



Memo TO Members

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NLIHC IN THE NEWS

POINT OF VIEW

No Hate, No Fear: Immigrants are Welcome Here

– by **Diane Yentel, NLIHC President and CEO**

If you're feeling overwhelmed by the sheer volume of dramatic policy shifts in recent days, it is with good reason. In President Donald Trump's first week of office, he has signed more Executive Orders (EO) abruptly changing federal policy than President Obama did in his first 100 days. In week one, Mr. Trump signed EOs to unravel health benefits for 20 million low and middle income households, freeze hiring in the federal government, limit health care for women throughout the world, reduce federal funding to cities providing sanctuary to undocumented immigrants, and direct work to begin on building a massive, expensive wall along the Mexican border. Throughout the week, Mr. Trump and his senior staff vilified the media while putting forward their own "alternative facts." They repeated long-debunked falsehoods about massive voter fraud, a possible precursor to efforts to further erode the voting rights of disenfranchised people.

Mr. Trump's EO threatening to halt all federal funding to "sanctuary cities" (jurisdictions with policies in place to limit local law enforcement cooperation with or involvement in federal immigration enforcement actions) is likely illegal. The Supreme Court has ruled that only federal funds related to law enforcement or related activities may be withheld in such cases. It remains to be seen how this will play out: most large cities that provide sanctuary to all its citizens have pledged to continue doing so and to fight the Trump Administration's threatened consequences. The same EO also directed the Department of Homeland Security to crack down on undocumented immigrants who have "abused any program related to receipt of public benefits." While there is little evidence that this occurs, especially in subsidized housing programs, we must expect new scrutiny and oversight of these programs and the households served by them.

Mr. Trump also directed the Department of Homeland Security (DHS) to begin building a massive wall along the Mexican border. Despite promising throughout the campaign that Mexico would pay for the wall, Mr. Trump will soon request funding from Congress. Senate Majority Leader Mitch McConnell (R-KY) estimates the initial cost for such a wall will be in the range of \$12 billion to \$15 billion; design and construction experts estimate a much higher price tag. An investment of this size could end homelessness for the hundreds of thousands of children, veterans, seniors and families sleeping in shelters or on the streets, with enough money left over to end housing poverty for millions more. Instead, Congressional Republican leadership have indicated they will appropriate funding for the border wall, possibly seeking to pay for it through cuts to affordable housing and other non-defense spending programs.

And then, late in the week, came perhaps the deepest and most alarming assault on American values yet: Mr. Trump signed EOs to halt all refugees – some of the most vulnerable, suffering and oppressed children, women and men in the world – from finding refuge in our country, and to cease all immigration from seven Muslim-majority countries.

Most Americans have an immigration story to share. As children, my Jewish grandparents fled the Russian pogroms on a ship. When the ship landed in the US, some of my extended family were permitted to enter. The rest kept sailing to Argentina, where my grandparents and great-grandparents were welcomed as refugees. Decades later, my father first came to the US as a medical student, barely knowing a word of English. He came to love this country, and my mother, too much to leave. He stayed and became one of its proudest citizens, contributing so much to this country.

Our country is built upon and made great by stories like these, of people coming to the US for a better life. We are a nation of immigrants. With each new addition the richness of our diversity grows, strengthening the

country. A ban on immigration from Muslim-majority countries and an exclusion of desperate refugees fleeing war-torn countries from taking shelter in our country are antithetical to the very values that make America great. Members of Congress, local, state and national leaders, each one of us - must stand united in opposition to bigotry, exclusion, and discrimination based on nationality or religion.

This week, much of the president's cabinet is slated to be approved in Committee or on the Senate floor, and another stack of potentially harmful EOs are ready for his signature. At the same time, the opportunities to increase investments in affordable housing solutions through reforming the mortgage interest deduction and a comprehensive infrastructure plan are growing. So please buckle up, keep vigilant and stay tuned – we have so much work to do.

TAKE ACTION

Last Chance to Submit Nominations for the 2017 NLIHC Organizing Award

Nominations for the 2017 NLIHC Annual Organizing Award are due **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, 2017 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.

Ask Your Representative to Invest Savings from Tax Reform into Affordable Rental Housing

Representatives Keith Ellison (D-MN) and Gwen Moore (D-WI) have issued a Dear Colleague letter calling on Congress to keep housing dollars within housing in any comprehensive tax reform bill.

Comprehensive tax reform is one of Congress's top priorities. Tax benefits that largely serve high income households—like the mortgage interest deduction and other homeownership tax benefits—are on the table.

The Dear Colleague letter urges Congress to reinvest any savings from reforming these tax benefits into rental housing programs benefitting low income households—the national Housing Trust Fund, the Low Income Housing Tax Credit “with changes to ensure deeper income targeting,” and rental assistance and production programs—instead of using the savings to lower tax rates or reduce the deficit.

Mr. Ellison’s Legislative Director Carol Wayman announced the Dear Colleague letter at the relaunch of the NLIHC-led United for Homes campaign on January 11. The United for Homes campaign calls for making modest reforms to the mortgage interest deduction (MID) to provide a tax break to millions of additional low and moderate income homeowners and to reinvest the significant savings into affordable rental housing programs that serve households with the greatest needs.

NLIHC and the United for Homes campaign—which is endorsed by more than 2,300 national, state, and local organizations and local government officials—supports the Dear Colleague letter and urges all representatives to sign on by the **February 10** deadline.

Given America's growing affordable rental housing crisis, it is critical that Congress reinvest scarce federal resources into providing affordable rental homes for people with the greatest needs to end homelessness and housing poverty.

To take action:

1. Ask your representative to sign onto the Dear Colleague letter urging Congress to keep housing dollars within housing in any comprehensive tax reform bill. The deadline for representatives to sign on is February 10.
Click here to access your representative’s phone number: <http://bit.ly/2kCboom>
2. Sign our petition in support of Rep. Ellison's Dear Colleague Letter and join more than 2,000 organizations who support reinvesting savings from tax reform into affordable housing.
Click here to sign our petition: <http://bit.ly/2jn2ICO>
3. Share this letter with your network and encourage others to call their representatives and sign the letter.

A copy of the Dear Colleague letter is at: <http://bit.ly/2j2j8MM>

A copy of NLIHC’s Call to Action is at: <http://bit.ly/2k85mLO>

NLIHC President and CEO Diane Yentel’s statement supporting Mr. Ellison’s effort is at: <http://nlihc.org/press/releases/7413>

Join the United for Homes campaign at: <http://nlihc.org/unitedforhomes/support>

Affordable Housing and Transportation Programs Threatened By Severe Cuts

Funding for affordable housing, community development, and transportation programs is under attack. **Urge Congress to lift the caps on federal spending that deprive families and communities of the resources they need to thrive!**

Last week, news broke that the Trump administration is preparing dramatic cuts to the federal budget to reduce spending by over \$10 trillion over 10 years, while also promising to increase defense spending and cut taxes for wealthy Americans. These budget cuts will largely fall on critical safety net and other essential programs, including affordable housing, community development, and transportation programs that help raise families out of poverty—programs that are already facing devastating cuts in the upcoming budget year because of the very low spending caps required by law.

Organizations and advocates concerned about transportation, housing, community development, and homelessness are working together to circulate a letter urging Congress to lift the harmful caps on federal spending and provide the highest level of funding possible for these programs in fiscal year (FY) 2018.

Please sign your organization on today! <http://bit.ly/2jnY5Ee>

Why this is important

Congress should not balance the budget on the backs of low income families. With more households struggling to make ends meet—and our nation’s affordable housing and transportation infrastructure deteriorating—we cannot afford funding cuts to the very programs that sustain our communities and help families thrive.

The Department of Transportation and HUD help more than five million seniors, people with disabilities, and other families afford stable and safe housing, promote economic mobility, build critical transportation infrastructure, and spur economic development in our communities. Through these investments, we can reduce homelessness and housing instability, improve our nation’s infrastructure, and encourage economic growth and job creation.

How you can take action

Members of Congress need to hear from you! Join advocates around the country by signing a letter urging Congress to lift harmful spending caps and to provide the highest level of funding possible for affordable housing, community development, and transportation programs.

Please [click here](#) to sign your organization on to the letter. **The deadline to sign the letter is March 3.**

To view the letter to Members of Congress, visit <http://bit.ly/2ioVsDU>

Please share the letter and encourage organizations in your network to sign.

Questions/Comments? Email outreach@nlihc.org

NLIHC NEWS

Special Session for Low Income Residents at NLIHC 2017 Housing Policy Forum, April 2-4

NLIHC’s 2017 Housing Policy Forum: Advancing Solutions in a Changing Landscape will feature a special session for low income residents, particularly those in public and assisted housing, featuring Dushaw Hockett, executive director of Safe Places for the Advancement of Community and Equity (SPACES). The session will take place on Sunday, April 2 from 9 am – 1 pm. Residents attending this session should plan on arriving on Saturday evening. Space is limited, so register today at: <http://bit.ly/2dnJpnS>

The rest of the forum will begin on Sunday, April 2 at 1 pm and 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.

NLIHC has invited HUD Secretary Nominee **Dr. Ben Carson** to share his thoughts about America's affordable housing challenges, HUD's role in addressing them, and his priorities for the future, and to hear directly from low income residents, advocates, and practitioners on their questions and concerns.

Confirmed speakers and panelists 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
- **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
- **Barbara Sard**, vice president for housing policy, Center on Budget and Policy Priorities
- **Greg Payne**, director, Maine Affordable Housing Coalition
- **Tiffany Manuel**, vice president for knowledge, impact and strategy, Enterprise Community Partners
- **Ayana Dilday Gonzalez**, manager of supportive housing and special projects, Massachusetts Department of Housing and Community Development
- **Amy Clark**, director of marketing and communications, National Housing Conference

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"). 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 the special resident session on Sunday, April 2 and Lobby Day on Tuesday, April 4. To apply for a scholarship, go to

<http://www.nlihcforum.org/venue>. If you have questions about the scholarships, call 202-662-1530 or email jsaucedo@nlihc.org.

UNITED FOR HOMES

United for Homes Media Strategies Webinar, February 8

The next endorser webinar for the United for Homes (UFH) campaign is scheduled for February 8, 2 pm ET. This webinar on media strategies for promoting the UFH campaign is part of a series of monthly webinars scheduled to build, engage, and support our more than 2,300 UFH endorsers as we advocate for modest reforms to the mortgage interest deduction (MID) that would benefit millions of lower income homeowners and generate billions in savings to reinvest in rental housing solutions to end homelessness and housing poverty.

UFH endorsers are ambassadors to the campaign, helping to share key messages through the best channels. This webinar will equip endorsers with the media tools and best practices they need to communicate the UFH proposals broadly and garner additional support. The webinar will share sample talking points, tweets, posts, and op-eds that endorsers can use to promote the campaign.

On January 11, NLIHC relaunched the UFH campaign with a webinar that introduced our integrated approach to the campaign, previewed the new UFH website that will go live in February, and shared a host of new advocacy tools to help UFH endorsers spread the message about reinvesting savings from tax reform into affordable housing programs that serve families with the greatest need.

We urge UFH endorsers to register for the February 8 webinar on UFH media tools and strategies at: <http://bit.ly/2irHS2E>

View the presentation from the January 11 webinar on the relaunch of the campaign at: <http://nlihc.org/unitedforhomes>

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 current endorsers at: <http://bit.ly/2hXD7O1>

ADMINISTRATION

Trump Signs Executive Orders Defunding Sanctuary Cities and Building Border Wall

President Donald Trump signed executive orders the week of January 22 to build a wall along the U.S.-Mexican border and to crack down on so-called “sanctuary cities,” jurisdictions that have policies in place to limit local law enforcement cooperation with or involvement in federal immigration enforcement actions.

The “Enhancing Public Safety in the Interior of the United States” executive order states that any city that does not comply with federal immigration enforcement agents “are not eligible to receive Federal grants, except as deemed necessary for law enforcement purposes by the Attorney General or the Secretary.” It is unclear which federal grants are at jeopardy, but they could include HUD grants like those from the Community Development Block Grants and HOME Investment Partnerships (HOME) programs. The order provides the Department of Homeland Security (DHS) the authority to define which cities are “sanctuary cities.”

President Trump also signed executive orders directing DHS to “take all appropriate steps to immediately plan, design, and construct” a wall along the U.S.-Mexico border. It is unclear whether Congress will impose deeper cuts to non-defense discretionary spending, including spending on affordable housing, to pay for the wall.

White House Orders Regulatory Freeze

The White House sent a Memorandum on January 20 to all federal executive departments and agencies directing them to stop submitting regulations to the Office of the Federal Register (OFR), withdraw regulations sent to the OFR but not yet published in the *Federal Register*, and postpone for 60 days the effective date of regulations already published but that have not yet taken effect. According to the author of a paper written by the Congressional Research Service, this practice is typical when there is a change in administrations from one party to another.

The Memorandum was from Reince Priebus, White House chief of staff and assistant to the president. The intent is to provide presidential appointees or designees the opportunity to review any new or pending regulations. The Memorandum also applies to guidance documents, which includes any agency statement of general applicability and future effect "that sets forth a policy on a statutory, regulatory, or technical issue or an interpretation of a statutory or regulatory issue."

The White House Memorandum had several immediate ramifications for affordable housing and poverty-related rules and notices.

As reported in last week's *Memo* ([1/23](#)), HUD published a notice in the *Federal Register* on January 23 requesting comments regarding how HUD should operate the expansion of the Moving to Work (MTW) Demonstration. On January 18, HUD indicated that it would publish Notice PIH 2017-01 seeking public housing agencies (PHAs) to apply for new MTW slots. HUD sent an email later on January 23 stating that it was "revisiting" the operating notice already published in the *Federal Register* and would postpone issuing Notice PIH 2017-01.

The Department of Health and Human Services published on January 19 its annual update of the federal poverty guidelines on the *Federal Register* public inspection webpage, which provides the text of regulations and other guidance the day before formal publication in the *Federal Register*. On January 23, that site indicated that the poverty guidelines were withdrawn.

Also on January 19, HUD presented on the *Federal Register* public inspection page an interim rule that would streamline administrative regulations pertaining to its Office of Multifamily Housing Programs, and would implement family income reviews authorized by the "Fixing America's Surface Transportation Act" (FAST Act) which became law on December 2, 2015. The FAST Act allows private owners of HUD-assisted multifamily housing to conduct full income re-certifications every three years instead of annually for families with 90% or more of their income from fixed income.

That interim final rule would also align existing regulatory flexibilities with those provided in the FAST Act by modifying earlier streamlining regulations, making the procedures for families meeting the fixed-income threshold as similar as possible to the procedures for families who do not have 90% of their income from fixed sources but who still have some fixed income.

In addition to streamlining fixed-income requirements, the interim final rule would also have allowed an owner to:

- Make utility reimbursements of \$45 or less on a quarterly basis (\$15 a month).
- Accept a family declaration of assets under \$5,000. Third-party verification of all family assets would be required every 3 years.

An NLIHC scan of other regulatory and guidance issuances since October 1 indicates that the following are in abeyance:

- Final smoke-free public housing rule, published on December 5 but not effective until February 3 (see *Memo*, [12/5/16](#)).
- Final lead-based paint rule, published on January 13 but not effective until February 12 (see *Memo*, [1/7](#)).
- Final Freedom of Information Act (FOIA) amendments, published on January 12 but not effective until February 12 (see *Memo*, [1/17](#)).
- HOTMA implementation provisions regarding Housing Choice Vouchers and especially Project-Based Vouchers, published on January 18 but not effective until April 18 (see *Memo*, [1/23](#)).
- Interim rule, changes to HOME 24-month commitment requirements, published on December 2 but not effective until January 31 (see *Memo*, [12/19/16](#)).
- Proposed rule codifying existing Enhanced Voucher policies regarding eligibility criteria for receiving enhanced vouchers, the right of enhanced voucher households to remain in their apartments, procedures for addressing “over-housed” families, and the calculation of enhanced voucher housing assistance payments, published on October 26, with comments due December 27 (see *Memo*, [11/7/16](#)).
- Proposed rule that would require higher elevation requirements for properties applying for HUD assistance or Federal Housing Administration (FHA) mortgage insurance due to the increased risk of flooding caused by climate change and the associated rise in sea levels, published on October 28, with comments due December 27 (see *Memo*, [10/31/16](#)).
- Notice extending the criteria for transferring project-based rental assistance, published on January 19 but not effective until February 21 (see *Memo*, [1/23](#)).

NLIHC assumes the following met the deadline and are not in abeyance:

- Final Small Area Fair Market Rent rule, published on November 16, effective January 17 (see *Memo*, [11/21/16](#)).
- Final rule requiring broadband infrastructure to be included in new construction and substantial rehabilitation at HUD-assisted properties, published on December 20, effective January 19 (see *Memo*, [1/9](#)).
- Final rule requiring Consolidated Plans to address disaster resilience needs and broadband needs, published on December 16, effective January 17 (see *Memo*, [1/9](#)).
- Changes to the Rental Assistance Demonstration (RAD) program made in Notice PIH-2012-32/H-2017-03 REV 3 published on January 19, with most of its provisions effective on that date (see *Memo*, [1/17](#)). There were a few provisions (waivers/alternative requirements and eligibility issues) that have a delayed effective date, as stated in the Notice. HUD assumes those sections are affected by the White House Memorandum.
- Internal Revenue Service (IRS) Notice 2016-77, released on December 12 and published in the *Internal Revenue Bulletin* on December 27. The Notice states 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 (see *Memo*, [12/10/16](#)).

- IRS Revenue Ruling 2016-29, released on December 12 and published in the *Internal Revenue Bulletin* on December 27. The Ruling states 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 (see *Memo*, [12/10/16](#)).

A number of guidance issuances are probably also in abeyance:

- The recently finalized AFH Assessment Tools for Local Governments and PHAs (see *Memo*, [1/17](#)).
- A HUD 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 has the right to apply for and receive housing assistance (see *Memo*, [1/9](#)).
- HUD Office of General Counsel guidance on applying fair housing standards to the enforcement of local nuisance and crime-free ordinances, issued September 13 (see *Memo*, [9/19/16](#)).
- HUD Office of General Counsel guidance discussing how the Fair Housing Act applies to a housing provider’s consideration of a person with limited English proficiency, the limited ability to read, write, speak or understand English (see *Memo*, [10/3/16](#)).
- Multifamily Handbook and Section 8 Renewal Guide changes (see *Memo*, [1/17](#)).

The White House Memorandum is at: <http://bit.ly/2kkOVYV>

The Congressional Research Service paper is at: <http://bit.ly/2jBjuty>

CONGRESS

Senate Democrats Unveil \$1 Trillion Infrastructure Plan that Includes Affordable Housing

Senate Democrats released a \$1 trillion infrastructure plan the week of January 22 that they say would create 15 million jobs over 10 years. The plan includes \$100 billion for “revitalizing America’s Main Streets,” which could include investments in “solutions geared toward helping the more than 11.4 million households that pay more than half of their income monthly on rent, including expanding existing tax incentives and other affordable housing federal programs.”

Senators Chuck Schumer (D-NY), Bill Nelson (D-FL), Bernie Sanders (I-VT), Patrick Leahy (D-VT), Ron Wyden (D-OR), Sherrod Brown (D-OH), Maria Cantwell (D-WA), and Tom Carper (D-DE) plan to introduce legislation in the coming weeks.

NLIHC President and CEO Diane Yentel praised the Senators for recognizing the importance of affordable housing investments in a comprehensive infrastructure package. “An investment in affordable housing infrastructure for the lowest income people would provide our nation with the resources it needs to help the economy, local communities, and families thrive.”

NLIHC advocates that any comprehensive infrastructure package should include an expansion of the national Housing Trust Fund, an increase in Housing Choice Vouchers or other rental assistance to help connect families to areas of opportunity, resources to rehabilitate public housing, and the inclusion of affordable housing developments among projects eligible for loans and equity investments through a national infrastructure bank.

Ms. Yentel’s statement is at: <http://nlihc.org/press/releases/7460>

NLIHC’s factsheet on Affordable Housing Infrastructure is at: <http://bit.ly/2fDBAIX>

Housing Advocates Make the Case for Housing as Infrastructure

The Campaign for Housing and Community Development Funding (CHCDF), a group of more than 70 national organizations dedicated to adequate federal housing and community development funding for lower income families and communities, will run a blog series starting on February 1 outlining why affordable housing is a critical component of our nation's infrastructure in need of federal investments. Policymakers from both sides of the aisle agree that a significant federal investment in infrastructure should be a top national priority. Affordable housing is an essential element in any infrastructure package not only because housing informs other infrastructure needs, but because it provides an enduring investment in economic growth.

The first blog will be written by the National Housing Conference. Organizations participating in the blog series represent a broad array of housing needs, including senior, rural, and public housing.

Learn more about CHCDF at: <http://nlihc.org/partners/chcdf>

Read CHCDF's factsheet on infrastructure at: <http://bit.ly/2kxLEFN>

BUDGET

Trump Administration Expected to Propose Severe Cuts to Federal Budget

The Trump Administration is expected to propose dramatic cuts to the federal budget to reduce spending by \$10.5 trillion over 10 years, while promising to raise defense spending, cut taxes, largely benefitting wealthy Americans, and protect Social Security and Medicare. As a result, any cuts to federal spending will primarily fall on nondefense discretionary spending that funds vital safety net programs, including affordable housing and homelessness programs.

These programs are already facing cuts in the coming fiscal year due to the return of austere spending caps required by the "Budget Control Act of 2011" (see related article in this *Memo to Member (link to Affordable Housing and Transportation Programs Threatened By Severe Cuts article)*). That law, however, requires parity between defense and nondefense spending. Affordable housing advocates argue that the parity principle is critical to protecting resources for the most vulnerable people because Republican members of Congress may be reluctant to make cuts to nondefense programs if they would require equal cuts to defense programs.

The Administration's plans to cut spending are based on proposals offered by the Heritage Foundation, a conservative think tank, and the House Republican Study Committee (RSC).

The Heritage Foundation budget blueprint would gradually scale back means-tested welfare spending programs, including housing, to pre-recession levels with an additional 10% cut, capped at the rate of inflation in subsequent years. The RSC budget questions the role of the federal government in providing affordable housing and recommends imposing work requirements on able-bodied adults who receive housing assistance. The vast majority of those with housing assistance are seniors, disabled individuals, people caring for a disabled family member or preschool children, or low-wage workers.

Although the RSC budget was soundly defeated by a vote of 292-135 in the House in 2015, one of its greatest supporters was Congressman Mick Mulvaney (R-SC). Mr. Mulvaney was recently nominated to lead President Trump's Office of Management and Budget (OMB), the department that produces the president's budget request to Congress.

Mr. Mulvaney confirmed the administration's plans to have nondefense discretionary spending bear the brunt of spending cuts when he testified before the Senate Committee on Homeland Security and Governmental Affairs during his confirmation hearing. He said, "I voted regularly [to increase defense spending] and hope to continue

to advise the president that the best possible route forward is to raise the topline defense [spending] number and have corresponding reductions in the nondefense discretionary.”

President Trump is expected to release his budget blueprint on February 28 that will offer a preview of his administration’s full budget, which will likely be released sometime in April or May. The budget blueprint will set topline budget numbers for nondefense discretionary spending for each federal agency.

Read the Heritage Foundation budget blueprint at: <http://bit.ly/1LMOYcI>

Read the Republican Study Committee budget blueprint at: <http://bit.ly/2k7PNnt>

Watch Mr. Mulvaney’s confirmation hearing at: <http://bit.ly/2joqRVS>

OFFICE OF MANGAMENT AND BUDGET

President Trump’s OMB Pick Calls for Privatizing Medicare, Deep Budget Cuts

The Senate Budget Committee held a confirmation hearing Tuesday, January 4, on Representative Mick Mulvaney (R-SC), President Donald Trump’s nominee to lead the Office of Management and Budget (OMB). OMB plays a critical role setting regulatory policy and establishing funding requests for each department, including HUD.

Mr. Mulvaney is likely to be opposed by many Senate Democrats. A founding member of the House Freedom Caucus, Mr. Mulvaney helped lead the 2013 shutdown of the federal government and repeatedly voted against raising the nation’s debt ceiling. Mr. Mulvaney has called Social Security a “Ponzi scheme,” and he advocates for privatizing Medicare and significantly raising the retirement age for Medicare and Social Security.

His nomination has also raised concerns among some Republicans, particularly Senator John McCain (R-AZ) who disagrees with Mr. Mulvaney’s position on defense spending. Mr. Mulvaney argues that any increase to the military budget must be accompanied by offsetting cuts to non-defense spending.

NATIONAL HOUSING TRUST FUND

HUD Has Approved Thirty-four HTF Allocation Plans

HUD has so far approved 34 national Housing Trust Fund (HTF) Allocation Plans. Of the 34, HUD has publicly identified 13: Arizona, Delaware, Hawaii, Indiana, Kentucky, Massachusetts, Minnesota, Nevada, New Hampshire, North Dakota, South Dakota, Vermont, and West Virginia.

The Office of Community Planning and Development (CPD) publicly identifies the states that have approved HTF Allocation Plans only after notifying the states’ congressional delegations and obligating the states’ HTF allocations when the states enter the required information into CPD’s management information system, the Integrated Disbursement and Information System (IDIS).

The HTF statute requires each state to prepare an annual Allocation Plan showing how it will distribute the funds based on priority housing needs. The interim rule amends the ConPlan regulations by adding HTF-specific Allocation Plan requirements to the ConPlan’s Annual Plan rule. A state’s Allocation Plan must describe the requirements that must be met by entities applying for HTF funds and the criteria the state will use to select applications.

Allocation Plans must give funding priority to applications based on a number of features listed in the statute, including:

- The extent to which rents are affordable, especially for extremely low income households.
- The length of time rents will remain affordable.
- The project’s merit. The interim rule gives as examples of merit: housing that serves people with special needs, housing accessible to transit or employment centers, and housing that includes green building and sustainable development elements.
- Geographic diversity. Neither the statute nor the interim rule explicitly mention rural areas.

Copies of the HUD-approved HTF Allocation Plans for Arizona, Delaware, Massachusetts, New Hampshire, and Vermont are available on NLIHC’s HTF Implementation page, <http://nlihc.org/issues/nhtf/state-allocation-plans>. Allocation Plans for Indiana, Minnesota, and North Dakota will be added this week, and others will be added as they become available.

More information about the HTF is at: <http://nlihc.org/issues/nhtf> and on page 3-1 of NLIHC’s *2016 Advocates’ Guide* at: <http://bit.ly/2kwFuFM>

HUD

HUD Nominee Carson Sails through Committee, Heads to Full Senate

The Senate Banking Committee unanimously approved by voice vote the nomination of Dr. Ben Carson as HUD secretary on Tuesday, January 24. His nomination now goes for a vote before the full Senate.

During Dr. Carson’s confirmation hearing, several Democratic Senators asked the nominee tough questions about his past statements about the role of the federal government in addressing poverty and criticizing the Obama administration’s enforcement of fair housing laws. Dr. Carson used his confirmation hearing to reaffirm his commitment to enforcing federal law, expanding affordable housing programs, promoting public-private partnerships, and addressing lead and other health risks in housing.

Ranking Member Sherrod Brown (D-OH) commented on his vote to confirm Dr. Carson: "I would not have chosen him because of his lack of experience and his often troubling public statements over the last three years. But despite my reservations and my disagreements with some of his positions, I'll give Dr. Carson the benefit of the doubt based on commitments he has made to me in person and to this Committee in his testimony and written responses."

In his written responses to questions from Mr. Brown, Dr. Carson stated that he “will absolutely commit” to advocating for housing to be included in the President’s infrastructure package, agreed to consider hiring additional staff to enforce federal fair housing laws, and gave support to increasing efforts to help formerly incarcerated people reintegrate into their communities. Dr. Carson stated that he is “a fan of the Low Income Housing Tax Credit” and that healthy housing will be one of his priorities. He promised to “call for continued investment to end homelessness for veterans, the chronically homeless, and children and families.”

Dr. Carson affirmed that he will advocate for increasing resources for affordable housing for people with the lowest incomes. “When it comes to deep affordability, though, removing all regulatory barriers won’t get you there,” Dr. Carson wrote. “It comes down to subsidy. Subsidy levels haven’t changed appreciably under Democratic or Republican administrations. I think we can all agree that we will all make sure housing is a key consideration in every appropriations bill.”

“I may be fresh to the fight in Washington, DC, but I am not fresh to the struggle to improve communities and better lives,” Dr. Carson wrote. “I will recruit a bipartisan list of practitioners, not ideologues, to serve as

Assistant Secretaries. I will surround myself with people who have a passion for improving the agency, not breaking down its programs. I will work with the career staff to examine what has been tried, why it worked or did not work, and if it did not, why not. I hope we can do this together. I hope we can work as partners to reexamine and reimagine these programs.”

Senator Brown’s press statement about his vote for Dr. Carson’s nomination and Dr. Carson’s written responses to Mr. Brown’s questions can be found at: <http://bit.ly/2kjh16l>

Senator Elizabeth Warren’s (D-MA) press statement about her vote for Dr. Carson’s nomination and Dr. Carson’s written responses to Ms. Warren’s questions can be found at: <http://bit.ly/2j8508f>

NLIHC’s press statement after Dr. Carson’s confirmation hearing is at: <http://bit.ly/2iMtDD7>

HUD Finds Houston in Noncompliance with Title VI of Civil Rights Act

HUD sent a letter to Houston Mayor Sylvester Turner stating that it found the City in noncompliance with Title VI of the “Civil Rights Act of 1964.” HUD asserted that the City’s refusal to issue a Resolution of No Objection (a Resolution) for a mixed-income, 233-unit apartment building to be racially motivated. HUD concluded that the City’s procedure for approving proposed projects for financing through the Low Income Housing Tax Credit (LIHTC) program to be influenced by racially motivated opposition to affordable housing, perpetuating segregation.

Title VI states that “no person in the United States, shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.” Houston received more than \$62 million in HUD funds in 2016.

The Houston Housing Authority (HHA) proposed developing the Fountain View apartments in a predominantly white, high-opportunity area. HHA had worked with City staff on the project for a number of years. Financing for the proposed project would include \$26 million in Community Development Block Grant Disaster Recovery funds, \$14 million in LIHTC, and \$12 million in tax-exempt bonds. Of the 233 units, 20% were to be market-rate, 70% were to be occupied by households with incomes at or below 60% of the area median income (AMI), and 10% were to be occupied by extremely low income households, those with income at or below 30% of AMI.

HUD’s letter noted that after several months of delay, the mayor refused to place a Resolution for Fountain View on the City Council agenda, claiming the cost of the project was too high. But no City funds were involved, and LIHTC projects with similar costs have been approved. In addition, LIHTC projects seeking a Resolution are not typically vetted for cost by the City, and the mayor did not recall the City reviewing any other Resolutions during his tenure, although ten Resolutions had been successfully issued over that period.

HUD found that Houston does not consider LIHTC projects using objective metrics or systematic assessments; instead the City defers almost entirely to neighborhood opinion. HUD’s letter cites a significant number of written and oral comments about the project using coded language recognized by the courts as expressing racial animus.

Hundreds of neighborhood residents attended a public meeting hosted by HHA objecting to Fountain View because of unit costs and perceived increases in traffic, crime, and school overcrowding, as well as a decrease in property values. HUD asserts that none of the concerns could be substantiated. The mayor stated that school overcrowding and other local opposition arguments were not persuasive. The City Council member in whose district Fountain View would have been located opposed the project, but claimed he was not persuaded by the school, crime, and property values arguments; rather he expressed concern for families because of street traffic.

HUD noted that the street where the project was to be built has a 30 mile-per-hour speed limit and is lined with apartment buildings, many of which are luxury buildings. HUD also commented that there had been no local opposition to a number of market-rate multifamily developments recently constructed nearby that could be occupied by school-age children, including some projects with more two- and three-bedroom units than Fountain View would have had.

HUD's letter outlines eight remedies for Houston to address. If the City does not arrive at a Voluntary Compliance Agreement, HUD indicates that it will initiate administrative proceedings or refer the issue to the Department of Justice for judicial enforcement.

HUD's January 17 letter is available at a blog post written by John Henneberger, co-director of the Texas Low Income Housing Information Service, an NLIHC state partner, at: <http://bit.ly/2jWGu6A>

RESEARCH

American Indians and Alaska Natives in Tribal Areas Face Disproportionate Housing Issues

A new HUD report, *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, finds American Indian and Alaskan Native (AIAN) households in tribal areas face a disproportionate incidence of housing problems and a shrinking pool of federal housing resources. Thirty-four percent of AIAN households residing in tribal areas live in housing with at least one physical problem, compared to 7% of all U.S. households.

AIAN households in tribal areas are more likely to have housing problems than U.S. households overall with regard to plumbing (5.6% vs. 1.3% for the U.S. overall), kitchens (6.6% vs. 1.7%), and heating (12% vs. 2%). Some households reported more than one problem. The rate of electrical problems is similar between AIAN households in tribal areas and U.S. households overall (1.1% vs. 1.4%).

Housing cost burdens among AIAN households in tribal areas are similar to the U.S. overall. Thirty-eight percent of AIAN households in tribal areas are cost-burdened, paying more than 30% of their incomes on housing and utilities, compared to 36% of all U.S. households.

The report also examined homelessness in tribal areas. Homelessness in tribal areas primarily takes the form of overcrowding or doubling-up. Between 42,000 and 85,000 AIAN people in tribal areas are doubling-up with friends or family because of a lack of housing. In all, 16% of all AIAN households in tribal areas reported doubling up.

The report estimates a need for 68,000 additional homes to alleviate overcrowding and to replace severely inadequate housing in tribal areas. Based on their track record, tribal entities appear to have the organizational capacity for large-scale development utilizing federal funding. However, these entities face declining federal resources. The Indian Housing Block Grant (IHBG), a key source of funding for affordable housing in tribal areas, has not been adjusted for inflation since its introduction in 1998. Accounting for inflation, IHBG funding declined 28% between 1998 and 2013.

Housing Needs of American Indians and Alaska Natives in Tribal Areas is one of five reports based on a congressionally mandated assessment of AIAN housing needs conducted between 2011 and 2016.

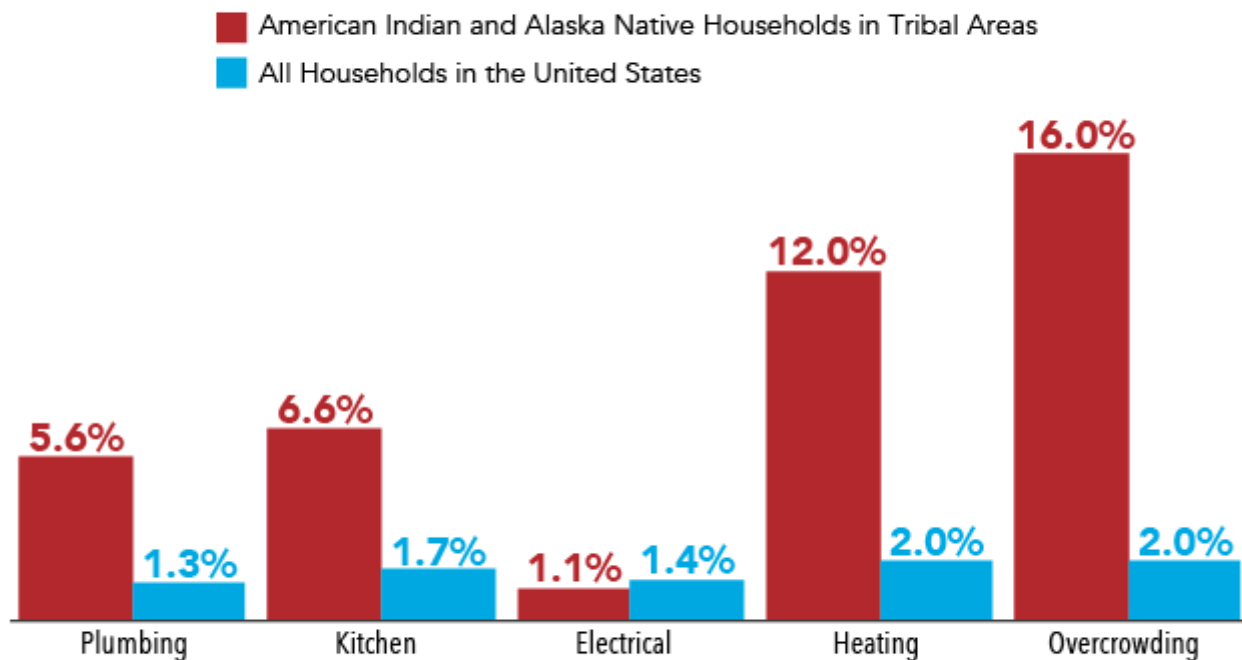
The report is based on a survey of AIAN households in tribal areas and a separate survey of 110 Tribally Designated Housing Entities. The report also utilized data from the decennial census, the American Community Survey, the American Housing Survey, and HUD administrative data.

Housing Needs of American Indians and Alaska Natives in Tribal Areas is available at: <http://bit.ly/2jr4RLD>

FACT OF THE WEEK

Households in Tribal Areas Face Housing Problems at Much Higher Rate than All U.S. Households

Households with Housing Problems in Tribal Areas and the United States



Source: HUD (2017). *Housing needs of American Indians and Alaska Natives in tribal areas: A report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs*. Washington, DC: Author.

Source: Source: HUD (2017). *Housing needs of American Indians and Alaska Natives in tribal areas: A report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs*. Washington, DC: Author.

FROM THE FIELD

New Jersey Housing Advocates Celebrate State Supreme Court Ruling

Supporters of fair and affordable homes in New Jersey are celebrating a ruling by the New Jersey Supreme Court that upheld municipalities' responsibility to create affordable housing to meet the need that has accumulated over the last 16 years. During that period, the Council on Affordable Housing (COAH), designed to set requirements for municipalities to develop affordable homes, was defunct, and many municipalities refrained from creating sufficient affordable homes for low and moderate income residents, despite a growing need. While there are not yet definitive projections as to how many homes will be built as a result of the ruling, New Jersey's Fair Share Housing Center has estimated municipalities across the state will be required to build upwards of 100,000 additional homes to meet the need.

Established in the state is “Fair Housing Act of 1985,” COAH was responsible for analyzing the current and prospective need for homes affordable to low and moderate income New Jerseyans, as well as to those with disabilities. COAH then set requirements for municipalities to build affordable housing in their jurisdictions based on this need. Between 1985 and 1999, COAH had two housing cycles, but when the rules governing its second cycle expired in 1999, no new rules were established and the state allowed COAH to languish. In 2015, the New Jersey Supreme Court reaffirmed the constitutional requirement to build affordable housing, but declared COAH defunct and created a judicial forum to determine housing needs and to set requirements for municipalities going forward.

The Supreme Court case that concluded in early 2017 considered whether the forum’s analysis of housing obligations would include the housing needs that had been created over the 16-year period between the expiration of COAH rules and the 2015 ruling. Several municipalities and the NJ State League of Municipalities argued that the housing needs over the gap period should be ignored. The Housing and Community Development Network of New Jersey (HCDNNJ), an NLIHC state partner, supported the position of the Fair Share Housing Center, the New Jersey Builders Association, and others who argued that the state must consider the need that had accumulated over the 16-year gap period. HCDNNJ President and CEO Staci Berger emphasized the need for a comprehensive assessment: “The need for affordable homes in this state has grown tremendously over the last two decades coinciding with a recession, a foreclosure crisis, and a devastating natural disaster. Our hardworking families, seniors, and people with disabilities have struggled to find homes they could afford during this time. New Jerseyans and their needs did not simply disappear during the gap period.”

The New Jersey Supreme Court agreed with the HCDNNJ and Fair Share Housing Center’s arguments, ruling that the state’s analysis of the need for affordable and accessible homes for low and moderate income residents and those with disabilities include the gap period.

“We are glad the court recognized that all communities must address the real housing needs of NJ,” Ms. Berger stated. “Too many of our residents are struggling to make ends meet which has hurt our economy. Having an affordable home allows people to spend more on activities that spur the economy and strengthen our communities. We can’t build a thriving New Jersey if our residents can’t afford to live here. In wake of this decision, we urge our elected officials and future leaders to make the investments needed to help make our communities more affordable for all.”

For more information, contact HCDNNJ Senior Policy Coordinator Arnold Cohen at: acohen@hcdnnj.org.

EVENT

Pre-Event Registration for Seattle NeighborWorks Training Institute, February 20-24, Closes Today

The pre-event registration for the NeighborWorks Training Institute (NTI) in Seattle, WA, February 20-24 closes today. 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

The following are some news stories NLIHC contributed to the week of January 22:

- “Uncertainty Over Tax Reform is Already Hurting Affordable Housing,” *City Lab*, January 27 at: <http://bit.ly/2jLOiaU>
- “Trump Tax Promise Is Already Affecting Affordable Housing,” *Next City*, January 26 at: <http://bit.ly/2jFgrjY>
- “Homeless Youth Population in Morris County Targeted as a Priority for #NJ Counts 2017,” *TAPinto.net*, January 24 at: <http://bit.ly/2kbq5yk>
- “The secret and the shame: What’s behind the increasing rates of domestic violence in Hudson County?,” *Hudson Reporter*, January 22 at: <http://bit.ly/2ktwaDo>
- “House Financial Services Committee Issues Report on Activity for 114th Congress (Part 5 of 7),” *InsuranceNewsNet*, January 21 at: <http://bit.ly/2kajnID>

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