



**NATIONAL LOW INCOME
HOUSING COALITION**

www.nlihc.org

Dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

FY16 Omnibus Spending Bill Released

Congressional leaders released the text of the omnibus spending bill at about 1:30 am on December 16. The omnibus bill funds all 12 appropriations bills, including the Transportation, Housing and Urban Development, and Related Agencies bill, for FY16.

Congress is currently operating under a Continuing Resolution (CR), which will keep the government funded until midnight December 16. Sometime on December 16 Congress will pass another CR to avoid shutdown until December 22. It is possible that both the House and Senate could take up the omnibus and be done by December 18.

The text of a tax extender package was also released just after midnight.

The omnibus spending bill is not perfect, or even acceptable in our land of riches, but we know that it could have been a lot worse if we were not successful in raising the sequester spending caps and then convincing Congress to put some of these increased resources into key programs. Thank you to all housing advocates who worked so hard with NLIHC and our partners this year to convince Congress to raise the harmful spending caps, sufficiently fund federal homeless and affordable housing programs, and protect the National Housing Trust Fund (NHTF).

Highlights of the omnibus spending bill related to homeless and housing programs:

- National Housing Trust Fund – No NHTF funds were raided!!
- HOME – Small increase of \$50 million above FY15 level to \$950M for FY16!!
- Vouchers – Appears short on renewals by about \$369 million; only new vouchers are VASH vouchers.
- Homeless Assistance Grants – Increase over FY15's \$2.135B to \$2.250B.
- Project-Based Rental Assistance – Appears short on renewal funding by about \$200 million.
- Public Housing Operating and Capital Funds – Small increases for both!

- Fair housing policy riders – None!
- Moving to Work – Reduces the Senate’s proposed expansion from 300 to 100 agencies and adds research protocols, as well as some modest reforms.

The omnibus spending bill would not raid any funds from the **National Housing Trust Fund**, which is set to deliver its first resources to states in 2016 for the production, preservation, and operation of predominantly affordable rental housing for extremely low income households. The House spending bill would have raided 100% of the NHTF’s funds in 2016 and used them to fund the HOME program. The Senate Committee bill did not raid the NHTF program.

The omnibus bill would provide a \$50 million increase compared to FY15 for the **HOME** program, bringing HOME funding to \$950 million, a major victory for HOME program advocates. The House bill would have cut HOME to \$767 million in FY16; the Senate bill would have effectively eliminated funding for the HOME program by cutting it to \$66 million in FY16.

The omnibus bill would fund the overall **Housing Choice Voucher** program at \$19.629 billion, providing \$17.681 for voucher renewals and \$65 million for new vouchers (all of the new vouchers are Veterans Affairs Supportive Housing vouchers). It appears that the voucher renewal amount is about \$369 million lower than what’s required for 2016 but further analysis is necessary. Renewal numbers are very mercurial things to pin down.

The omnibus bill would fund HUD’s **Homeless Assistance Grant** programs at \$2.25 billion. The President’s budget request would have increased funding to \$2.48 billion in FY16 to support efforts to end veteran homelessness in 2015, end chronic homelessness in 2017, and end homelessness for families, youth, and children in 2020.

For the renewal of **Project-Based Rental Assistance** contracts, the bill would provide \$10.62 billion, which appears to be about \$200 million less than the latest renewal need numbers. The renewal costs for FY16 increased significantly over FY15 levels because of a shift implemented in FY15 to calendar-year funding for the contract renewals. The shift resulted in savings for FY15 but meant appropriators would need to increase funding for FY16, a big challenge in a year of constrained resources. The FY15 appropriation for PBRA renewals was \$9.73 billion.

Funding for **Public Housing** operating and capital funds remains insufficient overall, but the omnibus did increase the two public housing funding accounts compared to FY15 levels. In FY15, the operating fund received \$4.44 billion and the capital fund received \$1.875 billion. For FY16, the omnibus would provide \$4.5 billion for the operating fund and \$1.9 billion for the capital fund.

The House version of the THUD spending bill included three dangerous **anti-fair housing** provisions that are not included in the omnibus spending bill. The House bill would have prohibited HUD from implementing, enforcing, or administering the Affirmatively Furthering Fair Housing rule or its related Affirmatively Furthering Fair Housing Assessment Tool; prohibited HUD from implementing or enforcing the disparate impact standard of the Fair Housing Act; and prohibited any Fair Housing Initiative Program (FHIP) funds be used for the Private Enforcement Initiative (PEI). PEI grants support local, private fair housing groups' testing, complaint intake, and investigation efforts. These are agencies that are critical to enforcement of the Fair Housing Act. The provision in the original House bill did not cut total fair housing funds but transferred the FHIP funds to the public agencies that engage in fair housing activities.

The Senate Committee bill would have required the HUD Secretary to expand of the number of Public Housing Agencies (PHAs) that can participate in HUD's **Moving to Work** (MTW) demonstration by 300 agencies; the omnibus authorizes 100 new MTW agencies over seven years. The omnibus includes some significant research protocols, a big improvement over the Senate Committee's bill. But key reforms remain missing such as retaining income targeting standards and protecting voucher funds from being emptied by MTW agencies.

Within **Rural Development**, the omnibus would provide \$1.38 billion for Section 521 Rental Assistance, a significant increase compared to FY15's \$1.167 billion, which proved significantly insufficient to meet FY15's renewal needs. The omnibus bill would also increase funds for the rural housing voucher program.

Other notes regarding the omnibus:

- **HOPWA** is increased slightly from \$330 million to \$335 million.
- HUD's Office of **Healthy Homes and Lead Hazard Control** is level-funded at \$110 million (the House bill would have cut it to \$75 million).
- The **Section 811 Housing for Persons with Disabilities** program is funded at \$151 million, an increase compared to FY15's \$135 million.

The tax extenders package would make the 9% minimum **Low Income Housing Tax Credit** floor permanent, and make it retroactive to January 1, 2015. The House is expected to consider the tax extender package separately from the omnibus. Both will be merged into one vehicle prior to subsequent Senate action.

Background and Resources:

The House passed its THUD bill on June 9 but the Senate never took up its version of the bill after the Senate Committee on Appropriations approved it on June 25 (see two NLIHC articles on the House bill, [Bill Raiding NHTF Passes House, Defense Moves to Senate](#) and [House Narrowly Passes THUD Bill with Anti-Fair Housing Provisions](#) and two articles on the Senate Committee bill, [Senate Committee Passes Sequester-Constrained THUD Bill](#) and [NHTF Spared in Senate THUD Bill](#)).

To view updated FY16 HUD and USDA Budget Chart, visit:
http://nlihc.org/sites/default/files/FY16HUD-USDA_Budget-Chart.pdf

To view the entire tax extender package,
visit: <http://docs.house.gov/billsthisweek/20151214/R121515.006.xml>