NCDA
WASHINGTON REPORT

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DATE: April 23, 2004

2004 Annual Conference and CDBG Basics Training: Portland, Oregon; May 17- 22, 2004

FEATURED ARTICLES

ASSISTANT SECRETARY ROY BERNARDI APPEARS BEFORE SENATE COMMITTEE

HUD Assistant Secretary for Community Planning and Development Roy Bernardi, nominated by President Bush to be HUD's next Deputy Secretary, appeared before the Senate Committee on Banking, Housing, and Urban Affairs on April 21. The President selected Bernardi to succeed Alphonso Jackson, who was recently confirmed to replace Mel Martinez as HUD Secretary. Dennis Shea, nominated to be Assistant Secretary for Policy Development and Research, and Cathy McFarlane, nominated to be Assistant Secretary for Public Affairs, also appeared before the committee.

Congressman James T. Walsh (R-NY), the Chairman of the House Appropriations Subcommittee for VA/HUD, testified on behalf of Mr. Bernardi. Chairman Walsh's statement was brief, but he was effusive in his praise for the Assistant Secretary. Chairman Walsh pointed that in addition to their close friendship, he had another reason for feeling personally connected to Mr. Bernardi.

Mr. Bernardi served as the 51st mayor of Syracuse; Chairman Walsh's father was Syracuse's 48th mayor. Chairman Walsh lauded Mr. Bernardi for reducing violent crime in Syracuse to the lowest levels in history and cited his wife and children as "a solid family that offers a great deal." In a comment almost certainly aimed at Senate Subcommittee on Housing and Transportation Chairman Wayne Allard (R-CO), Chairman Walsh portrayed Mr. Bernardi as someone who also returns telephone calls, especially calls made my members of Congress. (Recall that Secretary Jackson's nomination hit a snag after Senator Allard expressed frustration with HUD over what he perceived to be unwillingness on the part of the Department to consult properly with Congress on RESPA reform. After Jackson pulled the proposed RESPA rule, Allard dropped his hold on Jackson's confirmation and the Committee sent the nomination to the Senate floor. The Senate confirmed Jackson by voice vote on March 31.)

After Chairman Walsh's statement, the next panelist was former Senate Leader and presidential candidate Bob Dole (R-KS). Senator Dole testified on behalf of Dennis Shea, but spent about half of his allotted time promoting the upcoming dedication of the World War II Memorial (scheduled for May 29 here in Washington). Senator Dole is of course a decorated veteran of that war. Although his testimony was not particularly germane to NCDA's issues, the former Republican Majority Leader did display his famously wry sense of humor while engaging in some verbal banter with Senator John Warner (R-VA), who testified on behalf of both Shea and Cathy McFarlane. Senator Dole's remarks (and jokes) set the tone for what turned out to be an unusually cordial and straightforward hearing.

After Senator Warner testified, Mr. Bernardi made his statement to the committee. Mr. Bernardi expressed thanks to President Bush and Secretary Jackson for nominating him to the position of Deputy Secretary, and he thanked the committee for confirming Secretary Jackson. Mr. Bernardi thanked his family and said "I take humble pride in what I'm about to do." He recalled his childhood, growing up as a first generation Italian American who could not speak English when he entered the first grade. Mr. Bernardi also spoke briefly about his experiences as Syracuse's city auditor and mayor. As Deputy Secretary, he will be HUD's chief operating officer, and he pledged his commitment to "fostering better cooperation" within the Department as well as between HUD and Congress. Mr. Bernardi stated that he feels "very good" about the relationship he has forged with HUD's career employees, and he promised to work closely with everyone who needs assistance and cooperation.

Chairman Richard Shelby (R-AL) asked Mr. Bernardi about HUD's plans to address staffing crisis. Mr. Bernardi responded by assuring the Committee that he will make sure that each department of HUD is staffed with adequate personnel. Chairman Shelby then asked a question that is near and dear to NCDA's members' hearts. The Chairman brought up OMB's PART review of the CDBG program and asked Mr. Bernardi to give the Committee his thoughts on the low rating. Mr. Bernardi was diplomatic in his response, but he emphasized CDBG's status as CPD's flagship program. Mr. Bernardi asserted that it is a difficult program in which to institute performance measurements. Mr. Bernardi argued that the HOME Program was able to earn a higher score from OMB in part because that program is more highly targeted and its activities more narrowly defined, making its results more easily gauged. That fact, however, should not be seen as a criticism of CDBG's design. Indeed, Mr. Bernardi called "local discretion and prioritization" the "beauty of the [CDBG] program." Nonetheless, Mr. Bernardi pointed out that HUD is working with field offices and grantees to implement performance measures. Mr. Bernardi also expressed his hopes that at least some of the results of these efforts might make their way into the next budget process.

Senator Paul Sarbanes (D-MD) expressed his concerns to Mr. Bernardi over the Administration's current proposal to reform the Section 8 voucher program. A number of interest groups have expressed concerns that the proposal, which would effectively block grant the program to local housing authorities, could result in a number of people losing vouchers and therefore their access to affordable housing. Senator Sarbanes stated that he had recently heard Secretary Jackson claim that the proposal would "not remove one person," but the Senator said he has had difficulty squaring Jackson's promise and Congressional intent with what other have told him about the proposal's potential outcome. As Assistant Secretary for CPD, Mr. Bernardi said the voucher proposal had not been a focus of his office, but he believed that HUD did not intend for anyone to lose their voucher as a result of the proposal. (Like many controversial proposals in the HUD budget, the Section 8 proposal almost certainly originated within OMB.)

Senator Jack Reed (D-RI) inquired about HUD's soon-to-be-released CDBG formula study. Senator Reed asked whether, as rumored, the study might give ammunition to those who would like to see "Formula B" changed, particularly the component of the formula that takes infrastructure age into account. Mr. Bernardi said he was not able to go into too much detail on the study since HUD is still in the process of completing it. He did say, however, that it is quite clear that CDBG is not as targeted of a program as it once was. Mr. Bernardi repeated what he has told us in the past, which is that communities, states, and interest groups will have a chance to review the study and make recommendations when it is released. Senator Reed said that he would like to look at the study as soon as it is completed. After questioning the other nominees, Chairman Shelby adjourned the Committee after promising to move on the nominations as soon as possible.

HUD RELEASES INTERIM RULE FOR THE AMERICAN DREAM DOWNPAYMENT INITIATIVE; NCDA ADVOCATES FOR ADMINISTRATIVE FUNDS FOR THE PROGRAM; REPAYMENT ISSUES A PROBLEM

On March 30, HUD issued an interim rule for the American Dream Downpayment Initiative (ADDI) which becomes effective on April 29. HUD will disburse funds to grantees on April 30. For those HOME grantees whose program year has already begun, you must amend your FY04 grant agreement to reflect these new ADDI funds. A combined $162 million in funds will be distributed to grantees. The interim rule and the ADDI allocations are posted to HUD's web site at; www.hud.gov/offices/cpd.

The President signed legislation creating ADDI on December 16, 2003. The President began advocating for the creation of ADDI in 2000 and sought a meager $200 million for the initiative. Moreover, this initiative has been the primary housing and community development focus of the Administration, with no effort to strive for many other new initiatives or major funding increases for HUD's existing programs. The HOME program has seen increases since his tenure, but not at a significant rate – and funding for the CDBG program has seen slight decreases in recent years. Most other HUD programs have remained level funded, while some programs have been proposed for elimination altogether, such as the Section 108 loan guarantee program, HOPE VI, and the Lead Hazard Reduction Program; all of which are important programs to communities across the country.

Still, with little funding available for new programs, ADDI will provided additional resources to some communities across the country, however small. The program will function under the HOME program rules, but not every HOME participating jurisdiction will receive funding because ADDI operates under a different formula than the HOME program. A total of 427 participating jurisdictions out of 630 will receive ADDI funds. This includes all 50 States. Senate Republicans in particular wanted to ensure that the funds went to the neediest communities, so their remedy was to provide the funds to communities that have the largest number of low-income renters, with the logic being that these areas have a need for homeownership. While it is safe to assume that the next step beyond being a renter is to become a homeowner, not every renter wants to become a homeowner nor are all of them financially qualified to become homeowners. The national homeownership rate is soaring at an all time high of 68% and it may be difficult to increase it further without turning to families that require a lot of financial assistance, credit and budget counseling, and a lot of hand holding, with the possibility that even this assistance is not enough to keep a property from going into eventual foreclosure. This is a particularly troubling issue to participating jurisdictions that administer the ADDI funds, which functions under the HOME program rules, because within the last year HUD has told HOME participating jurisdictions that they must re-pay any HOME funds invested in a property that goes into foreclosure during the required HOME affordability period. Furthermore, the funds must be repaid from non-Federal funds, which usually means general revenue for most communities. At a time when jurisdictions are facing severe budget shortfalls, this risk may be too great to accept. NCDA is working with Congress to change this portion of the HOME program, and our Texas members have been particularly helpful in getting the message to their congressional members, but with Congress' attention focused on other matters, and with few legislative days left in this Congressional session, our fight may be an uphill battle for now. We need the help of all of the HOME participating jurisdictions to work with their congressional offices to make this change happen. We have attached a letter for HOME participating jurisdictions to send to their congressional members on the issue. Please do so – or the issue will remain unresolved – and your jurisdiction may be left in the vulnerable position of re-paying HOME funds or ADDI funds.

Another issue facing jurisdictions receiving ADDI funds is the lack of administrative funds available to operate the program. Congress, in its infinite wisdom, provided no administrative funds for ADDI beginning with the FY04 funds. Administrative funds (10%) are available for the FY03 funds. Why this occurred is anyone's guess. How can jurisdictions operate a program with no administrative funds? Unfortunately, jurisdictions will have to use their HOME administrative funds, or some other source, for the FY04 funds. The Senate had provided a 5% administrative fee in its bill language, but it was deleted during the conference negotiations on the bill.

NCDA, along with COSCDA, NCSHA, and NAHRO, met with House appropriations staff on Wednesday, April 21, to advocate for a 10% administrative fee for the program. Vicki Watson represented NCDA at the meeting. House staff are amenable to providing a 10% administrative fee to the program in future allocations. They are perplexed as to why the conference committee chose to delete the administrative fee in the first place and want to research this issue before going forward. During the meeting, the groups also discussed the issue of repayment of HOME and ADDI funds in situations of foreclosure and asked the staff to add language to the FY05 VA-HUD-IA appropriations bill to change this policy. The appropriations staff are willing to work with us on the issue, but a final appropriations bill is a long way off and we will have to keep reminding them of both of these issues over the course of the next few months.

Although ADDI operates under the HOME program regulations, it differs in a few areas. First, assistance can only be provided to first-time homebuyers and assistance is limited to $10,000 per household or up to 6% of the purchase price of a home. Congress limited the assistance so that more first-time homebuyers could receive funding. Senator Reed (D-RI) added a provision to the final ADDI statute that allows a participating jurisdiction to use up to 20% of the funds for rehabilitation. This provision applies to the program beginning in FY04. FY03 funds cannot be used for rehabilitation. Senator Reed's provision includes the reduction of lead-based paint hazards as an eligible rehabilitation activity.

The ADDI statute established new Consolidated Plan requirements regarding the use of the funds. A participating jurisdiction that receives ADDI funds must include the following new requirements in its annual action plan: (1) a description of the use of the funds; (2) a plan for conducting targeted outreach to families assisted by public housing agencies and to residents of manufactured housing; and (3) a description of the actions taken by the PJ to ensure that families that receive the funds will undertake and maintain homeownership, such as homeownership counseling. This doesn't mean that the PJ will have to provide the counseling directly. Participating jurisdictions can refer potential homebuyers to an organization that provides homeownership counseling. Finally, the Uniform Relocation Act (URA) doe not apply to ADDI funds, so potential homebuyers under the program can purchase tenant-occupied units without the PJ having to pay relocation benefits. That is a great provision – and one that we would like to see added to the HOME statute. So many changes, so little time! But, we'll keep working on making both ADDI and HOME better for participating jurisdictions.

INTEREST GROUPS GEAR UP FOR ACTION ON 2010 DECENNIAL CENSUS

Receiving the appropriate amount of resources from the federal government depends not just on the availability of funding but also on the accuracy of population data. With that in mind, the United States Conference of Mayors (USCM) will be working with other public interest groups in an effort to push the Census Bureau to work more closely with local governments as it begins to make preparations for the 2010 decennial census.

On April 21, David McMillen met with interested parties at USCM headquarters to discuss the 2010 Census. Jeff Falcusan represented NCDA at this meeting. McMillen is a former Census Bureau employee and currently serves as a professional committee information specialist for Representative Henry Waxman (D-CA), who as a member of the Committee on Government Reform has been a leading advocate for Census reform. McMillen informed those present that the 2000 Census failed to count up to six million individuals and that six to nine million persons were counted twice, resulting in an error rate somewhere between five and ten percent. Surprisingly, the current director of the Census Bureau has stated that nothing will be done to change the Census methodology for 2010, since the Bureau believes that any changes (such as embracing some form of statistical sampling) could create more problems than they solve. It is widely believed that the Administration's resistance to embracing sampling is a matter of partisanship. Most experts tend to agree that those populations that are chronically undercounted are from under represented groups that tend to support the Democratic Party.

Since the Census Bureau does not seem interested in instituting any methodological changes (Put aside the fact that the American Community Survey, designed to replace the long form, depends upon statistical sampling.), McMillen told those assembled that the best hope for a more accurate decennial Census is to ensure that the address lists employed by the Census are as accurate and current as possible. The problem is a simple one; if an address isn't on the list, the Postal Service doesn't deliver a short form. If an address doesn't get the short form, no one living there will be counted.

In 1994, Congress passed a law mandating that the Census Bureau achieve greater transparency by making its Master Address File available to local governments. McMillen said that it will be critically important for local governments to force the Bureau to disclose local address information as soon as possible as well as to push to be included in the development of the List of Updated Census Addresses (LUCA). McMillen shared the story of Joseph Salvo, director of the Population Division of the New York City Department of City Planning, who was able to add nearly one million people to his city's population in the 2000 Census because he was able to convince the Census Bureau that their address list was woefully incomplete prior to the beginning of the decennial count.

After the Census is conducted, if a city believes that the count is incorrect, then it can appeal to the Bureau. The city must foot the bill, however, for the investigation that follows. This is another reason why, according to McMillen, local governments need to start working on the LUCA issue now. The Bureau's Decennial Census Advisory Committee meets April 28 and 29 in Washington, and the Conference of Mayors plans to be represented at the meeting. We will keep you posted as this advocacy effort begins to take shape.

PUBLIC INTEREST GROUPS RESPOND TO CRA PROPOSED RULE

NCDA and other community development organizations have signed on to a letter opposing proposed changes to the Community Reinvestment Act of 1987. NCDA's Community Development Committee voted during its most recent meeting to recommend that the Association oppose this rule. Comments on the rule were due on April 6th. Specifically, the Association opposes any Federal legislation or regulations that weaken the Community Reinvestment Act. We support efforts ensuring that the Act and its resulting regulations continue to reflect the original spirit of the law.

The federal regulatory agencies, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Directors of the Federal Reserve System, and the Office of Thrift Supervision proposed changes to the CRA regulation that if realized would reduce the law's effectiveness in leveraging credit and capital for traditionally underserved communities. CRA has been instrumental in increasing access to homeownership, boosting economic development and expanding small businesses in the nation's minority, lower income, and immigrant communities. The proposed changes would directly impact these goals.

Under current CRA regulation, large banks are defined as those with assets of $250 million or more. These are the entities that are subject to federal reviews and ratings of their lending and investment practices and their services to lower income communities. This proposed rule would eliminate the investment and service review requirements and require reviews once every four to five years instead of once every two years for banks with assets of $250 million to $500 million. If this proposed rule becomes final, CRA exams would become significantly less rigorous for 1,350 banks, or 15 percent of all depository institutions. This represents more than $240 billion in assets.

Also, under the proposed rules, a bank would be able to select which one of its affiliates would be subject for review. Obviously, banks would choose the affiliate with the best CRA practices. This violates the spirit of what community reinvestment really means. Attached to this newsletter is the Coalition's response letter to the proposed rule.

NCDA PARTICIPATES IN COSCDA'S PERFORMANCE MEASURES SUMMIT

On March 31st NCDA, NACo, NACCED, USCM , HUD, and OMB participated in an event hosted by the Council of State Community Development Agencies (COSDCA). This forum was an opportunity to initiate a dialogue on performance measures among the various parties that work with and administer CPD's four formula programs; CDBG, HOME ESG and HOPWA. NCDA's representatives were Association Vice President Amintha Cinotti and Executive Director Chandra Western. At the urging of its Board of Directors, the COSCDA staff worked with a consultant and a member advisory committee over an 18 month period to create a document that would:

(1) be the starting point for grantees to move toward performance-based program administration;

(2) be relevant to all parties– cities, states, counties, HUD and OMB;

(3) request that each group's representative agree to work with COSCDA and the others on this project; and

(4) garner support from the group that this document and its processes, once refined, would become the basis for the performance system that HUD would use in reporting on the four formula programs and

Prior to the summit, each invited guest received the document and a list of questions designed to determine whether the document was on the right track, whether it could achieve buy-in from all of the relevant parties, and whether it could serve as the jumping-off point for further HUD and grantee action. The summit began with a presentation from the chair to COSCDA's member advisory group detailing the arduous processes that they had taken to develop their performance measures document. By all accounts, the process was a painful one, made all the more difficult by the fact that while measuring performance makes sense in theory, making the theory operable remains a major obstacle. A particularly challenging exercise was getting the advisory group to come to a consensus on what the "outcome" of its work should be. Each participant was required to think of program measurement and accountability in the same way. The following is an excerpt from COSCDA's *Performance Outcome Measurement System* document:

> *COSCDA members believe that those who deliver the programs at the community level are better suited to determine appropriate outcome indicators and measures for their*

projects and activities than agencies at the federal level.

One of the basic tenets of our efforts is the strong belief that any outcome system must first and foremost be one that serves the management interests of those operating the programs. The strength of these federal formula grants are their flexibility, designed so they can be tailored to meet state and local needs; therefore, outcome measures must also be flexible enough so that grantees can use them. This will ensure that the system is one that is meaningful, relevant and useful at the direct service level and will also help to ensure that the information gathered will be as valid and reliable as possible. A key COSCDA objective for implementation of an outcome system is that it should "add value" to existing programs at both the state and national levels without causing undue burdens to already taxed state and federal reporting systems.

COSCDA believes that any nation-wide outcome system must be developed in accordance with the statutory purposes and objectives that govern the relevant programs. It should be noted that the proposed COSCDA Performance Outcome Measurement System provides a clear distinction between direct program outcomes on those being served in accordance with statutory requirements and indirect longer term impacts that might be affected by the accomplishment of these outcomes.

The COSCDA Performance Outcome Measurement System is a comprehensive approach to measuring the outcomes of HUD's four major community development formula grant programs – Community Development Block Grants, HOME Investment Partnerships Program, Emergency Services Grants and Housing Opportunities for Persons with AIDS. The System includes objectives, outcomes and indicators for each type of program activity (i.e. housing rehabilitation, water and sewer programs, shelter for the homeless). Every activity and project currently funded under the State CDBG, HOME, ESG and HOPWA Programs would be covered by this system.

COSCDA should be applauded for the great work and proactive approach they have taken on this initiative. NCDA has agreed to participate with COSCDA in this group with the other stakeholder organizations. However, it was made very clear that the finished product this new group expects to produce will most likely be something completely different from what we have now.

There are also larger issues hanging over the heads of the members of this new group beyond trying to come to consensus on what a performance outcome measurement system should look like. One issue is the steadfast determination of OMB to evaluate programs, not according to Congressional intent or current statutory, but according to what OMB believes the programs should be doing. Even in OMB's perfect world where grantees are performing as they would like, what would be the impact on these programs at the Congressional level? Will Congress use OMB's assessment as a license to make decisions on increases or decreases in program funding? Or would other concerns such as war, homeland security, federal deficits, or economic downturns play a bigger role in program funding decisions?

Another issue to consider is that in order for HUD to require a performance measurement system, in any form, rule making, and probably statutory changes, would be required. Rule making is a timely process and to open up the statute is something that most of us do not dare to suggest. Lets just say it will not be easy, nor would it happen anytime soon.

A third issue is whether HUD will have the technological capacity to incorporate the performance/outcome data when it is collected. Will IDIS, either in its current form or in the form it will take at the conclusion of the modernization process, be capable of collecting data in a manner that can be nationally aggregated? Is it wise to attempt to aggregate data on a national level for programs that are inherently designed to be unique to each community's needs and that have different economic indicators? Most importantly, will these nationally aggregated data sets tell us anything about program effectiveness or ineffectiveness?

Program performance is a local issue that should be used to determine program effectiveness and efficiency. Good output data is the first place to start in telling the story of program performance at the national level. The questions that need to be asked are: What did you, the grantee, spend the money on? Did you spend it in the way that you said you would? Did you spend it in a manner that was prudent and expedient? Can you show positive change to your community because of the expenditure of funds?

HUD NEWS

HUD PRODUCES CDBG DATA CLEAN-UP LIST: Is Your Community on the List?

HUD has put together a list of communities that have not completed their CDBG data clean-up responsibilities. This continues to be a problem in CPD and in the Office of Block Grant Assistance. It appears that CPD may be heading toward publishing this list on the web. NCDA has requested that HUD hold off on this and allow the public interest groups to work with our memberships to get the CDBG data cleaned up.

Obviously, having accurate information on what grantees are doing with CDBG funds is a good thing. In fact, the data that is being collected by grantees is really what Congress wants to see. It is a great way to tell "our story," to show Congress, locally elected officials, the general public, and even OMB that CDBG is doing great things and performing as intended. Complying with HUD in getting CDBG data up to standards provides Community Development Directors with good HUD reviews and quantifiable information that is easily accessed, as well as preventing embarrassment for mayors and city counselors should HUD publish this list. If you are uncertain as to whether you have complied with your CDBG data clean–up requirements, NCDA has the list. Please contact us and we will be happy to let you know your community's status. NCDA strongly encourages members to work on this, because without a doubt CPD is serious about this issue–in the same they were on timeliness– and they will publish the list if they don't see marked improvement in the accuracy of the CDBG data in the near future.

NCDA NOTES

NCDA 2004 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. There are still rooms available in our room block, but they are filling up fast. After May 3, we cannot guarantee the conference rate of **$91 per night**. ***Please get your room reservations in soon!!! We have attached the final agenda and registration form to this newsletter.***

The CDBG Basics: Training for Practitioners course has three slots available, so if you are planning to participate in the training, you must get your registration form in to Tamara Jackson as soon as you can. There is a maximum number of 50 participants per course. This course will be held immediately preceding the Annual Conference at the DoubleTree Hotel on **May 17-19, 2004.** Please check the NCDA Website for conference and training information.

JOHN A. SASSO NATIONAL COMMUNITY DEVELOPMENT WEEK AWARDS

The Johan A. Sasso National Community Development Awards are due in to our offices on April 23. We will accept all submissions with postmarks of April 23. Please send in your submissions as soon as possible. Please direct all questions, to Chandra Western at 202-293-7587.

FEDERAL REGISTER NOTICES

March 30, 2004 (Volume 69, Number 61)24 CFR Parts 91 and 92. HOME Investment Partnerships Program; American Dream Downpayment Initiative; Office of the Secretary, HUD. Interim rule. This interim rule establishes regulations for a new downpayment assistance component under the HOME Investment Partnerships Program, referred to as the American Dream Downpayment Initiative (ADDI). Through the ADDI, HUD will make formula grants to participating jurisdictions under the HOME Investment Partnerships Program for the purpose of assisting low-income families achieve homeownership. This interim rule codifies the statutory formula for allocation of ADDI funds to HOME participating jurisdictions, identifies eligible activities and costs under the ADDI, and establishes other applicable requirements.
Effective Date: April 29, 2004. Comment Due Date: June 1, 2004.

April 21, 2004 (Volume 69, Number 77) HUD America's Affordable Communities Initiative, HUD's Initiative on Removal of Regulatory Barriers: Incentive Criteria on Barrier Removal in HUD's FY 2004 Competitive Funding Allocations; Technical Correction and Supplemental Information. Office of the General Counsel, HUD. ACTION: Notice. In this notice, HUD advises of one correction to its notice published on March 22, 2004, which announced HUD's intention to proceed to establish in the majority of its Fiscal Year (FY) 2004 notices of funding availability (NOFAs), including HUD's SuperNOFA, a policy priority for increasing the supply of affordable housing through the removal of regulatory barriers to affordable housing. In this notice, HUD also responds to additional questions that were raised following publication of the March 22, 2004, notice.

JOB ANNOUNCEMENTS AND ATTACHMENTS

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

- ***CRA Proposed Rule Response Letter***
- ***HOME Repayment Letter***
- ***HOME Statutory Letter***
- ***HOME Repayment Paper***
- ***Final Annual Conference Agenda and Registration Form***
- ***Sasso Community Development Awards Criteria***
- ***Board of Directors Minutes***

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