



NAHMA

Government Affairs Committees
Update February 2020



GR Committees and Leadership

- **Federal Affairs** – Ch. Kimberlee Schreiber, VCh. Jack Sipes
 - **Advocacy Task Force** – Ch. David Joyner, VCh. Amy Albery
- **Regulatory Affairs** – Ch. Cindy Lamb, VCh. Lisa Beffa
- **Tax Credit** – Ch. John Kuppens, VCh. Scott Hunley
- **Senior Housing** – Ch. Nancy Evans, VCh. Jeff Kohler
- **Rural Housing** – Ch. Noel Gill, VCh. Bert Loe
- **Fair Housing** – Ch. Debbie Piltch, VCh. vacant

HUD Updates

- Guidance on Reasonable Accommodation of Service Animals under FHA
 - **Member Feedback?**
- HUD Secretary Carson announces national bus tour across the nation focused on removing barriers to affordable housing stock
- NSPIRE Demonstration Resident Engagement Initiative
 - Recommendations – additional units inspected, additional mechanism for resident feedback
 - Landlord Participation Webinar Series Available
 - **Member Thoughts?**
- GAO Examining HUD's Oversight of Lead-based Paint
 - Focused on changing monitoring
 - Lead Safe Housing Rule Resources on available [here](#)
- Innovative Housing Showcase, Washington, D.C., National Mall, September 12-14

RAD Updates

■ RAD Environmental Review Guidance

- HUD recently published a revised guide on “[Environmental Review Requirement for RAD Conversions](#)”
- Provides improved guidance to all property types (public housing, Mod Rehab, and PRAC) converting under RAD
- Implements the strengthened environmental requirements introduced in Revision 4 of the RAD Notice

■ Tracking Resident Relocation through a Resident Log

- In order to monitor and track relocation and residents’ right of return for public housing conversions under RAD, HUD has recently posted a form of a [resident log](#) that PHAs may use

LIHTC Compliance Monitoring

- IRS updated regs in Feb 2019
 - **Sample size:** agencies must inspect no fewer units than the Low-Income Housing Credit Minimum Unit Sample Size Reference Chart; maintains the “all buildings” rule
 - **Inspection Notification:** Shorten the reasonable notice requirement to 15 days in advance of physical inspection or review of low-income certification (from current 30 days)
- Built into QAPs by end of this year
- Thank you for the member feedback provided; examples outlined in letter available on NAHMA website

LIHTC Compliance Monitoring

- NAHMA submitted letter based on member experiences:
 - Agency should withdraw the amendments
 - Agency should reinstate the previous regulation that allowed 20-percent of units to be used as minimum sample size
 - Agency should emphasize consistent regulatory implementation across the portfolio by issuing clarifying guidance to HFAs
 - Agency should target any shortened inspection notice targeted at troubled properties, and incentivize compliance with longer notice
 - Agency should reverse “all buildings” rule, allowing inspectors to apply the minimum sample size on a project-wide basis

Housing Credit – Income Averaging Test

- IRS issued guidance on new Average Income test
 - Clarifies process for properly computing income limits applicable to the LIHTC program
 - Addresses additional income limits available within this new minimum set-aside option
 - Available online [here](#)
- **Member Thoughts/Experiences/Input?**

Community Reinvestment Act

- OCC, FDIC issued CRA modernization proposal
 - Federal Reserve separate proposed rule
 - Proposes overhauling CRA assessment boundaries, eligible activities, banks' reporting regimes, and how banks are scored overall for their performance
 - Introduces a new "50%-5%" breakdown for non-physical branch transactions:
 - Banks evaluated on both the total unit number of CRA-eligible loans and total dollar amount lent to projects benefiting low-to-moderate-income communities
 - Regulators develop list of commonly approved CRA activities

Community Reinvestment Act

- NAHMA working with Industry partners to draft comments
 - Industry is concerned about impact on LIHTC and affordable housing financing
 - January House Financial Services hearing – Administration denied request for extended public comment period
 - **Comments due to NAHMA by February 14, 2020**

Affirmatively Further Fair Housing (AFFH)

■ **New Proposed Rule issued on AFFH**

- AFFH largely suspended since 2018, due to burden/complexity
- Updates definition of AFFH and aims to increase “fair housing choice”
- CDBG jurisdiction that submits a Consolidated Plan (Con Plan)
 - submit with it an AFFH certification
 - commit to addressing at least 3 obstacles to fair housing choice or fair housing goals over the next 5 years.
- HUD will use publicly available metrics to score and rank jurisdictions

■ **NAHMA will take comments through February 14**

Rural Development – Agency Updates

■ Multi-Family Preservation and Revitalization Program

- Agency working on 2019 MPR NOFA; notice will elevate eligibility for “no-cost” properties (straight deferral/transfer properties where no 515 funding is needed)
- Focus on clearing backlog (3 fiscal years of backlog unless Congress appropriates more funding) → **Member Advocacy Opportunity**

■ Portfolio “Risk-Ranking” for Preservation Priorities

- Ranking based on need/developing comprehensive strategy
- Data to be made public in Spring 2020, but individual property “ranks” will not be disclosed for privacy reasons

■ New approaches to rural housing challenges

- Piloting different types of assistance models for rental assistance

Rural Development – Agency Updates

■ Fair Housing Occupancy Report released

- Annual update of data about 515 and 514/516 tenants
- Average income of all Section 515 residents is \$13,551
- USDA's portfolio lost over 4000 units last fiscal year (mostly units with no tenant subsidies)
- These numbers support the important role that rental assistance plays in the preservation of rural units
- The rental assistance units lost make up a much larger proportion of the portfolio, meaning more harm has been done to the subsidized portfolio/communities who rely on RA

Uniform Federal Accessibility Standards Compliance in RD MFH

- In January, USDA released an Unnumbered Letter
 - Provide reminders and updated guidance
 - **Compliance with the Uniform Federal Accessibility Standards for Rural Development Multi-Family Housing Sections 514, 515, 516, and 521 housing programs**
 - RD is requesting that all properties are brought into compliance within 12 months of the date of this issuance
 - UL available [here](#)
 - **Member thoughts? Feedback?**

Rural Development Streamlining

- **NAHMA compiling feedback for RHS staff – options for improving processes**
 - Improving consistency across portfolio: Develop more national/HQ-approved standards, forms, samples, etc.
 - Clarifying Communication Escalation: Establish clear points of contact up the chain for urgent issues
 - Rural Housing plus Services: Budget Mechanism for financing services for elderly, etc., in 515
 - **Other member thoughts, feedback**

Funding for Affordable Housing Programs

- **FY20 levels overall positive** - [NAHMA Analysis Available](#)
- **HAP payments timely**
 - Some contract renewal issues persist
 - **Other member issues?**
- **President's Budget due 2nd week of February**
 - NAHMA Analysis forthcoming
 - Congress will likely reject budget
 - Continuing Resolution likely; advocacy important this year

Legislative Updates

■ **Congressional focus in the 116th Congress**

- **Tax Credits** – Affordable Housing Credit Improvement Act; Qualified Contracts; Renters' tax credits
- **Investments** – Infrastructure; capital needs; green retrofitting; combatting homelessness; new construction, studying impacts
- **Opportunity** – Opportunity Zones; Housing Mobility
- **Fair Housing** – VAWA; Evictions; Fair Housing Act protections
- **Rural and Tribal Housing** – Preservation; targeting resources
- **Hearings** – HUD oversight; homelessness; CRA and finance

Legislative Updates

■ **Upcoming 2020 Congressional Hearings:**

- **January 9:** Understanding the Importance of DHS Preparedness Grants: Perspectives from the Field
- **January 14:** On the Brink of Homelessness: How the Affordable Housing Crisis and the Gentrification of America Is Leaving Families Vulnerable
- **January 14:** The Community Reinvestment Act: Reviewing Who Wins and Who Loses with Comptroller Otting's Proposal
- **January 14:** Making HUD-VASH Work for all Veteran Communities
- **January 29:** The Community Reinvestment Act: Is the OCC Undermining the Law's Purpose and Intent?



Infrastructure Framework

- **January 2020, House Democrats Unveil Moving Forward Framework**
 - Five-year, \$760 billion national infrastructure investment plan
 - Proposes to expand existing infrastructure tax credits and create new tax credits
 - Notable existing housing-related tax credits include the Low-Income Housing Tax Credit (LIHTC) and the New Markets Tax Credit (NMTC)
 - House Ways and Means Committee also held a hearing on funding and financing infrastructure investment

Advocacy Updates

- **Staff liaison transition**
- **Hill Visits**
 - Aligning expectations: NAHMA members set up Hill Visits, NAHMA and Advocacy task force offer back-up support
 - Resources available on the website
- **March Meeting Advocacy Workshop**
 - Tuesday 9am
 - **Member input**
- **February Advocacy Task Force Call**
 - Hill Visit talking points, workshop prep

March Meeting - Member Topics/Questions

- Policy-Related Confirmed Guests:
 - **Opening Remarks**, Anna Maria Farías, Assistant Secretary for FHEO
 - **Monday Morning** - Lamar Seats, Deputy Assistant Secretary, Multifamily Housing Programs
 - **Monday Morning** - Toby Holiday, Director, Office of Asset Management and Portfolio Oversight
 - **Lunch Keynote Speaker**, Adrienne Todman, National Association of Housing and Redevelopment Officials (NAHRO)
 - **Monday Afternoon** - David Vargas, Deputy Assistant Secretary, REAC
 - **Tuesday Morning** – Grassroots Advocacy Taskforce Committee
 - **Tuesday Morning** – Michelle Kitchen, Director of Multifamily Finance, National Association of Home Builders
 - **Tuesday Morning** - Nancie Ann Bodell, Deputy Administrator, RHS and Staff

2020 Outlook - Next steps

- March Meeting – finalizing advance questions
 - **Send to NAHMA by mid-February**
- No Committee Call in March
- Questions about March Meeting?
- Chair input on Sunday session
- Advocacy Workshop panel