFFH) under the Fair Housing Act and declares, "AFFH was firmly established federal housing policy when Section 42 (the section of the IRS Code authorizing the LIHTC program) was enacted, and there is no suggestion that Congress intended Section 42 to diverge from that policy." Therefore, the section of the Code that requires allocating agencies to notify local officials and offer them an opportunity to comment "does not require or even encourage conduct inconsistent with that policy [to affirmatively further fair housing]."

Notice 2016-77 reminds taxpayers that the Code's provision requiring QAPs to contain three preferences, one of which is for LIHTC projects located in Qualified Census Tracts (QCTs), also requires a LIHTC-assisted property to contribute to a "concerted community revitalization plan." A QCT is a census tract with a poverty rate of 25% or in which 50% of the households have incomes less than 60% of the area median income (AMI). The other two preferences are for LIHTC projects serving residents with the lowest incomes and for those serving income-eligible residents for the longest period of time.

Notice 2016-77 observes that in some cases LIHTC allocating agencies have given preference to projects located in QCTs without regard to whether the projects contribute to a concerted community revitalization plan. In other cases, because developing new multifamily housing benefits a neighborhood, a LIHTC project without other types of community improvements has been treated as if it alone constituted a concerted community revitalization plan. The IRS states that placing LIHTC projects in QCTs risks exacerbating concentrations of poverty. Therefore, the Code grants a preference to QCT placements only when there is an added benefit to the neighborhood in the form of the project's contribution to a concerted community revitalization plan.

Notice 2016-77 notes that the U.S. Department of the Treasury and the IRS have not issued guidance defining the term "concerted community revitalization plan," but states that the QCT preference fails to apply unless a concerted revitalization plan with more components than the LIHTC project itself is in place before the allocation of the tax credits.

Treasury and IRS indicate that they are considering providing guidance and therefore request public comment by February 10, 2017.

The Revenue Ruling 2016-29 is at: [Revenue Ruling 2016-29]

Notice 2016-77 is at: [Notice 2016-77]

More information about LIHTC is on pages [5-29] and [7-34] of NLIHC's *2016 Advocates' Guide*.

HUD

NLIHC's Top 10 Questions for Dr. Carson

President-elect Donald Trump has nominated Dr. Ben Carson to serve as the HUD secretary. Given HUD's critical role as part of the federal safety net for some of America's most vulnerable households, NLIHC encourages U.S. senators to ask Dr. Carson during the confirmation process about his qualifications, knowledge of federal housing programs and their role in addressing the growing affordable housing crisis and alleviating poverty, and his priorities, if confirmed.

In a recent press statement, NLIHC President and CEO Diane Yentel noted that Dr. Carson's appointment was "surprising and concerning given his lack of experience with or knowledge of the programs that he would oversee." Dr. Carson spoke very little about housing issues on the campaign trail, other than to wrongly criticize HUD's fair housing efforts as a "mandated social-engineering scheme."

Dr. Carson's responses to these questions will help illuminate his position on affordable housing issues and give Congress more insight into the direction he hopes to take the agency.

NLIHC's Top 10 Questions for Dr. Carson is at: http://bit.ly/2hFAdKK

NLIHC President and CEO Diane Yentel's statement on Dr. Carson is at: http://bit.ly/2fGHXM3

HOME Interim Rule Changes 24-Month Commitment Requirement

HUD published an interim rule changing the method for determining participating jurisdictions' (PJs') compliance with the HOME Investment Partnerships program (HOME) statute's requirement that funds be committed within 24 months. Beginning with FY15 HOME grants, HUD will use a grant-specific method for determining compliance.

The statute creating HOME, the "Cranston-Gonzalez National Affordable Housing Act of 1990" (NAHA), requires PJs to place HOME funds under a binding commitment - by executing a grant agreement - within 24 months after the last day of the month in which HUD made the funds available. NAHA further states that a PJ loses the right to draw funds not placed under binding commitment by that date and that HUD must reduce the PJ's line of credit by the expiring amount.

Since 1997, HOME regulations used a cumulative method for determining compliance with the 24-month commitment requirement because HUD's Integrated Disbursement and Information System (IDIS) committed and disbursed funds on a first-in, first-out basis. PJs did not have the ability to designate funds from a specific allocation when committing HOME funds to a project. The cumulative approach assessed whether the total amount committed by the PJ from all HOME grants received was equal to or greater than the PJ's cumulative commitment requirement for all grants obligated for 24 months or longer.

The interim rule states that beginning with FY15 HOME grants, HUD will use a grant-specific method for determining compliance with the 24-month commitment deadline. That is, a PJ will select the grant year's funds that will be committed to a specific project or activity. When a PJ requests a draw of grant funds, HUD will disburse the funds committed to the project or activity for which the funds are requested.

The interim rule establishes a new commitment deadline for states. HOME funds committed to a state recipient or subrecipient must be committed to a specific local project within 36 months of HUD notifying a state that it has executed a grant agreement for a specific fiscal year allocation.

The interim rule affects community housing and development organizations (CHDOs) in two ways. First, HUD added language to the CHDO definition that reflects HUD's longstanding practice that considers CHDOs' operating expense funds, capacity building funds, and project-specific technical assistance and site control loans to be committed when a PJ executes a legally binding agreement for the use of the funds.

The HOME statute has always required 15% of a PJ's HOME allocation to be set aside for housing owned, developed, or sponsored by CHDOs. In the past, PJs could commit less than 15% to CHDOs in some years and more than 15% in other years, maintaining compliance by ensuring that 15% of cumulative HOME allocations were used for CHDO projects. With the interim rule, PJs will be required to commit a minimum of 15% of each year's allocation or HUD will recapture the funds.

For FY15 HOME funds and subsequent years, the interim rule eliminates the 5-year deadline for expending HOME and CHDO set-aside funds because appropriations act provisions render the 5-year deadline duplicative. Beginning with the FY02 HOME appropriation, PJs had three years to obligate funds, which then expired five years after the obligation period. In other words, the funds expired at the end of the eighth year, at which point they were recaptured by the Treasury. HUD's FY15 and FY16 appropriations extended the obligation period from three to four years. The funds still expire five years after the obligation period (i.e., at the end of the ninth year). HUD's 2013 amendments to the HOME regulations established a 4-year deadline for completing projects.

The interim rule is at: http://bit.ly/2hlKJrm

HUD's summary is at: http://bit.ly/2gsXQoZ

More information about HOME is on page 5-10 of NLIHC's 2026 *Advocates' Guide* at: http://bit.ly/2aXY3hF and on NLIHC's website at: http://nlihc.org/issues/other/HOME

HUD Posts 10 RAD Fact Sheets for Residents

HUD posted 10 fact sheets about the Rental Assistance Demonstration (RAD) for public housing residents. The topics of the fact sheets are:

- Fact Sheet #1: Rental Assistance Demonstration (RAD) Overview
- Fact Sheet #2: Steps in a RAD Conversion
- Fact Sheet #3: Rent
- Fact Sheet #4: Resident Involvement
- Fact Sheet #5: Resident Procedural Rights
- Fact Sheet #6: Resident Participation and Funding
- Fact Sheet #7: Family Self-Sufficiency (FSS) and Resident Opportunities and Self-Sufficiency (ROSS)
- Fact Sheet #8: Renewing Your Lease
- Fact Sheet #9: Choice Mobility
- Fact Sheet #10: The Difference Between Project-Based Vouchers and Project-Based Rental Assistance

The intent of RAD is to help preserve and improve low income housing by enabling public housing agencies (PHAs) and owners of private, HUD-assisted housing to leverage Section 8 rental assistance contracts to raise private debt and equity for capital improvements. RAD has two components. The fact sheets pertain only to the first component, which allows up to 185,000 units of public housing and Moderate Rehabilitation (Mod Rehab) program units to compete for permission to convert their existing federal assistance to project-based Housing Choice Vouchers (PBVs) or to Section 8 project-based rental assistance (PBRA) by September 30, 2018. HUD proposed limiting the Mod Rehab units converted under the component to 1,250 units. HUD has already given preliminary approval to convert 185,000 total units and retains a waiting list in case any projects with preliminary approval are canceled.

While these fact sheets are welcome, they arrive late in the process. PHAs have been applying for RAD conversions since July 2012 and the Congressional limit of 185,000 units was reached a year ago. Since the earliest days of this demonstration project, public housing residents and advocates have complained to HUD that PHAs, developers, and local HUD staff have not provided residents with adequate information. Residents have reported that they were offered only superficial information at the two required meetings, and that once RAD applications were given preliminary approval they were denied adequate information to know the status of the proposed conversions.

The new fact sheets, while helpful, do not adequately address some of the most important concerns residents have expressed and that the authorizing legislation intended to address in order to avoid the problems many residents experienced with the HOPE VI program of the late 1990s and early 2000s. HUD has indicated that it will welcome suggestions for improving the fact sheets. NLIHC and others will offer comments. Some preliminary observations are presented in this article. The issues residents have been most concerned about are inadequately presented, or not addressed at all. NLIHC will recommend that the top concerns be highlighted on a single fact sheet (for example, a new fact sheet #2) and then addressed again as appropriate in the subsequent fact sheets.

Residents of public housing that converts to PBVs or PBRA have a right to return to the revitalized development. Fact Sheet #1 does state that residents will not lose their housing assistance and have a right to return, but NLIHC believes this key feature warrants greater emphasis and repeating in subsequent fact sheets (which often repeat other features). RAD Notice PIH-2012-32 REV-2 (which in effect serves as RAD regulations) makes it clear in several places that residents cannot be displaced; this should be emphasized in the fact sheets.

Another important statutory feature of RAD is the prohibition against re-screening residents when they return to a revitalized RAD development. Under HOPE VI many residents were not able to return to revitalized communities because new, often petty, re-screening practices were implemented. Fact Sheet #8, “Renewing Your Lease,” does not clearly state that re-screening is prohibited. Instead, the fact sheet indicates that a resident’s “lease will continue to renew, unless there is good cause.” While the “good cause” provision is appropriate, the fact sheet expresses it in the apparent context of post-return to a converted property. Good cause is also appropriate if a household has seriously and repeatedly violated lease terms while awaiting return. However, residents should have a better and more complete understanding of the no-re-screening provision in the law and RAD Notice.

In order to ensure that RAD-converted properties remain available long into the future, the statute requires every 15- to 20-year Housing Assistance Payment (HAP) contract to be renewed, essentially permanently. Renewal of HAP contracts is mentioned on page 2 of Fact Sheet #10, but it is not made clear that renewals will continue to occur after the first renewal.

Residents who were part of the HUD-supported Resident Engagement Group, which negotiated for the most important resident protections in RAD, worked hard to ensure that public housing would not be “privatized,” completely taken over by private interests and unaccountable to the public. Private management firms operating HOPE VI projects were a source of many problems for public housing residents whose homes were converted under that program. There is no mention of the protections in the RAD statute designed to minimize the danger of privatization.

Fact Sheets #2 and #4 mention that RAD conversion is a “significant amendment” to the PHA Plan, which triggers involvement of the Resident Advisory Board (RAB) and outreach to and input from all residents and the general public at a public hearing. However, these fact sheets fail to address the fact that the RAD Notice triggers the significant amendment procedures when it is too late in the RAD conversion process. The significant amendment procedures can begin up to 5 months after HUD gives a project preliminary approval, by which time PHAs and developers have settled on development plans and have secured outside financing. Resident and public input at this late stage is not likely to have any impact.

Fact Sheet #6, “Resident Participation and Funding,” fails to inform residents that if their property converts to PBRA, the property can no longer be a part of the PHA Plan process and resident councils can no longer participate in a community-wide resident council. The fact sheet also inaccurately indicates current public housing resident participation features.

Fact Sheet #5, “Resident Procedural Rights,” discusses the resident grievance process available after RAD conversion but fails to indicate that these provisions are not as complete as under the public housing regulations. The RAD statute states that residents must not lose any protections that exist under the public housing statue.

Finally, the fact sheets fail to remind residents that the RAD statute requires “one-for-one” replacement, a key feature that HOPE VI did not have, resulting in a great loss of public housing units.

HUD’s RAD Fact Sheets are at: http://bit.ly/2hvdl14 and other HUD RAD information is at: http://bit.ly/2ht2w2C

More information about RAD is on page 4-13 of NLIHC’s *2016 Advocates’ Guide* at: http://bit.ly/22QZiEm

NLIHC provides a simple RAD outline at: http://bit.ly/1Yfa0E9

The National Housing Law Project (NHLP) has RAD information at: http://nhlp.org/RAD

NHLP and the American Federation of State, Country, and Municipal Employees (AFSCME) have RAD information at: http://www.rad-watch.org

HUD Videos Explain How to Use CDBG for Housing Activities

HUD has prepared six videos on using Community Development Block Grant (CDBG) funds for housing-related activities. The first video is a very brief introduction. The remaining five videos discuss: planning for the use of CDBG for housing, and considerations for leveraging CDBG with other resources; housing rehabilitation activities; homeowner activities; multifamily activities; and other activities that can be undertaken in connection with housing, as well as overarching considerations such as affirmatively furthering fair housing.

The videos offer an accessible introduction to the use of CDBG for housing-related activities. Advocates may wish to review them to be better prepared for urging their local and state governments to devote more CDBG for housing activities. Nationally, roughly 25% of CDBG is used annually for housing-related activities. In FY15, a typical year, the largest portion of CDBG devoted to housing was spent for single-family rehabilitation (12.6%). Other housing-related activities include: rehabilitation administration (3.3%), code enforcement (3.7%), multifamily housing (2.4%, up from 1.4% in FY14), and new construction (0.5%).

After viewing the videos, advocates serious about using CDBG for housing activities should consult the CDBG regulations (focusing on 24 CFR part 570.202, http://bit.ly/2gMBDW6) as well as:

- *Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities,* http://bit.ly/1LObR9a

- *Guide to National Objectives and Eligible Activities for State CDBG Programs,* http://bit.ly/2gDqybs
- *Basically CDBG for Entitlements,* http://bit.ly/1OWhXdR
- *Basically CDBG for States*, http://bit.ly/2hqHVsJ
- *Básicamente CDBG*, http://bit.ly/2hihOqo

The six videos are available at: http://bit.ly/2hxfP2q

For more about CDBG, see page 8-3 of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/2hxk7qu

HUD Revises Multifamily Handbook and Section 8 Renewal Guide

HUD's Office of Multifamily Housing has issued two revised chapters for Handbook 4350.1, the "Multifamily Asset Management and Project Servicing," Chapter 1.02 "Owner and Borrower Structures," and Chapter 5.01 "Enforcement of Mortgagor Requirements." HUD invites feedback by January, 18. In addition, Chapter 9 of the *Section 8 Renewal Policy Guide* has been substantially revised.

While Handbook 4350.1 is primarily for HUD Multifamily field staff who monitor owners and managing agents so that HUD-assisted projects are maintained in good physical and financial condition, the Handbook can be a useful reference for advocates as well. For instance, Chapter 5.01 reminds readers of statutory obligations such as compliance with: Use Agreements that contain rental use and/or affordability restrictions for some or all units in a project; REAC physical inspection requirements; and tenants' right to establish and operate a legitimate tenant organization, distribute leaflets under tenant doors and in common areas, post information on bulletin boards, and convene regular meetings in a manner fully independent of property management. Chapter 5.01 also explains HUD enforcement actions should an owner not comply with requirements, such as seeking financial penalties for owners that violate the tenant organizing provisions.

The Handbook is being revised to incorporate current housing Notices and policy updates, mortgagee letters, and regulatory and statutory directives. HUD plans to release more chapter revisions on the Multifamily Drafting Table as they become available, eventually publishing each as an individual stand-alone chapter or as units of interrelated material. Five other chapters were released in November (see *Memo*, 11/4).

HUD's Office of Multifamily Housing has also made substantial revisions to Chapter 9 of the *Section 8 Renewal Policy Guide*. This chapter provides guidance for creating rent comparability studies (RCSs) using a more market-based approach as part of the rent-setting mechanism under the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA). The guidance will apply to any RCS signed by an appraiser on or after March 1, 2017.

The two revised chapters of Handbook 4350.1 are at: http://bit.ly/2hwPIG6

Revised Chapter 9 of the *Section 8 Renewal Policy Guide* is at: http://bit.ly/2hw0n3f

VAWA Forms Issued by Office of Multifamily Housing

HUD's Office of Multifamily Housing Programs issued four model forms that owners and managing agents of HUD-assisted private housing must use to comply with the "Violence Against Women Act" (VAWA) final rule published in the *Federal Register* on November 16 (see *Memo*, 11/21). RHIIP Listserv Posting #373 explains that these are model forms that owners/agents may customize as long as they contain the same information and language contained in the model forms.

The forms are:

- VAWA Appendix A: Notice of Occupancy Rights Under the Violence Against Women Act, form HUD-5380, http://bit.ly/2gPjqr5
- VAWA Appendix B: Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, form HUD-5381, http://bit.ly/2gPl6kw
- VAWA Appendix C: Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation, form HUD-5382, http://bit.ly/2hp72Po
- VAWA Appendix D: Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, form HUD-5383, http://bit.ly/2hKoHBJ

The Notice of Occupancy Rights model has eight pages explaining that VAWA provides protections for tenants of HUD-assisted housing programs and for people applying for housing assistance who are victims of domestic violence, dating violence, sexual assault, or stalking. Applicants for assistance cannot be denied admission or assistance, and existing tenants cannot be denied assistance, be terminated, or be evicted because they are or have been victims. The Notice of Occupancy Rights also makes clear that if a person or an "affiliated individual" (such as a spouse, parent, sibling, etc.) is or has been victimized by a member of the household or a guest, the victim may not be denied rental assistance or occupancy solely on the basis of criminal activity directly related to that domestic violence. A housing provider may divide a lease in order to evict or terminate the assistance of someone who engaged in criminal activity directly related to domestic violence, while enabling the victim and others in the household to remain.

The model Emergency Transfer Plan explains that a victim of domestic violence, dating violence, sexual assault, or stalking may request an emergency transfer to another unit. Someone is eligible for an emergency transfer if they reasonably believe that there is a threat of imminent harm from further violence. Also, if a tenant is a victim of sexual assault, the tenant may be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period prior to a request for an emergency transfer.

RHIIP Listserv Posting #373 states that between December 16, 2016 when the new VAWA provisions take effect and December 15, 2017, owners/agents must give each household the Notice of Occupancy Rights and the Certification form during the annual recertification or lease renewal process. If there will be not recertification or lease renewal during this first year, an owner/agent must still provide households these two forms through some other means. Beginning December 16, 2017, owners/agents must provide the Notification of Occupancy Rights and the Certification forms to applicants when assistance is being denied or at the time the new household moves into the property.

Owners/agents must develop and implement an Emergency Transfer Plan by June 14, 2017, using the model form as a guide. Owners/agents may require tenants seeking an emergency transfer to provide a written Emergency Transfer Request. If owners/agents do so, they may use the model form.

Information about the housing needs of victims of domestic violence, sexual assault, dating violence, and stalking is on page 6-1 of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/2hKibuW

Resources Promote Homeless Preferences at HUD Multifamily Properties

HUD's Office of Multifamily Housing Programs (HUD Multifamily) has prepared a short video and two webinars to encourage property owners to adopt preferences for admitting homeless people in multifamily properties that receive HUD project-based subsidies.

HUD Multifamily issued Notice H 2013-21 in July 2013 that allowed owners of HUD-assisted private properties to voluntarily adopt admission preferences for homeless families (see *Memo*, 8/2/13). In the past, HUD Multifamily allowed only admission preferences explicitly listed in the regulations, which included single homeless individuals. With the Notice, HUD interpreted the rule to allow owners to adopt preferences for homeless families as well. Owners must submit a request for and obtain HUD Field Office approval for an admission preference not explicitly listed in the existing regulations.

To promote the use of homeless preferences, HUD Multifamily issued a memorandum on October 26 authorizing Regional Centers or Satellite Offices to approve both a special and an add-on management fee to cover eligible staff time expenses incurred by owners when establishing and managing a homeless preference (see *Memo*, 11/14).

The three new resources are:

- A five-minute video featuring owners and agents of HUD-assisted multifamily properties who have successfully adopted homeless preferences at their properties. They share the positive impact they have seen the preferences have for families and communities.
- A six-minute webinar describes the benefits of adopting homeless preferences and steps for adopting preferences. The webinar answers common questions about owner flexibility and the option for owners to partner with local service providers to support families and individuals transitioning from homelessness.
- A ten-minute webinar provides an overview of how homeless preferences work and explains the role of Continuums of Care and local service providers in recruiting property owners and in helping them to sustain homeless preferences. The webinar offers best practices for creating an effective referral and services package to pair with preferences.

These and other resources for assisting homeless people in HUD-assisted multifamily housing are at: http://bit.ly/2hGmIv7

Research

Harvard Joint Center for Housing Studies Projects Significant Growth in Older Households

The Joint Center for Housing Studies of Harvard University (JCHS) released *Projections & Implications for Housing a Growing Population: Older Households 2015-2035*. JCHS projects that the number of households headed by someone aged 65 and over will grow from 29.9 million in 2015 to 49.6 million by 2035, when they will account for one-third of all U.S. households.

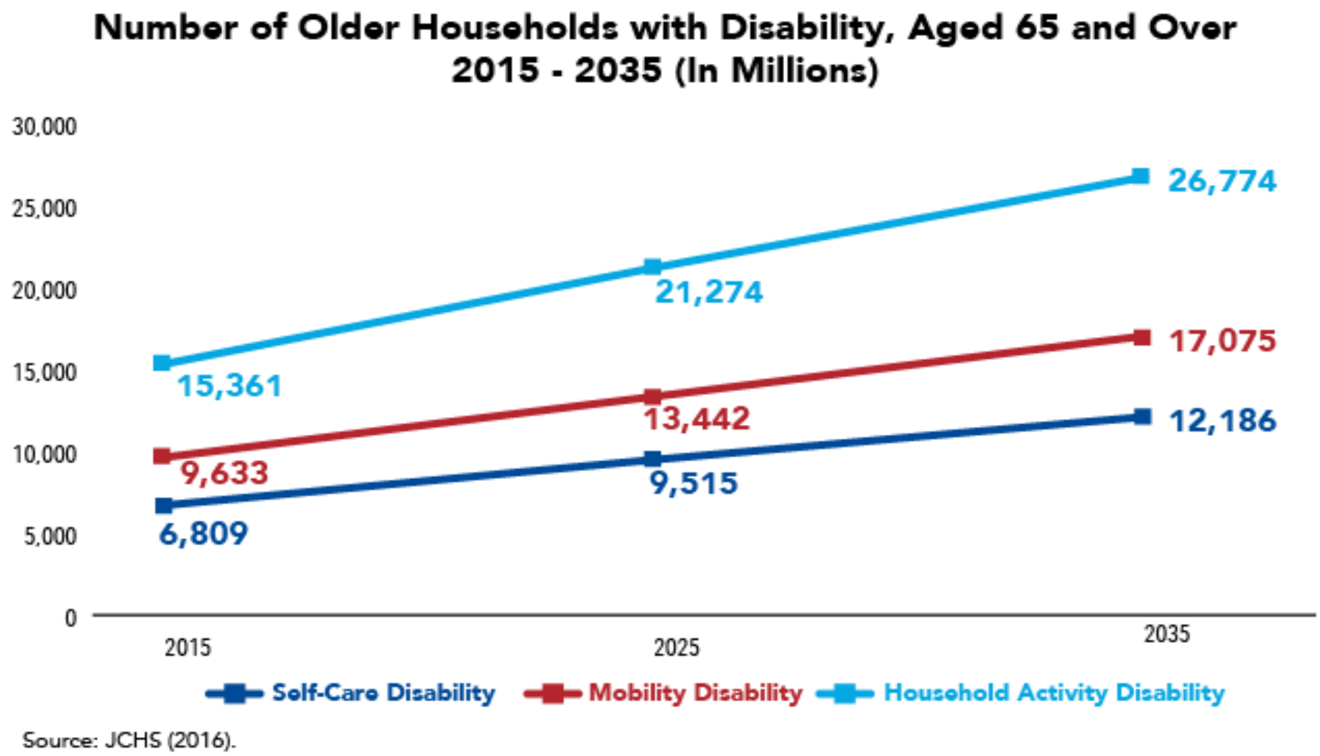
The number of older households with a disability will increase to 31.2 million by 2035, a 76% increase from 2015. Seventeen million will have a mobility impairment, defined as difficulty in walking, getting in and out of bed, or climbing a flight of stairs. Accessible housing with zero-step entrances, single-floor living, wide halls and doorways to accommodate a wheelchair, electrical outlets and switches reachable from a wheelchair, and lever-style faucets and door handles provide greater independence to people with a mobility impairment. Only one percent of the nation’s housing stock, however, currently has all five of these features. The report suggests significant opportunities for the private market to provide new accessible housing to meet future demand. The report also recommends the public sector provide incentives to help homeowners and landlords pay for home modifications.

The number of low income older households with incomes less than 80% of their area median income will increase from 15 million in 2015 to 27 million by 2035. The decline in defined benefit retirement plans will put downward pressure on incomes of future retirees. The report calls for the public sector to provide older households with assistance to address housing cost burdens. This assistance includes property tax relief and grants for the installation of higher-efficiency heating and cooling systems to reduce utility costs for homeowners and increased funding for housing subsidy programs like vouchers and project-based rental assistance for renters.

Projections & Implications for Housing a Growing Population: 2015-2035 is available at: http://bit.ly/2hAKego

Fact of the Week

Growth in Older Households with a Disability from 2015 to 2035



Source: Joint Center for Housing Studies of Harvard University. (2016.) *Projections & Implications for Housing a Growing Population: Older Households 2015-2035.* Cambridge, MA: Author.

From the Field

NY Advocates Call on Governor and Elected Officials to Release Supportive Housing Funding

The Supportive Housing Network of New York (the Network), a NLIHC state partner launched on November 21 as part of the Campaign 4 NY/NY Housing a new advocacy initiative to send 20,000 messages to Governor Andrew Cuomo and New York state legislators in Albany – one message for every supportive housing unit Mr. Cuomo committed to fund in his January 2016 State of the State address. During last spring's New York state legislative session, Mr. Cuomo and the state legislature agreed to appropriate $2 billion over five years to fund a statewide 100,000 unit affordable housing plan, which included funding for the first 6,000 units of Mr. Cuomo's 20,000 unit 15-year supportive housing commitment.

At the conclusion of the 2016 legislative session, the allocation of the $2 billion was delayed until Mr. Cuomo and leaders of the legislature could agree on the details of the housing plan to be outlined in a memorandum of understanding (MOU). Once Mr. Cuomo and the legislature agree on the terms of an MOU, the $2 billion appropriation will serve as a sorely needed source of funding to address the shortage of over 624,000 rental housing units affordable and available to New York State's extremely low income (ELI) households. Seventy-three percent of New York state's ELI renters experience a severe housing cost burden, paying more than 50% of their limited income on housing costs, leaving very little available to pay for food, education, transportation, healthcare, and other necessities. More than 88,000 New Yorkers are homeless on any given night, according to the latest data available from the HUD.

Advocates are urging Mr. Cuomo and the state legislature to agree on an MOU before the end of the year. “We need this now, to avoid losing momentum and having projects fall out of the development pipeline, which they will without a long term commitment” said Laura Mascuch, the Network’s executive director.

NLIHC supports this initiative and encourages New York advocates to sign on. Advocates can click here to add their name to the campaign letter.

For questions, contact Stephen Piasecki at the Network by emailing spiasecki@shnny.org.

Resources

Small Area Income and Poverty Estimates Released by U.S. Census Bureau

The U.S. Census Bureau released *Small Area Income and Poverty Estimates: 2015* on December 14. These data provide annual estimates of income and poverty for all U.S. counties and school districts. The Census Bureau provides an interactive map and other data access options for users.

From 2014 to 2015, 74% of the nation’s 3,141 counties (2,314) saw an increase in median household income, but only 14% (440) had an increase large enough to be statistically significant. In comparison to pre-recession income, the median household income in 2015 was not significantly different from 2007 for three-quarters of U.S. counties.

From 2014 to 2015, 66% of counties (2,061) saw a decrease in their poverty rate, but only 7.8% (244) experienced a decrease large enough to be statistically significant. Eighty percent of counties have poverty rates in 2015 that are not statistically different from 2007.

Highlights from *Small Area Income and Poverty Estimates: 2015* are available at: http://bit.ly/2hzDwnu

An interactive map of poverty rates and median income and other data access options are available at: http://bit.ly/2hQX322

U.S. Conference of Mayors and NAEH Release Hunger and Homelessness Report

The U.S. Conference of Mayors and the National Alliance to End Homelessness (NAEH) released their annual report on homelessness and hunger in 38 cities. Only nine of the cities had rates of unsheltered homelessness higher than the national average, but they accounted for approximately one out of every five unsheltered homeless persons in the country: Los Angeles, CA; Long Beach, CA; Pasadena, CA; San Francisco, CA; Portland, OR; and Gresham, OR; Honolulu, HI; San Antonio, TX; and Austin, TX.

Other key findings include:

- Individuals accounted for 59.5% of the homeless population in the 38 cities, compared to 64.5% nationally.
- Chronic homelessness accounted for 14.3% of homeless people in the 38 cities, compared to 13.9% nationally.

When city officials participating in the survey were asked what was needed most to address homelessness, they overwhelmingly indicated a need for more affordable housing and housing assistance.

With regard to hunger, requests for food assistance increased during the past year in 41% of the surveyed cities by an average of 2%. Seventy-one percent of cities reported an increase in requests from first-time clients. Mayors participating in the survey were asked to identify three main causes of hunger in their cities. Eighty-eight percent named low wages, 59% indicated high housing costs and poverty, 41% cited unemployment, and 23% identified medical or health costs.

The U.S. Conference of Mayors Hunger and Homelessness Survey is available at: http://bit.ly/2hpen1a

NLIHC News

Explore "Advancing Solutions in a Changing Landscape" at the NLIHC 2017 Housing Policy Forum, April 2-4

Policy-leaders and other experts from around the country will explore how to advance affordable housing solutions in the changing post-election landscape at the NLIHC 2017 Housing Policy Forum taking place in Washington, DC, April 2-4. The forum will provide attendees the opportunity to engage with leaders from Capitol Hill and the new Administration on the current state of affordable housing and emerging challenges and opportunities. These and other thought-leaders, policy experts, researchers, affordable housing advocates and practitioners, and low income residents will discuss the best strategies for meeting the housing needs of the lowest income households in America in the changing political environment.

Among the invited and/or confirmed speakers are:

- **Ben Carson, MD**, retired pediatric neurosurgeon, nominated by President-elect Trump to serve as Secretary of the Department of Housing and Urban Development (HUD) *(invited*)
- **Susan Popkins**, senior fellow and director of the Neighborhoods and Youth Development Initiative, Metropolitan Housing and Communities Policy Center, Urban Institute and author of the book *No Simple Solutions: Transforming Public Housing in Chicago*
- **Mark Calabria**, director of financial regulation studies, Cato Institute
- **Marybeth Shinn**, professor of human and organizational development, Vanderbilt University
- **Nan Roman**, president and CEO, National Alliance to End Homelessness
- **Dushaw Hockett**, executive director of Safe Places for the Advancement of Community and Equity
- **Shauna Sorrells**, director of legislative and public affairs, Housing Opportunities Commission of Montgomery County, MD
- **Virginia Sardone**, director, Office of Affordable Housing Programs, HUD
- **Ali Solis,** SVP Advocacy and Corporate Affairs, Enterprise Community Partners/Make Room
- **Aaron Gornstein**, president and CEO, Preservation of Affordable Housing
- **Jim Yates**, senior associate, Technical Assistance Collaborative

The Forum will also explore the lessons learned from the first year of implementation of the national Housing Trust Fund; the intersections between housing and health, education, criminal justice reform, and other areas; ideas for addressing the needs in public housing; the latest research on vouchers and homeless assistance programs; and ways to rebalance U.S. federal housing investments to end homelessness and housing poverty. The third day of the Forum will provide an opportunity for participants to visit their congressional delegations on Capitol Hill.

The 2017 Housing Leadership Award recipients will be honored on the evening of April 4. **J. Ronald Terwilliger**, chairman emeritus and former CEO of the Trammel Crow Residential Company, will receive the 2017 Edward W. Brooke Housing Leadership Award for his outstanding contributions to the cause of rebalancing federal affordable housing policy. The Brooke Award is named for the late Senator Edward W. Brooke (R-MA), who championed low income and fair housing while in Congress and later served as the chair of NLIHC's Board of Directors. The award is presented to individuals who advocate for affordable housing on the national level. Retired Preservation of Affordable Housing President and Founder **Amy Anthony** will be the recipient of the 2017 Cushing N. Dolbeare Lifetime Service Award. The Dolbeare Award is named after NLIHC's founder, considered the godmother of the affordable housing movement. NLIHC presents the Dolbeare Award to individuals for their lifetime of service to affordable housing.

The NLIHC 2017 Housing Policy Forum and Leadership Reception will take place at the Washington Court Hotel in Washington, DC. Up to three individuals from the same NLIHC member organization may attend the Forum. Register at: http://bit.ly/2dnJpnS

A limited number of shared-lodging hotel scholarships will be awarded on a first-come-first-served basis to low income residents who are current NLIHC members and who pay their own Forum registration fee ("self-pay participants"). To ensure a broad geographic distribution, no more than two scholarships will be awarded to participants from any one state (with the exception of New York, where a donor has provided funding for six). The scholarships provide residents attending the Forum up to three nights of shared hotel lodging on April 1, 2, and 3. Scholarship recipients must commit to attending all Forum sessions, including a special resident session on Sunday, April 2 and Lobby Day on Tuesday, April 4. To apply for a scholarship, contact James Saucedo at jsaucedo@nlihc.org. Questions? Call 202-662-1530 or email jsaucedo@nlihc.org.

NLIHC Accepting Nominations to Board of Directors

NLIHC is still accepting nominations to fill several upcoming vacancies on its board of directors. To be considered for board membership, one must be a current member of NLIHC and be affiliated with an organization that works on low income housing issues. NLIHC's Board consists of 6 low income persons (defined as individuals with incomes less than 50% of area median income), 6 representatives of allied national organizations, 6 representatives of state housing coalitions, and 6 unrestricted or at-large NLIHC members.

At least 90% of NLIHC board members must be people with low incomes or who are or have been engaged directly in working with low income people to meet their housing needs. In selecting board members, NLIHC strives to achieve broad diversity in terms of race, ethnicity, gender, and geography, including representatives from both urban and rural communities. We seek to have as many different states represented as possible.

Board members are elected for 3-year terms and can be nominated to serve up to three 3-year terms. Terms are staggered, so generally three to six positions become open each year. The board is self-perpetuating, meaning the existing board members elect new board members.

The board meets in person twice a year in Washington, DC, once in conjunction with our annual forum in the spring and again in November or December. The board also meets by conference call on the fourth Tuesday in July. Attendance at all board meetings is required, with exceptions for illness or emergencies. Generally, new board members are elected at the board meeting held in the spring.

NLIHC subsidizes travel expenses of low income board members. All others are expected to cover their own expenses, unless it would prevent an otherwise qualified person from serving on the board. In addition to paying membership dues, all board members are asked to make financial contributions to NLIHC at the level they are able. We strive for 100% board giving.

All board members serve on at least one standing committee of the board and all board members are members of the Policy Advisory Committee. Committees meet by conference call. All new board members must attend an in-person orientation in DC soon after their election.

The best way to be considered for board membership is to get involved in the activities of NLIHC, particularly by serving on the Policy Advisory Committee and attending NLIHC's annual forum. The Nominating

Committee will also review the level of a potential board member's involvement in his or her own community or state housing advocacy activities and accountability to a constituent base.

To be considered for an NLIHC board position, send a brief biographical description or resume and a statement of interest to NLIHC President and CEO Diane Yentel at dyentel@nlihc.org by COB January 31.

Support NLIHC While Shopping Amazon Smile!

The holidays are upon us! Support NLIHC by shopping for your holiday gifts on Amazon Smile.

Amazon Smile is a simple and automatic way for you to support NLIHC and our mission to ensure that the lowest income households in America have access to affordable and decent homes. When you shop through Amazon Smile, Amazon will donate a portion of the purchase price to NLIHC at no additional cost to you!

Click here to start supporting NLIHC's work while shopping: http://amzn.to/2ew9GOn

Thank you for your support and happy shopping!

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Dan Emmanuel, Research Analyst, x316
Ellen Errico, Creative Services Manager, x246
Ed Gramlich, Senior Advisor, x314
Stephanie Hall, Field Intern/MSW Practicum Fellow x230
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Paul Kealey, Chief Operating Officer, x232
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Youness Mou, Graphic Design Intern, x250
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