NCDA WASHINGTON REPORT

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DATE: April 09, 2001

NATIONAL COMMUNITY DEVELOPMENT WEEK: APRIL 16-22, 2001
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NCDA ANNUAL CONFERENCE– CORPUS CHRISTI, TX: May 23-26, 2001

FEATURE ARTICLES

NCDA MEETS WITH CPD ASSISTANT SECRETARY NOMINEE BERNARDI

On Wednesday April 4, NCDA staff Chandra Western and Vicki Watson met with CPD Assistant Secretary Nominee, Syracuse Mayor Roy Bernardi, NCDA Member Vito Sciscioli and Mayor Bernardi's Director of Communications, James Parenti. Mayor Bernardi was in Washington to participate in a special summit as part of his membership activities with the U.S. Conference of Mayors. Chandra Western thanked the mayor for taking the time to meet with NCDA and Vito Sciscioli for assisting in setting up the meeting. The meeting lasted approximately 45 minutes and focused on the Association's legislative and regulatory priorities for the year.

Mayor Bernardi was very cordial and supportive of NCDA's advocacy work over its 30 year history. He also recognized the Association's key priorities, namely lead-based paint relief, McKinney Consolidation, continued support for technical assistance funds for both HOME and CDBG, as well adequate staffing levels at HUD field offices. Mr. Bernardi was well versed on the housing and community development issues that concern cities and those pertaining to HUD. He told us that he has met several times with the Secretary and shares many of Mr. Martinez's concerns, particularly those pertaining CDBG spend-out and the need for affordable housing.

NCDA Legislative Director Vicki Watson went into detail in explaining the Association's position on a new housing production program and mentioned that the Secretary would not oppose amending the HOME statute to include this new program. It was also mentioned that no one expected a new housing production program to be enacted this year, but it is a good idea to get started and prepared for the legislative battle next year.

The meeting with the mayor went very well, but it would not have happened without the direct assistance from NCDA member Vito Sciscioli. Prior to the meeting, Vito had done an excellent job briefing the mayor, which was evident as the mayor was reviewing a copy of the latest *Washington Report* at the time Chandra Western and Vicki Watson arrived for the meeting. Upon his confirmation as Assistant Secretary of CPD, which will not happen until late spring, Mayor Bernardi said that he looked forward to working with and seeking assistance from NCDA. The mayor also indicated his willingness to attend NCDA's Annual Conference in Corpus Christi, should his schedule allow it.

PRESIDENT BUSH RELEASES DETAILED BUDGET

President Bush Releases FY 2002 Budget; HUD's Budget Remains Unchanged in Most Areas. With Cuts to Some Areas

With much expectation, President Bush officially released the FY 2002 federal budget on April 9. He had previously released a short outline of his budget on February 28 that included few specific funding details for most program areas. HUD's budget remains virtually unchanged from the February 28 outline that was released by the Administration. Most of HUD's core programs are level-funded from their FY 2001 allocation level, with the exception of a select few programs, and a number of other program areas that received slight increases. A detailed chart of the proposed FY 2002 budget for HUD is included as an attachment to this edition of *NCDA Washington Report*.

The Administration proposes a $30.4 billion budget for HUD in FY 2002. According to Secretary Martinez, the FY 2002 budget for HUD "...builds on the Department's core programs and strengthens areas of weakness and high risk. With increased funding for key programs and sensible reductions in duplicative or inefficient programs, we will work with local and state officials, non-profit and faith-based organizations, low-income housing advocates and industry groups to expand the supply of affordable housing."

The Administration proposes several new initiatives within HUD's budget that are targeted at increasing homeownership, including the American Downpayment Fund, which would be funded as a $200 million set-aside within the HOME program. The program would provide matching grants for downpayment assistance to low-income families. For every dollar provided by a third-party, the program will provide $3 for downpayment assistance, up to a maximum of $1,500 provided against a $500 third-party contribution. The Administration proposes administering the program through state housing finance agencies, a move which NCDA and other groups are adamantly opposed to because it leaves local governments with no voice in administration of the program. The Bush Administration would continue the Section 8 Home-ownership Initiative to assist Section 8 voucher holders in becoming homeowners. Approved Section 8 beneficiaries would be allowed to use up to one year's worth of Section 8 assistance for the downpayment on a home, or in making ongoing mortgage payments. The Renewing the Dream Tax Credit is a proposed $1.7 billion tax credit to support the rehabilitation or new construction of an estimated 100,000 homes for purchase by low-income households over a five-year period. Finally, the Administration proposes the creation of a hybrid adjustable rate mortgage through FHA that would allow a family to have a low fixed rate in the early years of a mortgage, which would then adjust higher in later years with the market, to accommodate a family's increased income.

HUD has made supporting community and economic development programs – including CDBG – a priority within its FY 2002 budget. HUD's FY 2002 proposed budget provides $4.8 billion for the CDBG program. HUD's FY 2002 budget keeps the CDBG formula allocation intact at its FY 2001 level of $4.4 billion. While we are glad to not see a cut to the formula, NCDA and other national interest groups would like to see at least a $4.6 billion formula allocation for the program in FY 2002 [*see enclosed testimony before the House Subcommittee on VA-HUD*]. The remaining amount will be targeted to set-asides within the program, which are outlined in the attached chart. The Administration notes that it will continue to work to increase communities' expenditure of their CDBG funds over the coming year. We continue to urge our members to spend their CDBG funds in a timely manner. Both the Administration and Congress are placing a great amount of scrutiny this year on communities' spend-out rate of their CDBG funds. We fear the program may be at risk of a cut next year if grantees do not become timely in their expenditure rate. We will continue to work with HUD and Congress on this issue in the coming year, and will keep you informed.

The HUD budget provides $1.796 billion for the HOME program in FY 2002, roughly the same level as in FY 2001. However, the Administration proposes several set-asides within the program, including $200 million for its American Dream Downpayment Fund, $20 million for transfer to its Working Capital Fund, $14 million for technical assistance and management information systems, and $20 million for housing counseling, leaving $1.542 billion for the formula allocation. This is well below the approximate $1.737 billion formula allocation available to the program in FY 2001. We will continue to fight for an increase in HOME's formula in FY 2002.

The budget provides $1.123 billion for HUD's homeless assistance programs in FY 2002, the same level as in FY 2001. This includes a $100 million allocation for the renewal of

Shelter Plus Care contracts. Set-asides within HUD's homeless assistance programs include $9 million for transfer to the Working Capital Fund, $5 million for technical assistance and management information systems, and $1 million to fund the Interagency Council on the Homeless.

The budget proposes an increase of $10 million for lead-based paint hazard reduction from $100 million to $110 million. While we are very supportive of an increase in this program area, NCDA would like to see a higher funding level for the program, in order to compensate for losses to CDBG and HOME funds that are being used by communities to implement HUD's lead-based paint regulation. Early estimates have surmised these costs at least $187 million dollars. A definitive cost study is currently being developed by HUD and the interest groups, including NCDA, that will provide a better projection of these costs for inclusion in the FY 2003 budget.

The FY 2002 budget includes important initiatives to help meet the need for affordable rental housing. The budget will add 34,000 new housing vouchers at a cost of $197 million, and renew all expiring Section 8 contracts – for 2.7 million families – at a cost of $15.1 billion, a $2.2 billion increase over the previous year's budget. HUD also has proposed that the limits for FHA multifamily insurance be increased by 25 percent – the first increase since 1992. Increasing the limits will help spur new production and substantial rehabilitation of affordable rental housing that had been dramatically slowed by increased residential construction costs.

Another major priority within HUD's FY 2002 budget is that of building assets and skills among low-income families. Key initiatives in this area for FY 2002 include $80 million to expand the development of Community Technology Centers in multifamily assisted housing developments and public housing sites across the country. The Administration plans to propose a tax credit to financial institutions that match private Individual Development Accounts. These are savings accounts set up by low-income families to help them save for a first home, to pay for education, or to start a business.

HUD's proposed FY 2002 budget increases several programs targeted at special needs populations, including the elderly and persons with HIV/AIDS. The budget proposes a funding level of $783 million for the Section 202 Program for the Elderly, an increase of $6 million from FY 2001. The budget proposes a funding level of $277 million for the Housing Opportunities for Persons with AIDS program, an increase of $20 million from FY 2001.

HUD's budget will decrease and eliminate, in some instances, some programs. The program which will face the largest decrease, as proposed in HUD's FY 2002 budget, is the Public Housing Capital Fund, which faces a decrease of $700 million in FY 2002, to $2.293 billion. The Public Housing Capital Fund is used to provide funds for the rehabilitation and modernization of public housing developments. The Administration feels that this amount of funds is sufficient to meet all new modernization needs since the program currently has a backlog of unspent funds. HUD's FY 2002 budget proposes elimination of the Public Housing Drug Elimination Grant Program (PHDEP), citing it as duplicative of the Public Housing Operating and Capital Funds and other federal programs, and noting misuse of funds for inappropriate activities. The budget proposes cutting in half the Section 108 loan guarantee limitation, from $30 million in FY 2001 to $15 million in FY 2002. According to the budget, in every year since FY 1997, the total loan volume authorized for the program has been $1.2 billion. Only about one-third or less of this loan level has been used each year, with an average annual utilization of $375 million. To reduce the level of the government's outstanding commitment to levels that reflect actual usage, while at the same time ensuring that any upward surge in loan volume is fully accommodated, the FY 2002 budget is requesting a loan volume of $609 million. HUD will reconsider the loan volume cap for FY 2003. The budget provides no funding for rural empowerment zones in FY 2002, eliminates the America's Private Investment Companies initiative, and eliminates the Office of Rural Housing and Economic Development.

The budget provides $574 million for the Revitalization of Severely Distressed Public Housing (HOPE VI) in FY 2002, the same level as in FY 2001. This program provides funds for the demolition and revitalization of severely distressed public housing. This program will sunset in FY 2002, unless re-authorized. HUD is evaluating the program and will submit authorizing language during the coming year to extend and amend the program to target funds to the highest priority needs.

HOUSE PASSES BUSH-STYLE BUDGET

On March 29, by a virtually party-line vote of 222 Republicans to 205 Democrats, the U.S. House of Representatives approved an FY 2002 budget resolution that embraced President Bush's budget goals of holding the growth in federal spending to no more than 4% in the coming fiscal year and providing for a $1.6 trillion across the board tax cut over ten years.

Because the Republicans still command a slim numerical majority of some fifteen seats in the chamber, there was never any real doubt that the President's budget blue print would ultimately be adopted. The real open question was whether President Bush's recent series of speaking engagements in support of the tax cut would manage to garner enough votes from centrist and conservative Democrats to give the proposal a genuinely bi-partisan flavor. It didn't. In the end, only three Democrats were willing to cross the aisle and support the Republicans' budget resolution. Two Republicans, both strong fiscal conservatives, voted against the budget resolution.

Normally, there would be some broad details or departmental spending outlines to accompany the budget resolution, but in order to try to give the President's tax plan some momentum Republican leaders in the House decided to push through the resolution without even having received the Administration's formal agency by agency spending request. The President's formal budget request, which includes the proposed cuts he would like to see made in order to finance his proposed tax cut, wasn't be released until Monday, April 9. As it stands right now, Republicans have agreed to pursue a FY 2002 federal budget of $1. 92 trillion dollars and caps discretionary federal spending to no more than 4% above FY 2001 levels.

The debate grew very contentious when Democrats tried to attach an amendment that would provide a $60 billion tax rebate to middle- and lower-income persons this year. The rebate would amount to $300 per year per eligible tax payer. Republicans argued that this proposal amounted to nothing more than a "pale substitute" of the president's proposal.

While the passage of the House budget resolution definitely constitutes a victory for the president's agenda, it is expected encounter serious challenges in the Senate where the 50-50 split between Republicans and Democrats offers little or no leadership cover for the Bush tax plan.

SENATE SLASHES TAX CUT AND PASSES ITS FY 2002 BUDGET RESOLUTION

Following on the heels of the House, the Senate officially passed its FY 2002 budget resolution (H Con Res 83) on Friday, April 6, by a margin of 65-35. The resolution calls for $1.18 trillion in tax cuts over ten years, well below the requested $1.6 trillion proposed by President Bush, and approved by the House in its budget resolution. The smaller tax cut was held in place by a bipartisan group of moderates led by John Breaux (D_LA), who insisted on a tax package no larger than $1.25 trillion. The Senate passed an amendment to shift $450 billion from the budget resolution's tax-cut allocation to education and debt reduction. The tax portion of the budget resolution also includes an $85 billion tax stimulus for FY2001.

Republicans feel confident they can produce a budget resolution more in line with President Bush's budget when they meet later this month to conference the House and Senate budget resolutions. "We're confident that coming out of conference we will get a good number, fairly close to what the president recommended," Dick Cheney said after Senate passage of the resolution. Democrats think otherwise, and feel they can hold the budget resolution at the Senate's level. Republicans will have the upper hand in conference, with three conferees versus two for the Democrats. Republicans named Phil Gramm (R-TX), Charles Grassley (R-Iowa), and Pete Domenici (R-NM) as their conferees. Demo-crats are expected to name their conferees later in the week. Republicans hope to have a tax bill on President Bush's desk by Memorial Day.

The budget resolution provides an outline for spending for FY 2002 tax measures and appropriations bills. The budget resolution's figures may be disregarded in the heat of the appropriations process, as members attempt to fund their priority programs.

INTERESTS GROUPS ADDRESS HUD SUBCOMMITTEE

On Thursday March, 22, on behalf of most of the major interest groups representing local governments--NCDA, the U.S. Conference of Mayors, NACO, and NALFHA--Paula Sampson, Director of the Fairfax County, Virginia Department of Housing and Community Development, offered testimony before the House VA-HUD Appropriations Subcommittee on the FY 2002 HUD budget.

Due to pressing votes on the floor of the House and responsibilities on other committees, the chairman of the subcommittee, Jim Walsh (R-NY), was absent from the hearing. Representative John Sununu (R-NH) was acting chairman during Paula Sampson's testimony. The ranking Democratic member of the subcommittee, Representative Alan B. Mollohan (W-VA), was in attendance throughout the proceedings.

In her testimony, Ms. Sampson focused on why CDBG is effective and critically needed; the advantages of creating a new production program within HOME; the renewal of expiring section 8 rent subsidy contracts; homelessness housing funding; and lead-based paint abatement assistance for localities.

After outlining CDBG's stellar 27-year track record in providing assistance to low- and moderate income persons all across America, Paula Sampson urged the subcommittee to **increase CDBG funding in FY 2002 to at least $5.3 billion, $4.6 billion of which would be reserved for formula grants to entitlement jurisdictions**. According to testimony submitted to the record on behalf of local governments, between FY 1993 and FY 1996 an estimated 14 to 17 million households have benefitted from the CDBG program. During that same period and estimated 114, 000 jobs were created though CDBG funded economic development activities, and over 1 million households have received rehabilitation assistance.

Paula Sampson used the hearing as an opportunity to voice some of the concerns local governments have with the flurry of new affordable housing production bills circulating throughout Washington, and to stress local opposition to the Bush Administration's proposal to carve out a new $200 million set-aside in the HOME program for homeownership down payment assistance. Rather than create new affordable housing programs that would only end up competing with HOME for scarce federal funds and require Congress and HUD to draft a host of new rules and regulations, Ms. Sampson suggested that the subcommittee embrace a proposal supported by a coalition of affordable housing interest groups, including NCDA, to expand on the HOME program's ability to generate new affordable housing production by adding some $2 billion annually to the current HOME budget for a production initiative that would focus on new construction, substantial rehabilitation, and the preservation of multi-family housing. (Further details on the specifics of this joint proposal by NCDA, the U.S. Conference of Mayors, NACO, and NALHFA are available in the copy of Paula Sampson's testimony that is attached to this issue of *NCDA Washington Report*.)

Moreover, the subcommittee was informed that local governments do not support the Administration's FY 2002 budget proposal to create a $200 million dollar annual homeownership down payment assistance set-aside within the HOME program to be administered exclusively by state housing finance agencies. This initiative, argued Paula Sampson, would result in a needless $200 million cut in formula grants to local participating jurisdictions because HOME funds may already be used for down payment and/or closing cost assistance. And the Bush proposal selects one specific assistance delivery system–state housing finance agencies–for no proven programmatic purpose. Several members of the committee, especially acting chairman John Sununu (R-NH), reacted with surprise to the news that HOME already permits down payment assistance to low-income families. When asked why President Bush is attempting to duplicate a program function that already exists at a cost of $200 million dollars, Paula Sampson responded that she is as confused by this as anyone else on the subcommittee. Ms. Sampson concluded her remarks on the HOME program by **recommending that the subcommittee to fund HOME at $4 billion in FY 2002, with $2 billion of this sum reserved for a production program in HOME that would be subject Congressional authorization.**

With respect to expiring Section 8 rent subsidy contracts, **local governments are once again seeking full-funding for all expiring contracts at an estimated cost of $15.6 billion.** And although President Bush has asked for only 34, 000 new incremental vouchers, Ms. Sampson told the subcommittee that **local governments would like to see that Congress appropriate funds for 79, 000 incremental vouchers, the same amount as last year.** Finally, **the subcommittee was asked to include within the FY 2002 appropriations bill both the authority for, and the funding to, renew from the section 8 fund all expiring rent subsidy contacts under the shelter Plus Care program.**

Paula Sampson iterated NCDA and other interest group support for level funding of $1.2 billion for homeless housing programs, and the shifting of the supportive housing renewals into the Section 8 fund. It was explained to the subcommittee that this would give localities more funding to help the homeless. **Support was also expressed for converting the McKinney housing programs into a pure, formula driven block grant program.**

On the topic of HUD's final lead-based paint abatement regulation, Paula Sampson articulated the general support of localities for the goal of eliminating hazardous lead-paint from federally supported housing but stressed the burden the enormous cots of complying with the new regulation is placing on local governments. Additional funding was requested to help communities fully comply with the regulation.

A complete copy of the testimony submitted by Paula Sampson on behalf of NCDA, the U.S. Conference of Mayors, NACO, and NALHFA is attached for your consideration.

NCDA IS ASKED TO ADVISE HUD ON CDBG TIMELINESS CONCERNS

On Friday of last week, NCDA, NACCED, and NAHRO were invited to attend yet another meeting to discuss timeliness of expenditure within the CDBG program. Representing NCDA was Chandra Western. Marcia Sigel from NAHRO and Leslie Suarez from NACCED were also in attendance. The HUD staff included Donna Abbenante, Acting Assistant Deputy Secretary, Dick Kennedy, Sue Miller, Carol Hirschman, Jan Opper and Frances Bush. Also from HUD was Joe Ventrone, Special Assistant to Secretary Martinez.

Once again, the interest group personnel were asked how to best address this problem. HUD provided data on how many communities were still untimely (168) from the 306 in February of 1999. What is it going to take to get grantees to spend their money in a more timely manner? , queried the HUD staffers.. Dick Kennedy reiterated that overall program management continues to be the problem. He stated that regardless of city's size, its political climate, or problem projects, it just boils down to program management and understanding how to reprogram funds to meet the threshold. He also made the comment that regardless of when you get your funds or when your program starts, communities still have one- and one half years to spend their funds. Even so, as Carol Hirschman pointed out, it is anticipated that as of May 1 even more cities that haven't been untimely in the past will become so. Clearly, the problem persists.

Dick Kennedy mentioned that if he were to look at all the CDBG funds "languishing" in the CDBG letter of credit, it would add up to over $10 billion. This figure includes all the "special projects" that have become part of the annual set-asides. Chandra mentioned that the budget process is really unfair to communities because the fiscal year begins on October1 and the majority of communities operate on a July 1 program year. She also pointed out that during the fall and winter when OMB considers its budget figures, the entire appropriations for the CDBG program in “dumped” into the CDBG letter of credit, which make the amounts deceptively high. She asked Joe Ventrone if Congress and OMB were aware of this situation? Joe and Dick said that they would do whatever the could to make sure that they (OMB and Congress) became aware of the nature of spend-out within the program. She also suggested that if there was more onsite monitoring and technical assistance from HUD field staff, such as travel funds, that perhaps many of the untimely cities could get off the untimely list. Donna Abbenante suggested that funds would be made available to get some technical assistance for the interest groups at their regional meetings for CDBG timeliness workshops.

The meeting ended with commitments from all participants to work together to put on one-day workshops at regional meetings to assist grantees with their timeliness problems. It was again stressed by NCDA that the workshops work well when they are conducted by practitioners, through peer- to- peer interaction.

It is important to note the participation of Joe Ventrone in this meeting. This says that the Secretary was not just pontificating about timeliness. Staff at this high level rarely participate in programmatic meetings. Joe indicated that the discussion was good and informative. It raised issues that he was not aware of and, to that end, he was better informed and could set the record straight on a few issues. But, he also said that statutory language had been written that would make it easier for HUD to go after habitual untimely communities for the 2003 budget should the problem escalate. Dick assured him that we would get the problem under control, and the funds to those who need them.

MORE THREATS TO THE CDBG PROGRAM; HR 1191--THE COMMUNITY DEVELOPMENT BLOCK GRANT RENEWAL ACT

Representative Carrie Meek (D-FL) has introduced legislation that would significantly change the CDBG program. Mrs. Meek has been reviewing the program over the past couple of years in response to complaints from many of her constituents, who believe that the program is not deeply targeted enough and that the over all low/mod benefit should be raised to 80% from 70%. Below are the three most significant changes being sought through this piece of legislation.

(1) Proportionate Counting

> HUD should change the way in which grantees calculate the percentage of benefit to low-and moderate-income persons for activities that are funded with CDBG funds by counting only those funds that directly benefit low- and moderate-income persons (low/mod) in proportion to the number of low and moderate income persons in the area served by the CDBG funded activity.

Currently the way in which HUD allows grantees to calculate benefit is statutorily defined. Generally, individual CDBG funded activities are considered to benefit low and moderate- income persons (low/mod) as long as at least 51% of the beneficiaries are low/mod. This means that for an area benefit activity that meets the 51% test, then 100% of the funds for that activity are said to benefit low/mod. The above recommended change would only allow the exact low/mod percentage and therefor the dollars used for that activity of the “target area” to be counted as benefitting low/mod. This way of counting would severely limit many water and sewer projects in marginally poor areas. Street, sidewalk, neighborhood parks and related projects would become a thing of the past if communities had to structure their projects and programs to do more "deep targeting."

(2) Increasing the Low/mod Threshold

> This bill would require that 80% of the funds meet the low/mod test. Also, 40% of those funds should benefit persons at 50% and below the median income.

One of the main reasons CDBG is so widely supported is that communities have the option to target funds to persons whose incomes are up to 80% of the area median, but can target activities at 30% (or any level below 80%) or lower if their needs dictate they do so. The community must not exclude persons in the 50% and below median income category in favor of those above. To require that 40% of the funds dedicated to low/mod projects be targeted to persons at 50% and below of the area median would mean less neighborhood projects and more direct benefit projects (public service projects, which allow only use of 15% of all grant funds, fall in this category) and more housing projects. This would effectively take away the ability of cities to plan independently and meet locally determined needs.

Siply put, to raise the overall low/mod threshold to 80% of all CDBG funds used, while at the same time tightening up the low/mod thresholds, would mean the end of the CDBG program as we know it. Cities would have to scramble to find projects and persons in "high poverty concentrated" areas that meet the 50% below the median income test be able to reach the very high threshold of 80% of all CDBG funds benefitting low and moderate income persons. Many cities have tried over the years to deconcentrate very low income persons. HUD too has recently set policies specifically designed to 'de-concentrate' poverty in distressed areas.

Meeting this test in many communities will be extremely difficult, especially smaller, less urbanized areas.

(3) Treatment of Downtown Areas

> The suggested change to the statute would require any activity having an area benefit could not be considered low/mod unless it is primarily residential in character.

This change would virtually eliminate all downtown revitalization projects. There would be no facade improvement programs in minority business districts, or main street and historic preservation projects. And those urbanized areas that have clearly defined, historic residential areas, but where land use is primarily commercial would not be able to meet the area benefit test and would therefore not qualify for CDBG funds for streets, or sidewalk improvements, or water/sewer projects or neighborhood parks or playgrounds.

Clearly, this was not the original intent of the program. CDBG was designed to be a block grant that is flexible enough to meet individual city needs through a locally determined planning process. It is broad enough to undertake many activities, but prescribed enough so that at least 70% of the funds spent on CDBG eligible activities, benefitting low- and moderate-income persons as defined by the current law. It should not be changed. To do so would severely weaken its broad, bi-partisan political support.

NCDA has scheduled a meeting with Rep. Meek's staff on Thursday of this week. We hope to provide them with enough information to at least get them to reconsider this bill. Unfortunately there is a highly political issue involved. Ms. Meek has already garnered 51 co-sponsors, and much of the Congressional

Black Caucus is represented in that number. As it stands now, there is no companion bill in the Senate, nor is there likely to be. However, this whole idea was discussed approximately ten years ago and received a lot of attention, and it would be unfortunate if it gained support.

NCDA staff will alert the membership should the need arise to go all out to oppose this initiative. Of course, It may go nowhere, but that is what was said about the anti-pirating amendment.

APRIL IS NATIONAL FAIR HOUSING MONTH; LET'S CELEBRATE!

In recognition of Fair Housing Month, HUD will hold a special ceremony on Wednesday, April 11, to celebrate the 33rd anniversary of the Fair Housing Act. The Fair Housing Act has lead the way in opening the doors for minorities, disabled Americans, and other persons to obtain decent, safe, and affordable housing by prohibiting discrimination in housing because of race or color, national origin, religion, sex, familial status, and disability.

Under the Fair Housing Act, in the sale of rental housing, no one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap: (1) refuse to rent or sell housing; (2) refuse to negotiate for housing; (3) make housing unavailable; (4) deny a dwelling; (5) set different terms, conditions or privileges for sale or rental of a dwelling; (6) provide different housing services or facilities; (7) falsely deny that housing is available for inspection, sale, or rental; (8) for profit, persuade owners to sell or rent (blockbusting); and (9) deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing. In mortgage lending, no one may take any of the following actions: (1) refuse to make a mortgage loan; (2) refuse to provide information regarding loans; (3) impose different terms or conditions on a loan, such as different interest rates, points, or fees; (4) discriminate in appraising property; (5) refuse to purchase a loan, and (6) set different terms or conditions for purchasing a loan.

The Fair Housing Act formed the basis for HUD's action to require communities to affirmatively further fair housing by including an analysis of impediments to fair housing choice with each Consolidated Plan submission. Beyond identifying impediments, both public and private, to fair housing choice, jurisdictions must take appropriate actions to overcome the impediments. This has enabled jurisdictions to examine the issue of fair housing within their communities and take steps to eliminate impediments to fair housing choice. We encourage our members to continue to take steps to eliminate discrimination in housing -- and conducting activities during the month of April to celebrate Fair Housing Month brings attention to this very important issue.

HUD NEWS

HUD HALTS OFFICER NEXT DOOR AND TEACHER NEXT DOOR PROGRAMS

HUD announced on March 29 that it is placing a temporary,120-day hold on both the Officer Next Door Program and the Teacher Next Door Program, to provide sufficient time to review the guidelines of both programs, and institute management controls to ensure against fraud and misuse of funds. The suspension began on April 1 and will last through July 30.

HUD's suspension of the programs is in response to numerous cases of fraud with the two programs, including nine felony convictions and indictments involving the purchase of homes by police officers and teachers who never lived in the properties, and either rented the properties, or sold them outright. Through the programs, police officers and teachers, can purchase HUD-owned, single-family homes at a 50 percent discount in certain designated revitalization areas, at a reduced down payment of $100. To be eligible for the program, participants must agree to live in the properties for at least three years. In addition, teachers must work in the jurisdiction in which the homes are located. Since HUD created the programs in 1997 and 2000, respectively, approximately 6,000 police officers and teachers in 41 states and the District of Columbia have purchased homes.

NCDA NOTES

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

WE STILL HAVE PROMOTIONAL ITEMS AVAILABLE. PLEASE CONTACT TAMIKA MCREA TO ASSIST YOU.

NCDA has approximately 50 tubes of posters left with the corresponding post cards. For other CD Week merchandise, whatever inventory we have on hand, is all that will be available for 2001. If you have not sent in your CD Week orders, please contact Tamika to be sure that the merchandise you want is still available.

NOTE!!!! Congress will be in their home districts until April 22, 2001!!! Use this opportunity to get these folks to your events. Contact their district offices for participants!!!

THE JOHN A. SASSO NATIONAL COMMUNITY DEVELOPMENT WEEK AWARD:

DEADLINE FOR AWARD SUBMISSIONS IS APRIL 30, 2001!!!!!

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 commit-ment, passion, and dedication to the CDBG program through their Community Develop-ment 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, please see your CD Week Guidebook for the application. Or, you may contact Tamika McRae to receive the submission criteria.

NCDA NATIONAL AND REGIONAL EVENTS

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

FEDERAL REGISTER NOTICES

April 6, 2001. Lead Safe Housing: Notice of Extension of Transition Assistance Period to Certain Jurisdictions. This notice advises the public of a direct notice that HUD issued on March 5, 2001, to jurisdictions which previously submitted a transition implementation plan to advise these jurisdictions of how they may obtain an additional time period to build capacity to comply with HUD's Lead Safe Housing Regulation.

March 30, 2001. Project Impact: Building Disaster Resistant Communities. FEMA gives notice of the availability of $25 million of funds for grants and technical assistance to Project Impact disaster resistance communities and States with Project Impact communities. The funds will also be used for education, training, and partnership development.

JOB ANNOUNCEMENTS/ ATTACHMENTS

Please go to NCDAonline (http://ncdaonline.org) to access the files below.

1. **Annual Conference Updated Agenda**
2. **FY 2002 HUD Budget Chart**
3. **Lead-Based Paint Training Alert**
4. **Paula Sampson's Testimony**