NATIONAL LOW INCOME HOUSING COALITION

Memo TO Members

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Let's Get to Work! Join UFH Webinar on January 11

Over 2,300 individuals, elected officials and organizations have endorsed the United for Homes (UFH) campaign to make modest reforms to the mortgage interest deduction (MID) to provide tax relief to more low and moderate income homeowners and to reinvest the savings into rental housing solutions to end homelessness and housing poverty. On Wednesday, January 11, NLIHC will relaunch the UFH campaign with a webinar at 2:00 pm ET for the campaign's current endorsers. This first webinar will include previews of new advocacy tools and research to help spread the message about reinvesting savings from tax reform into affordable housing programs that serve families with the greatest need. An additional webinar will be scheduled in February for all advocates of affordable housing who wish to learn more about the UFH campaign.

With comprehensive tax reform a top priority for the new administration and Congress, and with reforms to the MID being actively considered by key policymakers, we have a tremendous opportunity to increase rental housing resources for the lowest income households while also benefitting lower income homeowners—without any additional cost 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 over $200,000 than we do to help 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 highest income households. 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 lower income homeowners who do not currently benefit from the MID 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.

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 lower income households.

We urge all UFH endorsers to join the January 11 webinar and to help us promote this campaign broadly. Years of hard work by affordable housing advocates have led to this moment—let's seize this opportunity and ensure that we are all United for Homes!

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

If you are not sure if you are a UFH endorser, check the list of endorsers at: http://bit.ly/2hXD7O1

Join NDD United Letter Urging Congress to Lift Harmful Sequester Spending Caps

NDD United, a broad group of stakeholders interested in protecting federal nondefense discretionary (NDD) funding, is coordinating a sign-on letter urging Congress to end the harmful sequester caps, which return in full-force for the FY18 appropriations process. These spending caps will force lawmakers to make deep cuts to housing programs.

NLIHC represents housing, homeless, and community development organizations on the steering committee of NDD United. NLIHC encourages all housing, homeless, and community development advocates to join the letter and produce a strong showing from our sector.

The deadline to sign the letter is **January 27**. Please share the letter with your networks and encourage others to sign on.

Read the letter at: http://bit.ly/2gGQ63E

Sign onto the letter at: http://bit.ly/2gg1Tom

February 1 Deadline for Nominations for the 2017 NLIHC Organizing Award

Submit your nominations for the 2017 NLIHC Annual Organizing Award before 5 pm ET, Wednesday, February 1! 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 at the Washington Court Hotel in Washington, DC.

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.

NLIHC News

Dr. Ben Carson Invited to Address NLIHC 2017 Housing Policy Forum, April 2-4

NLIHC has a long tradition of hosting HUD secretaries of both political parties to speak and engage with affordable housing advocates and practitioners at its annual housing policy forum. NLIHC has invited HUD Secretary Nominee Dr. Ben Carson to speak at this year's forum, "Advancing Solutions in a Changing Landscape," to share his thoughts about America's affordable housing challenges, HUD's role in addressing them, and his priorities for the future. The Forum will take place in Washington, DC, April 2-4. Register today at: http://bit.ly/2dnJpnS!

This year's forum will feature a wide array of policy-leaders and other experts from around the country on strategies for achieving affordable housing solutions in the changing post-election landscape. 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.

Other confirmed speakers include:

- **Susan Popkin**, 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, 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,** CEO, Make Room
- **Aaron Gornstein**, president and CEO, Preservation of Affordable Housing
- **Shola Oyatoye**, chair and CEO, New York City Housing Authority
- **Jim Yates**, senior associate, Technical Assistance Collaborative
- **Michael Anderson**, housing trust fund project director, Center for Community Change
- **Martha Weatherspoon**, president, Lincoln Home Resident Council
- **Daisy Franklin,** vice president, Connecticut Publicly-Assisted Housing Resident Network

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.

Congress

115th Congress Begins 2017 Term with Flurry of Legislative Activity

Senators and representatives of the 115th Congress were sworn in last week, officially kicking off the new Congressional term. Along with control of the White House, Republicans have a majority of seats in the House (241-194) and Senate (52-48), giving the party a significant opportunity to enact its top policy priorities, including tax reform, repeal of the Affordable Care Act, and immigration reform. The new Congressional session began with a flurry of legislative activity.

As one of its first official acts, the House last week passed the "Midnight Rule Relief Act" by a vote of 238 to 184, largely along party lines. If enacted, the bill would amend the Congressional Review Act (CRA) to allow Congress to repeal any administrative rule finalized in the last 60 legislative days of the Obama administration en masse through a joint resolution of disapproval, which does not require the President's signature. This authority could allow Congress to repeal several recently finalized HUD rules issued after June 13, 2016, including those impacting economic mobility within the Continuum of Care program, expanding equal access based on gender identity to federal housing programs administered by the Office of Community Planning and Development, expanding equal access rules to Native American and Native Hawaiian programs, protecting victims of harassment in housing, implementing housing protections for survivors of domestic violence, and instituting smoke-free public housing, among others.

Republican lawmakers introduced a number of bills in the first few days of the new Congressional session that could impact federal funding for HUD and USDA affordable housing programs.

Several lawmakers, including Senator Richard Shelby (R-AL) and Representative Bob Goodlatte (R-VA), introduced multiple resolutions calling for an amendment to the U.S. Constitution that would require Congress to pass a balanced budget. Under these proposals, federal spending could exceed the amount of revenue collected by the U.S. government for the same fiscal year. But a balanced budget amendment (BBA) could limit the government's ability to stimulate the economy during a time of crisis and lead to severe cuts in vital affordable housing programs that would harshly affect seniors, children, people with disabilities, and veterans.

A BBA also raises several legal complications that could shift budgetary decision-making away from Congress to federal judges.

Representative Marsha Blackburn (R-TN) also introduced several bills that would implement an across-the-board cut to non-defense discretionary (NDD) spending for FY17 and FY18. H.R. 85 would cut NDD spending by 1%, in line with President-elect Donald Trump's "penny plan." H.R. 86 and H.R. 87 would cut NDD spending by 2% and 5% respectively. Any such reductions in NDD spending would result in deep cuts to critical housing programs that could cause thousands of households to lose access to stable housing, putting them at increased risk of homelessness.

Representative Lou Barletta (R-PA) introduced a bill that would punish communities that have immigrant "sanctuary" laws and policies in place by stripping them of all federal funding, including funds received from HUD and USDA for affordable housing. The "Mobilizing Against Sanctuary Cities Act" (H.R. 83) would undermine local efforts to ensure the safety and quality of life of the millions of people and families who rely on these programs for safe, decent, and accessible affordable housing.

Confirmation Hearing Scheduled for HUD Nominee Dr. Ben Carson

Dr. Ben Carson, President-elect Donald Trump's choice to lead HUD, will go before the Senate Banking Committee for his confirmation hearing on Thursday, January 12 at 10:00 am ET.

Little is known about Dr. Carson's perspective on housing issues beyond one article he wrote opposing the Obama administration's efforts to provide states and communities with data, tools, and guidance to meet their obligations to affirmatively further fair housing under the Fair Housing Act of 1968.

NLIHC encourages senators on the Banking Committee to use the confirmation hearing as an opportunity to ask Dr. Carson about his views on the role of government in addressing poverty, his commitment to enforcing fair housing laws, and his top priorities for HUD, if confirmed. A list of NLIHC's top 10 questions for Dr. Carson's confirmation hearing is available below.

NLIHC President and CEO Diane Yentel released a statement on President-elect Trump's appointment of Dr. Carson in November, noting that it was "surprising and concerning, given his lack of experience with or knowledge of the programs he would oversee."

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

See NLIHC President and CEO Diane Yentel's press statement at: http://bit.ly/2fGHXM3

Senate Announces Committee Assignments for 115th Congress

Senate leadership has released its full committee assignments for 2017. Subcommittee assignments in the Senate and full committee assignments in the House have not yet been released.

Members of the Senate Appropriations Committees include: Chairman Thad Cochran (R-MS), Ranking Member Patrick Leahy (D-VT), and Senators Mitch McConnell (R-KY), Richard Shelby (R-AL), Lamar Alexander (R-TN), Susan Collins (R-ME), Lisa Murkowski (R-AK), Lindsey Graham (R-SC), Roy Blunt (R-MO), Jerry Moran (R-KS), John Hoeven (R-ND), John Boozman (R-AR), Shelley Moore Capito (R-WV), James Lankford (R-OK), Steve Daines (R-MT), John Kennedy (R-LA), Marco Rubio (R-FL), Patty Murray (D-WA), Dianne Feinstein (D-CA), Richard Durbin (D-IL), Jack Reed (D-RI), Jon Tester (D-MT), Tom Udall (D-NM), Jeanne Shaheen (D-NH), Jeff Merkley (D-OR), Christopher Coons (D-DE), Brian Schatz (D-HI), Tammy Baldwin (D-WI), Chris Murphy (D-CT), Joe Manchin (D-WV), and Chris Van Hollen (D-MD).

Members of the Senate Banking, Housing, and Urban Affairs Committee include: Chairman Mike Crapo (R-ID), Ranking Member Sherrod Brown (D-OH), and Senators Richard Shelby (R-AL), Bob Corker (R-TN), Pat Toomey (R-PA), Dean Heller (R-NV), Tim Scott (R-SC), Tom Cotton (R-AR), Mike Rounds (R-SD), David Perdue (R-GA), Thom Tillis (R-NC), Ben Sasse (R-NE); John Kennedy (R-LA), Jack Reed (D-RI), Bob Menendez (D-NJ), Jon Tester (D-MT), Mark Warner (D-VA), Elizabeth Warren (D-MA), Heidi Heitkamp (D-ND), Joe Donnelly (D-IN), Brian Schatz (D-HI), Chris Van Hollen (D-MD), and Catherine Cortez Masto (D-NV).

Members of the Senate Budget Committee include: Chairman Mike Enzi (R-WY), Ranking Member Bernie Sanders (D-VT), and Senators Chuck Grassley (R-IA), Jeff Sessions (R-AL), Mike Crapo (R-ID), Lindsey Graham (R-SC), Pat Toomey (R-PA), Ron Johnson (R-WI), Bob Corker (R-TN), David Perdue (R-GA), Cory Gardner (R-CO), John Kennedy (R-LA), John Boozman (R-AR), Patty Murray (D-WA), Ron Wyden (D-OR), Debbie Stabenow (D-MI), Sheldon Whitehouse (D-RI), Mark Warner (D-VA), Jeff Merkley (D-OR), Tim Kaine (D-VA), Angus King (I-ME), Chris Van Hollen (D-MD), and Kamala Harris (D-CA).

Members of the Senate Finance Committee include: Chairman Orrin Hatch (R-UT), Ranking Member Ron Wyden (D-OR), and Senators Chuck Grassley (R-IA), Mike Crapo (R-ID), Pat Roberts (R-KS), Mike Enzi (R-WY), John Cornyn (R-TX), John Thune (R-SD), Richard Burr (R-NC), Johnny Isakson (R-GA), Rob Portman (R-OH), Pat Toomey (R-PA), Dean Heller (R-NV), Tim Scott (R-SC), Bill Cassidy (R-LA), Debbie Stabenow (D-MI), Maria Cantwell (D-WA), Bill Nelson (D-FL), Robert Menendez (D-NJ), Tom Carper (D-DE), Ben Cardin (D-MD), Sherrod Brown (D-OH), Michael Bennet (D-CO), Bob Casey (D-PA), Mark Warner (D-VA), and Claire McCaskill (D-MO).

See all Senate Republican Committee assignments for the 115th Congress at: http://bit.ly/2ivN1XA

See all Senate Democratic Committee assignments for the 115th Congress at: http://bit.ly/2iciuio

Republicans Move to Repeal Affordable Care Act, ACA Supporters Mobilize

Republican lawmakers wasted no time in moving to dismantle the Affordable Care Act (ACA), President Obama's signature legislative achievement. A day after the 115th Congress gaveled in, the Senate voted 51-48 mostly along party lines to move ahead in debating a fiscal year 2017 budget resolution that includes reconciliation instructions for repealing the 2010 health care law.

Under budget reconciliation, congressional committees are given instructions to develop legislation to achieve particular budgetary results through changes to mandatory spending, tax revenue, or the debt ceiling. Republicans seek to repeal the ACA's provisions that affect spending and taxes. When these reconciliation bills reach the Senate floor, only a simple majority of senators will have to vote for the bills to gain passage. For other bills, a 60-vote majority is often needed to end debate and move to a final vote. Senate Republicans have a thin majority over their Democratic colleagues: 52-48.

Senate Democratic Minority Leader Chuck Schumer (D-NY), House Democratic Minority Leader Nancy Pelosi (D-CA) and Senator Bernie Sanders (I-VT) issued a letter asking local communities to help organize and participate in protests against repealing the ACA. The lawmakers have called for a day of action on January 15, during which rallies and other events will be held across the country to show support for the ACA, Medicaid, and Medicare.

The ACA and its expansion of the Medicaid program has become a vital tool in helping address homelessness in America. Often suffering from serious physical and mental health issues, chronically homeless individuals are heavy users of expensive emergency health, hospital, and even criminal justice systems and services. Advocates argue that Medicaid expansion and supportive housing can work together to reduce chronic homelessness in a deficit neutral way by combining affordable and permanent housing with case management, primary and mental health care, substance abuse treatment, employment, and other services that help people achieve stability and independence rather than being forced to rely on more expensive, less effective interventions.

The National Alliance to End Homelessness and the National Health Care for the Homeless Council will host a national advocacy call on **January 11** to educate homeless service providers and stakeholders on the positive impact Medicaid expansion has had in ending homelessness, to connect with local homeless service providers and stakeholders, and to encourage advocacy for the Affordable Care Act—and the Medicaid Expansion specifically—with members of Congress. The call will provide information on proposed changes to Medicaid being discussed in Congress and the information you can provide that will best promote Medicaid's effectiveness in improving health and lowering costs. The webinar will provide talking points and tools for reaching out to your members and will provide time for questions.

Read the letter from Leaders Schumer and Pelosi and Senator Sanders at: http://bit.ly/2iIC4Dg

Register for the national advocacy call at: http://bit.ly/2hX8AQb

Treasury

Treasury Secretary Nominee Mnuchin Asked about Housing Views Ahead of Confirmation Hearing

Senator Sherrod Brown (D-OH), who serves as Ranking Member of the Senate Banking Committee, has called on President-elect Donald Trump's Treasury Secretary Nominee Steven Mnuchin to respond to questions about where he stands on key housing issues. The Senate is expected to hold hearings and vote on Mr. Mnuchin's confirmation later this month.

Senator Brown asked Mr. Mnuchin to explain his views on Wall Street oversight, housing finance reform, fair lending laws, and economic sanctions. "Working people need a Treasury Secretary who will work for them, not Wall Street," Senator Brown said. "The American public deserves to know where Mr. Mnuchin stands on the important housing and finance issues that he will oversee. While he made a fortune from the financial crisis, far too many Ohioans have yet to recover from it."

Senator Brown also asked Mr. Mnuchin about his role as the former chairman of OneWest Bank, which foreclosed on 36,000 home loans under his leadership, according to the California Reinvestment Coalition.

Read Senator Brown's questions to Treasury Secretary Nominee Steve Mnuchin at: http://bit.ly/2ibt3P8

Treasury Proposes Rule to Prohibit Discrimination on Basis of Disability

The U.S. Department of the Treasury (Treasury) published a proposed rule to implement Section 504 of the "Rehabilitation Act of 1973" for programs that provide federal financial assistance. Section 504 prohibits discrimination on the basis of disability. The proposed rule also describes Treasury's intended investigation, conciliation, and enforcement procedures pertaining to Section 504.

The preamble to the proposed rule notes that Treasury recipients have been subject to Section 504 since 1973, but Treasury acknowledges that it "will be issuing Section 504 federal financial assistance regulations for the first time," fulfilling its statutory obligation to issue agency-specific rules. Although Treasury has not had regulations regarding Section 504, it asserts that the proposed rule would not substantially change the existing duty of recipients of federal financial assistance to refrain from discriminating on the basis of disability.

The proposed rule would not apply to the Low Income Housing Tax Credit (LIHTC) program, which the Congressional Joint Committee on Taxation estimates will cost $8.3 billion in FY17. The proposed rule would apply to the Capital Magnet Fund and the Community Development Financial Institutions (CDFI) Fund.

Federal financial assistance would be defined as any grant, contract, sub-grant, contract under a grant, cooperative agreement, formula allocation, loan, or other arrangement by which Treasury provides or otherwise makes available assistance in the form of:

1. Funds,
2. Services of federal personnel, or
3. Real and personal property or any such interest in such property, including:
    a. A sale, transfer, lease, or use of federal property for less than fair market value, for reduced consideration, or in recognition of the public nature of a recipient's program or activity;
    b. Proceeds from a subsequent sale, transfer, or lease of federal property if the federal share of its fair market value is not returned to the federal government; or
    c. Any other thing of value by way of grant, loan, contract, or cooperative agreement.

(Note that this definition is not the same as the one in the final Treasury rule pertaining to Title VI of the Civil Rights Act of 1964. See separate article in this *Memo to Members* at http://nlihc.org/article/treasury-issues-final-rule-enforce-title-vi-civil-rights-act-1964.)

Comments on the proposed rule are due March 6, 2017.

The propose rule, published on January 3, 2017 is at: http://bit.ly/2iB9t1K

Treasury Issues Final Rule to Enforce Title VI of Civil Rights Act of 1964

The U.S. Department of the Treasury (Treasury) published a final rule that provides for the enforcement of Title VI of the "Civil Rights Act of 1964." Title VI states that no person, on the grounds of race, color, or national origin, shall be denied participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity that receives federal financial assistance. Even though Title VI has been law since 1964, Treasury has not had a rule to enforce it until now. Prior to this new rule, Treasury merely required recipients of federal financial assistance to sign assurances that they would comply with Title VI.

The new rule applies to the Capital Magnet Fund and the Community Development Financial Institutions (CDFI) Fund. Despite comments from advocates regarding the proposed rule, the final rule does not include the Low Income Housing Tax Credit (LIHTC) program, estimated to cost $8.3 billion in FY17, according to the Congressional Joint Committee on Taxation. Treasury does not consider tax credits to be "federal financial assistance."

In the preamble to the final rule, however, Treasury states that the Fair Housing Act of 1968 applies to LIHTC properties, prohibiting discrimination on the basis of race, color, religion, sex, national origin, family status, and disability. Treasury notes that the Fair Housing Act not only prohibits intentional discrimination, but it also prohibits practices that have an unjustified discriminatory effect. Treasury also recognizes that some aspects of the LIHTC program resemble programs that constitute federal financial assistance, stating that the absence of the LIHTC program in the appendix to the rule does not limit the applicability of Title VI to the Civil Rights Act.

Treasury also points to an August 9, 2000 Memorandum of Agreement (MOU) with HUD and the U.S. Department of Justice. Among other provisions, the MOU requires housing finance agencies to report Fair Housing Act noncompliance to the Internal Revenue Service (IRS). The MOU also requires the IRS to notify owners of LIHTC properties facing allegations of housing discrimination that a finding of a violation of the Fair Housing Act could result in the loss of tax credits.

Federal financial assistance is defined in the rule to include grants and loans of federal funds; grants or donations of federal property and interests in property; utilization of federal personnel; sale or lease of and permission to use federal property without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting a recipient, or in recognition of the public interest; and any federal agreement or contract that has as one of its purposes the provision of assistance.

The August 2000 MOU is at: http://bit.ly/2iaZrkU

The final rule, published on December 13, 2016, is at: http://bit.ly/2ja3xhq

HUD

HUD to Repeat Webinar on Equal Access and Gender Identity Rules

HUD will repeat a webinar for Continuum of Care (CoC) collaborative applicants and providers to educate them about the HUD-wide Equal Access Rule (see *Memo*, 2/3/12) and the CPD Gender Identity Rule (see *Memo*, 10/3/16). The webinar will be repeated twice for those who were unable to attend this webinar in November, 2016 (see *Memo* 11/7/16). The webinar dates are Tuesday, January 10 at noon ET and Wednesday, January 18 at 2:30 pm ET.

All programs administered through HUD's Office of Community Planning and Development (CPD) are required to follow the 2016 Gender Identity Rule as well as the continuing requirements of the HUD-wide 2012 Equal Access Rule. Together, these rules require placing and serving persons in accordance with their gender identity. The applicable CPD programs include the CoC homeless assistance, Emergency Solutions Grant, Housing Opportunities for Persons with AIDS (HOPWA), Community Development Block Grant (CDBG), and HOME Investment Partnerships (HOME) programs, as well as the national Housing Trust Fund (HTF).

The webinar will educate funders and providers of residential projects so that transgender and LGBT participants are appropriately enrolled each time they present to a project or a coordinated entry with a need for homeless housing and services. The webinars will also provide "LGBT Language 101."

Registration is required. Click on a session below and then click "Register Now" on the training page. Login to register. Those who are new to HUD Exchange Training need to click on "Create an Account" and follow the instructions.

- Tuesday, January 10, 2017: 12:00–1:30 pm ET
- Wednesday, January 18, 2017: 2:30–4:00 pm ET

For more information, contact TJ Winfield at: 240-582-3607, EAR.Training@cloudburstgroup.com

HUD Issues Guidance on Submitting FY17 Consolidated Plans and Annual Action Plans

HUD's Office of Community Planning and Development (CPD) issued Notice CPD-16-18 providing guidance on the timing of FY17 Consolidated Plan (ConPlan) and/or Annual Action Plan submissions. Jurisdictions must wait to submit these plans until they know how much money will be allocated for each of the CPD programs covered by the ConPlan.

Regarding the national Housing Trust Fund (HTF), because HUD will not know how much each state will receive until April at the earliest, states may submit a ConPlan/Annual Action Plan addressing their other CPD funds before HTF allocations are published, and submit an HTF Allocation Plan as a substantial amendment to the state's Annual Action Plan once HTF allocations are published. A state may begin to develop an HTF Allocation Plan following its public participation process but may not submit the plan before HTF allocations are published. HUD recommends states use their 2016 HTF allocation as a baseline estimate when carrying out public participation regarding the draft HTF Allocation Plan.

The CPD formula programs appropriated by Congress are the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs. While the HTF is a formula program administered by CPD, HTF monies are not appropriated but are derived from dedicated sources, currently a 0.042% assessment on the volume of new business of Fannie Mae and Freddie Mac. Jurisdictions must prepare a ConPlan (covering three to five years) showing the public the jurisdiction's priorities for using CPD funds during that period. Jurisdictions must submit Annual Action Plans indicating the activities that will be funded each year. These documents must be sent to HUD for review 45 days before the start of a jurisdiction's program year.

HUD explains that in most years it does not receive annual appropriation amounts from Congress until several months into the fiscal year, sometimes as late as April. Consequently, the procedures in Notice CPD-16-18 apply to any jurisdiction with a ConPlan/Annual Action Plan submission deadline (45 days prior to the jurisdiction's program year) that falls within 60 days after the date HUD announces FY17 allocation amounts for CDBG, HOME, ESG, or HOPWA. Jurisdiction should postpone submitting a ConPlan/Annual Action Plan until these FY17 allocations have been announced and may delay submitting the plans until 60 days after the allocation announcements. For example, if a jurisdiction's program year starts on July 1, as many do, the jurisdiction can postpone submitting a plan until June 26.

The Notice offers jurisdictions two options regarding fulfilling their public participation obligations while waiting for HUD to announce FY17 appropriations. One option is to engage in public participation regarding a draft plan using estimated formula allocation amounts, clearly explaining to the public how it will adjust the proposed plan once actual allocations are known. Five examples are provided. The second option is to prepare a proposed plan using its regular timetable, but waiting until actual allocation amounts are known before carrying out public participation.

Notice CPD-16-18, issued on December 15, 2016, is at: http://bit.ly/2hPd0c1

More information about Consolidated Plans is on page 7-21of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/2iM4nxm

HUD Clarifies That Certain Noncitizen Victims of Domestic Violence Are Eligible for Housing Assistance

HUD issued a policy memorandum clarifying that certain noncitizens who are "battered or subject to extreme cruelty" by a spouse or parent who is a U.S. citizen or lawful permanent resident (LPR) has the right to apply for and receive housing assistance. The "Violence Against Women Act of 1994" (VAWA) allows noncitizens to self-petition for LPR status without the cooperation or knowledge of their abusive relative. These noncitizen victims of domestic violence are referred to as "self-petitioners."

Section 214 of the "Housing and Community Development Act of 1980" states that HUD may not make certain financial assistance available to noncitizens unless the person meets one of several exceptions, one of which is "lawful permanent resident." Section 214 also provides that financial assistance cannot be delayed, denied, reduced, or terminated on the basis of immigration status while a person's eligibility for satisfactory immigration status is being verified or appealed. The memorandum clarifies that self-petitioners can indicate that they are in "satisfactory immigration status" when applying for assistance or continued assistance from Section 214-covered housing programs.

Section 214-covered housing programs include: public housing, tenant-based rental assistance, project-based rental assistance, and other Office of Multifamily programs such as Section 236, Section 221(d)(3) Below Market Interest Rate, Rent Supplement, and Flexible Subsidy programs.

HUD's Office of Public and Indian Housing (PIH) and Office of Multifamily Housing Programs will publish a more detailed joint notice in the future.

Thanks to the National Housing Law Project for alerting NLIHC to the memorandum.

The memorandum issued on December 15, 2016 by Acting General Counsel, Tonya Robinson is at: http://bit.ly/2j4t1bG

More information about VAWA is on page 6-1 of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/2hKibuW

HUD Webinar on HOME Commitment Rule

HUD's Office of Affordable Housing Programs has scheduled a webinar to explain the recently published interim rule (see *Memo*, 12/19/16) implementing a grant-specific method for determining compliance with the HOME Investment Partnerships Program's (HOME) statutory 24-month deadline for committing funds. The webinar will be held January 12 at 2:00 pm ET.

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. Participating Jurisdictions (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.

Register for the webinar by clicking HOME Commitment Interim Rule Webinar and select "Register Now" on the right side of the page.

Final Rule Requires Broadband Infrastructure for New Construction and Substantial Rehabilitation

HUD published a final rule requiring installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily housing that has more than four rental units funded or supported by HUD.

The rule applies to most HUD construction-related programs: public housing capital fund, project-based voucher, Section 8 project-based housing assistance payments (including Section 8 New Construction, Section 8 New Construction Set-aside for Section 515 Rural Rental Housing, Section 8 Substantial Rehabilitation, Loan Management Set-aside, and Property Disposition), Section 202 Supportive Housing for Elderly, Section 811 Supportive Housing for Persons with Disabilities, HOME Investment Partnerships, the national Housing Trust Fund, Continuum of Care, Housing Opportunities for Persons with AIDS, Choice Neighborhoods Initiative, and

Community Development Block Grant. Although not stated in the final rule or in the preamble to it, HUD confirms via email that this new rule also applies to the Rental Assistance Demonstration (RAD), which converts public housing capital dollars to project-based vouchers or Section 8 project-based housing assistance payments. The rule does not apply to multifamily rental housing that only has a HUD-insured mortgage or that has a loan guaranteed under a HUD loan program.

Substantial rehabilitation is defined as:

1. Significant work on the electrical system of the multifamily rental housing. "Significant work" means complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75% of the cost of replacing the entire electrical system. In the case of multiple buildings with more than four units, "entire system" refers to the electrical system of the building undergoing rehabilitation; or
2. Rehabilitation of multifamily rental housing in which the pre-construction estimated cost of rehabilitation is equal to or greater than 75% of the total estimated cost of replacing the multifamily rental housing after rehabilitation. In the case of multiple buildings with more than four units, the replacement cost must be the replacement cost of the building undergoing rehabilitation.

Broadband infrastructure is not required if:

1. The location makes installation infeasible.
2. The cost of installation would result in an undue financial burden.
3. The structure of the housing makes installation infeasible (for substantial rehabilitation only).

The final rule, published on December 20, 2016, is at: http://bit.ly/2j4SMJ5

Final Rule Adds Natural Disaster Resilience and Broadband Access to ConPlan Regulations

HUD published a final rule amending the Consolidated Plan (ConPlan) regulations requiring jurisdictions to consider two additional concepts in their ConPlan efforts: the vulnerability to natural hazard risks of housing occupied by low and moderate income households and the availability of broadband access to low and moderate income households. A proposed rule was published for comment on May 18, 2016 (see *Memo*, 5/23/16).

The first addition to the ConPlan process requires jurisdictions to consider resilience to natural hazard risks in order to begin addressing impacts of climate change on low and moderate income residents. The rule requires local governments and states to consult with emergency management agencies and agencies responsible for managing flood prone areas, public land, or water resources. Jurisdictions must also encourage participation by these entities in implementing relevant components of the ConPlan.

The rule also requires jurisdictions to provide as part of their required housing market analysis an assessment of natural hazard risks to low and moderate income residents, including risks expected to increase due to climate change. The assessment should be based on an analysis of data, findings, and methods, with the jurisdiction citing a reputable source in the ConPlan.

Where low and moderate income communities are at risk of natural hazards, states and local governments must consider ways to incorporate appropriate hazard mitigation and resilience into their community planning and development goals, codes, and standards, including the use of HUD funds to accomplish these objectives.

The second change requires jurisdictions' ConPlans to consider and describe the need for broadband access in housing occupied by low and moderate income households. Where broadband access is not available or only minimally available to low income residents, states and local jurisdictions must consider providing it when deciding how to invest HUD funds.

The final rule amends the ConPlan regulations by specifying that local governments and states must consult with public and private organizations, including broadband internet service providers and other organizations engaged in narrowing the digital divide. A jurisdiction's public participation plan must encourage such organizations to participate in implementing any components of the plan designed to narrow the digital divide for low income residents.

The rule also requires each jurisdiction to describe broadband needs in housing occupied by low and moderate income households based on an analysis of data for its low and moderate income neighborhoods. These include the need for broadband wiring, for connection to broadband service in units, and for increased competition by having more than one broadband service provider serve the jurisdiction.

The final rule, published on December 16, 2016, is at: http://bit.ly/2iAX7EP

More information about the ConPlan process is on page 7-21 of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/2iM4nxm

Research

Families with Housing Choice Vouchers Are Underrepresented in Low-Distress Neighborhoods

A study published in *Cityscape* titled "Vouchers and Neighborhood Distress" by Alex Schwartz, Kirk McClure, and Lydia Taghavi find that Housing Choice Vouchers (vouchers) utilized by female-headed families are underrepresented in neighborhoods with low levels of distress and overrepresented in neighborhoods with high levels. The authors suggest that governments have to help voucher holders overcome racial barriers to access low-distress neighborhoods, which are predominantly white or racially integrated.

The study utilized data from HUD and the five-year 2009-2013 American Community Survey to examine the neighborhoods of female-headed families with vouchers in metropolitan areas. The authors measured neighborhood distress with an index based the neighborhood poverty rate, the unemployment rate, the percentage of households who were female-headed, the percentage of households receiving public assistance, and the percentage of adults not in school and without a high school diploma. The authors also identified neighborhoods as white, black, Hispanic, or integrated. The authors compared the distribution of voucher-eligible homes, those renting for less than the Fair Market Rent (FMR), to the distribution of female-headed families with vouchers. The FMR is the basis for voucher payment standards.

In the average metropolitan area, 36% of homes renting below the FMR were located in neighborhoods with very high distress levels, but 49% of female-headed families with vouchers were living in these neighborhoods. At the other end of the spectrum, 8% of rental homes below FMR were located in neighborhoods with very low distress levels, but fewer than 4% of female-headed families with vouchers were located in these neighborhoods. The table below gives the full distribution. Underrepresentation in neighborhoods of low or very low distress is especially problematic for black and Hispanic voucher holders.

		Female-Headed Families with Vouchers			
Neighborhood Distress Level	Voucher-Eligible Affordable Homes	All	White	Black	Hispanic
Very Low	8.0%	3.7%	7.1%	2.9%	2.7%
Low	13.8%	8.4%	14.6%	6.9%	7.3%
Moderate	17.7%	14.0%	20.6%	12.5%	12.6%
High	24.4%	25.0%	26.2%	24.4%	25.7%
Very High	36.1%	48.9%	31.3%	53.3%	51.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Reproduced from *Cityscape*, "Vouchers and Neighborhood Distress" article.

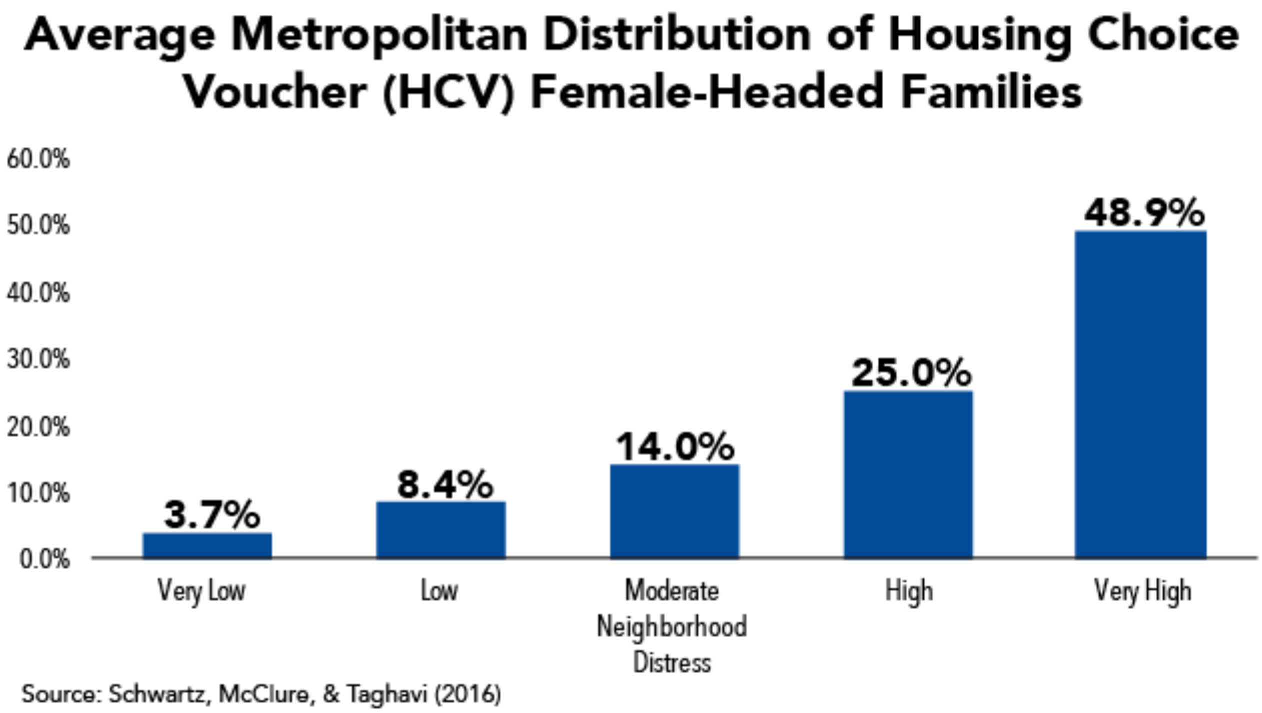
White and racially integrated neighborhoods were more likely to have low or very low levels of distress, but black and Hispanic voucher holders were far less likely to live in them than white voucher holders. In the average metropolitan area, approximately 25% of homes renting for below the FMR were located in predominantly white neighborhoods, yet only 8% of black and Hispanic female-headed families with vouchers lived in them, as compared to 46% of white female-headed families with vouchers.

The authors conclude that policymakers should help voucher holders gain access to housing in white and racially integrated neighborhoods, which are more likely to have lower levels of distress. Increasing the availability of affordable rental homes may be necessary but insufficient to ensure access to low-distress neighborhoods. The authors also suggest that small area FMRs, which provide for higher voucher payment standards in higher cost neighborhoods, may not provide better access to low-distress neighborhoods on their own, without other policies to address racial barriers.

Vouchers and Neighborhood Distress: The Unrealized Potential for Families with Housing Choice Vouchers to Reside in Neighborhoods with Low Levels of Distress is available at: http://bit.ly/2hVwUPj

Fact of the Week

Most Female-Headed Households with Vouchers Live in Distressed Neighborhoods



Source: Schwartz, A., McClure, K., & Taghavi, L. (2016). Vouchers and neighborhood distress: The unrealized potential for families with Housing Choice Vouchers to reside in neighborhoods with low levels of distress. *Cityscape*, 18(3): 207 – 227.

Resources

State and Local Laws Safeguarding Domestic Violence Survivors

The National Housing Law Project (NHLP) released the 2016 edition of *Housing Rights of Domestic Violence Survivors: A State and Local Law Compendium*. The compilation describes state and local laws that provide safeguards for domestic violence survivors who seek to obtain or maintain housing. The updated compendium includes laws enacted as of October, 2016.

A variety of provisions are reflected in state and local laws, such as eviction defense, early lease termination, lock changes, lease bifurcations, and the right to call police. Other types of provisions include permitting courts to exclude the abuser from the housing, requiring the abuser to pay for or provide housing for the survivor, and imposing liability on the abuser for damages to the unit.

The compendium is at: http://bit.ly/2hPHj2l

Events

Join UFH Webinar on January 11

Over 2,300 individuals, elected officials and organizations have endorsed the United for Homes (UFH) campaign to make modest reforms to the mortgage interest deduction (MID) to provide tax relief to more low and moderate income homeowners and to reinvest the savings into rental housing solutions to end homelessness and housing poverty. On Wednesday, January 11, NLIHC will relaunch the UFH campaign with a webinar at 2:00 pm ET for the campaign's current endorsers. This first webinar will include previews of new advocacy tools and research to help spread the message about reinvesting savings from tax reform into affordable housing programs that serve families with the greatest need. See separate article in this *Memo to* Members at http://nlihc.org/article/let-s-get-work-join-ufh-webinar-january-11 .

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

If you are not sure if you are a UFH endorser, check the list of endorsers at: http://bit.ly/2hXD7O1

National Advocacy Call: Preserving Medicaid and its Role in Ending Homelessness

The National Alliance to End Homelessness and the National Health Care for the Homeless Council will host a national advocacy call on **January 11** to educate homeless service providers and stakeholders on the positive impact Medicaid expansion has had in ending homelessness, to connect with local homeless service providers and stakeholders, and to encourage advocacy for the Affordable Care Act—and the Medicaid Expansion specifically—with members of Congress. The call will provide information on proposed changes to Medicaid being discussed in Congress and the information you can provide that will best promote Medicaid's effectiveness in improving health and lowering costs. The webinar will provide talking points and tools for reaching out to your members and will provide time for questions. Register for the national advocacy call at: http://bit.ly/2hX8AQb

NeighborWorks Training Institute in Seattle, February 20-24

The next NeighborWorks Training Institute (NTI) will take place in Seattle, WA, the week of February 20-24. The NTI offers more than 100 courses in affordable housing development and financing, housing asset management, community engagement, community revitalization, housing counseling, nonprofit management and leadership, and many other areas. The Wednesday symposium at the NTI, "Reframing the Narrative around Race, Equity, and Inclusion," will explore the role of community development in creating racially equitable and inclusive communities through housing and equitable development, local structures and capacity, and leadership and civic engagement.

More information about the NTI and symposium are at: http://bit.ly/2hW4auD

NLIHC in the News

In Case You Missed Them

Here are some media stories NLIHC contributed to in recent weeks:

- "How Ben Carson Could Undo a Desegregation Effort," *The New York Times*, November 23, 2016 at: http://nyti.ms/2ft3ABG
- "The Future of Housing Segregation under Trump," *The Atlantic*, November 29, 2016 at: http://theatln.tc/2juFR7x
- "It's Not Necessarily a Bad Idea to Have a Health Expert Lead HUD, Though," *Citylab*, December 2, 2016 at: http://bit.ly/2h6JtHG
- "Federal Housing Policies and How They May Shift During the Trump Administration," *NPR/The Diane Rehm Show*, December 7, 2016 at: http://bit.ly/2h5OqS7
- "Trump Hasn't Said Much About Homelessness – and That's Making a Lot of People Nervous," *Mother Jones*, December 8, 2016 at: http://bit.ly/2iVxUqD
- "6 Places Affordable Housing Advocates, Conservatives Might Find Common Ground," *McKnights Senior Living*, December 11, 2016 at: http://bit.ly/2gsvJ9u
- "Ben Carson, the GOP, and Subsidized Housing, *The American Prospect*, December 16, 2016 at: http://bit.ly/2gSzSqz
- "Powerful Lobbyists Swoop in to Save Sacred Tax Break," *Politico*, December 30, 2016 at: http://politi.co/2iQikgU

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