



WASHINGTON REPORT

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**DATE:** September 17, 1999

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**HUD/VA BILL UPDATE**

The House passed its FY 2000 VA-HUD-Independent Agencies Appropriations bill (H.R. 2684) on Thursday, September 9. The \$26.1 billion spending measure includes a \$250 million reduction to CDBG to \$4.5 billion and a \$20 million reduction to HOME to \$1.58 billion. The only change made to HUD's budget from the subcommittee mark-up is a \$10 million increase to the Housing Opportunities for Persons with AIDS (HOPWA) program through an amendment offered by Rep. Jerry Nadler (D-NY). A floor amendment by Rep. Nadler to provide \$200 million for 32,000 Section 8 housing vouchers and a \$105 million increase for public housing operating subsidies failed by a vote of 154-167. Rep. Luis Gutierrez (D-IL) offered an amendment to add back \$20 million to the HOME program, \$5 million to HUD's homeless assistance programs, and \$5 million to Brownfields, but the amendment failed. The Housing Certificate Fund, which funds Section 8 rental contract renewals, is funded at \$10.5 billion, \$1 billion above FY 1999, but \$300 million less than requested by the President in his FY 2000 budget. HUD's homeless assistance grants are funded at \$970 million, \$5 million less than in FY 1999.

The Senate Subcommittee on VA, HUD, IA Appropriations completed mark-up of its FY 2000 spending measure on Wednesday, September 15. The Subcommittee fully funded the HOME program at its FY 1999 level of \$1.6 billion and increased CDBG by \$50 million to \$4.8 billion. The measure includes \$339.8 million in CDBG set-asides. Set-asides within CDBG include: \$67 million for Native Americans; \$3 million for the Housing Assistance Council; \$1.8 million for the National American Indian Housing Council; \$42.5 million for Youthbuild; \$25 million for the National Community Development Initiative; \$45.5 million for section 107 grants; as well as \$45 million for supportive services, and \$110 million for EDI grants. The measure recommends no set-asides for HOME in FY 2000. Senator Christopher "Kit" Bond (R-MO), Chairperson of the Subcommittee, provided strong support for CDBG and HOME, resulting in the high funding levels for these two key programs.

The Senate bill also includes \$100 million for HUD to address the mounting Section 8 opt-out crisis. In 1998, an estimated 219 properties with some 25,000 units opted-out of the Section 8 program. Funding for HUD's homeless assistance programs is increased to \$1.02 billion in FY 2000. The bill requires 30% of HUD's homeless assistance funds to be allocated to permanent housing. It also requires a 25% match on supportive services. The Senate measure provides funds for the Section 202 elderly housing program at \$710 million, a \$50 million increase from FY 1999. Of this amount, \$50 million is targeted for the conversion of Section 202 housing to assisted care facilities and \$50 million is provided for congregate services and service coordinators. The Section 811 program is funded at \$194 million in FY 2000.

The Senate HUD/VA Committee allocates \$11.05 billion for the renewal of Section 8 contracts in FY 2000. However, \$4.2 billion of this amount is deferred for use until FY 2001. The Committee also provides \$2.55 billion for HUD's public housing capital fund, \$445 million less than the FY 1999 level. Public housing operations is funded at \$2.9 billion, an increase of \$82 million from FY 1999.

The measure also includes language to terminate HUD's Community Builder program. It also provides \$423.5 million in funding for the Corporation for National and Community Service (AmeriCorps), \$2 million less than FY 1999. The President had vowed to veto the VA-HUD bill if it did not include funding for this program. The Senate Appropriators funded NASA, another Administration priority, at the President's requested level of \$13.6 billion.

The Senate Appropriations Committee approved the measure on September 16 and the full Senate is expected to vote on its passage by next Tuesday. The House and Senate will likely meet next week to conference the two versions. Senate staff have noted that VA medical care is a prime appropriations priority that will likely receive additional funding when the bill comes to the Senate floor next week.

## FOLLOW-UP TO THE PROPOSED CHANGES TO THE CDBG FORMULA

In a meeting hosted at HUD headquarters on August 31, Deputy Secretary Saul Ramirez and his CPD staff provided NCDA and other interest groups with the near final version of Secretary Cuomo's proposal to expand the number and size of entitlement communities and urban counties. The Secretary would like to see this proposal attached to HUD's FY 2000 spending bill. Presently the proposal is under review at OMB.

According to HUD, next to securing full funding for its programs and initiatives, this proposal to increase the number of entitlement communities is the Department's top legislative priority. Secretary Cuomo believes that Congress will love this plan because it has all the devolution and local control Senators and Representatives could want. Moreover, it would add credibility to lawmakers claims that in addressing the concerns of cities, they are confronting problems that qualify not only as "urban" issues but "suburban" ones as well. Suburban communities have long complained that Congress is not as interested in seeing problems from their point of view, and that members have been slow to recognize that erstwhile urban problems of crime, poor schools, and deteriorating infrastructure are beginning to plague them as well. HUD is betting that many members of Congress will want to support the proposed change to the number of entitlement communities as a way to get the federal government focused on the needs of the nations smaller, sub-urban "big" cities.

Many of the interest groups that advocate on behalf of Housing and Community Development programs have severe reservations about this proposal, especially reservations that pertain to "opening up the statute" to more than just this formula change. It is feared that if a change of this magnitude is suggested or proposed, it opens the door to making other, even more radical changes to the formula. So far the National Association of Counties, the National Association for County Community and Economic Development and the Council of State Community Development Agencies have gone on record opposing the proposal.

Discussions at the 1999 NCDA/CDTI Executive Symposium revealed that NCDA's membership is very much split on the proposal, primarily because of the formula issue, but also over the potential population loss for the urban counties. Some NCDA members expressed the belief that the formula split (70/30) will not stand the test of opening up the formula for modification, and that the 70 percent share might become jeopardized. Most members of NCDA's Board of Directors would like to see the actual language being proposed before the organization stakes out a position on the issue. NCDA's affiliate associations, the National League of Cities and the U.S. Conference of Mayors have yet to officially take to a stand on the matter. The National League of Cities staff believes the proposal could split their membership right down the middle, with half supporting and the other half objecting. The U.S. Conference of Mayors is waiting to hear from its leadership before coming out with a statement.

### **TAX PLAN APPEARS TO BE DEAD BEFORE ARRIVAL**

The massive \$792 billion tax measure will be forwarded to the President this week. The President is expected to quickly veto the measure because of the large tax cut proposed by the Republicans. Congressional Republicans have said that they will not re-draft another tax bill this year. Instead, they will re-introduce the same measure next year and forward it to the President. If he vetoes the bill, Republicans plan to use it as an issue in the November 2000 elections.

Without a tax bill, there will be no chance of increasing the volume caps on tax-exempt private activity bonds or the Low-Income Housing Tax Credit this year.

### **LAZIO HOLDS HEARING ON H.R. 1776**

Rep. Rick Lazio (R-NY), Chairperson of the House Subcommittee on Housing and Community Opportunity, held a hearing on H.R. 1776 – the American Homeownership and Economic Opportunity Act of 1999 – on September 15. Witnesses included Bill Apgar, Federal Housing Commissioner and Director of Planning, Development, and Research at HUD; Jack Brice of the American Association of Retired Persons; Antone Giordano, Vice Chairman of the National Association of Home Builders; George Knight, Executive Director of the Neighborhood Reinvestment Corporation; Edward Hussey, Manufactured Housing Association for Regulation Reform; and John Dodds, Executive Director of the Philadelphia Unemployment Project.

HUD opposes several provisions of the bill including a requirement that HUD offer vacant or substandard single family and multifamily property to local governments and community development corporations at deeply discounted prices. HUD estimates potential losses to the FHA fund of \$3 billion if this is enacted. Several members of the subcommittee are very supportive of the provision because it will assist in eradicating the numerous vacant and substandard units within their jurisdictions. HUD is also opposed to language in the bill that would relax existing income targeting for CDBG and HOME funds. H.R. 1776 raises income limits to 115 percent of area median income for these two programs.

Overall, H.R. 1776 contains a mixture of various changes to existing HUD programs in order to expand greater opportunity for homeownership and streamline regulations which hinder the development of affordable housing. Among the bill's major provisions are the following:

- All proposed federal regulations must include a housing impact analysis in order to certify that a proposed regulation would not have a significant impact upon housing affordability.

- Authorizes \$15 million through FY 2003 for grants to States, local governments, and eligible consortia for regulatory barrier removal strategies.

- Creates a Regulatory Barriers Clearinghouse within HUD.

- Requires CDBG grantees to make a good faith effort to reduce barriers to affordable housing identified within their consolidated plan.

Creates a Neighborhood Teacher Program, which allows the resale of FHA single-family properties at discounted prices to teachers.

Allows PHAs to use Section 8 subsidies for down payment assistance.

Reauthorizes \$4.75 billion for the CDBG program for FY 2000 and prohibits set-asides within the program.

Allows local jurisdictions to use CDBG and HOME funds to assist municipal employees (police, firemen, sanitation workers) to purchase homes within the jurisdiction.

Makes environmental cleanup and economic development activities related to Brownfields a permanently eligible activity under CDBG.

Reauthorizes the HOME program at \$1.6 billion for FY 2000.

Allows HOME funds to be used to leverage in connection with the creation of greater “loan pools” (ten times the amount of HOME funds invested in such a pool) without imposing the HOME income restrictions on the entire pool.

Creates a HOME Loan Guarantee Program by allowing HUD to guarantee the obligations of participating jurisdictions by pledging as security a pj’s future HOME allocations (up to five times the latest allocation).

Authorizes \$25 million for FY 2000 and FY 2001 for the establishment of Homeownership Zone Program targeted at large scale development projects designed to reclaim distressed neighborhoods by creating homeownership opportunities for low- and moderate-income families.

Establishes a Consensus Committee that would submit recommendations to HUD for developing, amending and revising both the Federal Manufactured Home Construction and Safety Standards and the enforcement regulations.

Requires HUD to transfer ownership of eligible properties (HUD-owned substandard multifamily, unoccupied multifamily, or unoccupied single-family properties) to a unit of local government or a community development corporation.

The House hopes to pass H.R. 1776 over the next few weeks. The Senate has not introduced a similar measure. Some of the provisions of H.R. 1776 may be tacked on to Section 8 opt-out legislation that is making its way through Congress.

## **HOUSE ACTS ON SUPERFUND REAUTHORIZATION BILL**

Exactly one day before the start of the August legislative recess, the House Transportation and Infrastructure Committee succeeded at reporting out a piece of legislation that many local governments have been seeking for a very long time: a comprehensive Superfund reauthorization bill that includes substantial brownfields liability reform measures. Originally introduced by Representative Sherwood Boehlert (R-NY), the Recycle America’s Land Act (H.R. 1300) managed to garner support from the overwhelming majority of Republicans and Democrats serving on the committee. The legislation passed out of the Transportation and Infrastructure Committee on a final vote of 69-2.

H.R. 1300 reauthorizes and reforms the 1980 Superfund Law (the Comprehensive Environmental Response, Compensation, and Liability Act or CERCLA), to provide protections from law suits

and federal regulatory actions to private parties, local governments, and states that take on the responsibility of cleaning-up and redeveloping brownfields. Among the bills key liability provisions are: (1) changes to current rules to protect “innocent third parties” who clean-up and redevelop brownfields from any future liability; (2) prospective purchasers (i.e. public and private parties) who buy property after the date of enactment and exercise “appropriate care” are exempted from federal liability; (3) landowners who did not cause or contribute to the contamination of a site and participated in that brownfields redevelopment before the date of enactment are protected from federal liability; (4) contiguous landowners on whose property pollution has migrated are protected from federal liability; (5) and local governments who came into possession of brownfields in the course of exercising governmental functions receive substantial liability protections.

In conjunction with these reforms, H.R. 1300 authorizes federal funds to provide direct grants to cities and other public entities to conduct assessments of brownfields sites (up to \$200,000) and for the establishment of revolving loan funds for brownfields clean-up (up to \$1,000,000 per city or organization per year).

With respect to EPA regulated National Priorities List Superfund sites, H.R. 1300 sharply divides enforcement authority between states and U.S. EPA--shifting the lion's share of that authority to the states. EPA's ability to engage in enforcement activity is limited to emergency situations that occur after a state clean-up plan has already been instituted, or instances when a state invites the Agency to regulate a given site. Resources are also provided in the bill to bolster state clean-up efforts and to promote comprehensive groundwater clean-up plans, and a hard liability cap is established for Superfund sites that are municipally owned landfills where normal waste was co-disposed with hazardous materials. Communities with populations under 100,000 are capped at 10% of site clean-up costs and communities over 200,000 are capped at 20 percent. Moreover, innocent cities and other governmental entities are extended liability protections in operating sewage treatment facilities and taking actions to protect their drinking water from abandoned mine run-off. In total, the bill provides about \$10 billion in additional financing for Superfund site clean-up through 2007 by extending the previously enacted federal excise taxes that were used to fund the original Superfund Trust Fund. Lawmakers have left it up to the Appropriations Committees in the House and Senate to authorize funds, “as needed,” for the brownfields assessment and clean-up portions of the bill.

Due to the bills expansive nature, it falls under the jurisdiction of three committees in the House: Technology and Infrastructure, Commerce, and Ways and Means, which is charged with drafting its tax provisions. Presently, H.R. 1300 is being acted on by the House Commerce Committee, which is expected to hold hearings on it in late September. The House Ways & Means Committee has given no indication on when it will take up H.R. 1300.

Efforts in the Senate to produce a companion piece of legislation hit a stumbling block last week when Senate Environment and Public Works Committee Chairman, John Chafee (R-RI), announced that negotiations to reconcile competing Senate Superfund-brownfields measures have

broken down. Chafee went on to say that, for now, his Committee plans to take no further action on the issue, but that he will continue to closely monitor the progress of H.R. 1300.

Proponents of brownfields revitalization are eager to see a bill pass this year, and feel that H.R. 1300 presents the best chance for that to happen. Right now, the measure has 45 Republican co-sponsors and 45 Democratic co-sponsors. The best way to ensure quick passage of H.R. 1300, reform proponents think, is to help line up as many co-sponsors for it as is possible. The U.S. Conference of Mayors in particular is urging local government officials to ask their Representatives to sign on as co-sponsors of The Recycle America's Land Act (H.R. 1300).

So far the White House has not formally weighed in on H.R. 1300, but EPA is expressing deep concerns over how the language of the bills liability reforms provisions might affect Superfund-NPL sites. The Agency fears that the text of the bill does not clearly delineate between liability protections for brownfields and NPL sites, thereby providing potential loopholes for big polluters to avoid just liability for NPL sites by simply selling them off to "innocent third parties."

## **HUD NEWS**

### **LEAD-BASED PAINT FINAL RULE RELEASED**

HUD finally released its long-awaited *Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance* on September 15. The final rule consolidates all of HUD's lead-based paint requirements into one part of title 24 of the Code of Federal Regulations. The rule implements sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992. The purpose of the rule is to ensure that housing receiving Federal assistance and federally-owned housing that is to be sold does not pose lead-based paint hazards to young children. Title X stresses identification of lead-based hazards, notification to occupants of the existence of hazards, and control of these hazards. Section 35.140 of the rule is effective on November 15, 1999. This section pertains to prohibited work practices for removal of lead-based paint. All other provisions of the rule are effective on September 15, 2000. A Q & A Sheet has been attached for your assistance in better understanding the rule. For questions on the rule, contact HUD at 202-755-1785, ext. 104 or e-mail your question to [lead\\_regulations@hud.gov](mailto:lead_regulations@hud.gov)

Over the next year, HUD will hold at least 55 training sessions on the final rule across the country. HUD will be sending notices to all CDBG and HOME grantees regarding the training. NCDA has requested a copy of the training schedule and will make it available to its members as soon as it is released by HUD. HUD expects to have a training schedule available within the next few weeks. If you have any questions, call Vicki Watson at 202-887-5532 or e-mail your questions to [vicki@ncdaonline.org](mailto:vicki@ncdaonline.org)

Note: For those members receiving the Washington Report through the internet, the Q & A Sheet cannot be attached. Please call Carla Sauls at 202-293-7587 to have a copy forwarded to you.

## HUD'S REPORT "LOSING GROUND" COMES UNDER FIRE

With only two weeks left before Congress was scheduled to return to Washington, HUD released the report *Losing Ground: The Impact of Proposed HUD Budget Cuts on America's Communities*, that basically chastises Congress for the deep cuts it is proposing to HUD's FY 2000 budget. On its face the report points out that even in a thriving economy many do not share in the economic boom— particularly poor people. It is a report designed to sound a battle cry in local Congressional districts so that constituents of HUD programs can let their Congress people know how detrimental these cuts would be, should they become reality. Unfortunately, the method HUD chose to demonstrate these potential cuts, lead many to believe that in some cases the cuts proposed by the Congress (at the time only the House Subcommittee had voted on HUD's bill) would mean as much as a 43% cut in their city's HUD funding. For most cities that funding is CDBG alone.

NCDA receive many calls from its members and various members of the press corps for our take on these cuts. Some were so confused as to think that Congress had actually voted on HUD's bill and that they were truly losing almost one-half of their HUD funding in FY 2000. This is not the case. Only the House of Representatives has voted on HUD's bill. Programs that most concern our members— CDBG and HOME received \$250 million and \$20 million cuts respectively. These cuts although bad enough, but didn't come anywhere near those that were expected, given the potential passage of the tax bill and the spending caps. In the minds of many in Washington, HUD came out pretty good, considering how bad it could have been.

What HUD did to come up with potential cuts as high as 43 percent was to extrapolate a figure based on the potential funding of all available HUD programs each grantee might receive and the proposed cuts targeted for the specific program based on the President's requested budget. These programs included; CDBG, HOME, ESG, HOPWA, Section 8, and Public Housing programs. These are only the formula programs that were listed above. HUD also included in its potential cuts in funding its competitive programs as well. Based on all the funds an individual community could get if they received their formula allocations and each competitive grant they applied for, some communities could anticipate a 43 percent cut in HUD funding. This will not be the case.

NDCA staff have heard from the staffs on both the Senate side and the House side that members are very unhappy with HUD's report. It made all the work that Congress did to live within the budget constraints look trivial, and made Congress out to be a bully towards poor people and their programs. It places HUD advocates in a very touchy position that could backfire on the Department and render our efforts to increase HUD funding moot. The Senate is scheduled to finish its work on HUD's bill this week. The hearings on HUD/VA/IA will be most interesting.

## NCDA NOTES

## CDTI/NCDA 1999 EXECUTIVE SYMPOSIUM ROUND-UP



Presenters invited to speak at this year's Executive Symposium addressed the role that community development professionals can play in implementing new federal welfare reform. In particular, opportunities for municipal community development departments to participate in the design and delivery of supportive services funded through the Workforce Investment Act (1998), which replaced JTPA, and the Temporary Aid to Needy Families (TANF [1996]) programs were foremost in the conversation.

The discussion on the Workforce Investment Act was largely driven by the restrictions the law's emphasis on "work first" places on using federal dollars to help provide basic skills education and job training to former welfare recipients making the transition to the workforce, as well as challenges the Act's universal eligibility requirement poses for communities trying to integrate WIA dollars into pre-existing, CDBG low-to-moderate income neighborhood revitalization strategies. To receive more information about participating in the on-going discussion of how the Workforce Investment Act will affect community development professionals, contact Jan Shapin at (401) 849-7053.

In contrast, the assessment of the possible nexus between TANF and CDBG seemed far more promising. Suggestions were offered on how community development professionals can make use of federal TANF funds to carry out activities traditionally undertaken with CDBG dollars, as well as the need for enhanced collaboration between municipal community development departments and state welfare agencies. The TANF session was, so to speak, inspired by the release of data from HHS and reports in *The New York Times* and elsewhere that since TANF went into effect billions of dollars in federal welfare funds have gone unspent by states, prompting Congress to speculate that the time might be right to take some of the money back. Apparently, thanks to the strong economy and the new stringent work requirements, welfare rolls have been dropping dramatically across the nation. All the while federal funding for state welfare programs remains statutorily fixed at 1996 program levels. This has produced a curious situation in which many states are running significant surpluses in their TANF accounts. Estimates are that the pool of unused or "idle" federal welfare monies currently approaches \$7 billion. If the trend continues, that number could rise as high as \$22 billion by 2002, the year funding for the TANF program must be reauthorized.

Unfortunately, much of this unexpected windfall has failed to translate into new, more innovative benefits or services for the needy. A few states have elected to increase the benefits they give to the poor, even expanding eligibility for some benefits beyond welfare recipients to all working "needy" families living in poverty. And there are those states that have devised creative accounting schemes which allow them to use their TANF surplus to off-set tax cuts to some of their decidedly not so poor constituents. Most states, however, have merely put the money away in rainy day funds, hoping to draw on them only if and when the economy turns sour. These funding diversions are taking place despite the fact that TANF provides amazing flexibility to fund creative anti-poverty initiatives for the most distressed communities.

Regardless of the spending policies adopted by states, one thing is sure: the slower they are in making use of their surplus federal grant money, the more likely a cash strapped Congress is to

either substantially reduce or take back federal funding for welfare programs. This was the message delivered by Dave Garrison, Deputy Counsel to the Department of Health and Human Services (HHS), as he walked Executive Symposium attendees through the federal guidelines governing the use of TANF dollars. As if to point out just how radically reduced the federal regulatory role is under TANF relative to the old AFDC program, the HHS information packet outlining the rules governing the use of TANF funds numbers a mere 25 pages. Apart from federally mandated work requirements and time limits placed on the use of TANF dollars for cash benefits and other forms of legally defined “assistance” to welfare recipients, States have almost sole authority in determining the shape and substance of their welfare programs. Moreover, the list of TANF eligible “non-welfare” supportive services to needy and working poor families is extremely broad. As a practical matter, the only meaningful limitation placed on the use of TANF funds for supportive services is that they have some reasonable expectation of meeting the four main TANF goals: (1) providing assistance to needy families (states have wide latitude in determining what constitutes a “needy family”); (2) ending dependence of needy parents by promoting job preparation, work, and marriage; (3) preventing and reducing out-of-wedlock pregnancies; (4) encouraging the formation and maintenance of two parent families.

This means CDBG and TANF dollars can be coupled to fund everything from traditional brick and mortar projects that aid in the development of low-income neighborhoods, to day care and transportation assistance, or even sophisticated subsidized housing and employment training schemes—just so long as they can reasonably be expected to help TANF eligible families achieve one or more of the program’s main goals.

In addition to an overview of the TANF regulations, the group received Best Practices reports on using TANF for community development and effective collaborative programming between municipal CD departments and state welfare agencies from Pam David, Director of the Mayor’s Office of Community Development for the City of San Francisco, and Marjorie Almand, Director of the Bibb County Department of Family & Children Services (Macon, GA). Detailed information about the San Francisco and Macon programs, as well as case studies from Tucson, AZ and Providence, RI is contained in *Community Development After Welfare Reform: Local Opportunities for Innovation and Collaboration*. This report was prepared for the Community Development Training Institute (CDTI) by Steve Holt. To receive a copy of this report, contact Jan Shapin by phone at (401) 849-7053, or via e-mail: [cdti@ids.net](mailto:cdti@ids.net).

Reminding the audience that CDBG and TANF eligible populations often overlap, Dave Garrison stressed to the symposium attendees that the key thing to remain mindful of when pursuing TANF dollars is that, in any given state, the restrictiveness of the list of projects eligible for TANF funding is determined primarily by that state’s own welfare plan. Therefore, to successfully access TANF funds for creative community development in their local area, community development professionals should refer to the rules and regulations of their state’s own welfare program. The point being, if the state’s plan is too restrictive to meet their needs, then the only solution is to bring pressure to bear on the governor and state legislature to make it less so. For those who would like to learn more, a full copy of the HHS’ *Guide on Funding Services for Children and Families through the TANF Program* can be found on the web at: [www.ach.dhhs.gov/programs/ofa/funds2.htm](http://www.ach.dhhs.gov/programs/ofa/funds2.htm) .

### ***FEDERAL REGISTER NOTICES***

***September 14, 1999. Sources of Homeowner Downpayment.*** HUD proposes to establish specific standards regarding the mortgagor's investment in the mortgage property when a gift is provided by a charitable or other nonprofit organization. A gift could not be used for the mortgagor's investment if the organization received funds for the gift – directly or indirectly – from the seller of the property. The proposed rule is intended to prevent a seller from providing funds to an organization as a quid pro quo for that organization's downpayment assistance for purchases of one or more homes from the seller.

***September 14, 1999. Consortia of Public Housing Agencies and Joint Ventures.*** This proposed rule would implement a new statutory provision specifically authorizing public housing agencies (PHAs) to administer any or all of their housing programs through a consortium of PHAs. It also authorizes PHAs to use subsidiaries, joint ventures, partnerships or other business arrangements to administer its housing programs or to provide supportive or social services. The proposed rule specifies minimum requirements relating to formation and operation of consortia and minimum contents of consortium agreements.

***September 14, 1999. Allocation of Funds Under the Capital Fund.*** This proposed rule would implement, as required by statute, a new formula system for allocation of funds to public housing agencies for their capital needs.

***September 14, 1999. Public Housing Drug Elimination Program Formula Allocation.*** This final rule amends HUD regulations to replace the competitive distribution of HUD's Public and Indian Housing Drug Elimination Program (PHDEP) funds with a formula allocation funding system. The competitive distribution of funding through the Assisted Housing component of the Drug Elimination Program is not affected by this rule.

***September 3, 1999. 1998 HUD Disaster Recovery Initiative Amendment.*** This notice amends a notice published October 22, 1998, governing the allocation and use of Community Development Block Grant (CDBG) funds appropriated in the 1998 Supplemental Appropriations and Rescissions Act and made available through the HUD Disaster Recovery Initiative. It modifies the Department's policy position on the use of annual CDBG appropriations to meet non-Federal public matching funds requirements of that 1998 supplemental appropriations statute.

### **JOB OPPORTUNITIES/ATTACHMENTS**

**HUD Lead Based Paint Regulation Q & A**

**Audrey Nelson Community Development Achievement Awards**

**NCDA 1999-2000 Program and Policy Committee Assignments**

**A Party For John Sasso**

**KeyNotes** (This publication cannot be attached to the Washington Report via the internet. Please contact Carla Sauls at 202-293-7587 to obtain a copy).