

HUD Update quarterly report

Affordable Housing Finance Update

HUD releases ‘simplified’ Super NOFA

By Martha Bridegam

The \$2.3-billion, 875-page SuperNOFA, the main annual Notice Of Funding Availability for the Department of Housing and Urban Development (HUD), appeared in the May 14 *Federal Register*, with a correction following on May 28. Extensive application materials and forms, for what HUD described as a simplified process, appear as part of the publication. Deadlines fall mainly in July, although some have already passed. HOPE VI is not addressed. Other recent NOFAs include several Department of Health and Human Services community development opportunities published in the May 11 *Federal Register*, and housing counseling training funds available from HUD in the May 12 *Federal Register*.

CDFI Fund issues rule changes to mixed reviews

A new revised interim rule at the Community Development Financial Institutions (CDFI) Fund announced changes that could send more financial and technical assistance to dwindling rural counties and state-insured credit unions. It also relaxed a reporting deadline for applicant institutions. However, the May 11 *Federal Register* announcement did not include reinstating a pre-2003 rule that had said grants could go only to CDFIs that had a “primary mission of community development” when considered together with all their affiliates. In sticking by this decision, the Fund could be allowing CDFIs to qualify for grants even if they are community service affiliates of more conventional profit-seeking businesses.

“Who is this change letting into the programs that otherwise could not participate? I think some in the industry could become concerned if affiliates of large corporate entities were able to qualify since these entities likely have access to other resources,” wrote Jeannine Jacokes, senior adviser to the Community Development Bankers’ Association.

The revised interim rule was a follow-up to an interim rule that appeared as part of a controversial CDFI Fund announcement package in the *Federal Register* Feb. 4, 2003 (see *Affordable Housing Finance*, January 2004, page 22, and October 2003, page 23). The new provisions took effect immediately, although comments will be accepted until July 12.

The new rule was interesting to some industry representatives for what it did not say. While responding to some of the many comments received about the February 2003 rule changes, the new rule did not address all of them.

In other news, on June 1 the CDFI Fund launched its new “Community Investment Impact System” online reporting structure. See www.cdfifund.gov/ciis

State bond authorities allowed making late filing

A state allocating authority for tax-exempt private activity bonds for affordable housing was allowed to make a late filing with the Internal Revenue Service announcing an intention to carry forward volume cap from 2002. A calculation error was accepted as the reason for the lateness. The decision is Private Letter Ruling 200422046, issued Feb. 18 and released May 28.



HUD, DOJ offer disability accommodation guidance

A statement on disability accommodation under the Fair Housing Act was issued jointly by HUD and the Department of Justice on May 17. See www.hud.gov/offices/fheo/library/hud DOJstatement.pdf.

HUD paying 93% of PHA operating subsidies

In a May 25 announcement, PIH 2004-9, HUD said that operating subsidies to public housing agencies (PHAs) are currently being funded at 93% of what the PHAs were eligible to receive, but that the figure might rise later in the year. See www.hudclips.org.

Report studies effectiveness of production subsidies

A HUD-commissioned review by Abbott Associates of existing literature evaluates where housing production subsidies work best. Among its discoveries are that “worst-case needs” exist among the poorest households; in the West and Northeast; in metropolitan areas; and among households with disabled and elderly members. Very poor households, however, may really have “an income problem, not an affordable housing supply problem.” The report, “Targeting Housing Production Subsidies,” is at www.huduser.org/publications/pollegIHsgPrdS_ubs.html.

LIHTC project database updated

HUD’s Low-Income Housing Tax Credit Database, available at <http://lihtc.huduser.org>. Has been updated for properties placed in service through 2001. The searchable database includes project address, number of units and low income units, number of bedrooms, year the credit was allocated, year the project was placed in service, whether the project was new construction or rehab, type of credit provided, and other sources of project financing.

Contact us at www.huduser.org/datasets/lihtc.html.