



Legislative Update and Opportunities for Action - 2017

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2016 North Carolina Affordable Housing Funding

2016-17: \$30.66 million

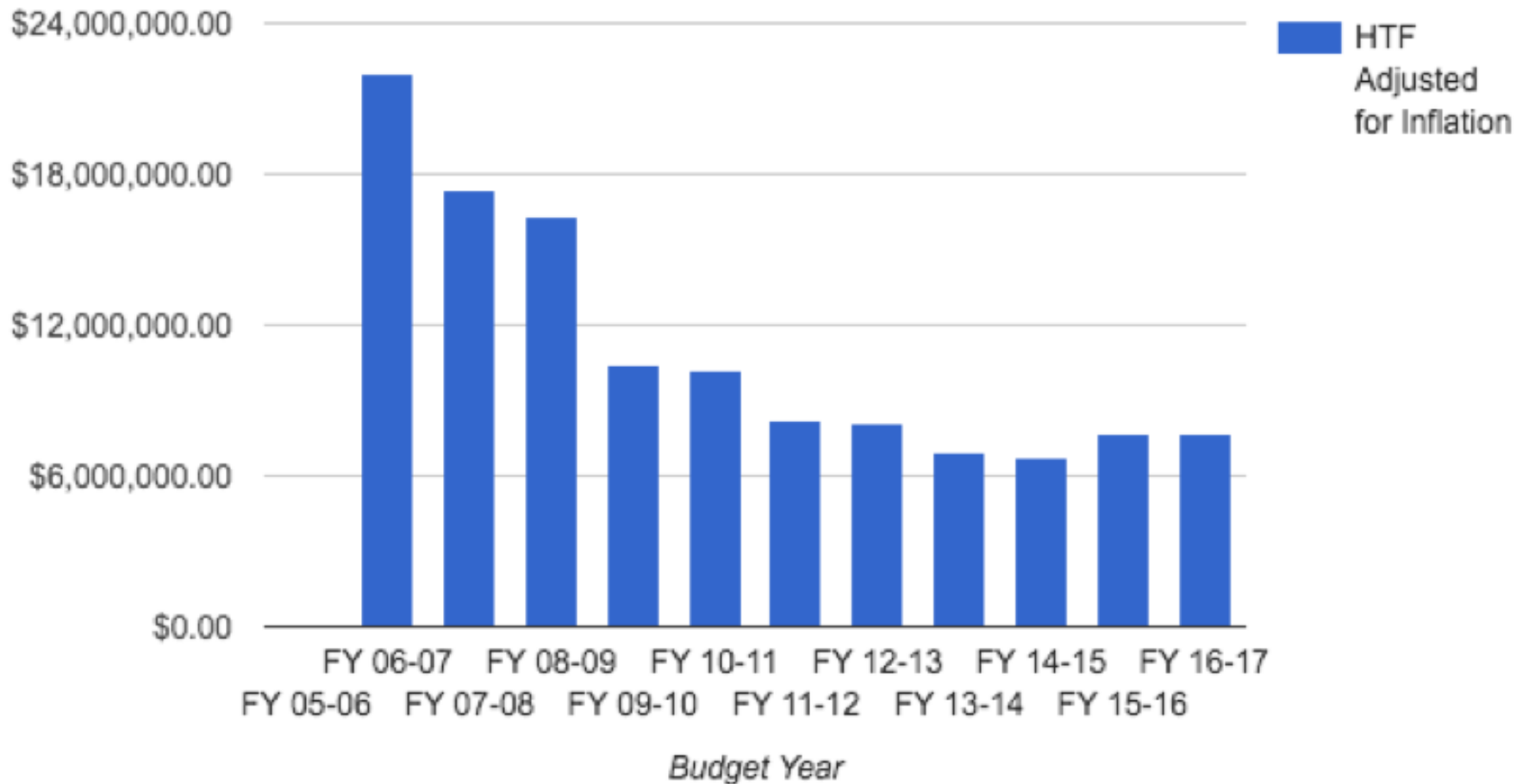
- Housing Trust Fund: \$7.66 million
- HOME match: \$3 million
- Workforce Housing Loan Program: \$20 million

2016 Local Housing Bonds

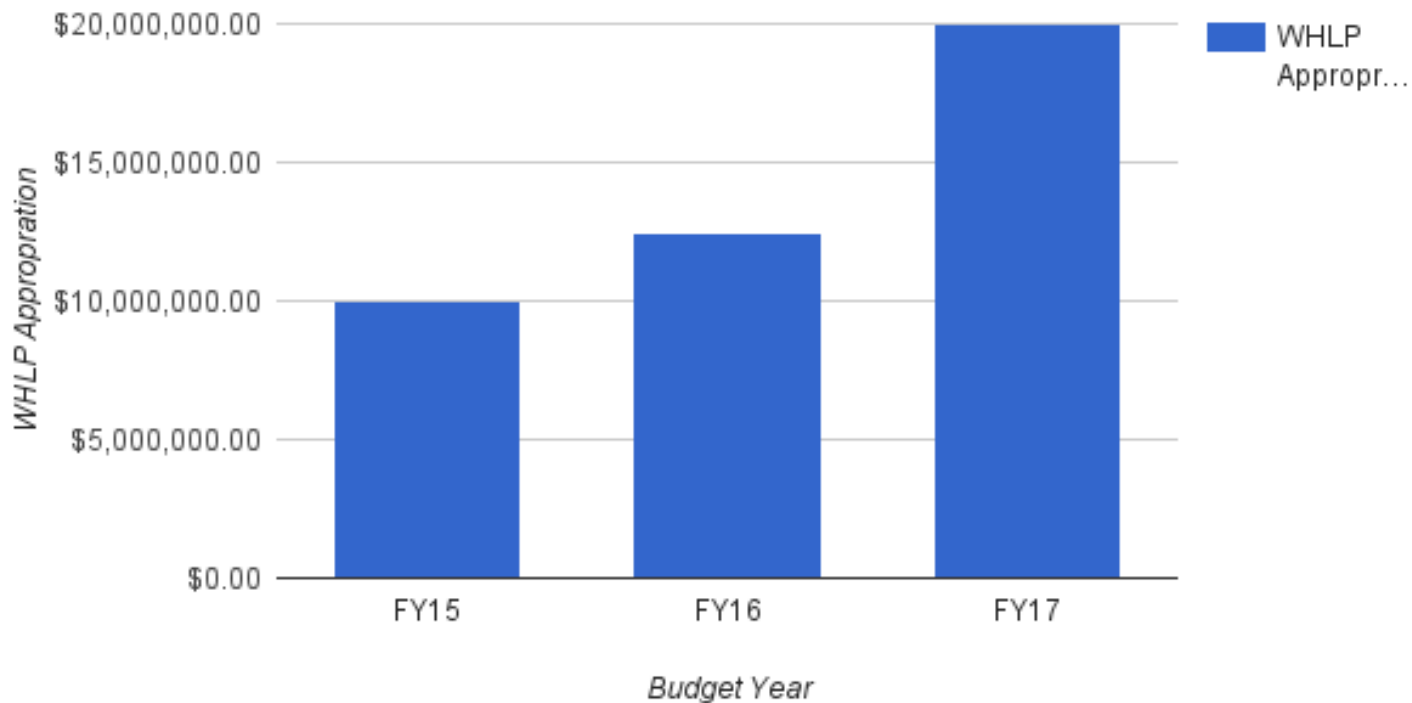
- City of Asheville - \$25 million
- City of Greensboro - \$25 million
- Orange County - \$5 million



Housing Trust Fund



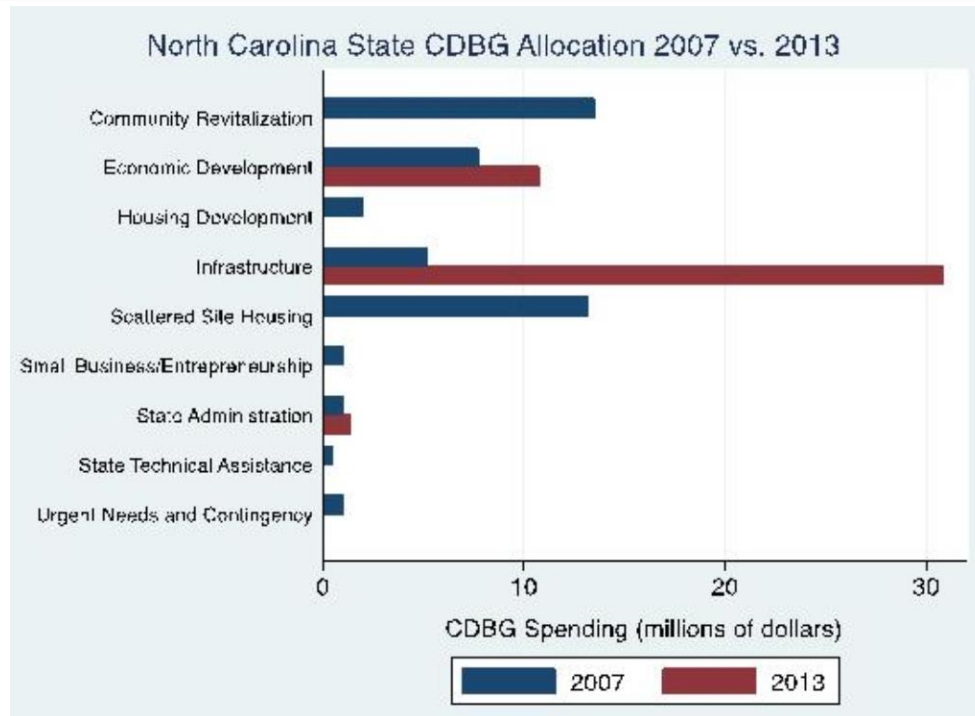
Workforce Housing Loan Program



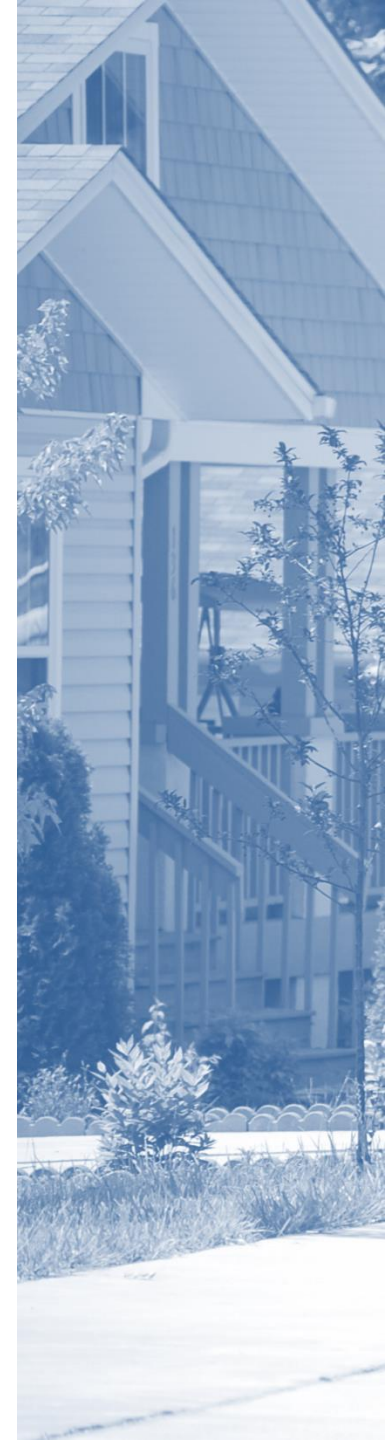
10-year NC Housing Tax Credit Average:
\$35 million



Community Development Block Grant



North Carolina receives ~\$43 million each year in CDBG funding for rural counties



Governor Cooper's Budget Proposal

2017-18: \$33 million

- Housing Trust Fund: \$10 million
- HOME match: \$3 million
- Workforce Housing Loan Program: \$20 million

2018-19: \$13 million

- Housing Trust Fund: \$10 million
- HOME match: \$3 million
- Workforce Housing Loan Program: \$0 million



NC Housing Coalition Budget Request

2017-18: \$58 million

- Housing Trust Fund: \$20 million
- HOME match: \$3 million
- Workforce Housing Loan Program: \$35 million

2018-19: \$58 million

- Housing Trust Fund: \$20 million
- HOME match: \$3 million
- Workforce Housing Loan Program: \$35 million



OPPOSE - Manufactured Home Purchase Agreement Changes (S522/H685)

These bills **eliminate protections** that require manufactured home dealers to:

- Document all the money that changes hands in the deal; and
- Allow the borrower to get their money back if the financing falls through.

Due to strong bipartisan opposition, neither of these bills met the crossover deadline.



SUPPORT - Community Opportunity Tax Credit (H885)

The Opportunity Credit is a proven economic development strategy used by several other states, including South Carolina, that provides:

- a **33% credit against state tax liabilities**
- incentivizes **investment in state-certified Community Based Development Organizations (“CBDOs”)** to create jobs and develop affordable housing in underserved communities; and
- is capped at \$5 million.



Federal Budget – President Trump’s Budget Proposal

Budget proposal cut HUD by **\$6.2 billion**,
13.2% of the agency’s budget.

In FY2015 North Carolina received
\$868.2 million from HUD supporting
more than 11,000 NC jobs.



Federal Budget Eliminations— President Trump's Budget Proposal

- Community Development Block Grant
- HOME Investment Partnerships
- Choice Neighborhoods
- Self-Help Homeownership Opportunity Program
- Section 4 Capacity Building for Community Development and Affordable Housing
- CDFI Fund
- Corporation for National and Community Service
- Weatherization Assistance Program
- US Interagency Council on Homelessness



FY17 BUDGET CHART



FOR SELECTED DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND USDA HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS (UPDATED May 1, 2017)

HUD PROGRAM (set asides italicized)(In millions)	FY16 ENACTED	FY17 OBAMA	FY17 SENATE	FY17 HOUSE	FY17 OMNIBUS
Tenant Based Rental Assistance	19,629	20,854	20,432	20,189	20,292
<i>Contract Renewals</i>	17,681	18,447	18,355	18,312	18,355
<i>Tenant Protection Vouchers</i>	130	110	110	110	110
<i>Administrative Fees</i>	1,650	2,077	1,769	1,650	1,650
<i>Section 811 Mainstream Vouchers</i>	107	110	110	110	120
<i>Veterans Affairs Supportive Housing</i>	60	7	57	0	40
<i>Family Unification Program Vouchers</i>	0	0	20	0	10
<i>Special Purpose Vouchers</i>	0	88	0	0	0
Public Housing Capital Fund	1,900	1,865	1,925	1,900	1,942
<i>Emergency/Disaster Grants</i>	22	20	22	20	22
<i>Jobs-Plus Pilot</i>	15	35	15	15	15
Public Housing Operating Fund	4,500	4,569	4,675	4,500	4,400
Choice Neighborhoods Initiative	125	200	80	100	138
Family Self Sufficiency	75	75	75	75	75
Native American Housing Block Grants	650	700	647	655	654
Native Hawaiian Housing Block Grants	0	0	5	0	2
Hsg. Opportunities for Persons with AIDS	335	335	335	335	356
Community Development Fund	3,060	2,880	3,000	3,060	3,060
<i>CDBG Formula Grants</i>	3,000	2,800	3,000	3,000	3,000
HOME Investment Partnerships Program	950	950	950	950	950
Self-Help Homeownership Opportunity Program	10	0	10	10	10
Homeless Assistance Grants	2,250	2,664	2,330	2,487	2,383
Rental Assistance Demonstration	0	50	4	0	0
Project-Based Rental Assistance	10,620	10,816	10,901	10,901	10,816
<i>Housing for the Elderly (202)</i>	433	505	505	505	502
<i>Housing for Persons with Disabilities(811)</i>	151	154	154	154	146
<i>Housing Counseling Assistance</i>	47	47	47	55	55
<i>Policy Development & Research</i>	85	65	90	80	89
Fair Housing and Equal Opportunity	65	70	65	65	65
<i>Fair Housing Assistance Program</i>	24	22	24	24	24
<i>Fair Housing Initiatives Program</i>	40	46	40	40	39
Healthy Homes & Lead Hazard Control	110	110	135	130	145
USDA PROGRAMS (set asides italicized)(In millions)	FY16 ENACTED	FY17 OBAMA	FY17 SENATE	FY17 HOUSE	FY17 OMNIBUS
Section 514 Farm Labor Housing Loans	24	24	24	24	24
Section 516 Farm Labor Housing Grants	8	8	8	8	8
Section 515 Rental Housing Direct	28	33	40	35	35
Section 521 Rental Assistance	1,390	1,405	1,405	1,405	1,405
Multifamily Preservation & Revitalization	37	37	40	40	41
<i>Preservation Demonstration</i>	22	19	22	22	22
<i>Section 542 Vouchers</i>	15	18	18	18	19

HUD Funding

FY2017 HUD Funding: Homeless Assistance Grants

- \$2.38 billion for Homeless Assistance Grants (CoC and ESG are one line item)
 - \$133 million increase over 2016.
 - \$2.02 billion for CoC , a \$65 million increase over 2016.
 - Again included \$43 million for youth demonstration grants in 11 communities, 5 of which have to be rural.

FY2017 HUD Funding: Housing Choice Vouchers

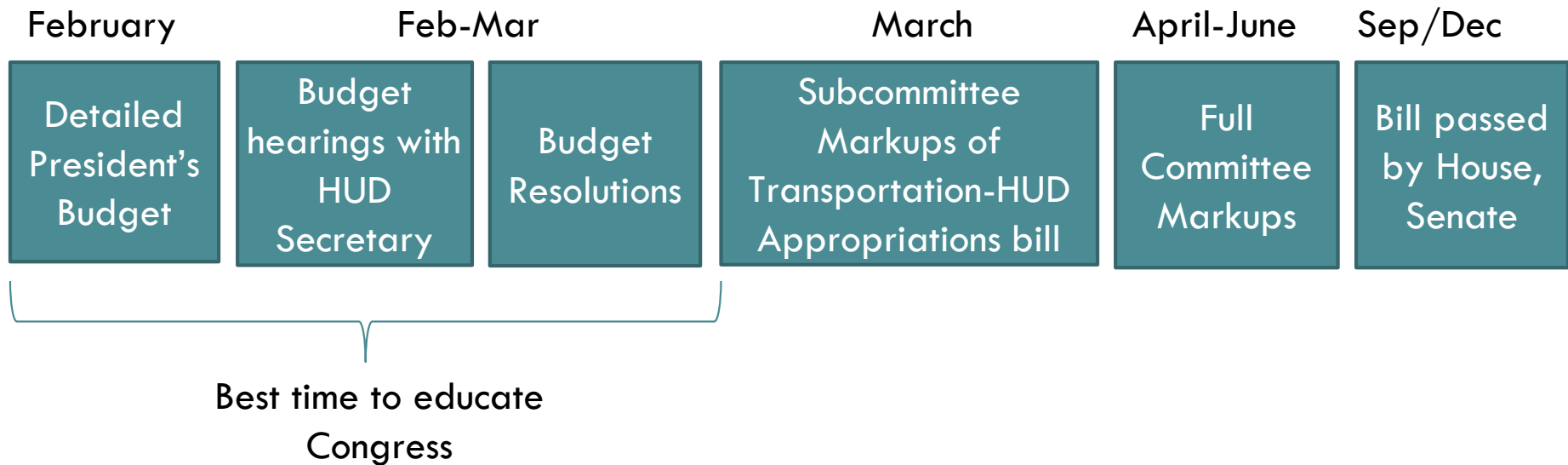
- \$18.36 billion to renew Housing Choice Vouchers –
 - \$450 million short of what's needed to renew vouchers in use. So we will likely see some PHAs reduce their numbers this year.
 - \$40 million for new HUD-VASH
 - \$7 million to renew Tribal HUD-VASH. If that's more than needed then they can use the extra money to issue new Tribal HUD-VASH vouchers.
 - \$10 million for new Family Unification Program Vouchers.
 - \$120 million for Section 811 Mainstream vouchers for people with disabilities. This is apparently more than needed to renew all mainstream vouchers, and will create about 700-800 new vouchers.

FY2017 HUD Funding: USICH extended for one year

- Was set to sunset October 1, 2017. Extended to 2018.

FY2018 HUD Funding

“Normal” appropriations process



FY2018 HUD Funding

This year, so far:

President's
budget
with few
details

Two main threats to HUD funding:

- President's budget
- Total funding for non-defense discretionary programs

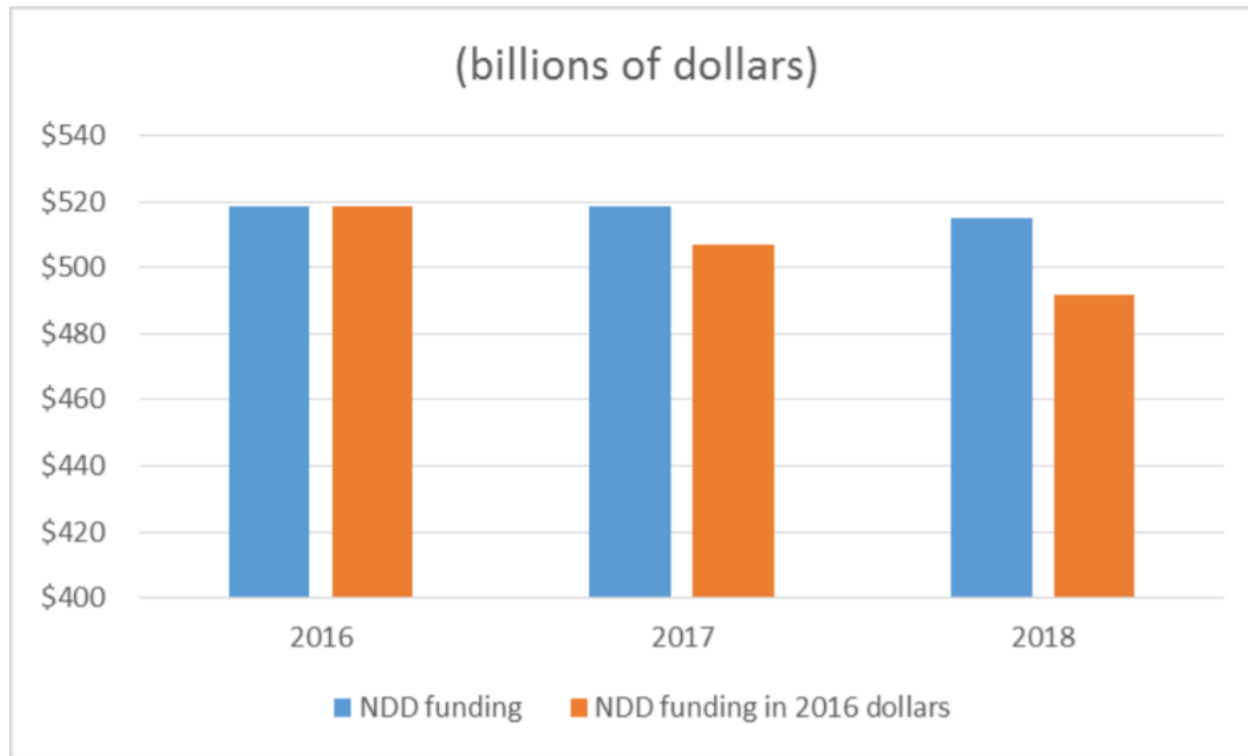
Back up. What the heck is NDD?

- Federal spending is split into two basic categories:
 - Mandatory – programs continue unless Congress intervenes
 - Food Stamps, Medicaid, Social Security
 - Most of the Federal Budget
 - Discretionary – spending for programs must re-decided each year or they stop.
 - Failure to pass appropriations bills results in a “government shutdown”

Back up. What the heck is NDD?

- Discretionary spending is further split:
 - Defense
 - Non-Defense
- Non-defense includes everything else:
 - Government employee salaries
 - HUD, USDA, Education, NIH, WIC, SAMHSA, etc, etc, etc.

Budget Control Act limits NDD funding



Budget
and Policy
Priorities

There are also corresponding Defense caps

Trump's budget request

- Proposes big bump in military spending, offset by big cut in NDD (even below BCA sequester levels)
 - Cut HUD by \$6 billion compared to FY2016 (so that's a bigger cut compared to FY2017)
 - Eliminates HOME, CDBG, and others

Trump's budget request

- Unlikely Congress will go for it.
- Key question: Will Congress preserve Defense/Non-Defense “parity”?
 - Every year after 2013 there has been a bi-partisan deal to lift both the defense and non-defense caps.

Unclear where this leaves HUD

- Just staying at BCA sequester levels will cause pain, certainly cause reductions in people receiving assistance.
- But Congress can make choices about where to cut. HUD has traditionally more bi-partisan programs than other areas.



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