NCDA
WASHINGTON REPORT

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NCDA Annual Conference; June 25 -28, 2003 - Washington Marriott Hotel
***CDBG Basics: Training for Practitioners;* June 23-25, 2003 – Washington Marriott Hotel**

FEATURED ARTICLES

- ***Status of FY 2003 Appropriations***
- ***Public Interest Groups, NCDA Members Provide Feedback Concerning New Home Proposed Rule***
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STATUS OF FY 2003 APPROPRIATIONS

The President will release his FY04 budget on February 3, without having 11 of the FY03 spending bills completed. Needless to say, the appropriators will be very busy this year. The FY03 spending bills are now in conference committee where they are expected to be completed by mid-February. Both the House and Senate passed another continuing resolution this week that keeps the Federal government operating through February 7, based on FY02 funding levels. The Defense bill and the military construction bill were the only two spending bills completed before the 107th Congress adjourned. GOP leaders had hoped to have the remaining fiscal 2003 spending bills passed before the President's State of the Union address on January 28, but disagreements over funding levels for education, election overhaul funding for States, Medicare, drought assistance, and an across-the-board spending cut has delayed completion of the omnibus measure.

The Senate completed approval of the omnibus spending measure (H J Res 2) on Thursday, January 23. Republicans added $5 billion in funds for education and other programs, then pledged to offset that amount with across-the-board spending cuts to all non-defense programs in the omnibus bill. The across-the-board cut – which is expected to total about 1.3 percent – was in addition to a 1.6 percent cut already included in the omnibus by Senate Republicans as a way to pay for $1.5 billion in grants to fund the recently enacted election overhaul law, $3.1 billion in drought assistance, and $1.53 billion in Medicare adjustments. These proposed across-the-board cuts have not been made to the programs in the bill yet, so the numbers outlined in HUD's programs (below) do not reflect these cuts. Speaking at NCDA's Winter Meeting last week, Cheh Kim, professional staff to Senator Christopher Bond (R-MO), Chairman of the VA-HUD-IA Subcommittee, told NCDA's members that Senator Bond will fight during the conference committee to lessen the across-the-board cuts to less than 1%. ***The Senate conferees are Senators Stevens (R-AK), Cochran (R-MS), Specter (R-PA), Domenici (R-NM), Bond (R-MO), McConnell (R-KY), Burns (R-MT), Shelby (R-AL), Gregg (R-NH), Bennett (R-UT), Ben Nighthorse Campbell (R-CO), Craig (R-ID), Hutchison (R-TX), DeWine (R-OH), Brownback (R-KS), Byrd (D-WV), Inouye (D-HI), Hollings (D-SC), Leahy (I-VT), Harkin (D-IA), Mikulski (D-MD), Reid (D-NV), Kohl (D-WI), Murray (D-WA), Feinstein (D-CA), Durbin (D-IL), Johnson (D-SD), and Landrieu (D-LA).***

Senate Republicans had already pared more than $9 billion from the measure to meet the President's spending requirement of no more than $750 billion for discretionary programs before floor debate began on the bill. Most of the cuts in the Senate version came from the Federal Emergency Management Agency (FEMA), which received almost one billion dollars in cuts. HUD was also hit with a $900 million cut from its section 8 programs. Many of the independent agencies funded under the bill also received cuts to their program areas. The Environmental Protection Agency (EPA) received a $96 million cut, the National Science Foundation was cut by $83 million, and NASA received a $70 million cut to its programs. The Veterans Administration (VA) was the only agency under the subcommittee that received no cuts.

HUD's Programs

<u>CDBG</u>

The Senate approved $5.0 billion for CDBG in FY03, the same level as in FY02, but $257 million above the President's budget request. This includes $4.580 billion for formula grants, an increase of $239 million from last year. Similarly, the House approved $5.0 billion for the program, with $4.577 in formula grants for FY03. As you visit your congressional members this year, please thank them for this increase. This is a particularly tight budget year and we are extremely pleased with this increase to the program. This increase will help off set the painful cuts some communities will experience due to the inclusion of the housing and poverty data into the CDBG formula.

Both the House and Senate pared down the EDI set-asides under the program in FY03. The House recommended $144.6 million, while the Senate approved $130.5 million. These recommendations are both sharply below the $294 million approved for EDI projects last year.

Other set-asides under CDBG continued from last year. The Senate approved the following set-asides: $72.5 million for Native Americans, $3.3 million for the Housing Assistance Council, $2.6 million for the National American Indian Housing Council, $35.5 million for the National Community Development Initiative, and $45.5 million for section 107 grants, which includes $4 million for Alaska Native-Serving Institutions and Native Hawaiian-Serving Institutions, $3 million for competitive grants awarded to Tribal Colleges and Universities, $3 million for community development work study, $11 million for historically black colleges and universities, $7 million for insular areas, and $7.5 million for Hispanic-Serving Institutions. In addition, the Senate includes $10 million for the Hawaiian Homelands Homeownership Act of 2000 under section 107.

The House approved the following set-asides under CDBG: $70 million for Native Americans, $3.4 million for the Housing Assistance Council, $2.2 million for the National American Indian Housing Council, $29.5 million for the National Community Development Initiative, $39.5 million for section 107 grants, $65 million for Youthbuild, $23.4 million for Neighborhood Initiative Demonstration, $28.5 million for Self-Help Housing, $5 million for National Housing Development, $5 million for the National Council of La Raza, and $3.4 million to the Working Capital Fund.

Section 108 Loan Guarantees

The Senate approved $15 million for program costs associated with the section 108 loan guarantee program. This amount is the same as the FY02 enacted level and $7.7 million more than the Administration's budget request. Of this amount, $14 million is for credit subsidy costs to guarantee $609 million in section 108 loan commitments in FY03, and $1 million for administrative expenses to be transferred to the salaries and expenses account. The House approved $6.325 million for credit subsidy costs to guarantee $275 million in section 108 loan commitments for FY03.

HOME Program

The Senate approved $1.950 billion for the HOME program for FY03, while the House approved $2.221 billion. Of the amount approved by the Senate, $40 million is set-aside for housing counseling, leaving a record $1.910 billion in formula grants. The House set-aside $25 million for housing counseling, $1.10 million for HUD's working capital fund, $20 million in technical assistance, and $200 million for the President's American Dream Downpayment Program, leaving $1.975 billion in formula grants for the program. Both chambers sharply increased the formula grants under the program, from its $1.747 billion allocation in FY02. Again, as you visit your congressional members, please remember to thank them for these increases to the program.

The one sticking point that will have to be ironed out between the House and Senate in conference committee is the approval of the President's American Dream Downpayment Fund.
The House strongly supports this initiative, while the Senate does not.

We have been told that President Bush has recommended an increase of $113 million in the HOME program in FY04. The President has once again recommended $200 million for the American Dream Downpayment Fund in FY04. It will likely be enacted this year, since the GOP controls both the House and the Senate. NCDA has no position on the American Dream Downpayment Fund, as long as it does not hurt the amount of formula funding received by HOME grantees.

Lead Hazard Reduction

The Senate approved $201 million for lead hazard reduction in FY03, while the House approved $126 million, an increase of $16 million. *Good news!!!* Of the amount approved by the Senate, $75 million will be used to establish a new lead hazard reduction demonstration program focused on major urban areas where low-income children under the age of 6 are disproportionately at risk for lead poisoning. This new lead hazard reduction program will provide formula-allocated funds to the 25 major urban areas identified by HUD as having: (1) the highest number of pre-1940 units of rental housing; (2) significant deterioration of paint; and (3) a disproportionately high number of documented cased of lead-poisoned children. At least 80 percent of the funds must be used for abatement and interim control of lead-based paint hazards. Further, the program targets abatement to units that serve low-income families. *This program is subject to authorization by the proper committees*. ***As you make your congressional visits, please thank the Senate appropriators for this program, and ask the House appropriators to fund this program this year. Also, ask that the program be authorized this year.***

At NCDA's Winter Conference on January 23, Cheh Kim, Professional Staff to Senator Christopher Bond (R-MO), told NCDA's members that this initiative is a high priority for both Senator Bond and Senator Mikulski, ranking of the VA-HUD-IA Subcommittee. Senator Reed (D-RI) has also been instrumental in developing this initiative. The creation of the program is crucial to ensuring new funds for local governments for the reduction of lead-based paint. We urge you to contact your congressional members and ask them to support this program.

Homeless Assistance Grants

The Senate approved $1.215 billion for HUD's homeless assistance grants, an increase of $92.5 million from last year, while the House approved $1.250 billion for FY03, an increase of $127 million. Of the amount provided in both chambers, $193 million is for the renewal of the Shelter Plus Care grants and $17.6 million is for technical assistance and management information systems. The House also includes funding for the Interagency Council on the Homeless, while the Senate takes this council out of HUD's account and funds it as a separate agency. Both the House and Senate, again, included language that requires that a minimum of 30 percent of the homeless assistance funds be allocated to permanent housing.

Brownfields Redevelopment

Both the House and Senate approved $25 million for brownfields redevelopment, the same funding amount as last year, and the same amount requested by the Administration. The Senate currently has committee language recommending that BEDI funding no longer be tied to Section 108 loan guarantees. It is unknown whether this recommendation will make its way into the final omnibus measure.

Housing Certificate Fund

Both the House and Senate approved approximately $16.9 billion to renew all expiring Section 8 contracts. The Senate amount includes an advanced appropriations of $4.2 billion from FY04 funding. Neither chamber funded the administration's request for an additional 34,000 new vouchers because of their ongoing concerns of the effectiveness of tenant-based vouchers.

The Senate included language that requires HUD to prioritize the reallocation of unused vouchers to people with disabilities.

Public Housing Capital Fund

The Senate approved $2.68 billion in funding for HUD's Public Housing Capital Fund, while the House approved $2.843 billion. Both chambers include the following set-asides: $55 million for supportive services for the residents of public housing [in past fiscal years, this funding was taken from CDBG as a set-aside, now it is taken solely from public housing], up to $15 million for the Neighborhood Networks Initiative, which provides funds to establish and operate computer centers in and around public housing developments, and up to $75 million for emergency capital needs. The Senate version includes an administrative provision to allow public housing authorities the flexibility to use public housing funds to leverage private capital to rehabilitate distressed units and develop public housing units in mixed-income housing developments.

Public Housing Operating Fund

The House approved $3.6 billion in funding for HUD's Public Housing Operating Fund, while the Senate approved $3.530 billion. The House allocation represents a $100 million increase. The Senate version includes language that allows HUD to use up to $250 million of the FY03 allocation to meet the operating expenses of those public housing agencies that received a shortfall in their operating assistance in the fourth quarter of FY02. [Apparently HUD has engaged in a practice over the last 10 years of paying for prior year operating costs with current year appropriations. This practice has occurred using substantial funds without the apparent knowledge or approval of either Congress or OMB.] The Senate directs HUD to fully fund the operating assistance needs of PHAs in FY03 solely with FY03 funds.

HOPE VI

Both the House and the Senate approved an appropriation of $574 million for the HOPE VI program, the same level as in FY02, and the same amount requested by the Administration. The HOPE VI program awards grants to PHAs on a competitive basis to demolish obsolete or failed developments or to revitalize sites upon which these developments exist. The Senate version includes a $5 million set-aside for the Neighborhood Networks Initiative. The Senate also includes language to sunset the HOPE VI program on September 30, 2004. However, the Senate has asked HUD to submit a report by June 15, 2003, on the number and location of severely distressed public housing units that are in need of substantial rehabilitation or demolition. The program may continue if there is a documented need.

HOPWA

Both the House and Senate approved $292 million for the Housing for Persons with AIDS (HOPWA) Program, which provides States and localities with resources to devise long-term comprehensive strategies for meeting the housing needs of persons living with HIV/AIDS and their families. This is an increase of $14.5 million above the FY02 request and the same as the Administration's request.

Section 202 and Section 811

The House approved $850 million for housing for the elderly (section 202), while the Senate approved a lower figure of $783 million for the program in FY03, the level approved for the program in FY02. Both chambers include language which allows up to $50 million of the funding to be used for the conversion of section

202 housing to assisted living facilities. The Senate also includes language to allow up to $53 million to be used for service coordinators.

The House approved $259 billion for housing for the disabled (section 811), while the Senate approved $251 billion, the same level that the program was funded at last year. Both chambers allow up to 25 percent of the funding to be used for tenant-based rental assistance.

Fair Housing and Equal Opportunity

Both the House and Senate approved $45.89 million for HUD's Office of Fair Housing and Equal Opportunity, the same level as in FY02, and the same level as requested by the Administration. This includes funding of $25.6 million for the Fair Housing Assistance Program and $20.5 million for the Fair Housing Initiatives Program.

Office of Rural Housing and Economic Development

Both the House and Senate approved $25 million for HUD's Office of Rural Housing and Economic Development, which provides technical assistance and capacity building in rural, underserved areas. This is the same amount appropriated in FY02, and $25 million above the President's budget request, which zeroed out the program.

EZs/ECs

Both the House and Senate provided $30 million for the Empowerment Zones/Enterprise Communities (EZs/ECs) for FY03. This is a decrease of $15 million from FY02, and $30 million more than the Administration requested, which zeroed out the initiative. This initiative is designed to create self-sustaining, long-term development in distressed urban and rural areas throughout the nation. The program utilizes a combination of Federal tax incentives and flexible grant funds to reinvigorate communities that have been in decline for decades.

Working Capital Fund

Finally, the Senate approved a separate Working Capital Fund, funded at $276.7 million for FY03. This fund finances information technology and office automation initiatives on a centralized basis. The House chose to allocate set-asides from various programs to transfer to this fund, instead of approving one funding amount for the entire Fund.

Final Note: It was learned today that Robert Ney from a rural district in Ohio has been named to replace Marge Roukema as Chair of the Subcommittee on Housing and community Opportunity. As you know, Ms. Roukema was a staunch housing supporter and included language that NCDA help draft on the HOME*Plus* in her bill 3995. Unfortunately, that bill did not make it out of Committee during the 107th Congress. We had hoped for a Subcommittee Chair that would follow in Ms. Roukema's footsteps, however it is not clear if Mr. Ney will do so.

Not much is known about Representative Ney, except that he has no history as a strong supporter of housing or of HUD programs. His only claim to fame at this point, is his support for eroding state and local laws related to the implementation of the Com-munity Reinvestment Act. It appears that Mr. Ney supports Federal law superceding state and local laws when these laws are more stringent than the federal laws, specifically in the case of predatory lending. Hopefully NCDA and the rest of the housing and community development advocates can encourage him to support our programs.

PUBLIC INTEREST GROUPS, NCDA MEMBERS PROVIDE FEEDBACK CONCERNING NEW HOME PROPOSED RULE

HUD is considering a new HOME proposed rule and has been working with public interest groups to solicit feedback on the proposed rule's components. Representatives from the public interest groups attended two meetings at HUD HQ to discuss the proposed rule, and HUD staff participated in a concurrent session at the 2003 NCDA Winter Legislative Meeting. The discussions concerning the proposed rule have thus far revolved around five issue areas: 1) Distinction between housing and facilities, 2) HOME loan guarantees/loan loss reserves, 3) CHDO performance standards, 4) CHDO service areas, 5) Temporary relocation associated with Lead Safe Housing Rule. HUD has produced a document that provides background information in each issue area, as well as questions designed to foster useful discussion. This document is included as an attachment to this edition of *The Washington Report*.

NCDA members provided several comments during the Winter Meeting concerning the second issue area (HOME loan guarantees/loan loss reserves). Members indicated that they would like to see a HOME loan guarantee program that resembles Section 108. HUD countered that the federal government, in the form of the Treasury Department, is not fond of this kind of program. One member pointed out that her community has had success combining Section 108 dollars with HOME dollars to fund multifamily housing projects. Other members indicated that they simply had no use for the current HOME loan guarantee pool in their communities, but would like to see the provision remain in effect in case a need for it ever arises.

NCDA members also made a number of comments and provided several suggestions concerning CHDO performance standards. HUD is considering implementing performance standards that PJs would be required to apply to their CHDOs. HUD believes this may be necessary because many PJs continue to fund CHDOs that are not producing housing in a timely manner. In some cases, these CHDOs are not producing housing at all. As a starting point for discussions, HUD has mentioned the following possible progress-related standards: time from reservation to project commitment, time from reservation to disbursement of funds, and time from reservation to project completion.

One of our members suggested that the performance problem could be partially ameliorated if more PJs took advantage of education opportunities such as NCDA's CHDO training. Several members pointed out the role a competitive funding process can play in ensuring that CHDOs are timely and productive. One member explained that his community uses a competitive process that is timed to coincide with the Low Income Housing Tax Credit funding round. Another member argued that PJs should hold CHDOs to the same standards as other nonprofits/for-profits in HOME. One member made the point that program income used to fund CHDO activities cannot be counted toward CHDO expenditures in IDIS. Finally, one member made a recommendation that to which HUD and our assembled members responded favorably: establish a threshold that, if exceeded, would require PJs to be penalized if they do not create and enforce performance standards.

On the subject of CHDO service areas, HUD has concerns about PJs bringing in CHDOs from outside their own communities to undertake HOME-funded projects. PJs sometimes engage in this practice when they are unable or unwilling to develop capable CHDOs within their communities. The practice is not prohibited, but HUD is concerned because the HOME rule does not adequately address how board representation is to be achieved in these situations. Some members were concerned that making it even easier for outside CHDOs to come into communities could increase competition to the point that local CHDOs are squeezed out. One member suggested allowing for-profit entities that have successful track records in developing housing to count as CHDOs when a PJ has trouble cultivating local CHDOs. HUD indicated that this change would require statutory action and would take forever to enact.

Please review the background information and questions included in the attachment provided by HUD. If you have any additional comments or suggestions regarding the HOME proposed rule, contact Vicki Watson at 202-887-5532 or at Vicki@ncdaonline.org.

HUD NEWS

HUD ISSUES PROPOSED RULE ON FAITH-BASED GROUPS' PARTICIPATION IN ITS PROGRAMS

On January 6, 2003, HUD published, in the *Federal Register,* a proposed rule on how the Department would implement the Executive Order 13198 which amends a previous Executive Order (EO) 11246, which addresses how grantees provide funding to faith-based groups with federal funds. The new EO 13198 created Centers for Faith-Based and Community Initiatives in five cabinet-level agencies; HUD, HHS, Labor, Education and Justice and charged these agencies to identify and eliminate regulatory, contracting, and programmatic obstacles to the full participation of faith-based and community organizations in the provision of social services by their Departments. Essentially, the amended EO and accompanying proposed rule seek to rectify the perceived problem whereby "...All too often...federal policy and programs have not recognized faith-based groups as resources for providing social assistance. Federal, state and local governments have often imposed barriers to the participation of religious organizations in social service programs, including unwarranted regulatory barriers..." President Bush has directed all federal agencies to take steps to ensure that federal policy and programs are fully open to faith-based community groups in a manner that is consistent with the constitution.

This proposed rule, if passed would amend the regulations within the following programs; **CDBG, HOME, HOPE 3, HOPWA, Emergency Shelter Grants, Supportive Housing, and Youthbuild.** [*The following is an excerpt of the most relevant parts of the proposed rule. This excerpt provides an overview of the areas of administration the proposed rule will affect, if it is enacted. What is not provided are the actual amendments to each program's regulations that would be required to implement the rule as proposed. For that information, please go to the Federal Register web site for the January 6, 2003 issue and look under HUD. There is a link to this site from NCDA's website under Important Links.]*

C. Proposed Regulatory Amendments

The proposed rule would make the following specific amendments to HUD's regulations for the programs listed above.

1. Participation by Faith-BasedOrganizations in HUD Programs.

The proposed rule would make clear that organizations are eligible to participate in HUD programs without regard to their religious character or affiliation, and organizations may not be excluded from the competition for HUD funds simply because they are religious. Specifically, religious organizations are eligible to compete for funding on the same basis, and under the same eligibility requirements, as all other nonprofit organizations. The federal government, as well as state and local governments administering funds under HUD programs, are prohibited from discriminating against organizations on the basis of religion or their religious character.

2. Faith-Based Activities

The proposed rule would describe the requirements applicable to all recipient organizations regarding the use of HUD funds for faith-based activities. Specifically, a participating organization may not use direct HUD funds to support inherently religious activities, such as worship, religious instruction, or proselytization. If the organization engages in such activities, the activities must be offered separately, in time or location, from the programs or services funded with HUD assistance, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services. This requirement ensures that HUD funds provided directly to religious organizations are not used to support inherently religious activities. Thus, HUD funds provided directly to a participating organization may not be used, for example, to conduct prayer meetings, studies of sacred texts, or any other activity that is inherently religious.

This restriction does not mean that an organization that receives HUD funds cannot engage in inherently religious activities. It simply means such an organization cannot fund these activities with direct HUD funds. Thus, faith-based organizations that receive HUD funds must take steps to separate, in time or location, their inherently religious activities from the direct HUD-funded services that they offer.

These restrictions on inherently religious activities do not apply where HUD funds are provided to religious organizations as a result of a genuine and independent private choice of a beneficiary, provided the religious organizations otherwise satisfy the secular requirements of the program. A religious organization may receive such funds as the result of a beneficiary's genuine and independent choice if, for example, a beneficiary redeems a voucher, coupon, certificate, or similar funding mechanism that was provided to that individual using HUD funds under a program that is designed to give that individual a choice among providers.

3. Independence of Faith-Based Organizations

The proposed rule clarifies that a religious organization that participates in HUD programs will retain its independence and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use HUD funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide HUD-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a HUD-funded religious organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

4. Nondiscrimination in Providing Assistance.

The proposed rule clarifies that an organization that participates in a HUD program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief. Accordingly, religious organizations, in providing services funded in whole or in part by HUD, may not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice.

5. Structures Used for Religious Activities

The proposed rule would also clarify that HUD funds may not be used for the acquisition, construction or rehabilitation of structures to the extent that those structures are used for inherently religious activities, such as worship, religious instruction, or prayer. HUD funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the specific HUD program. Where a structure is used for both eligible and inherently religious activities, HUD funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities.

6. Assurance Requirements.

The proposed rule would remove those provisions of HUD's regulations that require only HUD-funded religious organizations to provide assurances that they will conduct eligible program activities in a manner that is ``free from religious influences.'' HUD imposes no comparable assurance requirements in any other context, and HUD believes it is unfair to require religious organizations alone to provide additional assurances, above and beyond those any other organization is required to provide, that they will comply with HUD requirements. All organizations that participate in HUD programs, including religious ones, must carry out eligible activities in accordance with all program requirements and other applicable requirements governing the conduct of HUD-funded activi-ties, including those prohibiting the use of direct HUD funds to engage in inherently religious activities. In addition, to the extent that provi- sions of HUD's regulations disqualify religious organizations from participating in HUD's programs merely because they are motivated or influenced by religious faith to provide social services, the proposed rule removes that restriction, which is inconsistent with governing law.

7. Inapplicability of Executive Order 11246.

The proposed rule would also amend the CDBG regulations to provide that Executive Order 11246, regarding equal employment opport-unity, and the implementing regulations issued by the Department of Labor at 41 CFR part 60 do not apply to CDBG grantees. By its own terms, the Executive Order applies to govern-ment contractors and subcontractors, not grantees.

NCDA, though its committee structure, will comment on this proposed rule. We request that you send in your comments on this rule to Chandra Western. We will review and include all comments in our response to this rule.

HUD RELEASES REPORT ON LOCAL HOUSING PLANNING REQUIREMENTS

HUD’s Office of Policy Development and Research (PDR) has released a new report on Consolidated Planning requirements and planning to meet local housing needs. The report, prepared by a team of consultants in conjunction with Urban Institute, was released in December. The report’s release occurred as public interest groups continue to wait for the long-delayed final recommend-ations from the Consolidated Plan Improve-ment Initiative (CPII). Some members of the CPII Steering Committee expressed disappointment that they were not given access to draft versions of the PDR report during the working group phase of the CPII.

The PDR report presents “findings from research [conducted]…to assess the effectiveness of federal requirements for the development of local housing plans.” Specifically, the study examined how different kinds of communities documented housing needs through the 1990s; how these housing plans related to “local needs, priorities, and market conditions;" and the ways in which plans shaped federally funded housing activities. The report revolves around six study sites (Atlanta, Boston, Cleveland, Minneapolis, San Antonio, and San Francisco) that were selected because they reflect "important variations in market conditions and trends."

Using all available secondary data, Urban Institute staff prepared preliminary analyses of housing needs, plans, and activities for each of the six selected metropolitan areas. Field visits were conducted in order to investigate the rationale behind local plans and the connections between plans, activities, and housing needs. The researchers then drew "cross-site lessons and policy implications from the metro-area case studies."

One interesting passage in the "Conclusions and Recommendations" chapter of the report touches on performance reporting and accountability:

Late in the decade, HUD linked performance reporting of program activities to the Consolidated Planning process, in an effort to provide for accountability in implementing strategies. However, HUD's current systems and guidelines…do not give sufficient emphasis to the linkage back to priorities and strategy. It is difficult…to monitor the extent to which a jurisdiction's plans are actually being implemented or its priorities are actually being achieved. The lack of clarity about the scope of the ConPlan…adds to the difficulty of comparing actual spending and programmatic activities to priorities and strategies (p. 6-3).

Although they concluded that "jurisdictions are successfully implementing the ConPlan requirements, and that these requirements are generally having a positive impact on local planning processes," the authors make several recommendations that could make local ConPlans "more meaningful and effective." These recommendations include:

> Addressing the problem of outdated census information by providing data and tools to produce more current estimates *or* by requiring only one needs assessment per decade.
>
> Providing explicit guidance that priorities and strategies should reflect all federal, state, and local resources, and encouraging jurisdictions to develop their priorities for the HUD block grant funds as a part of these larger strategies.
>
> Designing activity reports that align with priorities and strategies, providing data on all HUD funding flowing into jurisdiction, and differentiating reports that are intended to inform the community from reports required to satisfy HUD monitoring responsibilities.
>
> Requiring PHAs to actively participate in the local planning process, so that both the ConPlan agency and the PHA have incentives to coordinate their planning and implementation activities.

The authors of the report note that their recommendations would "not necessarily require either statutory or regulatory changes" in order to be implemented. Instead, they assert, implementation of these recommendations could be brought about "through a combination of clear instructions and consistent implementation activities." This point dovetails nicely with NCDA's increased emphasis on promoting the consistent application of policies across HUD field offices.

"Planning to Meet Local Housing Needs: The Role of HUD's Consolidated Planning Requirements in the 1990s" is available online at:

http://www.huduser.org/publications/hsgfin/local_housing_needs.html.

NCDA NOTES

CDBG FORMULA COMMITTEE UPDATE

The NCDA Community Development Committee, at the request of the CDBG Formula Sub-committee made a recommendation to the NCDA Board of Directors at is January 23, 2003 meeting, to provide funding in an amount of up to $10,000 to conduct an independent analysis of the factors that make up the CDBG program formula. This analysis would include substituting and interchanging factors within the two formulas, an analysis of the weights of individual factors within each formula, and a consideration of the overall 70/30 entitlement/state funding split. This information would provide the Association with a more thorough understanding of the CDBG formula and the necessary knowledge to intelligently respond to HUD's formula study when it is released. After a lengthy discussion, a vote was taken and the recommendation was defeated. NCDA will not be entering into any contract as an Association to review or analyze the CDBG program formula at this time.

CDBG BASICS TRAINING

During the regular meeting held in conjunction with the Association's Winter Meeting, the NCDA Board of Directors determined that while the *CDBG Basics: Training for Practitioners* courses have been highly successful, with 323 persons trained, the program continues to lose money. To remedy this situation and to break even on conducting the training , the Association's *CDBG Basics: Training for Practitioners* course will be held four times during a calendar year, with a minimum of 35 persons trained per course. The Board also determined that the fee structure would change from $200 to $250 per person, for members, and from $300 to $350 per person for non members. In addition to the fee increase, NCDA staff was instructed to hold these courses in conjunction with regional or national meetings. In cases where a regional or national meeting is not being held and a member community requests training, the Association would consent to conducting the training only with guaranteed financial support from the requesting entity and with the minimum number of participants, so that a "break even" figured can be assured.

Presently, the only *CDBG Basics: Training for Practitioners* course scheduled is for June 23-25, 2003. These dates directly precede the Association's Annual Conference being held in Washington, DC on June 25- 28, 2003 at the Washington Marriott Hotel at 1221 22nd Street, NW. See the registration and training agenda on the web site. Fax all registration forms to Tamara Jackson at 202-887-5546.

HOME TRAINING

NCDA, in conjunction with the National Association for County Community & Economic Development (NACCED) and the National Association of Counties (NACo), will hold a one-day training for local participating jurisdictions on "*Managing the PJ-CHDO Relationship*" on Tuesday, June 24, 2003, in Washington, D.C. The training will provide information on analyzing CHDO capacity, recruiting CHDOs, overseeing CHDO project implementation, monitoring and other CHDO issues facing local governments. A draft agenda will be forthcoming in the next few weeks. Please contact Vicki Watson at 202-887-5532 with any questions.

NCDA TECHNOLOGY NEWS

The next edition of the *Washington Report* will include an update on the implementation of recommendations made by NCDA's Technology Committee at the Winter Meeting. These recommendations will improve NCDA's listserv system. We will also provide a detailed update on HUD's plans for reforming IDIS, which have now received a green light to move forward.

FEDERAL REGISTER NOTICES

January 6, 2003. Proposed Rule; Participation in HUD Programs by Faith-based Organizations; Providing for Equal Treatment of All HUD Program Participants. This proposed rule would revise HUD regulations that impose unwarranted barriers to the participation of faith-based organizations in HUD programs and implement HUD's policy that, within the framework of constitutional church-state guidelines, faith-based organizations should be able to compete on an equal footing with other organizations for HUD funding. ***Comments are due in to HUD by March 7, 2003 addressed to: the Rule Docket Clerk, Office of the General Council, Room 10276, at HUD, 451 Seventh Street, SW, Washington, DC 20410-0500***

January 27, 2003. Notice of Funding Availability (NOFA) for the Collaborative Initiative to Help End Chronic Homelessness. This notice announces $35 million in funding to help end chronic homelessness. The initiative, coordinated by the U.S. Interagency Council on the Homeless, involves the participation of three Council members: HUD, HHS and the U.S. Department of Veterans Affairs. The collaboration among the three agencies offers housing and service funding through a consoli-dated application. The deadline for receipt of applications is April 14, 2003. Applicants must show how the funds they are requesting will be part of a comprehensive and integrated community strategy to use funding sources, including mainstream services (Medicare and Social Security,), to assist persons who are chronically homeless to move from the streets and emergency shelters into stable housing and receive a range of services needed to promote and maintain greater self-sufficiency. Approximately $20 million is to be awarded by HUD for three to five years terms to fund permanent housing activities. Some $7 million will be available from HHS/SAMHSA to fund mental health and substance abuse services. And $3 million will be available from HHS/HRSA for primary health care services. Lastly $5 million of in-kind support is available from the VA to fund services for chronically homeless veterans for grant terms of three years.

January 27, 2003. Notice of Funding Availability (NOFA) for the Childhood Lead Poisoning Prevention Programs. The Centers for Disease Control and Prevention (CDC) announces the availability of FY03 funds for a cooperative agreement program for Childhood Lead Poisoning Prevention Programs, the objective of which is to eliminate elevated blood lead levels in children. The purpose of the program is to assist state and local partners in building capacity to eliminate childhood lead poisoning as a major public health problem. The focus of the program is children under the age of six. Special emphasis will be placed on children under the age of three who have elevated blood lead levels. The program will also address families with children under the age of six who do not yet have elevated blood lead levels.

Eligible applicants include state health departments, of the following five local jurisdictions that have the highest estimated number of children with elevated lead levels: New York, NY; Chicago, IL; Detroit, MI; Los Angeles County, CA; and Philadelphia, PA, and health departments of the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Northern Mariana Islands, American

Samoa, Guam, Micronesia, and Republic of the Marshall Islands, the Republic of Palau, and Indian tribal governments. Approximately $31 million is available in FY03 to fund approximately 40 awards.

JOB ANNOUNCEMENTS/ ATTACHMENTS
To access the attachments below, please log on to NCDA*online* (http://ncdaonline.org).

- ***2003 National Community Development Week Flyer***

- ***HOME Proposed Rule Issues Document***