NCDA
WASHINGTON REPORT

FROM: CHANDRA WESTERN
VICKI WATSON
KAREN MEANS
ROMULUS JOHNSON
TAMIKA MCRAE

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FEATURE ARTICLES

BARBARA RICHARDSON TESTIFIES BEFORE CONGRESS ON MCKINNEY CONSOLIDATION

Barbara Richardson, Community Development Director for the City of Rockford, Illinois, provided testimony on behalf of the National Community Development Association, U.S. Conference of Mayors, National League of Cities, National Association of Counties, Association of Local Housing Finance Agencies, and the National Association of Housing and Redevelopment Officials, before the Senate Subcommittee on Housing and Transportation on May 23rd regarding consolidation of HUD's McKinney Act homeless assistance programs. Senator Wayne Allard (R-CO), Chair of the Subcommittee, held the hearing in advance of a large authorizing bill he plans to introduce in June, a part of which will include language to consolidate HUD's McKinney Act programs.

NCDA and the other national interest groups have been working with Allard's staff to craft the McKinney consolidation portion of the bill. The panel also included witnesses from HUD, the General Accounting Office (GAO), the Council of State Community Development Agencies, the Colorado Coalition for the Homeless, the National Council of State Housing Agencies, and the National Alliance to End Homelessness.

In her testimony, Barbara told the Subcommittee that NCDA and the other local government interest groups are supportive of a homeless block grant that would be formula allocated to states and local governments annually. Furthermore, Barbara told the Subcommittee that a block grant allows for predictability in funding, making it easier for communities to plan more effectively to meet their homelessness needs. Moreover, a block grant takes the decision making regarding the funding of projects out of HUD's hands and gives local governments direct control over this process. The formula would be temporarily based on the Community Development Block Grant (CDBG) formula until a new formula is developed, which NCDA and the other local government interest groups have requested be developed within one year of enactment of legislation. Under this block grant scenario, NCDA urged the Subcommittee to provide metropolitan cities and urban counties with 70% of the funds and to provide states with 30%, the same as the CDBG allocation. A copy of Barbara's full testimony is attached to this newsletter.

HOUSE HUD/VA SUBCOMMITTEE MARKS-UP FY 2001 APPROPRIATIONS BILL

It appears we are going to experience to experience a repeat of last year's appropriations process. The Republican controlled Congress is behind in passing the appropriations bills that fund the various federal agencies. The GOP had predicted that they would move most, if not all, of the 13 spending measures through both chambers before August. But the Senate's progress has come to a virtual halt because of a recently ignited feud between Sen. Trent Lott (R-MS), majority leader, and Sen. Tom Daschle (D-SD), minority whip.

To date, the only bill that is ready for conference committee is the FY 2001 Military Construction appropriations bill. The FY 2001 Agriculture appropriations bill, the FY 2001 Legislative Branch appropriations bill, and the FY 2001 Labor-HHS-Education bill are close behind, with all three having being marked-up in the House and Senate. The Defense appropriations bill has been marked-up by the House subcommittee and by the Senate full committee. The Foreign Operations bill has been marked-up in the Senate, while the FY 2001 Interior bill has been marked-up in the House. The Senate has passed the FY 2001 Transportation appropriations bill, but the House has not taken any action on it. The VA-HUD-Independent Agencies appropriations bill was marked-up by the House. No action has been taken on the FY 2001 Commerce, Justice, State & Judiciary appropriations bill, the District of Columbia appropriations bill, or the FY 2001 Energy & Water Development appropriations bill.

Senate Appropriations Committee Chairman Ted Stevens warned Tuesday that Congress is at risk of failing to complete many of the spending bills and may have to resort to a long-term continuing resolution to keep the government running. "Very clearly, that's the only way out of this that I can see right now," he said.

The FY 2001 VA-HUD-Independent Agencies appropriations bill was marked-up by the House subcommittee on May 23, 2000. The Subcommittee approved a FY 2001 budget of $29.97 billion for HUD, an increase of $4.1 billion from the FY 2000 enacted budget level of $25.86 billion, but $2.49 billion below the President's requested level for the agency. (See chart below for a complete program by program break down.)

Program	FY 2000 Enacted Level	House Subcommittee Proposed FY 2001 Level
Community Development Fund	$4.781 billion	$4.505 billion
(a.k.a. CDBG Program)		
Set-asides:		
CDBG formula allocation	Not a set-aside	$4.183 billion
Native Americans	$67 million	$67 million
Housing Assistance Council	$3 million	$3 million
Natl. Am. Indian Housing Council	$3 million	$3 million
Section 107 grants	$50 million	$39.5 million
Self-Help Housing Oppt. Program	$20 million	$20 million
Natl. Comm. Dev. Initiative	$20 million	$23.45 million
Resident Opport. & Social Serv. Ross	$55 million	$55 million
Neighborhood Initiatives	$30 million	$10 million
Youthbuild	$43 million	$45 million
Economic development initiatives	$256 million	$10 million
Section 108 Loan Guarantees Limit	$1.261 billion	$1.217 billion
Credit Subsidy	$30 million	$28 million
Working Capital Fund (IDIS/DGMS)	$ -0-	$18 million
HOME Program	$1.6 billion	$1.585 billion
Set-asides:		
Housing Counseling	$15 million	$15 million
Working Capital Fund	$7 million	$17 million
(i.e. Information Systems)		
Total Set-Asides	$22 million	$32 million
Homeless Assistance Grants	$1.02 billion	$1.02 billion
Section 202 (elderly)	$710 million	$710 million
Section 811 (disabled)	$205 million	$201 million
Housing Certificate Fund	$11.376 billion	*$13.275 billion
Public Housing Operating Fund	$3.138 billion	$3.138 billion
Public Housing Capital Fund	$2.9 billion	$2.8 billion
Lead-Based Paint Reduction	$80 million	$80 million
HOPWA	$232 million	$232 million
HOPE VI	$575 million	$565 million
Natv. Amer. Housing Block Grants	$620 million	$620 million
Drug Elimination Grants	$310 million	$300 million
Brownfields Redevelopment	$25 million	$20 million
Fair Housing	$44 million	$44 million

*This includes $37 million for Shelter Plus Care renewals.

The Community Development Block Grant (CDBG) line item was modified this year by the Subcommittee to show all programs, including the CDBG formula allocation, as set-asides within the overall account, and renamed the Community Development Fund. The Subcommittee recommended an appropriation of $4.505 billion for the Community Development Fund. This amount is $295 million below the FY 2000 allocation of $4.8 billion. The Subcommittee funds the Resident Opportunity and Self-Sufficiency (ROSS) Program out of the Community Development Fund this year. This program was funded out of the Public Housing Capital Fund last year. In previous years, it had been a set-aside within CDBG. The Subcommittee recommends funding the CDBG formula at $4.183 billion. It also recommends transferring $18 million dollars to HUD's Working Capital Fund for the development and operation of integrated information systems (i.e., DGMS). The Section 107 grants have several set-asides, including: $10 million for Historically Black Colleges and Universities, $8 million for Community Outreach Partnerships Centers, $3 million for Community Development Work Study, $6.5 million for Hispanic-Serving Institutions Assisting Communities, $7 million for Insular Areas, and an additional $5 million for management information system support to be transferred to the Working Capital Fund. No funding is provided for CDBG technical assistance. The Subcommittee also did not provide any funding for HUD's America's Private Investment Companies (APIC) initiative.

In its report language, the Subcommittee language directs state and local jurisdictions to include people with disabilities and their advocates at the table when Consolidated Plans are developed. In addition, the Subcommittee directs HUD to evaluate Consolidated Plans for this inclusion, as well as to determine if the needs reflected in the final plan match the proposed uses of federal funds. The Subcommittee also directs HUD, when reviewing Consolidated Plans, to take into account a community's adoption of a building code that complies with the Fair Housing Accessibility Guidelines, and a community's efforts to remove "impediments" to fair housing.

The Subcommittee recommended appropriating $1.585 billion for the HOME Investment Partnerships (HOME) Program in FY 2001. This is $15 million below the FY 2000 level of $1.6 billion for the program. The Subcommittee recommended appropriating $15 million for Housing Counseling, the same level as in FY 2000, and transferring $17 million from the HOME program to the Working Capital Fund for the development and operation of integrated community development management information systems.

In terms of homeless assistance, the Subcommittee appropriated $1.02 billion for HUD's homeless assistance programs in FY 2001, the same level as in FY 2000. The Subcommittee including several authorizing provisions regarding these programs, including: (1) HUD must use at least 30 percent of the funds appropriated for permanent housing; (2) All homeless programs must coordinate their programs with mainstream health, social services and employment programs for the homeless; and (3) One percent of the appropriated funds must be made available for technical assistance and management of information systems, of which $5 million is to be transferred to the Working Capital Fund. Most importantly, the Subcommittee recommended that the expiring FY 2001 Shelter Plus Care voucher renewals, estimated at $37 million, be funded from HUD's Housing Certificate Fund. NCDA and other national interest groups have been pressing for the Shelter Plus Care renewals to be funded from this account, and we're happy to see the Subcommittee support this recommendation. We're hopeful the Senate will support this shift of funds in their FY 2001 VA-HUD appropriations bill.

The Subcommittee recommended a funding level of $80 million for HUD's Office of Lead Hazard

Control, the same level as in FY 2000. This level is $40 million below the President's request of $120 million. Of the $80 million level, $10 million is provided for HUD's Healthy Homes Initiative, $1 million for CLEARCorps, and $69 million for the Lead Hazard Reduction Program. Of note to NCDA's members, the Subcommittee did include language in the bill which states its concern with several provisions of HUD's **Lead-Based Paint final rule.** The Subcommittee "...plans to carefully monitor ongoing negotiations between HUD and the industry groups on the impact of the rule, and while the Subcommittee does not have a recommendation at this time, the Subcommittee reserves the right to revisit this issue, should it be necessary in Conference."

The Section 202 Elderly Housing Program remained funded at its FY 2000 level of $710 million, while the Section 811 Program (housing for the disabled) was funded at $201 million, $4 million below the FY 2000 level of $205 million. The Subcommittee recommends transferring $500,000 from both programs into the Working Capital Fund. Of the amount provided for Section 202, $50 million is to renew existing service coordinator and congregate services contracts, and $50 million is for the Section 202 conversion program.

HUD's Housing Certificate Fund (HCF) provides funding for the renewal of expiring section 8 contracts, for section 8 enhanced vouchers, for the administration of section 8 contracts, and for relocation assistance in both general and public housing programs. The Subcommittee recommended an appropriation of $13.275 billion for the Housing Certificate Fund in FY 2001, plus any recaptures that are realized from the HCF accounts, which are expected to top $1 billion dollars in FY 2001. The Subcommittee also recommends an advance appropriations of $4.2 billion for the Fund. Congress approved an advance appropriations of $4.2 billion for the Fund last year. In addition to renewals and relocation assistance, the Subcommittee provides $37 million for shelter plus care renewals, $25 million for non-elderly disabled families, $192 million for section 8 contract administrators, $66 million for new incremental vouchers to be distributed within four months of enactment on a fair share basis to PHAs that have a 97 percent utilization rate, and $660,000 for monitoring PHAs that increase the payment standard of a voucher through legislation provided in section 206 of the general provisions of this Act. The Subcommittee recommended the transfer of $11 million to the Working Capital Fund for the development and operation of integrated management systems. The Subcommittee provided no funding for HUD's Moving to Work Program, or for HUD's request for new incremental vouchers for families moving from welfare to work.

The Subcommittee is very concerned about the underutilization of vouchers by PHAs. Congress recaptured $1,432,000,00 from PHAs last year and Congress estimates that 237,000 families which Congress appropriated funds for, were not served because of the PHAs' complacency. The Subcommittee directs HUD to report to the Committee on Appropriations their findings by January 15, 2001 on the issue of underutilization. Congress is also concerned with the pace in which HUD awards section 8 incremental vouchers to PHAs. Congress wants HUD to allocate the vouchers in the same year they are appropriated, but this doesn't seem to be taking place. Consequently, the report language requires HUD to award the vouchers on a fair share basis within four months of enactment of the FY 2001 VA-HUD Appropriations bill, or the funds will be returned to the general Treasury. The Subcommittee further directs HUD to only award new incremental vouchers to those PHAs that have utilization rates of 97 percent. To increase section 8 utilization rates, the Subcommittee has included language in the bill to allow PHAs to increase the payment standard under certain circumstances.

The Subcommittee funds HUD's Public Housing Capital Fund at $2.8 billion, $100 million dollars less than in FY 2000. Of this amount, $50 million can be used for technical assistance, contract expertise, training, interventions in troubled authorities, independent physical inspections, and management improvements. Of the $2.8 billion allocation, the Subcommittee transfers $43 million to the Working Capital Fund. The Subcommittee did not fund the President's request for $10 million to support consortia or other consolidation of PHAs and did not approve $1 million for the design of a capital financing program. HUD's Public Housing Operating Fund is funded at $3.138 billion, the same level as in FY 2000. The Subcommittee recommends an appropriation of $300 million for HUD's Drug Elimination Grant Program, a $10 million decrease from the program's FY 2000 funding level. Of the amount appropriated, $5 million is for technical assistance and program assessment and $10 million is set-aside for the Operation Safe Home Program, administered by HUD's Inspector General. The Subcommittee did not appropriate funds for the New Approach Anti-Drug Program or the Community Gun Safety and Violence Reduction Initiative, two new initiatives proposed by HUD.

The Subcommittee recommends a funding level of $565 million for Severely Distressed Public Housing, or HOPE VI. This is $10 million dollars below the FY 2000 program level of $575 million. Of the amount appropriated, $10 million is for technical assistance. The Administration's request for $180 million to convert HOPE VI sites to assisted living facilities was not funded.

The Subcommittee recommended providing $44 million for Fair Housing activities. Of this amount, $22 million is appropriated for HUD's Fair Housing Assistance Program (FHAP) and $22 million is appropriated for HUD's Fair Housing Initiatives Program (FHIP). FHAP assists state and local fair housing enforcement agencies that are certified by HUD as "substantially equivalent." FHIP provides support to private non-profit organizations, state and local government agencies and other nonfederal entities for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities. In its report language, the Subcommittee noted is concern with the slow spend out rate of these programs and directed HUD to put mechanisms in place that will result in funds being dispersed more quickly.

The Community Builder issue resurfaced again this year, with the Subcommittee providing further direction to HUD on the rehiring of Community Builders. In the report language, the Subcommittee said that it "...is extremely concerned about reports that HUD has retained the internal community builders program and intends to supplement it by rehiring at least 200 external community builders as civil servants, contrary to the spirit of the agreement reached during extensive negotiations in the FY 2000 VA, HUD conference report." The original report language directed HUD to terminate the contracts of external community builders by September 1, 2000, and further directed HUD not to rehire these staff. Rep. Carrie Meek (D-FL) introduced an amendment during mark-up of the bill, which the Subcommittee passed, which struck the language prohibiting the rehiring of former employees of HUD's Community Builders for other positions in the Department.

The full House appropriations committee is expected to mark-up this bill on June 6. The Senate has not set their mark-up dates yet.

APPROPRIATIONS BILLS MAY BE HELD UP DUE TO BICKERING IN THE SENATE

The Senate ended a fractious week with virtually no movement on spending bills due to a disagreement between Majority Leader Trent Lott (R-MS) and Minority Leader Tom Daschle (D-SD) over how the chamber should conduct business. The crux of the issue is a disagreement over when and how minority Democrats can offer amendments to FY 2001 spending bills. With the Republicans controlling the Senate schedule, amendments are often the only means for votes on Democratic proposals, however, Lott has frequently blocked amendments unrelated to legislation on the floor.

The big fight came on Tuesday when Daschle offered a gun control amendment to the military construction bill without warning the Republicans it was coming. Lott felt “blindsided” and the Republicans were determined to block a gun vote, and Democrats promised to halt all Senate action until a vote occurred. Before the Senate adopted the Democratic amendment Wednesday by a vote 50-49, Lott had established a precedent that broadened the prevailing interpretation of the Senate rule banning legislative provisions for spending bills. Lott won that change by seeking to have his own non-germane gun-related amendment ruled out of order, and then forcing a vote on the presiding officer’s ruling that it was in order. The vote on upholding the chair’s ruling was 45-54, thus establishing that such an amendment to an appropriations bill must relate to the bill’s contents.

Acrimony in the Senate

“We’re not going to be conducting business as we’ve conducted in the last several months,” Daschle said. Lot countered with “I’m tired of being threatened by these guys...We can just shut it down, it that’s the way they want to do it.” Lott took to the floor to respond to Democratic complaints that he has run the Senate with an iron fist and has undercut the tradition rights of the minority. Lott got angrier as he spoke, and said he felt "personally maligned,” and vowed that he would “...not be intimidated by the minority.”

Before Lott finished, Daschle arrived to offer a fiery defense of his amendment and to blast Republicans for the move to bar future sense of the Senate amendments. He accused Lott of a desperate attempt to “gag” the minority and prevent vulnerable Republican incumbents form having to vote on dicey issues. Daschle’s spoke with passion as he said “We hear a lot about cooperation, but I’m telling you, there will not be cooperation unless we understand that the minority has rights too.”

As one might expect, Daschle and the Democrats are placing procedural obstacles in front of Lott, including more frequent objections to unanimous consent requests. So in effect the FY 2001 appropriations bills could be taken hostage by an embittered Democratic minority. Daschle has said that the Democrats may not allow debate on spending bills until the measures have been passed in the House. Procedurally, appropriations bills are supposed to originate in the House, however to save time, the Senate has acted on its own version of appropriations bills before it receives those passed by the House.

After leaving the floor, Lott warned Senate Democrats again. After noting that he holds the fate of Clinton’s judicial nominees in his hands, Lott chided, “The problem is they have never gotten used to the idea that they are in the minority and they don’t run this place, and, they’re not going to.”

In the end, of course, there will be FY 2001 spending bills, but getting there will be more contentious than ever. It seems that the traditional courtesy and decorum of the Senate has dissolved into the same kind of cantankerous behavior that we have come to expect to see in the House.

LEAD-BASED PAINT UPDATE

With the help of its members, who sent in letters to their congressional delegations, NCDA and the other groups were able to persuade the House

VA-HUD-IA Appropriations Subcommittee to include language in their FY 2001 spending bill regarding concern with the rule. In the report language, the Subcommittee says, "The Subcommittee is concerned about several provisions in the proposed Lead-Based Paint rule, and plans to carefully monitor ongoing negotiations between HUD and the industry on the impact of the rule. While the Committee does not have a recommendation at this time, the Committee reserves the right to revisit this issue, should it be necessary, in Conference." This is a good start in the right direction to delay of the regulation. Enclosed with this newsletter is a letter regarding our concerns with the Lead-Based Paint regulation that we ask every member to send to their congressional representatives, and the other members of congress included on the list attached to the letter. The full committee is scheduled to mark-up this bill on June 14.

HUD has asked to meet with NCDA and the other local and State government interest groups on the rule the week of June 5. The purpose of the meeting is to discuss the cost of the regulation and develop an accurate cost estimate that reflects actual cost data, not HUD's cost/benefit analysis data. Accurate cost data is essential in providing Congress with accurate numbers to work into an appropriations bill. We are trying to develop an accurate cost number quickly, so that we can try to persuade the appropriators to fund this number for FY 2001. In doing so, we need your help. NCDA is asking that its members send in actual data regarding the cost of implementing the existing lead-based paint regulations for CDBG and HOME in their programs, along with cost estimates associated with the new regulation. If you currently administer HUD's Lead Hazard Control Grant Program, we ask that you provide data from that program too. We ask that you break down your cost data as much as possible into the following categories: administration, monitoring, training, purchase of special lead-based paint equipment (i.e., XRF machine, HEPA vacuum, etc.), actual rehabilitation costs (i.e., lead hazard abatement, interim controls, inspection, assessment, clearance), and relocation. If I missed anything, please include it in your cost data. Please send in your cost data to Vicki Watson at soon as possible. We would like to receive the data by June 7 or no later than June 21. Please feel free to fax the data to Vicki at 202-887-5546 or e-mail the data to vicki@ncdaonline.org.

COMPROMISE ACHIEVED ON COMMUNITY RENEWAL/NEW MARKETS BILL

Since November of 1999, the Clinton Administration and a select group of House Republicans, led by speaker J. Dennis Hastert (R-IL), have been negotiating a bill that creates economic incentives for private investment in low-income communities. On Monday, May 22, 2000, President Clinton and Speaker Hastert announced that the two sides have finally come to a compromise agreement on a package of tax breaks, tax credits, and other incentives that both sides can support.

The basis of the compromise is the hobbling together of key elements of the President's New Markets legislative package and facets of the Republican sponsored Community Renewal Act. (To learn more about the President's New Markets Agenda or the Community Renewal Act, see the July 16, 1999 and April 28, 2000 editions of *The Washington Report* respectively.) While staffers in Speaker Hastert's office stress that many of the specific details of the final bill remain to be hammered out, they are confident that the final draft will include provisions for the creation of Renewal Communities (RCs), the extension and expansion of the Empowerment Zone program, authorization for the Administration's APICS and New Markets Tax Credit initiatives, and increases to the per capita caps on private activity bonds and low-income housing tax credits.

Area by area, the major elements of the agreement are as follows:

Renewal Communities

- The creation of 40 Renewal Communities (32 urban and 8 rural), designated by HUD to receive targeted, pro-growth tax benefits, and required to provide broad relief from state and local regulations that are believed to hamper small businesses development. Existing empowerment zones are eligible to be designated as renewal communities. Renewal Community benefits include:

- Zero capital gains rate on the sales of assets that are held in a RC for more than 5 years;

- Zero capital gains on income derived from businesses located in a RC;
- Wage tax-credits equal to 15% on the first $10, 000 of qualified wages per new employee hired in a RC;

- small-businesses in a designated RC would able to deduct an additional $35, 000 annually in capital expenditures;

- Commercial Revitalization tax deductions for taxpayers who rehabilitate or revitalize buildings in a RC.

Empowerment Zones

- Designates a third round of 9 new EZs, raising the total number from 31 to 40.

- [Commits $200 million in additional discretionary investment in this fiscal year for existing EZs.]

- EZ tax incentives would be upgraded and standardized, with all EZs being eligible for the wage credit and all EZ tax incentives extended through 2009.

- A new incentive will be added for all zones that allow tax free rollovers to occur for investments that are reinvested in the zone areas.

- A 60% capital gains exclusion for investments in small businesses located in EZs.

- Current EZs/ECs receive priority in the first half of the designations of Renewal Communities.

New Markets Initiatives

- **The New Markets Tax Credit**: A 30% tax credit for investments in privately-managed investment funds and institutions which use their resources to finance businesses in low- and moderate-income communities. Eligible investment companies include community development banks and other CDFIs.

- **America's Private Investment Companies (APICS)**: Will encourage private investment through the establishment of privately managed, for-profit investment companies licensed by HUD for the purpose of making equity and debt investments for large-scale projects, such as shopping centers and manufacturing facilities, that locate in distressed urban and rural areas.

- **New Markets Venture Capital Firms**: The Small Business Administration would be able to license up to 20 new NMVC firms and allow current SBICS and SSBICs to issue government guaranteed debentures of up to $10 million for small business equity investment in distressed areas. Matching funds would also be able to provide tchnical assistance to small businesses in distressed areas.

Homeownership

- Provides for the sale of HUD own ed unoccupied or substandard homes and housing projects located in low-income areas to community development corporations in order to provide housing opportunities to low-income families.

Private Activity Bonds and Low-Income Housing Tax Credit

- The currently scheduled increase in the amount of tax-exempt private activity bonds a State could issue would be accelerated. The amount of low-income housing tax credits states can allocate would be increased by more than 40% to build an additional 180,000 units of affordable housing over the next five years.

Drug and Alcohol Treatment

- Churches and other faith-based organizations that operate substance abuse prevention and treatment programs would be eligible to receive federal funding on the same basis as other non-profits.

This compromise package is expected to under go review and mark-up in the House Ways and Means Committee over the next two weeks, and will then be forwarded to the Speaker to be placed on the House Calendar. A spokesman from Speaker Hastert's office has indicated that House leaders hope to have the bill ready for a vote on the floor by mid-June.

STAND-ALONE BROWNFIELDS REFORM BILL UNDER CONSIDERATION

Frustrated by the inability of the House Ways and Means Committee to pass out H.R. 1300, a comprehensive Superfund reauthorization and brownfields liability reform bill, rumors are circulating through out the Capitol (and at EPA) that a bi-partisan group of Senators are poised to introduce a stand-alone brownfields reform bill that will provide much needed liability reforms and site assessment and clean-up dollars for localities struggling to redevelop brownfields.

Since November of last year, H.R. 1300 has been languishing in the House Ways and Means Committee because of a dispute among committee Republicans over how to fund the Superfund program without extending an array of taxes and surcharges that target specific industries whose production techniques are known to adversely impact on the environment. It is hoped that a stand-alone brownfields reform bill will draw enough bi-partisan support to become a leadership priority in both the House and Senate, while avoiding being stymied by the intra-party and partisan disputes that has accompanied every other piece of legislation that takes up the broader problem of Superfund reauthorization. As soon as specific details are available on an actual bill, we will inform you of its contents and progress.

HOUSE WEIGHS WORK OPPORTUNITY TAX CREDIT FOR NON-PROFITS

Members of the House Ways and Means Committee are floating the idea of extending the Work Opportunity Tax Credit to cover not-for-profit organizations as part of a strategy to increase the number of employers hiring people off public assistance. As tax-exempt organizations, non-profits cannot participate in the current program. But the Committee is considering a proposal to allow them to package and sell the tax credits to for- profit employers. For-profit employers receive a 25% credit on the first $6,000 paid to eligible workers who stay on the job for between 120-399 hours; the credit is 40% for those working 400 hours or more.

Peter Weller (R-IL), assistant majority whip to the House Republican Conference and a Ways & Means Committee member, says that "In Many communities , the non-profits are largest employer in town." Therefore, it doesn't make sense to exclude them if you're aim is to increase the pool of employers participating in the program. In addition to individuals coming off TANF, Work Opportunity Tax Credits aids 18-24 year olds receiving food stamp assistance, high risk youth living in Empowerment Zones and Enterprise Communities, economically disadvantaged ex-felons, SSI recipients, and at-risk youth in summer jobs programs.

HUD NEWS

DEADLINES FOR EDI GRANTS EXTENDED

HUD is extending the application deadline for CDBG entitlement grantees interested in securing Economic Development Initiative grants to June 13, 2000. The original deadline was May 24, 2000. Twenty-four million dollars in grant funding is available. The money is available through the Department's $2.4 billion FY 2000 SuperNOFA. Ten million dollars in EDI grants is reserved for projects benefitting entire regions as opposed to a single jurisdiction. HUD is, however, eliminating the cap in the SuperNOFA on the maximum grant amount for a single regional economic development project.

Funds distributed under the EDI program must be used to stimulate economic development by local governments and the private sector by backing Section 108 loan guarantees for major initiatives. Ideally, HUD would like to support projects that generate quick results in terms of creating new jobs and growing the tax base in distressed communities.

NCDA NOTES

CDBG TIMELINESS CONFERENCES RESCHEDULED

Due to scheduling conflicts with HUD staff and other conferences, the three remaining timeliness conferences have been rescheduled.

July 20	Washington, DC	Large Entitlements
August 17-18	Chicago, IL	Regions 5-8
August 28-29	San Francisco, CA	Regions 9-10

NCDA EXECUTIVE SYMPOSIUM: OCTOBER 12-15, 2000 TUCSON, ARIZONA

The 2000 NCDA Executive Symposium will be held in Tucson, AZ at the Westward Look Resort. Please contact Jan Shapin at CDTI in Newport (401-849-7053) for more details, or see the attached agenda and registration form.

FEDERAL REGISTER NOTICES

May 18, 2000. Manufactured Home Construction and Safety Standards: Smoke Alarms. This proposed rule would amend the Federal Manufactured Home Construction and Safety Standards to revise the requirements for the location and placement of smoke alarms. The purpose of these amendments is to improve the effectiveness and performance of smoke alarms in early warning detection of manufactured home fires and to reduce the rate of fire fatalities in new manufactured housing.

May 18, 2000. Notice of Funding Availability for Fair Share Allocation of Incremental Voucher Funds. On March 10, 2000, HUD published its FY 2000 NOFA for Fair Share Allocation of Incremental Voucher Funding. This document amends the selection criteria of this NOFA primarily to better reflect the appropriate weight in points that should have been assigned to the "housing needs" selection criteria so that need is the most important basis for allocating incremental voucher funding. As discussed in more detail in the Supplementary section of this notice, the points of other selection criteria are also revised to better reflect their appropriate weight, and the separate criterion for portability is removed. The application period for the Fair Share NOFA closed on April 24, 2000. This notice reopens the application period for an additional 30 day period.

May 12, 2000. Supportive Housing Program – Increasing Operating Cost Percentage. This document amends the Supportive Housing Program regulations by changing the number of years for which the grant can cover 75 percent of operating costs from the first two years to all years of the grant term. This amendment will provide the full statutory flexibility allowed for this activity.

JOB OPPORTUNITIES/ATTACHMENTS

To access the files below, please go to NCDAonline (http://www.ncdaonline.org).

- 2000 Executive Symposium Agenda: Tucson, Arizona
- Testimony of Barbara Richardson on Homeless Program Consolidation
- Lead-based Paint Letter to Congress