NCDA WASHINGTON REPORT

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DATE: November 20, 2000

NCDA WINTER MEETING: January 17-20, 2001– MAKE YOUR RESERVATIONS NOW!!

FEATURE ARTICLES

APPROPRIATIONS UPDATE

See the final FY 2001 appropriations for HUD in the chart attached to this newsletter.

LEGISLATIVE ROUND-UP

Lazio's Homeownership Bill Dies in the Senate

In the October 25 edition of the *Washington Report*, we reported on H.R. 1776/S. 1452, Rep. Rick Lazio's proposed housing legislation aimed at primarily increasing homeownership opportunities for low- and moderate-income families.

The measure passed the House, but failed in the Senate. The legislation would have provided incentives to firefighters, police officers, and teachers to purchase homes. It also included language to restructure the nation's manufactured housing regulations, allow PHAs to use Section 8 funds to provide homeownership opportunities to Section 8 tenants, various rural homeownership initiatives, and changes to the Section 202 and 811 programs. Senator Gramm (R-TX), Chair of the Senate Banking Committee, and Senator Allard (R-CO), Chair of the Senate Subcommittee on Housing and Transportation, refused to allow the bill to go the Senate floor unless the provision that provided reduced downpayment assistance to teachers, firefighters and police officers was deleted from the bill. Lazio refused to drop this provision, so the bill was effectively killed in the Senate. The future of the provisions included in the measure remain uncertain for next year.

SIGN-ON LETTER TO SUPPORT A STRONG FY 2002 HUD BUDGET

The Campaign for Housing and Community Development Funding (CHCDF) is a group comprised of 102 national organizations representing housing and community development interests. CHCDF's goal is to advocate for the largest aggregate funding for the federal housing budget. As a member of the Campaign for Housing and Community Development Funding, NCDA is participating in the Campaign's annual sign-on letter to the President-elect requesting a strong budget for HUD in FY 2002. In order to make this sign-on letter a success, we need all of our member agencies to return the enclosed sign-on response form **on or before December 7**. Last year, the Campaign collected 1,500 signatures. The Campaign's goal is to collect 3,000 signatures this year.

The attached letter will be forwarded to the President-elect in mid-December. This national sign-on letter is an important way to let the next President know of the tremendous nationwide support for HUD's programs, including CDBG and HOME. This sign-on letter will include nonprofit, for-profit, local government, State government, and faith-based organizations across the country. Demonstrating such large, broad-based support for HUD's programs will help NCDA and the other Campaign organizations advocate for increased appropriations for HUD in FY 2002. We ask that you complete the enclosed sign-on response form and forward it back to NCDA **on or before December 7.** Please call Vicki Watson at 202-887-5532 if you have any questions.

OVERVIEW OF 2000 ELECTION RESULTS

It's fair to say that neither the Republican nor Democratic party is very happy with results of the 2000 federal election. Both sides were counting on clear cut victories to give them momentum and a mandate to direct the nation's policy agenda for the next two-to-four years. Instead of giving a clean victory to either side, on November 7 the 2000 presidential and congressional races turned out to be among the closest in modern history.

The official tally for the U.S. House of Representatives in the 106th Congress is 223 Republicans to 210 Democrats, with two independents. A margin of 218 seats is required to control the 435 member House. Democrats were hoping to win the necessary seats to regain control of the House for the first time since 1994, when the short-lived Gingrich revolution swept them out of power. Their hopes were dashed. They only garnered a net gain of two seats, a full five seats short of the seven they needed to wrest control from the GOP. A House race in Florida and one in New Jersey are still too close to call, but even if the Democrats were to win both of them, they would still remain frustratingly shy of an outright majority.

As for House Republicans, they were anticipating that there would be enough coattails from GOP presidential candidate, George W. Bush, to enhance their already dangerously slim majority. They too were let down by Tuesday's results, though not nearly as much as the Democrats. No matter what happens in the two undetermined House races or in Florida with respect to the as yet undecided presidential contest, when the 107th Congress convenes in January 2001, Republicans will retain the narrowest majority in the House since 1954. The tally is expected to be 220 seats for the Republicans; 211 seats for the Democrats; and 2 independent seats.

In the U.S. Senate, Democrats fared much better**.** At present, the split is 55-45 in favor of the Republicans. When the new Congress is sworn in January, however, the division is expected to be at least 51-49 in favor the Republicans, but could eventually end up at 50-50 even. Democrats picked up a net gain of three Senate seats by knocking off two GOP incumbents, one in Michigan and the other in Delaware, and successfully defending all but one of the open seats that were previously in their control before election day. They also picked up a formerly Republican open seat Florida. The one bright spot for the Republicans is that they picked up a formerly Democratic open seat in Nevada. The senate race in Washington state remains too close to call. There internet millionaire, Maria Cantwell (D), is presenting a stiff challenge to high ranking GOP incumbent Senator Slade Gorton, who is said to be clinging to a 3,200 vote lead.

As everyone has heard by now, it remains uncertain who will be the 43rd President of the United States. While Al Gore has narrow leads in both the popular vote and electoral college, the U.S. constitution states that whoever wins the most electoral votes wins the Presidency. Therefore, if George W. Bush's 936 vote lead in Florida is certified and upheld by the courts, he will win Florida's 25 electoral college votes and become the next president. If Al gore's efforts to recount the votes proves successful, and he manages to pull ahead of Bush in the recount, then Gore will become the next president of the United States.

The one thing that hasn't been figured out, though, is with both parties at virtual parity in terms of public support and the win at all costs partisanship rampant inside and outside of Washington, how will the next president and the 107th Congress be able to get anything done?

ELECTIONS BRING CHANGES TO KEY CD/HOUSING COMMITTEES

The results of the 2000 federal elections, a number of scheduled retirements by lawmakers, and House GOP rules mandating a six-year term limit on chairmanships has generated a number of noteworthy changes in the personnel of the House and Senate committees with jurisdiction over HUD, the HUD budget, federal housing policy, and related community development issues.

On the House side, six members of the Committee on Banking's housing subcommittee won't be returning: Chairman Rick Lazio (R-NY) and Rep. Tom Campbell (R-CA) surrendered their House seats for losing Senate campaigns. Rep Michael Forbes (D-NY) lost his seat. Reps. Robert Weygand (D-RI) an Jack Metcalf (R-WA) are retiring. Bruce A. Vento (D-MN), who had announced his retirement earlier this year, died. Rick Lazio is expected to be succeeded by Robert Ney (R-OH), the current vice-chair of the housing subcommittee.

Others who won't be returning to the Banking committee include Reps. Bill McCollum (R-FL), who lost a Senate bid, and Merrill Cook (R-UT), and Rick Hill (R-MT). Also, Banking Committee Chairman Jim Leach (R-IA) is retiring. Marge Roukema (R-NJ) is expected to succeed him.

On the Ways and Means Committee, Chairman Bill Archer (R-TX), a dogged opponent of the low-income housing tax credit program, is retiring. A struggle is being waged between Philip M. Crane (R-IL), the senior Republican on the committee, and Rep. Bill Thomas (R-CA) over the chairmanship.

On the House Appropriations Committee, Michael Forbes and Rep. Jay Dickey (R-AK), a member of the VA-HUD subcommittee, were defeated. Reps. John E. porter (R-IL) and Ron Packard (R-CA) are retiring.

In the Senate, Rod Grams (R-MN), a member of the Banking Committee and housing subcommittee, lost his campaign for reelection, and committee members Connie Mack (R-FL) and Richard Bryan (D-NV) are retiring. Bryan is also a member of the housing subcommittee. Rick Santorum (R-PA), will be returning as chairman of the housing subcommittee.

The Finance Committee will see major changes. Chairman William V. Roth (R-DE), was defeated, along with committee member Charles Robb (D-VA). Committee members Connie Mack (R-FL) and Richard Bryan (D-NV) and Robert Kerrey (R-NE) are all retiring. Iowa Senator Charles Grassley (R) is in line to assume the chairmanship of the Finance Committee.

On the Senate Appropriations Committee, Senator Frank Lautenberg (D-NJ), didn't seek reelection, while Senator Slade Gorton (R-WA) is locked in a race that is till too close to call.

LAME DUCK CONGRESS GETS 'LAMER'

Lawmakers returned to Washington last week to begin what is only the seventh lame-duck session in 30 years. Unable to determine whether Vice-President Al Gore or Texas Governor George W. Bush will become the 43rd president of the United States, congressional leaders on both sides of the aisle seem content to put off negotiations on the four remaining FY 2001 spending bills and a pending $240 tax-cut proposal which includes an increase in the low-income housing tax credit and private activity bond caps.

On Tuesday, November 14, congressional Republicans and President Clinton agreed on another continuing resolution to keep the unfunded portions of the federal government operating at current budget levels until December 5, 2000. As it stands right now, the FY 2001 Commerce-Justice-State, Foreign Operations, and Labor-HHS-Education spending measures have not been finalized. The buzz in Washington is that, with President Clinton leaving to attend the annual Asia-Pacific Economic Conference (APEC) in Brunei and the Republicans absolutely refusing to negotiate on any pending legislation until they are sure of the final outcome of the presidential elections, agreement on an extended three week continuing resolution was the best anyone could expect to see accomplished during this period of uncertainty.

Indeed, the only substantive work lawmakers expect to get done this week is adding finishes touches to a must-pass bill to eliminate a tax benefit given to U.S. exporters. The World Trade Organization declared the tax-break to be in violation of international free trade rules. If it isn't eliminated soon, the U.S. faces stiff trade sanctions from the European Union and other key trading partners.

When congressional Republicans and the Administration broke off budget talks before the elections, the hope was that one party would win a big victory, thereby setting clear parameters for the final negotiations. But with the results of the election so close in the House, Senate, and presidential contests, there is growing concern among lawmakers and their staffs that this lame-duck session could drag on for weeks without anything getting resolved--at least not until the new Congress and new president are officially installed in January.

THE NATIONAL LEAGUE OF CITIES FINALIZES ITS LEGISLATIVE PRIORITIES

Investing in Communities: A Shared Vision and a Call to Action

As we reported in the October 25 issue of the *Washington Report*, the National League of Cities began a process to define its priorities for the new administration based on recommendations to its Board of Directors from its seven standing committees and a dialogue that it initiated with representatives from several of its partner interest groups, including NCDA. The premise of assembling this group was to establish a coalition that would include hundreds of entities and perhaps thousands of individuals that would "sign off" on a list of overarching goals and priorities for the new administration and Congress. In theory, the coalition could use the final document produced by this conversation as the foundation for each entity's advocacy efforts.

The coalition has finished its work and the final document is available for distribution. It provides an overview, a value statement, and a plan of action for the new Congress and administration on how, and in what specific policy and program areas, federal resources should be distributed in America's cities. NCDA members can go to NLC's web site and print the document (it is only about ten pages long), or we can provide hard copies to those that request them. Please contact Chandra Western at chandra@ncdaonline.org.

HUD NOTES

Lead Based Paint Training Available

HUD will hold two training sessions for CPD grantees on the lead-based paint regulation in December. The training dates and locations are listed below. You will not have to go through the priority enrollment process that governed this past year's training sessions. Instead, registration will be on a first-come, first-served basis. HUD has informed NCDA that local and State governments will be given preference over non-profit organizations and other entities in obtaining admittance to the training sessions. The training is 2-1/2 days in length and is free to all attendees. If you are interested in attending the training, please complete the attached registration form and fax it to ICF Consulting at 703-934-3260.

December 5-7, 2000
Radisson Hotel & Suites
200 North Fourth Street
St. Louis, MO 63102
(800) 925-1395
Guest room cut-off date: 11/20/00

December 12-14, 2000
Sheraton Rittenhouse Square Hotel
227 S. 18th Street
Philadelphia, PA 19103
(215) 546-9400 or (800) 325-3535

Guest room cut-off date: 11/17/00
In addition to this training, the National Center for Lead-Safe Housing (NCLSH) offers a one-day training course on the regulation. The course is sponsored and funded by HUD's Office of Lead Hazard Control. The remaining training dates and locations include: November 29 - Los Angeles, CA; December 1 - Salt Lake City, UT; and January 9 – Lincoln, NE. Contact Esther Gadomski with NCLSH at 410-772-2772 or by e-mail at Egandomski@enterprisefoundation.org if you are interested in attending one of NCLSH's training sessions.

NCDA NOTES

NCDA 2001 Winter Meeting

Attached to this newsletter is a draft agenda and order form for the upcoming **Winter Meeting,** being held on January 17-20, 2001. The cut off date for hotel rooms is December 26, 2000. It is imperative that members make their hotel reservations as soon as possible. This year is an inaugural year and our meeting comes right during that time. Hotel space will become increasingly **scarce. Do not miss out on this important meeting!!! Make your reservations soon!!!!**

The Congressional Recess and the Washington Report

Since we have a budget and allocation numbers NCDA staff will only produce one more Washington Report this year. For all intents and purposes, Congress has done all it can in this session. Legislatively, there will not be much news to report. When the new President has been officially elected, we will use the final Washington Report to provide members with as much information as we can on potential Cabinet appointments.

NCDA National and Regional Events

NCDA Winter Meeting-January 17-20, 2000
Washington Marriott Hotel
1224 22nd Street, NW
Washington, DC 20037
202-872-1500
Cut Off Date: December 26, 2000

Region IV Annual Conference
March 10-13, 2001
Sheraton Birmingham Hotel
2101 Richard Arrington, Jr.,Drive North
Birmingham, AL 35203
205-324-5000

NCDA Annual Conference-May 23-26, 2001
Omni Bayfront Hotel
900 North Shoreline Blvd.
Corpus Christi, TX
361-887-1600
Cut Off Date: May 1, 2001

OTHER NEWS

This is to alert the membership that NCDA Past Presidents, Terrence Duvernay and Dr. James Huger have been under the weather recently. NCDA has already sent get well wishes to both, however, we are sure that they would love to hear from their friends from NCDA . You can reach Terry and Dr. Huger at the following addresses:

Terrence Duvernay
4740 Guilford Foerest Drive
Atlanta, GA 30331
404-505-0207

Dr. James E. Huger
935 Sycamore Street
Daytona Beach, FL 32114
904-253-2135

FEDERAL REGISTER NOTICES

October 30, 2000. Section 8 Housing Assistance payments Program–Final Rule for FY 2001 Contract Rent Annual Adjustment Factors. This notice announces the revised Annual Adjustment Factors (AAFs) for adjustment of Section 8 contract rents on housing assistance payment contract anniversaries from October 1, 2000. The AAFs are based on a formula using data on residential rent and utilities cost changes from the most current Bureau of Labor statistics Consumer Price Index (CPI) survey and from HUD's Random Digit Dialing (RDD) rent change surveys.

JOB OPPORTUNITIES AND ATTACHMENTS

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

- Winter Meeting Brochure
- 2001 National Community Development Week Promotional Items Flyer
- Audrey Nelson Awards Application
- Board of Directors Meeting Minutes

FY 2001 HUD Program Funding

Program	FY 2000 Enacted	FY 20001 Request	FY 2001 Enacted
CDBG	$4.8 billion	$4.9 billion	$5.0575 billion
Set-asides:			
Indian Block Grant	$67 million	$69 million	$71 million
Housing Asst. Council	$3 million	$3 million	$3 million
Nat. Am. Indian Council	$2 million	$2 million	$2.6 million
Tribal Colleges/Univ.	0	$5 million	0
Nat. Housing Dev. Corp.	0	0	$10 million
Section 107 Grants	$42 million	$69 million	$45.5 million
Working Capital Fund	0	0	$15 million
Self-Help Housing	$20 million	$18 million	$20 million
Capacity Building (NCDI)	$24 million	$24 million	$28.45 million
Resident Opport. (ROSS)	$55 million	0	$55 million
Neighborhood Init. Demo.	$30 million	0	$44 million
Youthbuild	$43 million	$75 million	$60 million
2000 Winter Olympics	0	0	$2 million
Habit for Humanity	$4 million	$8 million	included in NCDI set-aside
Mississippi Delta Init.	0	$22 million	0
Faith-Based Program	0	$20 million	0
CEF	$25 million	$100 million	0
EDI	$231 million	$0	$292 million
Section 108 Loan Guarantees	$30 million	$30 million	$29 million
Total Set-asides	**$546 million**	**$415 million**	**$648.55 million**
Net Formula Allocation	*$4.254 billion*	*$4.485 billion*	*$4.408 billion*
HOME	$1.6 billion	$1.650 billion	$1.8 billion
Set-asides:			
Housing Counseling	$15 million	$24 million	$20 million
Information Systems	$7 million	$5 million	$17 million
Total Set-asides	**$22 million**	**$29 million**	**$37 million**
Net Formula Allocation	*$1.578 billion*	*$1.621 billion*	*$1.763 billion*
Homeless assistance grants	$1.02 billion	$1.2 billion	$1.025 billion
Shelter Plus Care Renewals	included in homeless grants	included in homeless grants	$100 million
Housing Certificate Fund	$11.376 billion	$14.127 billion	$13.9 billion*
Lead-Based Paint	$80 million	$120 million	$100 million
Brownfields	$25 million	$50 million	$25 million
EZs/ECs	$55 million	$20 million	$90 million**
HOPWA	$232 million	$260 million	$258 million
Rural Hsing and Economic Dev.	$25 million	$27 million	$25 million
Public Housing Capital Fund	$2.869 billion	$2.955 billion	$3.0 billion
Public Housing Operating Fund	$3.138 billion	$3.192 billion	$3.242 billion
HOPE VI	$575 million	$625 million	$575 million
Drug Elimination Grants	$310 million	$345 million	$310 million

Elderly Housing (Section 202)	$710 million	$779 million	$779 million
Disabled Housing (Section 811)	$201 million	$210 million	$217 million
Fair Housing	$44 million	$50 million	$46 million

*/*This includes $12.9 billion for expiring Section 8 contracts and $452.9 million for 79,000 new Section 8 vouchers*
*//**$75 million administered through HUD for urban EZs/ECs, and $15 million administered through USDA for rural EZx/ECs*