NCDA WASHINGTON REPORT

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FEATURED ARTICLES

APPROPRIATIONS UPDATE: CR CONTINUES

The new federal fiscal year is well underway and still most federal agencies are operating under a Continuing Resolution (CR). A third CR was enacted on October 31 to keep those federal agencies without spending bills operating through November 7. A fourth CR is expected to be enacted today to keep the agencies operating through November 21. Only three spending bills have been passed by Congress and signed by the President. These include Defense, Homeland Security, and Legislative Branch. The only other bill that is close to being signed by the President is the Military Construction spending measure, with the Energy and Water bill close behind. The remaining eight spending measures (including VA-HUD) either need to be passed by the Senate or conferenced–or both. Senator Ted Stevens (R-AK),Chairman of the Senate Appropriations Committee, has persuaded Senator Frist, the Senate Majority Leader, to allow him to try to move three more bills individually – VA-HUD, Commerce-Justice-State, and District of Columbia. We have indeed heard that the FY04 VA-HUD bill will go to the Senate floor on Monday, with a targeted date of next Wednesday for the conference committee to meet to iron out the differences between the House and Senate versions.

However, if any of these three measures become bogged down with amendments, they will be rolled into an omnibus appropriations bill with the rest of the unfinished spending measures. This is the fifth time in six years that a large omnibus measure has been the vehicle for passage of unfinished bills. The *CQ Monitor* reported today that the Senate is expected to add $1.3 billion to the VA-HUD bill for veterans medical care, but that increase may be offset with across-the-board spending cuts in other program areas (i.e., HUD's programs will be cut).

Congress has focused much of its attention this Fall on passing the President's request for an $87.5 billion supplemental funding bill for Iraq and Afghanistan. With that legislation completed, they can now move on to the appropriations bills and other legislation, such as the Energy bill and a Medicare bill, which still await controversy. Democrats in both the House and Senate have vowed to filibuster both measures because they have been left out of the conference committee of both bills. They may move on to the appropriations bills too, if they aren't included in the conference talks.

HOUSE AND SENATE WORK TO COMPLETE THE AMERICAN DREAM DOWNPAYMENT ACT

The House and Senate are trying to complete the American Dream Downpayment Act before Congress recesses this year. If enacted, the legislation would authorize the President's "signature" housing policy of providing down payment and closing cost assistance to low-income, first-time home buyers. The House has approved $125 million in FY04 funding for the program, while the Senate approved a scant $50 million. The difference in numbers will be ironed out when the two chambers meet next week to conference the FY04 VA-HUD spending bill.

In discussions with House and Senate staff, NCDA has learned that the major hold-up is in devising an acceptable formula to allocate the funds. The House version [H.R. 1276] proposes that HUD develop a formula that considers a participating jurisdiction's need for and prior commitment to assistance to home buyers, with minimum and maximum formula allocation thresholds. While the Senate agrees with the inclusion of a minimum threshold, Senate staff want to base the formula on one factor: the number of low-income renter households. Also, in terms of a minimum threshold, the Senate has proposed a population threshold of 150,000 to receive the funds. While this minimum threshold benefits larger cities, urban counties, and States, it does not benefit smaller cities that currently receive HOME funds (this includes some of NCDA's members). In fact, according to HUD, 261 participating jurisdictions (out of 620 participating jurisdictons) would not receive any funding under this scenario. The House staff have indicated that they would like to see more participating jurisdictions receive funds, so they have proposed a dollar threshold, instead of a population threshold. They are contemplating a $75,000 dollar threshold (e.g., based on the formula, a PJ must receive at least $75,000 in order to be allocated any funds. If a PJ receives $74,999 or less, their funding would be re-allocated among the qualifying Pjs). House and Senate staff hope to wrap up their discussions in the next week, and then move the bill quickly through conference committee. If they aren't able to reach agreement, then according to staff, the conference of the bill will be put off until early next year. We'll keep you posted.

NCDA MEETS WITH HILL STAFF AND HUD ON HOME FORECLOSURE ISSUES-

NCDA met with both Hill staff and HUD staff this week to try to gain some relief for HOME participating jurisdictions on recent guidance issued by HUD in its June 2003 *HOMEFires*.

Background

Over the entire 11 year period of the HOME program, participating jurisdictions across the country have always believed that if a HOME-assisted project went into foreclosure during the affordability period, and the PJ made every effort to prevent the foreclosures, that any HOME funds invested in the project would not have to re-paid. HUD is now saying that participating jurisdictions must re-pay the HOME investment in cases where the affordability period has not been completed. The HOME investment must be re-paid with non-federal funds. The affordability periods vary based on the amount of HOME funds invested and the activity, as follows:

HOME $$ Invested	Affordability Term
Rehab/Acquisition	
• Under $15,000	5 years
• $15,000 - $40,000	10 years
• Over $40,000 or rehabilitation involving refinancing	15 years
• New construction or acquisition of Newly constructed housing	20 years

Homeownership assistance per unit amount of HOME funds:

• Under $15,000	5 years
• $15,000 - $40,000	10 years
• Over $40,000	15 years

According to HUD, this requirement has always been in the statute at Section 219(b) and in the HOME rule at 92.503(b)(1). The amount of the re-payment varies as well. For example, if the HOME funds were provided as an amortizing loan, then the PJ must repay the outstanding balance of the loan. If the HOME funds were provided as a grant or deferred loan, then both have to be repaid in full, except in cases where the HOME funds are assisting a homebuyer and the PJ uses a recapture agreement. Homebuyer housing with a recapture agreement is not subject to the affordability requirements after the PJ has recaptured the HOME funds in accordance with its written agreement. If the recapture agreement provides for shared net proceeds, the amount subject to recapture is based on the amount of net proceeds (if any) from the foreclosure sale. If the recapture agreement requires the entire amount of the HOME investment from the homebuyer or an amount reduced prorata based on the time the homebuyer has owned and occupied the housing against the affordability period, the amount required by the agreement is the amount that must be recaptured by the PJ for the HOME program (for amortizing loans, grants, or deferred loans or grants).

The foreclosure issue is particularly troublesome to states such as Texas and Alabama, where state law does not require the first lien holder to contact the second or third lien holder if a property goes into foreclosure. In these situations, the PJ will never know if a property has been foreclosed upon.

Perhaps more serious than the issue of foreclosure, is the issue of non-compliance. In the June *HOMEFires*, HUD says, "...Please note that in the case of noncompliance other than foreclosure (e.g., homebuyer is no longer using the property as a principal residence), the amount the PJ must repay is the entire HOME investment rather than the amount due under the written agreement." According to HUD, this requirement is part of the HOME regulations at 92.503. The issue of non-compliance is more of an issue with HOME-assisted rental projects, instead of home buyer projects. The statute requires that HOME-assisted rental projects be monitored every one to three years during the affordability period. This includes physical inspections of a sample of the units, as well as the income and rent records, and financial status of the property. On the other hand, there is no such requirement for HOME-assisted homebuyer units whatsoever, no physical inspections, financial compliance or occupancy requirements. But, again, if you *happen* to discover that there has been non-compliance during the affordability period, then the HOME investment would be re-paid.

Meeting with Hill Staff

NCDA met with Clinton Jones, Counsel to the House Banking Committee, this week to bring this issue to the Banking Committee's attention, as well as to attempt to attach language to H.R. 1276 – American Dream Down payment Act to provide relief to participating jurisdictions on this issue. Vicki Watson represented NCDA in these discussions. Previous to the meeting with Clinton, Vicki also met with staff for Rep. Katherine Harris (R-FL), the primary sponsor of H.R. 1276, and Mark Calabria, staff to Senator Richard Shelby (R-AL), the Chairman of the Senate Banking Committee. Both Harris' staff and Shelby's staff seemed willing to attach language to H.R. 1276 that would relieve participating jurisdictions of having to re-pay the HOME funds, in cases where the PJ did its best effort to prevent foreclosure or non-compliance during the affordability period. However, Clinton Jones, would like to hold a hearing on the HOME program next year, where these and other issues can be aired in a subcommittee setting with subcommittee members having the opportunity to ask questions and offer opinions. This is the normal course of action for developing authorizing legislation. He also felt that discussions on H.R. 1276 between the House and Senate were too far along to any language at this time. We did ask him to include at least a sentence in the American Dream Downpayment Act to the effect that this is an issue that Congress feels is important and will review next year, so that there is some level of commitment to deal with it next year.

Rep. Maxine Waters (D-CA), ranking member of the House Subcommittee on Housing and Community Opportunity, is interested in talking with NCDA about the issue, so we plan to meet with her next week.

Meeting with HUD Staff

NCDA also met with Mimi Kolesar, Ginny Sardone, Cliff Taffet, and their General Counsel this week to discuss the issue of foreclosure and non-compliance during the affordability period in an to attempt to provide some regulatory relief to participating jurisdictions. They readily admitted that the statute and regulations governing ***foreclosure*** and non-compliance had not been enforced by HUD across the country; however, the told us that it does not diminish the fact that the requirements are in statute and regulation, and must be adhered to. After hearing our concerns, they agreed to issue an interim regulation that would provide some flexibility to participating jurisdictions, such as allowing participating jurisdictions to use their HOME funds to re-pay back the funds and possibly providing a "safe harbor" that would allow jurisdictions to go forward in adhering to the regulations, but not penalize them for the previous years where they have not been in compliance. They also agreed to publish more detailed technical guidance on the kinds of enforcement mechanisms that participating jurisdictions can implement to prevent these situations. They also will provide direct technical assistance to participating jurisdictions needing help in underwriting projects, developing legal instruments, or restructuring projects that appear to be going under. Along this line, HUD will hold a two-day training in conjunction with

NCDA's Annual Conference in Portland, Oregon, in May on the underwriting and restructuring of HOME projects.

US CONFERENCE OF MAYORS FORGE FY '04 POLICY AGENDA

On October 9-11, 40 mayors and USCM staff meet in Miami to prioritize the Conference's policy agenda items for the second session of the 108th Congress. Representative Mayors, the Business Council and Local Police Chiefs, shaped USCM's 2004 policy direction. The 2004 focus will be homeland security, law enforcement and travel and tourism. Agendas and recommendations from the 11 standing policy committees were also submitted for the record , including Community Development and Housing Committee and the Committee on Urban Economic Policy.

Community Development and Housing

Acting as Chair for this session was Kansas, Missouri Mayor Kay Barnes who brought forward recommendations centered on the theme of integration and flexibility of housing and community development policy, and homeownership for first time homebuyers. Supporting this theme of integration, the committee recommended that "[in order] to over come policies that pursue housing in isolation, the committee called for integrating transportation, economic development, environmental education, and other policy areas with housing. The committee suggested that mayors look to the Interagency Council on the Homelessness as a model for improving coordination of housing with other federal agencies. It was also suggested that mayors should work to encourage Congress and the federal government to provide incentives to localities that actively promote affordable housing.

The committee also made specific recommendations regarding housing and community development programs. Regarding homeownership, they recommended:

- better coordination and enhanced federal funding of financial literacy programs;
- federal support of homewonership counseling;
- federal incentives to lenders who develop non-traditional underwriting criteria that promote homeownership opportunities;
- pursue greater flexibility with the increase use of CDBG and HOME for homeownership;

The committee strongly recommended that efforts should be made to expand the Low Income Housing Tax Credit for rental housing, use of the Earned Income Tax Credit for downpayment assistance, and support an increase in the use of land banking and land trusts. Committee members would also seek strengthening and stronger enforcement of the Community Reinvestment Act. Other recommendations included support of;

- safe and livable housing conditions, including remediation of lead paint, mold and pests;
- practical housing for all;
- universally accessible parks in low-income neighborhoods;
- support for local control of CDBG funding (avoiding state control)
- reauthorizing and full funding of HOPE VI;
- recognition of housing as an infrastructure need; and
- support of the Section 108 Loan Guarantee program.

Urban Economic Policy

Jackson, Mississippi Mayor and Committee Chair Harvey Johnson led mayors in a discussion that focused on the worst fiscal crises' for state and local governments since WWII. The committee believes that Congress should enact legislation to provide local governments with fiscal relief.

On pending legislation, the committee felt that Congress must be urged to amend the internet tax Moratorium bill to clarify language that will not prevent local governments from collecting taxes on traditional telecommunication services, or extend the existing law from six months to a year to give Congress time to develop an amendment that will protect the interests of local governments and businesses. The committee also called on Congress to immediately enact the Streamlined Sales and Use Tax Act, which will help State and local governments collect billions in taxes that go uncollected on remote sales. This legislation offers the best opportunity for fiscal relief this year.

The committee believes that the upcoming presidential election is an opportune time to impress upon candidates issues that are of concern to Mayors. Candidates will be urged to support the municipal debt refinancing act that would allow state and local governments to save billions by refinancing tax exempt bonds and taking advantage of low interest rates. The committee also believes that candidates should support the passage of an economic growth package that includes more funds for urban infrastructure projects such as; transportation, schools, parks, and other public facilities, housing , water and waste water projects, and brownfields redevelopment; enact new tax credits to promote investment in these areas as well as housing and historic home preservation; pass legislation that would reimburse state and local governments for the cost of unfunded mandate; and provide general fiscal assistance to local governments.

NCDA MEETS WITH ASSISTANT SECRETARY BERNARDI

On October 24, NCDA staff– Chandra Western and Vicki Watson– met with Assistant Secretary Bernard and his senior staff, in what has become a quarterly meeting with select interest groups. The other groups in attendance included the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the National Association for County Community Economic Development, the Council of State Community Development Agencies, and the National Association for Housing and Redevelopment Officials. The senior officials from HUD were Mr. Bernardi, Nelson Bregón, Dick Kennedy, Bob Duncan, Mimi Kolesar, Ginny Sardone, Jean Whaley, and Dave Garrity.

These meetings occur at the request of the public interest groups, who set the agenda and lasts approximately one and one-half hours. The agenda for this last meeting dealt with the following items; outcome of the CDBG Formula Study; an update on IDIS improvements, status of the ConPlan Streamlining Initiative, Performance Measures for CPD Programs, Implementation of the Faith-Based Final Rule, and the 30th anniversary of the CDBG program.

The CDBG Formula Study

Nelson Bregón began the meeting by informing the group that the second half of the formula study was complete, and that it did include an analysis of the HOME formula as well. Nelson indicated that the Secretary had been briefed. The document contains 3 or 4 proposals that would change the formula. These recommendations would be analyzed to determine what would be best for those who benefit from the programs. The numbers indicate that based on the new demographics, a formula change could make funds distribution more equitable, meaning that if need were to drive program allocation, then a change would be in order. The big question is what is need? OMB defines need as "poverty." Given this, HUD will be making a decision on the 3 or 4 options discussed above. 1) Go with a single formula; 2) Tweak the current formulas; 3) address median income); or 4) do away with pre 1940 housing as a factor.

HUD is not in a position to make recommendations at this point, however they do plan to release the final document sometime this year. The intent is to have something (recommendations) ready for the President when he submits his 2005 budget to Congress.

Much of the discussion on the formula study dealt with what OMB wants to see the program look like and its push to make poverty and need the driving factors of the formula and therefore of the funding. Mr. Bernardi was very clear that OMB is no longer driving this effort.

IDIS Upgrades

Presently, the IDIS system upgrades are on hold. HUD has been told that it has to include in the "refit" allowances for Federal E-grants, and the ConPlan Improvements and other activities that come out of the Systems Engineering Technical Assistance process determines. The good news is that CPD anticipates entering into a contract for the IDIS upgrades in February or March of 2004. And there is more good news, the Chief Information Office and CPD are on the same page on this issue.

The IDIS modernization effort is still proceeding. Both the HOME and CDBG are continuing data clean-up. A contract for data clean-up has been issued so that over the next 15 months all the inaccuracies within the CDBG program will be such that when the new IDIS system goes into effect, the data transfer will be as smooth as possible. HUD is requesting that grantees contact their field offices to inquire about helping with the clean-up of their specific data. It is assumed that grantees will be better to "fill in their data gaps" if they work directly with their field staff.

HUD says, that they will put accomplishment data on their web site. We asked that they work with grantees to ensure accurate information. We were told that the information will be based on obligations.

ConPlan Improvement Initiative

CPD has created a page on HUD's web site specifically for the Consolidated Plan Improvement Initiative (CPII). There is a discussion of the 8 pilot programs and what each is responsible for. Based on the information from the 8 pilots, the Steering Committee will meet to make recommendations for changes to the Consolidated Plan ready for the submission of HUD's 2005 budget.

Performance Measurement Systems

Both the Office of Block Grant Assistance and the Office of Affordable Housing have contracts to help CPD define and better understand how local performance measurement systems are and how they can work at the local and national levels. The Urban Institute will be developing an operational model for the CDBG program with a number of "indicators" with s uggestions as to how these could be integrated into the IDIS system. Also included under the contract work would be a number of "what if" scenarios designed to determine possible impacts on neighborhoods and communities. For example one scenario might be; "what would be economic impact of a community if it invested $13 million in CDBG funds to create 200 affordable housing units?" Are there predictable economic scenarios that coincide with this level of investment in the creation of this amount of housing? If these models were standardized by activity and dollars spent then localities could do a better job of predicting certain levels of outcomes.

The interest groups we were pleased that HUD is employing outside interests to help define performance and outcome. However we reiterated that we would support mandatory data gathering on performance measurement systems by grantees, unless that data could not be incorporated into IDIS.

Implementation of the Faith-based Rule

HUD will implement this rule as all others. They will monitor for compliance, look to contracts and requirements and look for areas of pronounced bias against religious-based non-profits. Nonetheless, CPD officials feel that the rule will be challenged in the courts.

30th Anniversary of the CDBG program

The interest groups asked for and received a commitment from HUD, particularly CPD, to support the groups in celebrating the 30th anniversary of the CDBG program. Each group would be conducting activities, individually and jointly, to commemorate the passage of the program and we wanted HUD's participation. Specifically, we asked for assistance in getting a Presidential Proclamation. We also asked for a separate meeting with Nelson Bregón to discuss ways in which the Department could support the groups' efforts. They agreed to help.

Other Issues: E-Grants

As mention above, federal agencies are being pushed to make all applications for grant funding available on the internet to anyone who wishes to apply for them. This includes all of HUD grant programs as well. The idea is to have a virtual library with forms, procedures and information so that anyone who is savvy enough would know how to get funds and directly apply electronically. It is unclear at this moment if this means entitlement grants or HUD competitive grants. The National Community Development Initiative (a CDBG set-aside program) will take the lead on this project.

Also under this initiative, all grant recipients must have a DUNS (Dunn and Bradstreet) number. From discussions with most grantees, local governments already have this number. These number are issued as a security measure to ensure that each community or grantee is receiving the correct amount of funding, and in the correct program.

HUD NEWS

HUD ISSUES NOFA FOR FUNDS REALLOCATION

HUD has announced the competitive reallocation of $6.5 million in de-obligated CHDO set-aside funds. Participating jurisdictions that have received an annual HOME formula allocation each year since FY 2000 are invited to compete for a funding award in the amount of $500,000. Only projects that "expand the supply of standard, affordable, permanent housing for chronically homeless persons" will be considered for funding," and projects funded through the NOFA must be carried out by eligible CHDOs that are currently certified within the applying PJ's jurisdiction.

The funding competition results from Section 217(c) of the Cranston-Gonzalez National Affordable Housing Act, which requires that "funds that become available as a result of the deobligation by HUD of CHDO set-aside funds previously allocated to the HOME Program participating jurisdictions must be reallocated by competition." The NOFA indicates that any additional recaptured CHDO set-aside funds that become available in the 12 months after awards are announced may be used to fund submitted applications.

The NOFA is connected to HUD Secretary Martinez's announced goal to eradicate chronic homelessness within a decade. The only eligible projects under this NOFA are CHDO-set aside rental projects permitted under the regular HOME formula program. Additionally, rental housing units produced with these funds must be permanent housing units "with occupancy during the HOME affordability period limited to persons having met the definition of chronically homeless" at the time of tenant selection. According to the NOFA, a chronically homeless person is defined as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years." The NOFA defines a homeless person as "a person sleeping in a place not meant for human habitation (e.g., living on the streets or in an emergency shelter)." Homeownership and tenant-based rental assistance are ineligible uses of funds under this NOFA.

Funds awarded under this NOFA are subject to regular HOME Program regulations, including the five-year expenditure deadline and the 24-month commitment deadline. Just as in the regular HOME Program, a participating jurisdiction would be permitted to use up to five percent of the total of a PJ's regular HOME formula allocation plus funds awarded under this NOFA may be used to pay for CHDO operations costs necessary in carrying out projects funded through this competition.

All applicants must include a narrative on chronic homelessness in their jurisdictions. Several selection criteria within the NOFA have already been scored using IDIS data. These criteria include the applicant's demonstrated commitment to expand the supply of affordable rental housing; direct funds made available under HOME to benefit very low-income families, with a range of incomes, in numbers that exceed the income-targeting requirements of HOME; the provision of matching resources in excess of funds required under the HOME requirements; and the success in stimulating high degree of both participation and investment in development by the private sector, including nonprofits. The NOFA's appendices include a complete listing of ratings on each pre-scored criterion for every participating jurisdiction.

Ineligible applicants include those who have been charged with a systemic violation of the Fair Housing Act alleging ongoing discrimination, defendants in an Fair Housing Act lawsuit filed by the Department of Justice alleging an on-going pattern or practice of discrimination, and those who have received a letter of noncompliance findings, identifying on-going or systemic noncompliance, under Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, or Section 109 of the Housing and Community Development Act. The NOFA lists steps that may be taken to resolve charges, lawsuits, or letters of findings prior to the submission of an application.

After scores are compiled, applicants will be rank ordered from highest to lowest score received. The PJ receiving the highest score will be awarded $500,000. $500,000 will then be awarded to the PJ with the next highest score and so on until the balance of funds remaining is less than $500,000. The NOFA contains tie-breaks in the event that two PJs have tie scores for the final $500,000 award. For complete application details, please refer to the NOFA, which appeared in the October 15, 2003 edition of the Federal Register. Contents of the 2003 Federal Register can be found at:

http://www.access.gpo.gov/su_docs/fedreg/frcont03.html

NCDA NOTES

NCDA BRINGS BACK THE AUDREY NELSON AWARDS BREAKFAST

In recognition of the 30th anniversary of the CDBG program, NCDA's Board of Directors has elected to bring back the Audrey Nelson Awards breakfast, which will be held in the Dirksen Senate Office Building on January 22, 2004, from 9-10:30 a.m.. Along with awards to communities for their exemplary projects, NCDA will also honor a select group of Senators who have, over the years, consistently supported housing and community development programs, particularly the CDBG program. They are; Senators Christopher Bond (MO), Barbara Mikulski (MD), Wayne Allard (CO) and Jack Reed (RI). This will be a great event, one you wont want to miss!

NCDA EXPANDS AUDREY NELSON AWARDS TO RECOGNIZE 30TH ANNIVERSARY OF THE CDBG PROGRAM

At the request of the Board of Directors, this year's Audrey Nelson Community Development Awards competition featured relaxed eligibility requirements. In the past, nominated projects needed to have a clear focus on CDBG. This year, eligible projects will include housing projects that do not necessarily involve CDBG and comprehensive projects with unusual circumstances that may or may not rely on CDBG funds.

To bring attention to the 30 years of the CDBG program, the Board felt it was important to emphasize that CDBG has become a catalyst for all types of community development projects and programs. Therefore we have expanded the types of projects that can be submitted. This year, we will consider projects from as far back as 1998, due to the expanded nature of the awards competition. We know of some outstanding projects that did not have CDBG as it focus, but still embodied the objectives of the CDBG program. Those projects should be recognized. The 30th anniversary of the CDBG program and the National Community Development Week Campaign is the perfect opportunity to do so.

Applications will be accepted from October 17 through December 12, 2003, with notification by December 29, 2003.

FEDERAL REGISTER NOTICES

The Department of Housing and Urban Development, September 29, 2003, [Docket No. FR-4523-F-02] Environmental Review Procedures for Entities Assuming HUD's Environmental Responsibilities; Final Rule.

This final rule updates the list of programs and statutory authorities in HUD's environmental regulation for which other entities may assume HUD's environmental responsibilities. This rule makes others changes to update these regulations that address the assumption of HUD's environmental responsibilities. This final rule also makes conforming changes to the affected environmental provisions contained in various program regulations. This final rule follows publication of a June 26, 2002, proposed rule and takes into consideration the public comments received on the proposed rule. The rule deals primarily with HUD's grant programs for which HUD's environmental review responsibility is assumed by state, local, and tribal governments for compliance with NEPA and the related laws and authorities.

The proposed rule contained a provision that proposed updating the list of NEPA-related environmental authorities in § 58.5 to add new requirements similar to those identified in 24 CFR 50.3(i), which apply when HUD performs the environmental review for a project. Under the proposed rule, environmental reviews for multifamily housing with five or more units (including leasing) and non-residential property must include evaluation of previous site uses and other evidence of contamination on or near the site. This provision led a commenter to suggest that governmental jurisdictions may determine that the potential legal or financial exposure is too high and would limit the activities they find with CDBG and HOME funds.

The commenter opined that property owners would be unlikely to enter into purchase agreements that include contingencies allowing on-site testing of their property by a prospective purchaser or environmental reviewer to determine the presence or absence of toxic contamination. HUD expressed disagreement with the commenter's conclusions.

Contents of the 2003 Federal Register can be found at:
http://www.access.gpo.gov/su_docs/fedreg/frcont03.html

JOB ANNOUNCEMENTS/ ATTACHMENTS

View these attachments by going to NCDA online (http://ncdaonline.org).

- ***Winter Legislative and Policy Meeting Agenda***
- ***Audrey Nelson Awards Application***

FY 2004 HUD BUDGET

Program	FY 2003 Enacted (Includes Recision)	FY 2004 President's Request	FY 2004 Passed the House	FY 2004 Senate Appro. Committee
Community Dev Fund **(CDBG)**	$4.9049 billion	$4.732 billion	$4.959 billion	$4.950 billion
*Section 108 Credit Limit	$273.2 million	$0	$0	*$275 million
Section 108 Operating	{$6.283 million}	$0	$0	{$6.325 million}
Set-asides:				
Indian Block Grant	$70.5385 million	$73 million	$72 million	$72.5 million
Housing Asst. Council	$3.2785 million	$3 million	$3.3 million	$3.3 million
Nat. Am. Indian Council	$2.3844 million	$2 million	$2.4 million	$2.6 million
Tribal Colleges/Univ.	$0	$3 million	$0	$0
Wellstone Comm. Center	$8.9485 million	$0	$0	$0
Capacity Building-NCDI	$32.287 million	$30 million	$33.25 million	$35.5 million
Section 107	$48.780 million	$38 million	$43 million	$52.5 million
Technical Assistance	$0	$3 million	$0	$0
EDI Spec. Purpose Grts.	$259.303 million	$0	$137.5 million	$140 million
Youthbuild	$59.610 million	$65 million	$65 million	$60 million
Neighborhood Init. .	$41.826 million	$0	$21 million	$21 million
Self Help Housing	$25.233 million	$65 million	$28 million	$12 million
Habit for Humanity	[$4.222 million]	[$5 million]	[$5 million]	$0
National Hous. Dev.	$4.967 million	$0	$5 million	$0
National La Raza.	$4.967 million	$0	$5 million	$0
Hawaiian Block Grant	$0	$0	$9.5 million	[$10 million]
Working Capital Fund	$3.3379 million	$5 million	$4.9 million	$4.9 million
Colonias Gateway Init.	$0	$16 million	$0	$0
Total Set-asides	**$565.371 million**	**$303 million**	**$420 million**	**$404.3 million**
Net Formula Allocation	$4.339 billion	$4.429 billion	$4.53865 billion	$4.5457 billion
HOME	$1.9124 billion	$2.197 billion	$2.0641 billion	$1.975 billion
Set-asides:				
Downpayment Assist.	$74.512 million	$200 million	$125 million	$50 million
Housing Counseling	$39.740 million	[$45 million]	$40 million	$40 million
Information Systems	$1.0928 million	$2 million	$2.1 million	$0
TA	$11.922 million	$16 million	$18 million	$18 million
Lead Hazard Demo.	$0	$25 million	$0	$0
Total Set-asides	$127.267 million	$ 243 million	$185.1 million	**$108 million**
Net Formula Allocation	**$1.7851 billion**	**$1.954 billion**	$1.8791 billion	**$1.867 billion**

Program	FY 2003 Enacted (Includes Recision)	FY 2004 President's Request	FY 2004 Passed the House	FY 2004 Senate Appro. Committee
Homeless grants Set-asides **Total Homeless Grants**	$1.217 billion $ 219.6 million **$997.374 million**	$1.325 billion $ 211 million **$1.114 million**	$1.242 billion $1.242 billion	$1.325 billion $1.325 billion
Housing Certificate Fund	$17.111 billion	$16.864 billion	$18.431 billion	$18.4336 billion
Brownfields	$24.837 million	$0	$25 million	$25 million
HOPWA	$290.102 million	$297 million	$297 million	$291 million
Rural Housing and Economic Dev.	$24.837 million	$0	$25 million	$25 million
Public Housing Capital Fund	$2.7122 billion	$2.641 billion	$2.712 billion	$2.641 billion
Public Housing Operating Fund	$3.577 billion	$3.574 billion	$3.6 billion	$3.576 billion
HOPE VI	$570.269 million	$0	$50 million	$195.115 million
Section 202 Elderly	$777.910 million	$783 million	$773 million	$783.286 million
Section 811 Disabled	$248.375 million	$251 million	$251 million	$250.515 million
Lead Hazard Control	$174.856 million	$136 million	$130 million	$175 million
EZ/EC	$29.805 million	$0 million	$15 million	$0

[ ] included in Section 107 TA account
() Part of the CDBG Formula, not a set-aside
* Not classified as a set-aside, Section 108 Loan Authority