



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

DATE: March 2, 2001

**NATIONAL COMMUNITY DEVELOPMENT WEEK: APRIL 16-22, 2001
CELEBRATE THE 10TH ANNIVERSARY OF THE HOME PROGRAM!!!
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NCDA ANNUAL CONFERENCE- CORPUS CHRISTI, TX: May 23-26, 2001**

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PRESIDENT BUSH SENDS HIS FIRST BUDGET TO CONGRESS

In a special address to a joint session of the House and Senate on Wednesday, February 28, President George W. Bush formally announced the broad outlines of his plans for federal spending in fiscal year 2002 and beyond. In tandem with his address, the president also released a 207 page budget outline entitled, "*A Blueprint for New Beginnings: A Responsible Budget for America's Priorities.*" While the budget outline contains broad statements about the Administration's spending requests for each federal department, it does not contain line by line, programmatic spending breakdowns. It was announced that a more detailed budget proposal which spells out exactly what the Administration hopes to spend in the coming year would be released to the public on April 3, 2001.

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As expected, the center piece of the president's presentation is a plan to use \$1.6 trillion of the projected \$5.6 trillion in surplus federal revenue over the next ten years to finance an across-the-board tax cut proposal, all while preserving surpluses in the Social Security trust fund and continuing to pay down the national debt. (To learn more about the Bush Tax Cut plan, please see the February 16, 2001 archived edition of *The Washington Report*.) Surprising many critics of his economic plans, the president also announced that his budget contains a \$1 trillion reserve fund for emergencies and a pledge to pay off \$2 trillion of the \$3.2 trillion national debt by 2012.

Democrats and some moderate Republicans have expressed concern that the President's numbers don't add up. In particular, there is great anxiety that the ten year surplus projections are just too shaky a foundation on which to base such a massive tax cut. In their response to the President's address, Senate Minority Leader Tom Daschle (D-SD) and House Minority Leader Richard Gephardt (D-MO), raised the specter of the country returning to huge Reagan-era deficits if the Administration's economic growth estimates prove wrong or proposed spending cuts are rejected by Congress.

The total price tag of President Bush's fiscal year 2002 spending proposal is \$1.96 trillion dollars. Under mandatory financing formulas the budgets for Social Security, Medicare, and other entitlement programs would rise by \$81 billion to just under \$1.1 trillion. The budget proposal holds the overall increase in discretionary federal spending to 4%, which is just slightly above the current rate of inflation. In the last three previous years, discretionary federal spending has gone up by anywhere between 5% and 7%.

The big winners in terms of increased spending are the Department of Education, which receives an increase of \$4.5 billion or 11.5% over FY 2001 levels; the Department of Defense sees a 4.8% increase in its budget, but most of it is devoted to a military pay hike and improvements in housing and health benefits for service members. The federal government's total Foreign Affairs and Health and Human Services portfolios also receive substantial increases of 5.5% and 5.2% respectively.

So far, the major losers in the FY 2002 budget gambit are the Department of Transportation, which is cut by 11.4%; Agriculture (cut by -8.2%); the Environmental protection Agency (cut by 6.4%); and the Justice Department (cut by -4.8%). A lot of the cuts in these departments are in a number of very popular programs and so-called sacred cows, so there is a great deal of doubt that they will be sustained once the Congress gets down to writing the FY 2002 appropriations bills. An additional \$20.5 billion in additional "unspecified" cuts are also cited in the Administration blue print. Over ten years, the price tag on "unspecified" cuts reaches \$230 billion.

The overall FY 2002 HUD budget is set at \$30.4 billion. In FY 2001 total HUD funding was \$30.6 billion. The Administration is very restrained in terms of proposing new initiatives for HUD. Outside of a \$200 million set-aside in the HOME program to provide down-payment assistance to some 130,000 low-income first-time home-buyers, there are no major new HUD initiatives contained in President Bush's budget request. CDBG is level funded at FY 2001 levels. Thirty-four thousand new incremental rental vouchers are added at a cost \$15 billion. And, as expected, significant dollars are set aside in HUD's budget to renew all expiring section 8 rental subsidy contracts. The most

substantial HUD program cut that we are aware of is slated for the Public Housing Capital fund, which is reduced by \$700 million. The Public Housing Drug Elimination grant program is phased out entirely. More specific details on the FY 2002 HUD budget will be provided in April, when the Administration releases its budget draft that contains a program by program allocation of its budget request to the Congress.

In addition to laying out his major tax cut and spending priorities, during his speech President Bush also announced that he will appoint a commission to consider long-term reform of the Social Security program.

What Could this Budget Mean for HUD Programs and NCDA Priorities?

According to Jon Kamarck, Clerk to the Senate Appropriations Subcommittee on VA, HUD, and Independent Agencies, expect similar funding levels for HUD's programs as last year. At a budget briefing at the National Housing Conference (NHC) last week, Kamarck commented that the Housing Certificate Fund, which renews existing Section 8 contracts, will increase this budget year due to the expiration of more Section 8 contracts and that we may see increases in public housing and the Community Development Block Grant, but little else within HUD's programs. Kamarck reminded the group that the Section 8 contract renewals will increasingly consume more and more of HUD's budget in coming years as more Section 8 contracts expire year after year. This will force HUD and appropriators to re-examine the funding levels of existing programs to make room for these contract renewals.

According to Paul Restuccia, Deputy Chief Counsel for the House Budget Committee, there is strong support in the House for President

Bush's tax cut plan and little support for substantial increases in non-discretionary programs this year, including HUD's programs. The House will work with the Senate to try to complete a Budget Resolution by the end of March. The Budget Resolution provides the budget framework for the appropriators to use in crafting their spending bills.

HUD SECRETARY MARTINEZ OUTLINES HIS AGENDA

In a recent interview in the *Washington Post*, Secretary Martinez outlined his plans for HUD in the coming year. The General Accounting Office (GAO) recently removed HUD from its "high-risk" list, but retained the "high-risk" designation for the agency's rental housing and single-family FHA programs.

"One thing I don't want to do is reinvent HUD," says Martinez. Martinez plans to freeze Cuomo's past efforts to hire 900 additional employees and instead, re-deploy the Community Builders to other tasks.

The major issue facing HUD is the lack of affordable rental housing available to low- and moderate-income families. Martinez says he is aware of the serious need for affordable rental housing, but is reluctant to undertake new initiatives until existing programs are thoroughly reviewed to find out what works. "I'm going to ask Congress to maybe give us a year to get some things straight, get some things right before we launch into a new production program," says Martinez.

Martinez also wants to increase minority homeownership over the next few years, noting that 72 percent of white households own a

home, but only 45 percent of African Americans and only 50 percent of Asian Americans own a home. "I'm not sure we can improve a whole lot on that 72 percent, but in the 45 percent, we darn sure can do better." He also wants to provide \$1.7 billion of investor-based tax credits over five years to states to create affordable single-family housing. He also plans to beef up HUD's faith-based partnership office to seek ways for religious charities and other groups to increase affordable housing.

HUD PROVIDES ANOTHER EXTENSION TO IMPLEMENT THE LEAD-BASED PAINT REGULATION

At the request of NCDA and other national interest groups, HUD plans to issue a notice next week which will provide another extension to grantees in implementing the lead-based paint regulation. The current 6-month extension, which began on September 15, 2000, will end on March 15. HUD will provide a blanket extension from March 15 through April 10 to all of the grantees that submitted a Statement of Inadequate Capacity (SIC) and Transition Implementation Plan (TIP) in order to provide enough time to grantees to update their TIP to reflect the following information:

(1) a list of all training activities that have been or will be completed as of March 15, 2001, including the number of people trained in each discipline and their names;

(2) a list of training courses that are expected to be scheduled over the coming six months, the entity offering the course and a contact name, address and phone number;

(3) a short narrative description of activities undertaken to coordinate resources in nearby jurisdictions;

(4) an updated Transition Implementation Plan matrix including the number of individuals currently available and needed for each discipline and program area;

(5) a list of programs where compliance is now feasible;

(6) a list of disciplines (e.g., lead-safe maintenance worker, rehab worker, risk assessor, sampling technician) where capacity is now adequate and compliance is now feasible;

(7) a statement that capacity is not adequate to comply with the regulation, listing the applicable program and discipline;

(8) a date by which compliance is expected to be feasible;

(9) a short narrative description of activities undertaken to coordinate with the state lead paint regulatory agency, including a statement that the agency was contacted for a list of trained workers;

(10) a short narrative description of how the jurisdiction will link trained individuals to housing programs; and

(11) because the HUD lead hazard control grant program is intended to build capacity, jurisdictions with HUD lead hazard control grants will not be eligible for this extension, unless it includes a statement from the administrator of the lead grant program describing the special circumstances involved. For all grantees that submit an updated TIP by April 10 containing all of the above information, HUD will extend their implementation of the regulation until the end of August, and may possibly extend it through September 15 (not decided yet by HUD). HUD will issue a notice

prior to the end of the transition period to address any jurisdictions that may still have capacity shortfalls.

For entitlement jurisdictions, the updated Transition Implementation Plan must be signed by one of the following: (1) the chief elected official **or** (2) both the head of the agency which submits the Consolidated Plan to HUD and the head of the local health department. For non-entitlement areas, the updated Transition Implementation Plan must be signed by one of the following: (1) the Governor **or** (2) both the head of the agency administering the EPA-authorized state lead certification program and the head of the agency submitting the Consolidated Plan to HUD. Please contact Vicki Watson at 202-887-5532 with any questions, or by e-mail at vicki@ncdaonline.org.

CENSUS BUREAU TO RELEASE POPULATION COUNTS IN MARCH

In March, the Census Bureau will be releasing the first detailed information from Census 2000. HUD will use the population totals to determine new entitlement communities for the CDBG and HOME programs for FY2002. The new population counts will be used to calculate the FY2002 CDBG and HOME grants. No other census 2000 data will be available for use in the formula calculations for FY2002.

HUD is working with the Census Bureau on designing a set of special tabulations. These special tabulations are used to create data that are not part of the regular data sets prepared by the Census Bureau from census 2000 documents. This is the process that HUD uses to get some of the information that they provide to grantees to use in their consolidated plans. These special tabulation files will not be available for distribution for about 2-1/2 years. The information below— taken from a February

26th press release by the Census Bureau—details how grantees can access information they need or want from the 2000 census, including maps, tables and lists.

Census Bureau Touts New Data Delivery System

American FactFinder, the latest innovation in Census Bureau data delivery via the Internet, is in final testing and will be fully operational when state redistricting data are released in March, the Commerce Department's Census Bureau reported today.

"Our goal is to make the voluminous demographic and economic statistics collected by this agency easy to find and use for everyone, from novices to experts, by putting them all in one place," said Paula Schneider, the agency's principal associate director for programs. "We are launching a new era in the dissemination of Census Bureau statistics."

On the Internet since March 1999, American FactFinder, <http://factfinder.census.gov>, offers easy access to Census 2000 data, the latest economic census, the American Community Survey and the 1990 population census.

American FactFinder revolutionizes the way the Census Bureau publishes decennial results. About 90 percent of the census results were in print in 1990, but only 10 percent of Census 2000 data products will be available in that form. American FactFinder will allow the Census Bureau to disseminate more data to more users faster than in 1990. The first results from Census 2000 (the apportionment population counts issued last Dec. 28) soon will be joined by massive

amounts of data in March that could be used to redraw federal, state and local legislative districts.

The data sets will show population counts for 63 race categories, which include those who reported in 57 categories of two or more races, as well as counts for the Hispanic population and the population not of Hispanic origin cross-tabulated by the same 63 race categories. These tabulations will be repeated for people 18 and over. All the tables will be available for the nation's 50 states, 3,232 counties and county equivalents, 50,161 places and county subdivisions, 66,304 neighborhoods (census tracts) and 8.3 million blocks.

This information is just the first wave. Later, there will be data on everything from ancestry to the type of fuel used for home heating. "The best may be yet to come," said Schneider. "For example, we're working on a feature that would allow a user to type in their address, find their census tract number, then get a demographic profile and map for the tract, which is the equivalent of a neighborhood."

American Fact Finder has:

- a "Basic Facts" section with data for commonly asked questions, and an interface in Spanish for Census 2000 data on Puerto Rico;
- a thematic and reference map section;
- a "Kids' Corner" designed for children ages 7 to 11;
- a keyword or place name search engine; and
- a "data sets" icon to access detailed tables

For more information, please contact at the following sources;

Decennial Media Relations CB01-CN.57
301-457-3691/301-457-3620 (fax)
301-457-1037 (TDD)
e-mail: 2000usa@census.gov

Sandra Rowland
301-457-2312

HUD NEWS

HUD LEAD-BASED PAINT TRAINING AVAILABLE

The flyer attached to this newsletter provides you with information on HUD's recently announced lead-safe work practices training. The training is targeted to property owners and managers, maintenance workers, painters, and rehabilitation contractors working on lead-based paint projects. **HUD is sponsoring 200 training classes in 100 locations across the country. Two courses will be conducted in every location.** The first course is a one-day lead-based paint maintenance-training program — "Work Smart, Work Wet & Work Clean toWork Lead Safe" for maintenance workers, property owners and managers, and other staff responsible for activities such as repainting and minor repairs. The second one-day course is for contractors and workers performing rehabilitation or remodeling activities such as weatherization, structural repairs and unit upgrading. By taking these courses, participants will meet the "interim control" training requirements of the rule. As the enclosed information states, **THESE COURSES ARE NOT FOR LICENSING OF INSPECTORS, RISK ASSESSORS, ABATEMENT SUPERVISORS, OR ABATEMENT WORKERS.** The courses are aimed at

maintenance and rehabilitation workers who need to know how to do their jobs safely.

To register for these training courses, go to www.leadlisting.org and click on "HUD-sponsored training" and follow the instructions or request a fax registration form by calling HUD's Lead Paint Compliance Assistance Center at 1-866-HUD-1012.

What Are Your Lead-Based Paint Training Needs?

NCDA would like to submit a proposal to HUD to ask for funding to meet the specific training needs of its members that aren't being met by existing HUD training. In this effort, NCDA would like to hear from you directly on how we can help you meet your lead-based paint training needs. Please contact Vicki Watson at 202-887-5532 or by e-mail at vicki@ncdaonline.org with your training needs.

Contractor to Process Reimbursement Requests Won't be Hired for Another Two Months

Due to the federal procurement standards, which requires a competitive bid process, HUD is now estimating that it could take at least another two months to hire a contractor to process reimbursement requests from CDBG and HOME grantees for lead-based paint clearance tests. Under the notice that was released in January, HUD will use a third party contractor to collect invoices from grantees that have conducted clearance tests and directly reimburse these grantees for the cost of the clearance test. HUD will reimburse CDBG and HOME grantees up to \$150 per unit for the cost of the clearance test. HUD will not provide retroactive reimbursements for clearance tests. Only those clearance tests conducted after the date the contractor is hired and is in place to

accept reimbursements will be accepted, so any clearance tests that are being conducted now will not be reimbursed.

HUD has approximately \$11 million available to reimburse CDBG and HOME grantees for clearance tests. Reimbursements will be accepted on a first-come, first-served basis until all of the \$11 million in funding has been exhausted. NCDA and the other national interest groups have asked HUD to provide future funding for reimbursements, since it is an ongoing expense for grantees.

HUD RELEASES SUPERNOFA

HUD released its FY 2001 Super Notice of Funding Availability (SuperNOFA) on Monday, February 26. The NOFA provides approximately \$2.75 billion in funding covering 45 grant categories. Applications are due to HUD by May 22. To obtain an application kit, contact the SuperNOFA Information Center at 1-800-HUD-8929.

HUD will hold information broadcasts via satellite for potential applicants to learn more about the programs in this SuperNOFA and preparation of the applications. For more information about the date and time of the broadcast, go to the HUD web site at www.hud.gov/grants.

Of interest to NCDA's members, funds are available through the following programs: HOME TA – \$8 million; Community Housing Development Organization (CHDO) TA – \$7.6 million; McKinney-Vento Act Homeless Assistance Programs TA – \$3 million; **Lead-Based Paint Hazard Control Program – \$59 million**; HOPE VI Revitalization Grants – \$490 million; HOPE VI Demolition Grants – \$75

million; Economic Development Initiative – \$10.7 million; Brownfields Economic Development Initiative – \$25 million; Youthbuild – \$52.9 million; **Continuum of Care Homeless Assistance – \$850 million**; Housing Opportunities for Persons with AIDS (HOPWA) – \$25.5 million; Section 202 Supportive Housing for the Elderly – \$495.9 million; Section 811 Supportive Housing for Persons with Disabilities – \$121.2 million.

NCDA NOTES

NATIONAL COMMUNITY DEVELOPMENT WEEK AND THE 10TH ANNIVERSARY OF THE HOME PROGRAM

National Community Development Week is April 16-22, 2001. This year NCDA is asking members to include recognition of the **10th Anniversary of the HOME Program** during their celebrations. We like to think of the CDBG program as the “granddaddy” of the block grant concept, which provides local governments with a guaranteed stream of funds for a wide variety of activities. The HOME program was born out of that concept. This dedicated source of funds, specifically targeted to the housing needs of lower income persons, often works in tandem with the CDBG program.

As we have a new Congress and Administration, National Community Development Week is the **IDEAL** opportunity to alert Congress and the new Administration just how important these programs are. Select a day during CD Week to showcase the great works of the HOME program.

HOUSING/CD COMMITTEE ASSIGNMENTS OF THE 107TH CONGRESS

In an attachment to this issue of *The Washington Report* we are including lists of the

names and states of the members who serve on the various committees in the House and Senate that have either authorizing, appropriations, or oversight jurisdiction over HUD programs and the HUD budget, as well other related affordable housing and community development matters.

It is our hope that by providing this resource, we can facilitate greater communication between NCDA members and the elected representatives whose decisions control the fate of all federally supported affordable housing and community development initiatives.

THE JOHN A. SASSO NATIONAL COMMUNITY DEVELOPMENT WEEK AWARD

The National Community Development Week Campaign began in 1986 when NCDA’s Executive Secretary and founder, John A. Sasso recognized that in order to save the CDBG program from extinction because of an unfavorable environment for domestic programs, there was a need to ensure that Congress and the general public were aware of the positive impact of the program on cities across the country. The goal of National Community Development week is to encourage those who benefit from the Community Development Block Grant (CDBG) program to communicate with their Congressional representatives, and their locally elected officials the important role CDBG plays and the tremendous loss that would be felt should its funding be cut or eliminated.

To recognize John Sasso for his insight and guidance that was the genesis of National Community Development Week, this year, 2001, NCDA will create a new award, presented to those communities that go to extraordinary lengths to showcase their CDBG programs during National Community Development Week– the **John A. Sasso Community**

Development Week Award. This award will be presented annually, to those communities that demonstrate the commitment, passion, and dedication to the CDBG program through their Community Development Week activities, during NCDA's Annual Conference. This year, the first John A. Sasso Community Development Week Awards will be presented at the Association's Annual Conference, in Corpus Christi, Texas on May 23-26, 2001. For those communities who wish to enter the competition, the application requirements are attached to this news letter.

CHANGES TO NCDAONLINE.ORG

NCDA members are now able to use the Association's website, *NCDAonline.org*, to locate one another's contact information. A new membership database function has been added to the Members Only web page. The database is based on the most current version of the member directory and is searchable by last name, city, or state, OR HUD region.

To use this function, log on to the website, go to the **Members Only** page, and click on the link to Member Database.

Also, a new topical search engine has been added to the Members Only section of website as well. Currently it is linked directly to through the Main Page. Members need only type in the name of a subject or person, they will receive a detailed inventory of every page with *ncdaonline.org* that references that topic or person.

NCDA MEMBER DIRECTORY

NCDA staff annually update the membership directory. We spend hours, days, weeks, and months trying to ensure that every member is accounted for and recognized as part of the Association. But, to do this we must get the membership to complete and update the

membership forms, or least to let us know of personnel changes within their offices. Every year, some members call to let us know that their information, contact person, address, phone or fax numbers are incorrect. To improve upon the process to compile the directory and to ensure that at least in some form, the NCDA Membership Directory is as current as it can be, members can now update their own information online. We will use the online version of the directory as the "official" version when we start the process to publish the directory in hard copy. However, NCDA staff will continue to request member information, in hard copy format, beginning in August 2001 to ensure that all members have the opportunity to be correctly added to NCDA's Membership Directory.

NCDA NATIONAL AND REGIONAL EVENTS

Region IV Annual Conference

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

Region I Winter/Spring Meeting

March 29, 2001
Four Point Hotel
Waltham, MA

SECTION 108 TRAINING

March 30, 2001
Tigan Associates
Four Point Hotel
Waltham, MA

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

**JOB OPPORTUNITIES AND
ATTACHMENTS**

*To access the attachments below, please go to
<http://ncdaonline.org>*

- 2001 National Community Development
Week Promotional Items Flyer and
Action Plans
- Letter from Secretary Martinez on
Lead-based Paint Training
- Housing/CD Committee Assignments of
the 107th Congress
- Annual Conference Draft Agenda
- Forms and Applications Flyer
- HUD Best Practices Nomination Flyer