NCDA
WASHINGTON REPORT

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PRESIDENT'S FY 2005 BUDGET INCLUDES CUTS FOR CDBG AND SMALL INCREASES TO HOME

The day after President Bush released his proposed Fiscal Year 2005 budget, the headline on *Congressional Quarterly Today*'s front page provided as succinct a description as one is likely to find in Washington, DC: "Bush Budget: Record Deficit, Little to Cheer About." The $2.4 trillion budget offers an ambitious and perhaps politically impossible plan to halve the record $521 billion FY 2004 deficit by 2007, a plan that will only succeed if the Republican-controlled Congress agrees to inflict election year budget cuts on six of the 15 Cabinet departments and the Environmental Protection Agency.

Whereas Bush's FY 2002 budget proposal predicted surpluses totaling $5.6 trillion over the following 10 years, this most recent proposal forecasts a deficit of $364 billion for FY 2005. Despite this continuing shortfall, the budget proposal includes a call for $1.2 trillion in tax cuts over the next decade. Incredibly, what the proposal does not include is a single dollar for operations in Iraq and Afghanistan.

One of the worst-kept secrets in Washington is the widely held expectation that Bush will request up to $50 billion in additional funding for Iraq and Afghanistan, but not until after the November elections. The budget also assumes the introduction of new revenue sources that are less than likely to come to fruition, including higher prescription drug co-pays for veterans and lease revenue from nonexistent drilling in Alaska's Arctic National Wildlife Refuge. The certainty of additional funding needs for military operations combined with fanciful revenue assumptions makes the $364 billion FY 2005 deficit projection seem, at best, wildly naive. It is more likely that it is deliberately deceptive.

Against this bleak budgetary backdrop, one might be tempted to conclude that HUD managed to do fairly well in the President's budget proposal. This conclusion would be highly debatable. Compared to FY 2004 estimates (based on the recently passed omnibus appropriations bill), HUD's discretionary budget authority would increase from $30 billion in FY 2004 to $31.2 billion in FY 2005 under the President's proposal. However, HUD's overall budgetary outlay would decrease, from $34.7 billion to $34 billion. HUD has dropped the Housing Assistance for Needy Families proposal that was so controversial last year, but its budget includes a new Section 8 reform plan that promises to be equally contentious. There does not seem to be any directed policy direction or reasons for funding or cutting programs.

CDBG Feels the Heat

There are few bright spots to be found while examining the FY 2005 proposed budget for HUD's Office of Community Planning and Development. The most alarming and salient development for NCDA's membership is the proposed reduction in CDBG formula funding. In his FY 2004 budget, President Bush proposed $4.429 billion for the CDBG formula. In his new proposed budget, a budget covering a fiscal year in which 71 new entitlement communities are now online and 66 additional eligible communities are waiting at the door, **CDBG formula funding is set at only $4.331 billion** (with $7 million set aside for insular areas), a drop-off of nearly $100 million from the previous year's budget proposal. The proposed FY 2005 funding level is also lower than the $4.356 billion in actual CDBG formula funding approved in the FY 2004 omnibus appropriations package, given the addition of new entitlement communities. (It should be pointed out that the FY 2004 funding level for CDBG formula grants falls to $4.331 billion when the 0.59% across-the-board cut is applied, indicating that the Administration perhaps adheres to a somewhat cynical definition of level funding.)

We have entered a period in CDBG's history when maintaining the funding status quo for the program is unacceptable. Realizing a reduction in funding would be a deeply troubling development. Nonetheless, it will be a struggle to maintain even level funding for the program this year. In addition to cutting block grant funding, the President's budget also recommends a sharp reduction in funding for the Community Development Fund. The FY 2004 omnibus appropriations bill provided $4.950 billion for the overall CDBG program after the President's FY 2004 budget had requested $4.732 billion. The President's FY 2005 budget, however, seeks only $4.618 billion for the overall CDBG Program, a $332 million drop from the actual FY 2004 appropriation. As in past years, the President's budget seeks the elimination of the so-called Economic Development Initiative (EDI) earmarked projects, which totaled $290 million in the FY 2004 omnibus appropriations act. As we all know, it is highly unlikely that Congress will agree to eliminate completely these EDI projects, despite these difficult budgetary times. The temptation to demonstrate an ability to steer federal dollars to one's District or State in an election year will almost certainly be too great to resist. In other words, level funding for the CDBG formula will depend either on Congress's willingness to exceed by a substantial margin the President's CDBG program budget request, or its readiness to deprive itself of the special projects it has come to hold so dear. Both scenarios seem politically unpalatable.

Another troubling facet of the budget proposal is the Administration's apparent willingness to ignore original Congressional intent and redefine CDBG's purpose. After subjecting the program to its Performance Assessment Rating Tool (PART) evaluation process, the Office of Management and Budget (OMB) now characterizes CDBG as a program plagued with "an ambiguous mission, loose targeting requirements, and local pressure to spread funds across many groups." The budget proposal includes this ominous statement of intent: "The Administration wants to clarify that the purpose—and only meaningful measure of a successful local CDBG program—is a city's ability to transform distressed neighborhoods." The document takes a strikingly prescriptive tone when highlighting recent CDBG programming decisions made by Richmond, VA. Leaders in that city took advantage of two of CDBG's greatest strengths, flexibility and local control, and decided to focus their efforts on six target neighborhoods. They achieved some successes. According to the Administration, however, the Richmond example is a definitive example highlighting "the principles CDBG communities *will have to adopt* to improve neighborhoods" (emphasis added).

The budget proposal includes $10 million for a new Development Challenge Pilot "to test ways to better coordinate, target, and leverage existing Federal community and economic development programs." According to budget documents, an interagency body will develop standards for awarding competitive grants to a handful of communities that commit "to set and meet a limited number of clear, measurable community development goals." These communities are also expected to assist HUD in its efforts to "develop a common framework of performance measures and accountability for Federal community and economic development investments." The budget also proposes $5 million for a "multi-city pilot program aimed at increasing the participation of faith-based and community organizations in the cities' community development strategies."

For the second year in a row, the President's budget proposes to eliminate funding for the Section 108 loan guarantee program and the Brownfields Economic Development Initiative. The budget proposal provides little in the way of explanation for these cuts, although OMB representatives have in the past informed public interest groups they believe both programs to be ineffective. Curiously, OMB makes these assertions even though neither program has undergone a PART evaluation.

HOME Formula Sees Small Increase

In the past few budgetary cycles, the Home Investment Partnerships Program (HOME) has fared better than CDBG in terms of realizing increases. The FY 2005 budget proposal continues this trend with a slight increase in formula funding. Although the line item for "HOME grants" is set at $2.084 billion, an increase over the actual FY 2004 appropriation of $2.010 billion, the difference is largely attributable to the President's request to fully fund the newly authorized American Dream Downpayment Initiative (ADDI) at $200 million. (The FY 2004 omnibus appropriations act includes $87.5 million for ADDI.) HOME set-asides in the FY 2005 proposal include a $200,000 transfer to the Working Capital Fund for IDIS improvements, $18 million for HOME technical assistance and management information systems (as required by statute), and $2,000,000 for the Partnership for Advancing Technology in Housing Program, which had previously been funded within HUD's Office of Policy Development and Research. (Housing Counseling Assistance is budgeted as a separate program, with a recommended funding level of $45 million.) After set-asides, the FY 2005 budget proposal provides $1.864 billion for HOME formula grants, an increase from the $1.858 billion provided in the FY 2004 omnibus appropriations act. This represents a major retreat from the President's FY 2004 budget proposal, in which he recommended $1.954 billion for the HOME formula in addition to $200 million for ADDI.

Other HUD Programs

The budget proposes $1.485 billion for HUD's homeless assistance programs, which is $225 million more than was appropriated for FY 2004. The difference is misleading however, since this year's request includes new set-asides as well as set-asides and transfers previously rejected by Congress. These include $153 million for the Emergency Food and Shelter program, which the Administration wants to transfer from FEMA to HUD; $25 million for a new faith-based prisoner re-entry initiative that will be administered by the Department of Labor; and $50 million for the Administration's Samaritan Housing Program. (The Samaritan program would address the President's goal of ending chronic homelessness by funding "promising local collaborate strategies to move chronically homeless individuals from the streets to safe permanent housing with supportive services.") Other set-asides under the homeless assistance line include $193 million to renew the Shelter Plus Care rental housing contracts, $12 million for technical assistance, and $1 million for the Working Capital Fund (for systems development), leaving $1.051 billion in program funding for HUD's competitive homeless programs and its formula-allocated Emergency Shelter Grants Program. The Administration again proposes to combine HUD's three competitive homeless assistance programs—Supportive Housing, Shelter Plus Care, and Section 8 SRO—into a single competitive program.

After the controversial HANF proposal failed to garner much support, the FY 2005 budget proposes a new replacement for the Housing Choice Voucher Program. The Flexible Voucher Program (FVP) would be administered by

PHAs, whereas HANF would have devolved responsibility to the States. According to the budget submission, the FVP would: 1) control program costs by converting from a unit-based system to a dollar-based system, as recommended by Congress; 2) simplify program requirements and provide PHAs with greater administrative flexibility so that they and their local communities can meet the overall program objective of assisting low-income families in finding suitable temporary housing; 3) increase the effective utilization of funds to assist additional low-income families; 4) reward PHAs that are good managers through performance-based incentives while holding PHAs accountable for poor performance; and 5) increase HUD's ability to effectively monitor the program; HUD will focus on results as opposed to bureaucratic processes.

The Administration proposes $2.674 billion for HUD's Public Housing Capital Fund in FY 2005, a decrease of $22 million from the FY 2004 appropriation. Of this amount, up to $50 million may be maintained in the Capital Fund for natural disasters and emergencies. Up to $30 million can be used for demolition grants to accelerate the demolition of thousands of public housing units that have been approved for demolition but remain standing. Up to $55 million will be available for the ROSS program. The Public Housing Operating Fund is budgeted at $3.573 billion for FY 2005, a slight decrease of $6 million from the FY 2004 appropriation. HUD will also introduce "Freedom to House," a public housing demonstration program that will allow up to 50 selected PHAs to "combine the use of capital and operating funds, set locally determined rent structures, and free themselves from many of the administratively burdensome requirements of federal reporting."

The FY 2005 budget proposal recommends $295 million for the Housing Opportunities for Persons with Aids (HOPWA) program, which essentially represents level funding for that program. The President's budget proposes no new funding for Enterprise Zones or Enterprise Communities under the Empowerment Zone initiative. For the second year in a row, the budget proposal includes no funding for HOPE VI, which was recently reauthorized through the American Dream Downpayment Act. The budget includes no new funding for Rural Housing and Economic Development. Lead Hazard Reduction is budgeted at $139 million, a $35 million decrease from the FY 2004 appropriation; however, no funding is provided for the Lead Hazard Reduction Grant program.

For complete budget numbers, with comparisons to funding levels for previous fiscal years, please see the attached chart.

CONGRESSIONAL STAFF OUTLINE LEGISLATIVE YEAR

If we thought the President's FY05 budget was dismal, the second session of the 108th Congress is shaping up to be as bleak. Speaking at the National Community Development Association's Winter Meeting on January 22, several congressional staff members offered their thoughts on legislation and the appropriations process for the coming year. Congress has set a very sparse working schedule this year to allow additional time for congressional members to head home to campaign for the November elections and to attend the political conventions this summer.

Kara Stein, Legal Counsel to Senator Jack Reed (D-RI), told the conference participants that the Senate Committee on Banking and Urban Affairs plans to focus its time on several hearings this year. The first hearing will likely focus on the President's FY05 budget with a second hearing focusing on the nomination of Alphonso Jackson as Secretary of HUD. The White House has forwarded Jackson's nomination to the Senate. Jackson has been criticized in the press recently for his indifference to the American Federation of State County and Municipal Employees (AFSCME), the union which represents federal government employees, particularly for his remarks at the Los Angeles HUD Field Office, where he publicly denounced the union and its policies for being obstructionist. The Committee also plans to hold a hearing on oversight of the Government Sponsored Enterprises (GSEs) (e.g., Fannie Mae and Freddie Mac). Congressional Republicans would like to see more oversight of the GSEs, with much of the responsibility transferred from HUD to the Department of Treasury. The Committee also plans to hold a hearing on RESPA – the Real Estate Settlements Procedures Act – particularly the rule that has been developed by HUD to streamline the settlement process for home buyers. Finally, if time permits, the Committee would like to hold a hearing on Faith-Based initiatives.

Kara told the group that the Senate Subcommittee on Housing and Transportation, of which Senator Reed is the ranking member, will focus its time this year on oversight hearings of HUD, a hearing on home appraisals, and another hearing on manufactured housing. Senator Reed, ranking member of the subcommittee, will introduce a bill early in the session to that will focus on creating a housing production program and reforming the Section 8 program. Kara has shared a copy with NCDA and we are in the process of preparing comments. A discussion of the bill will be in the next issue of the *Washington Report*. Reed would also like to hold a hearing to re-authorize HUD's McKinney Act Programs. HUD has developed a draft bill to streamline the McKinney programs and has also shared that bill with NCDA. Expect an overview of the bill in the next issue of the *Washington Report*.

Clinton Jones, Senior Counsel to the Subcommittee on Housing and Community Opportunity, told the audience that the House Subcommittee on Housing and Community Opportunity will also focus its time on conducting hearings; although, the Subcommittee plans to draft a bill on housing counseling and hold a hearing on the draft legislation. Also, the Subcommittee will hold hearings on RESPA, the GSEs, and the effect of the President's budget on HUD's programs. In fact, the Subcommittee has scheduled a hearing for February 12 on the President's budget. If time permits, the Subcommittee would like to hold a hearing on public housing. Clinton also said that because of the tight budget, don't expect any new programs to be authorized by the Subcommittee this year. Furthermore, if the housing counseling legislation – or other legislation that may move forward this year – is stuck at the Committee on Financial Services and has not moved by Easter, it won't be passed this year. This is because of the very tight time schedule the staff have to contend with this year.

Finally, Cheh Kim, Professional Staff to the Senate Subcommittee on VA-HUD-Independent Agencies, wowed NCDA's members with his frankness and humor – especially pertaining to his baseball paradigms. Cheh told the group that he hopes Congress will pass the Budget Resolution by mid-March with the appropriations process moving very quickly thereafter. He told NCDA's members, however, that he has heard whisperings that we won't see a Budget Resolution this year nor even the enactment of appropriations bills. Cheh told us to brace ourselves for a *possible* year-long Continuing Resolution for FY 2005 spending.

Once again, veterans medical care will top the list of priorities for the appropriators. Cheh told the group that veterans medical care has increased by 54% since 1996 because of increased use. The veterans from the Vietnam war are aging and new veterans from the Iraq conflict are using the system for the first time. In terms of HUD's programs, the Section 8 program will, once again, eat into HUD's budget. However large the Section 8 program expands, it is a program that is a funding priority for appropriators because they don't want to see existing rental contracts expire and families left without housing.

Cheh told the audience that "sooner or later our luck will run out" in terms of increased funding or even level funding for CDBG and HOME. The appropriators have worked hard in past years to ensure that these programs are level funded as much as possible. The HOME program even received increases in the last two years. However, with an extremely tight budget and with Section 8 contract renewals escalating, the programs may have to face a cut at some point. Still, Cheh told the group that CDBG and HOME are widely supported on the Hill.

We urge all of you to contact your congressional members. The best way to contact them is by e-mail or phone call. You're probably tired of us saying this, but they listen to you, and want to hear from you. Now, more than ever, *your* CDBG and HOME programs need your support. We can only do so much as a national association, but you can make a real difference in the program's funding. Contact your congressional members today.

THE FY 2005 BUDGET AND WHAT IT MEANS FOR HUD PROGRAMS

On Monday, February 2, President George W. Bush released his fourth and largest federal budget of his administration at $2.4 trillion. The most interesting thing about this budget is that the President proposes to slash the deficit in half within the next five years. What is most surprising are the cuts to Education with 34 programs targeted for elimination and the cuts to USDA. Not surprising, are the increases to Defense at 7 percent and Homeland Security at 10 percent.

The final deficit figures for FY 2003 stand at $386 billion. The budget deficit for 2004 is expected to exceed $400 billion, and the FY 2005 budget deficit is estimated at $521 billion. Just for a point of reference, the FY 2002 budget year ended with a $127 billion surplus. It is very telling that it will take five years to slash the deficit in half when it took one year to get it to a point of the largest deficit on record. Budget deficits mean that more of the income tax revenue will have to be used to pay off loans the federal government has used to pay its bills because less revenue coming in. The loss of revenue results from a sluggish economy and the $1.3 trillion tax cut the President wants to make permanent. With a sluggish economy, more manufacturing jobs diverted over seas, and the tax cut, there is simply less tax revenue going into the federal coffers. With less money, and continued increases in costs of entitlement programs, cuts will have to be made to gain some control on the spiraling deficit. According to lawmakers– Republicans and Democrats– even programs such as social security and medicare are no longer impervious to cuts. The only other way to generate new revenue to responsibly run the government is to raise taxes. Raising taxes is a very unpopular approach, but cutting programs that have been deemed as "ineffective" according to the OMB Performance Assessment and Rating Tool, (PART) would be the most logical choice in the current climate, particularly in the light of GRPA. This little piece of legislation will be used by the President to "slash and burn" those ineffective programs which will accomplish two things. One, it will save money for the President's priorities, and two, it will show the populace that he is being fiscally conservative. So, what does this mean for HUD programs? It means that cuts to these programs can be justified due an OMB interpretation of poor performance rather than political machinations.

The President has proposed a $334 million cut to the community development Block Grant fund from last years overall allocation of $4.934 billion to $4.618 billion This year's CDBG formula allocation is proposed at $4.324 billion down from last year's formula allocation of 4.331billion, a $7 million reduction, and due to a statutory change, the insular areas are part of the overall formula instead of the 107 TA line, which is an additional $7 million less. Between fiscal years 2002-2004, we have seen a decrease in formula funding in the CDBG program of approximately $9 million dollars. Many would say that we should be glad we didn't receive a bigger cut. And they would be right until you account for approximately 90 new entitlement communities added to the pot, it means that most existing CDBG grantees have to do more with less money. The cut is much greater. In FY2004, 71 communities will be added to the CDBG entitlement pot. Next year we could see as many as 66 new communities added. And, if the administration has its way, cuts or level funding in domestic spending will be the norm for the next five years, or until we can gain control of the deficit. Luckily the HOME program continues to receive small increases with even smaller numbers of HOME PJ's coming into the formula allocation.

OTHER ISSUES

HUD programs are a part of the HUD-VA-IA Appropriations Subcommittee. This subcommittee contains a whole host of programs and agencies, including the Veterans Administration, HUD and NASA. It will be NASA and the Veterans Administration that will drive funding levels for HUD's programs into the distant future. First, there will not be cuts to programs for Veterans when the nation is at war. If anything, veterans' programs will continue to receive increases. And, we all know that the President wants to return to the moon and is planning a manned Mars trip. The development, and a shift in program development at NASA will require new money. And, there are members in Congress whose states are home to NASA, who are on this subcommittee and would be very supportive of the funding and jobs these initiatives will bring. HUD will have to compete with NASA and the Veterans for funding in a time when one of the President's priorities will have a direct impact on the funding is this subcommittee.

We are still at war. Military action will continue to take place in Iraq and Afghanistan into the foreseeable future. There are estimates that US soldiers will be occupying these nations for quite some time. All this means more funding for defense, on budget or as part of supplemental appropriations bills. Wherever the funding comes from, it will still be needed to successfully complete a directed purpose. Lawmakers, both Republican and Democrats alike have begun to realize that the Bush administration's fiscal policies are not conducive to enabling the federal government to continue providing programs and services that Americans have come to expect. Programs will have to be cut or taxes raised in order to support the government, and the programs that continue will be the ones that have the greatest support constituencies.

WHAT CAN WE DO?

The future looks bleak, however community development practitioners hold a unique position in cities today. We are equipped with knowledge that is very beneficial to Mayors, City Councilors, non-profit groups and to the lower income people we serve. We understand how to improve our environments, with a host of programs and funding sources. We have facts, figures and stories to tell. But what we don't have is a lot of time, because we are very busy trying to do more with less. It is important that our constituencies – the, mayors, city councilors, non-profit groups and to the lower income people we serve– are engaged and mobilized to make sure that programs like CDBG, HOME, continue because they make a difference in people's lives and in the neighborhoods and cities in which we live. We have to energize our communities by encouraging them to contact their Mayors, City Councilors, and Congressional leaders on how important these programs are, or how their lives would be impacted if these programs didn't exist. The 30th, Anniversary of the CDBG program is the perfect opportunity to mobilize. This year is also an election year. We need to make sure that we are heard.

HUD NEWS

CONPLAN IMPROVEMENT INITIATIVE LURCHES FORWARD

After a prolonged period of activity, HUD's Consolidated Plan Improvement Initiative (CPII) has experience some forward progress in recent weeks. During a January 14 meeting of the CPII Steering Committee, HUD put forward a series of tentative recommendations intended to improve the planning process. Additionally, the CPII Technology Working Group has released a beta version of a new tool designed to streamline the preparation of ConPlan-related submissions.

HUD Releases Tentative Recommendations

At the January 14 meeting, HUD shared a white paper containing tentative recommendations with the Steering Committee. Members of NCDA's Community Development Committee also had the chance to discuss these recommendations during the recent Winter Legislative and Policy Meeting in Washington, DC. HUD has made it quite clear that this list of statutory and regulatory proposals is not intended to be exhaustive or final. Nearly all of the recommendations will need to be developed further, especially those that seek to introduce new performance measurement components into the planning process. The white paper is included as an attachment to this edition of the Washington Report. Please take a moment to review the recommendations. If you have any questions or comments concerning these recommendations, please contact Jeff Falcusan at (202) 887-5526 or at jeff@ncdaonline.org as soon as possible. We would like to collect feedback to share with HUD. Emailed comments would be especially helpful as we prepare a response to the white paper.

New Planning Tool Emerges from Technology Working Group

Dee Ann Ducote from HUD's St. Louis Field Office recently released files comprising the latest version of what is being called the Consolidated Plan Management Process (CPMP) tool. The tool was produced by the CPII Technology Working Group and consists of various MS Word and MS Excel files. The main tool has links to other files (tables, reference information, definitions, instructions on how to use the tool, the ConPlan regulations, etc.).

According to Ducote, using the tool and its related files has a number of advantages over the approaches of the past:

1. *It is a cradle-to-grave approach to grants management, in that it combines the long-term strategic plan, each annual action plan, and the CAPER in one place,*

2. *It is an ongoing document (like a diary) that is updated periodically throughout various stages of the 3-, 4-, or 5- year cycle comprising the period covered by the strategic plan, so entries are made only once, and data will be there for comparison or reference at a later time when new data is entered (it eliminates the need to search through multiple hard-copy documents to make comparisons and track the connection from needs to high priority needs, objectives, strategies, and proposed/actual accomplishments),*

3. *It is electronic, so that it can be posted on the web, sent out via e-mail, and added to/corrected/amended easily,*

4. *The data and verbiage requested are standardized in format, so that the Plan is prepared in the same way by all grantees, is easier on the reader (HUD, the public, or grantee staff), and easier to implement by the grantee (it also helps the grantee to avoid expressing outcomes inconsistently with different types of units, and because the questions are provided to the grantees, it assists them to be more thorough in meeting the minimum standards established by 24 CFR 91),*

5. *It fills the void left by the fact that Community 2020 software is not compatible with Windows XP, and is no longer available for new grantees (so if using the old approach to Conplan preparation, entries for Table 3, the "Listing of Proposed Projects" would be difficult to create),*

6. *It lays the groundwork for re-work of the tool in a higher-level language that can capture data in a database, and then aggregate this data for each grantee by subpopulations, or for groups of grantees by state, by region, or nation-wide for the benefit of HUD, the public, Congress, etc., and*

7. *It assists the grantee in self-assessment relative to activity eligibility, timeliness,*

meeting national objectives, funding only high priority needs, and comparing proposed to actual accomplishments. In summary, the tool will save considerable time for those that prepare, implement, and evaluate the plan and related performance measurement.

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We will post all of the documents included in the Consolidated Plan Management Process Tool on *NCDAonline*. Look for a link from our homepage in the coming days. If you have any questions, please contact Jeff Falcusan at (202) 887-5526 or at jeff@ncdaonline.org.

NCDA NOTES

NCDA ANNUAL CONFERENCE: PORTLAND, OREGON THE DOUBLETREE HOTEL AT THE LLOYD CENTER May 19-22, 2004

The 2004 NCDA Annual Conference will be held in Portland, Oregon at the DoubleTree Hotel at the Lloyd Center on May 19-22, 2004. A CDBG Basics: Training for Practitioners course will be held immediately preceding the Annual Conference at the DoubleTree on May 17-19, 2004. Please check the NCDA Website for conference and training information next week.

JOB ANNOUNCEMENTS/ ATTACHMENTS

- ***CD Week Products Flyer***
- ***CD Committee Minutes***
- ***Housing Committee Minutes***
- ***2005 Budget Chart***
- ***White Paper on the ConPlan Improvement***

FY 2004 HUD BUDGET

Program	FY 2003 Enacted	FY 2004 Enacted	FY 2005 President's Request
Community Dev Fund (CDBG)	$4.9049 billion	$4.934 billion	$4.618 billion
*Section 108 Credit Limit	$273.2 million	*$275 million	$0
Section 108 Operating	{$6.283 million}	{$7.325 million}	$0
Insular Areas	0	0	$7 million
Set-asides:			$72 million
Indian Block Grant	$70.5385 million	$72 million	$3 million
Housing Asst. Council	$3.2785 million	$3.3 million	$2 million
Nat. Am. Indian Council	$2.3844 million	$2.5 million	$3 million
Tribal Colleges/Univ.	$0	$0	$0
Wellstone Comm. Center	$8.9485 million	$0	$30 million
Capacity Building-NCDI	$32.287 million	$34.750 million	$35 million
Section 107	$48.780 million	$52 million	$2 million
Technical Assistance	$0	[$1.5 million]	$0
EDI Spec. Purpose Grts.	$259.303 million	$290 million	$0
Youthbuild	$59.610 million	$65 million	$65 million
Neighborhood Init. .	$41.826 million	$21 million	$0
Self Help Housing	$25.233 million	$27 million	$65 million
Habit for Humanity	[$4.222 million]	$4.750 million	[$5 million]
National Hous. Dev.	$4.967 million	$5	$0
National La Raza.	$4.967 million	$5	$0
Hawaiian Block Grant	$0	[$9.5 million]	$0
Working Capital Fund	$3.3379 million	$4.9 million	$1 million
Dev. Challenge Pilot	$0	$0	$10 million
Faith Based Pilot	$0	$0	$5 million
Total Set-asides	$565.371 million	$593 million	$299 million
Net Formula Allocation	**$4.339 billion**	**$4.331 billion**	**$4.319 billion**
HOME	$1.9124 billion	$2.0171 billion	$2.084 billion
Set-asides:			
Downpayment Assist.	$74.512 million	$87.5 million^	$200 million
Housing Counseling	$39.740 million	$40 million	[$0 million]
Information Systems	$1.0928 million	$2.1 million	$2 million
TA/TA Partnerships	$11.922 million	$18 million	$18 million
Lead Hazard Demo.	$0	$0	$0 million
Working Capital	--	--	$200,000
Total Set-asides	$127.267 million	$60.100 million	$ 218.2 million
Net Formula Allocation	**$1.7851 billion**	**$1.870 billion**	**$1.864 billion**

Program	FY 2003 Enacted	FY 2004 Enacted	FY 2005 President's Request
Downpayment Assistance	$74.512 million#	$87.5 million	$200 million
Homeless grants Set-asides **Total Homeless Grants**	$1.217 billion $ 219.6 million **$997.374 million**	$1.267 billion $ 208.580 million **$1.06 billion**	$1.257 billion $ 228 million **$1.485 million**
Housing Certificate Fund	$17.111 billion	$19.371481 billion	$16.909 billion
Housing Counseling Assist.	[$40 million]	[$40 million]	$45 million
Brownfields	$24.837 million	$25 million	$0
HOPWA	$290.102 million	$296.5 million	$295 million
Rural Housing and Economic Dev.	$24.837 million	$25 million	$0
Public Housing Capital Fund	$2.7122 billion	$2.641 billion	$2.674 billion
Public Housing Operating Fund	$3.577 billion	$3.6 billion	$3.573 billion
HOPE VI	$570.269 million	$150 million	$0
Section 202 Elderly	$777.910 million	$783.286 million	$773 million
Section 811 Disabled	$248.375 million	$250.515 million	$249 million
Lead Hazard Control	$174.856 million	$175 million	$139 million
EZ/EC	$29.805 million	$15 million	$0 million

[ ] 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
^Funded from HOME, but as a separate program
#Set-aside within HOME

PLEASE NOTE: The chart does not include the 0.59% across-the-board cut approved by the House