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*National CD Week is April 9-15, 2007
NCDAA Annual Conference, June 19-22, 2007, San Francisco, CA*

FEATURED ARTICLES

- *Senate Budget Committee Approves FY 2008 Budget Resolution; Rejects Cuts to CDBG*
- *House Holds Hearing on GSE Reform Legislation; Affordable Housing Fund Included in Bill*
- *House Financial Services Committee Approves Comprehensive Hurricane Housing Recovery Bill*
- *HUD NEWS: HUD Releases FY 2007 CPD Allocations; OMB Tries to Rescind \$700 Million in CDBG Funds; HUD Issues Notice on HOME Procedures for Rejecting ConPlan Certifications; HUD Releases First Annual Homeless Assessment Report to Congress*
- *NCDAA NEWS: 2007 National Community Development Week Products Available; CD Week Guide Available Online; 2007 NCDAA Annual Conference; CDBG Training Available through NCDAA; NCDAA Region I Spring Conference; New NCDAA Members; Job Announcements/Attachments*

Senate Budget Committee Approves FY 2008 Budget Resolution; Rejects Cuts to CDBG

The Senate Budget Committee marked-up its FY 2008 Budget Resolution on March 14 and approved the resolution the following day on a party line vote of 12-11. The FY 2008 Budget Resolution outlines a course to erase the federal deficit by 2012. Senator Kent Conrad (D-ND), Chairman of the Senate Budget Committee, said in his opening statement, "While a single budget resolution cannot solve all of our budget challenges, this plan will begin to put the nation back on a more sound fiscal path." The burgeoning federal deficit is a concern for many Americans and the issue will play a key role in the 2008 presidential elections. Therefore, the democratically controlled Congress is serious about eliminating this debt as soon as possible. This means that most federal spending will be kept level. The resolution does increase funding in three areas: children's health care, education spending, and veterans' health care, all of which

have been seriously underfunded in the President's FY 2008 budget. The resolution also requires that any new tax cuts and the extension of expiring tax provisions be offset by cuts in other areas. The resolution also places emphasis on better collection of taxes by the IRS and on closing off-shore tax havens.

The resolution implements several budget enforcement provisions, such as establishing discretionary spending "caps" for 2007 and 2008 to keep federal spending in-line, meaning no federal discretionary spending can exceed the cap. Republicans have set such spending caps in past years. The resolution would also restore the "pay-go" rule which requires that any new mandatory spending and tax cuts are paid for by offsets in other areas or must get 60 votes in the Senate for passage, which is highly unlikely since the democrats control the Senate even if it is by the slightest margin.

Most importantly, the resolution includes language "rejecting the President's proposal to cut CDBG funding." This language sends the message to appropriators to not cut the program in FY 2008. The insertion of this language is largely due to the CDBG Support Letter sent by 52 Senators to the Senate Budget Committee. NCDA drafted the letter and helped obtain signatures of support. We thank our members for their help in this endeavor. A copy of the letter is attached. The resolution recommends \$3.8 billion for CDBG in FY 2008, this is essentially the FY 2007 level adjusted for inflation. The appropriations committees will have the final say in terms of funding for the program. NCDA and other advocates are seeking at least \$4.1 billion in formula funding, but an increase above \$3.7 billion (the FY 2007 level) would be a victory.

The House Budget Committee plans to mark-up its FY 2008 Budget Resolution this week. It is expected to be very similar to the Senate, but with the possibility of higher spending limits for discretionary spending (good news for our programs).

House Holds Hearing on GSE Reform Legislation; Affordable Housing Fund Included in Bill

The House Financial Services Committee was busy last week holding several hearings on a variety of housing related issues. One of the hearings focused on H.R. 1427 – The Federal Housing Finance Reform Act of 2007. The bill was introduced in the House on March 9 by Rep. Maxine Waters (D-CA), Chairperson of the House Subcommittee on Housing and Community Opportunity. A similar bill was introduced in the last Congress and approved by the House, but not the Senate. The primary intent of the bill is to reform the Government-Sponsored Enterprises (GSEs) – Fannie Mae, Freddie Mac and the Federal Home Loan Banks – by establishing risk-based capital limits to ensure adequate and stable capital, monitoring the growth of the GSE's portfolio holdings to ensure safety and soundness, and creating a regulator, the Federal Housing Finance Board, to oversee the GSEs.

Like last year's bill, H.R. 1427 includes language to create an Affordable Housing Fund for affordable housing production and preservation. Congress would require the GSEs to provide 1.2% of their total outstanding mortgages each year to fund this Affordable Housing Fund. H.R. 1427 authorizes the Fund for five years (2007-2011), with all of the first year's funding directed to the Gulf Coast.

The local government interest groups are very concerned with how the funds would be distributed. Unlike last year's bill which called for the GSEs to distribute the funds, H.R. 1427 calls for the funds to be distributed directly through States through a formula devised by HUD. The Fund is expected to provide approximately \$500 million in funding each year, not enough to distribute through a formula grant. NCDAs and the other local government groups would like to see the funds administered by and distributed through the GSEs through a competition available to States and local governments. A competition would allow communities a better chance of receiving a larger allocation, while not having to comply with stringent HUD or State regulations. A GSE-administered Fund would also allow the GSEs to leverage their other funding and investments with the Fund. The local government groups sent a letter to the House supporting the legislation, but opposing the current distribution scenario. A copy of the letter is attached.

House Financial Services Committee Approves Comprehensive Hurricane Housing Recovery Bill

On March 7, 2007, the House Financial Services Committee approved H.R. 1227 – The Gulf Coast Hurricane Housing Recovery Act of 2007 – on a vote of 50-16. The bill was introduced on February 28, 2007, by Rep. Barney Frank (D-MA), Chairman of the House Committee on Financial Services, and Rep. Maxine Waters (D-CA) after the culmination of a series of field hearings in the Gulf Coast area. The bill would focus on better implementation of existing resources within the Gulf Coast, reimbursement of cities and counties that assisted the evacuees, the preservation of existing affordable housing units, and ensuring that evacuees have the opportunity to return to the area by ensuring adequate affordable housing opportunities.

Among other things, the bill would:

- Require the State of Louisiana to submit monthly reports to the Committee on the implementation, status and effectiveness of their Road Home Program (the program developed by the State to distribute its CDBG disaster funds). The report must include the number of applications submitted, the number of households served, the average grant amount received by households, and actions taken to improve the program. The Committee is concerned with the slow progress made by the State in distributing its CDBG disaster funds.
- Authorize HUD, from unobligated FEMA funds, to reimburse cities and counties that previously used CDBG funds to provide rental assistance to households displaced by Hurricanes Katrina, Rita, Wilma or Dennis.
- Require HUD to provide for the conducting of a survey to determine the number of households that lived in public housing operated by the Housing Authority of New Orleans (HANO) prior to August 28, 2005, and how many intend to return to such housing. The survey must be completed and reported back to the Committee no later than 60 days after enactment of the bill. The survey will ask evacuees their preference of the following housing options:

- (1) Remain in your current residence and be given a permanent housing voucher;
 - (2) Move elsewhere in the U.S. and be provided a permanent housing voucher;
 - (3) Return to your original public housing unit;
 - (4) Return to a newly constructed, or substantially rehabilitated public housing unit elsewhere;
 - (5) Return to a permanent supportive housing unit (for elderly and disabled households).
- Ö Require that by August 1, 2007, HANO make available for occupancy the greater of 3,000 units or the number of households who have indicated in the survey that they intend to return to HANO public housing.
- Ö Require that HANO, and any public housing agency in areas declared a disaster or an emergency as a result of Hurricanes Katrina and Rita, not demolish or dispose of any public housing until a plan for the replacement of such units is approved by HUD.
- Ö Authorize the appropriation of public housing capital funds for the repair and rehabilitation of HANO public housing, and for community and supportive services for residents of HANO public housing.
- Ö Direct all PHAs in areas declared a disaster or an emergency as a result of Hurricanes Katrina and Rita to provide relocation assistance to former residents.
- Ö Extend the Disaster Voucher Program (DVP) through January 1, 2008, and provide for “disappearing” Section 8 vouchers formerly served by DVP and still in need of housing assistance. The vouchers would be provided for as long as the household remains eligible, and subject to appropriations.
- Ö Authorize the appropriation of 4,500 project-based vouchers to be used for permanent supportive housing units. Up to 3,000 of these vouchers would be available to the State of Louisiana.

The House is expected to vote on the bill on March 20.

HUD NEWS

HUD Releases FY 2007 CPD Allocations; OMB Tries to Rescind \$700 Million in CDBG Funds

After weeks of waiting, grantees finally received their FY 2007 CPD allocations last week. While the allocations should have been released the week of February 19, the allocations were held up due to the Office of Management and Budget’s (OMB) desire to withhold approximately \$700 million in FY 2007 CDBG funding, without success. FY 2007 CDBG allocations remained relatively stable with a slight cut overall to accommodate six new entitlement grantees into the program. To access the allocations, go to: <http://www.hud.gov/offices/cpd/about/budget/budget07/>

HUD Issues Notice on HOME Procedures for Rejecting ConPlan Certifications

On February 26, 2007, HUD issued CPD Notice 07-14 on HUD procedures for rejecting a participating jurisdiction's Consolidated Plan/Action Plan HOME Certifications. If HUD rejects the HOME certification as inaccurate, HUD will disapprove the HOME portion of the participating jurisdiction's Consolidated Plan and Action Plan, and will withhold the participating jurisdiction's future HOME allocation until the jurisdiction takes corrective actions to make the certification acceptable to HUD. The Consolidated Plan regulations require jurisdictions to submit as many as three HOME certifications (tenant-based rental assistance, eligible activities and costs, and subsidy layering) as part of its annual plan submission to HUD.

HUD released the notice in response to findings of noncompliance by several participating jurisdictions in carrying out their HOME program activities. The notice is intended to inform participating jurisdictions that HUD is serious about withholding future HOME funding if noncompliance problems are not addressed, or continue. Just one story of noncompliance by a single jurisdiction can give the negative impression to Congress and the Administration that the program is not being administered responsibly at the local level.

The notice also provides detailed information on the basis on which HUD can reject any of the three HOME certifications and the process for notifying and providing the opportunity for the participating jurisdiction to respond to HUD's action. You can access a copy of the notice at <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/notices/>

HUD Releases First Annual Homeless Assessment Report to Congress

On February 28, the U.S. Department of Housing and Urban Development (HUD) released the first Annual Homeless Assessment Report (AHAR) to Congress. The report is HUD's largest effort to study the homeless since 1984 when the Department released the first national "point-in-time" estimate of the homeless. The report is a four year effort to collect and standardize data on the homeless from a nationally representative sample of communities. The study uses two sources of data: HUD's Homeless Management Information System (HMIS) and a point-in-time count of the number of sheltered and unsheltered homeless using Continuum of Care grantee information.

The study allowed HUD to use the HMIS for the first time. The HMIS data focused on the number of sheltered homeless from February to April 2005. HUD randomly sampled 80 local communities that have implemented the HMIS to study how the homeless within these communities are being housed and provided services to transition from homelessness. Using this data source, HUD found that 704,000 persons used emergency shelters or transitional housing between February and April 2005. HUD also found the following characteristics of the sheltered homeless population:

- 65 percent of the adult homeless population are men
- the largest segment of the homeless population (41%) are between the ages of 31-50 years old
- 66 percent of the sheltered homeless are single, while 34 percent are families with children
- 59 percent are minority

- Ö 75 percent of the homeless population are located in urban areas (central cities), while 25 percent are located in suburban and rural areas
- Ö 19 percent of the overall homeless population are military veterans

HUD began requiring Continuum of Care recipient communities to conduct a homeless count beginning in 2005. HUD used communities' continuum of care one-night homeless counts as the basis for the second datasource. Using this data, HUD found that an estimated 754,000 persons were sheltered and unsheltered (on the streets) during one night in January 2005.

Remaining Issues

Most HMIS systems are in their infancy, so comprehensive data, covering longer periods of tracking the homeless are not yet available (but will be over time). In addition, HMIS systems are not standardized; communities can collect different data variables on the homeless. While this provides flexibility for localities, it doesn't allow HUD to collect the same data sources nationally. HUD hopes to set some standards on the collection of data in the system some time in the future.

NCDA NEWS

2007 National Community Development Week Products Available

National Community Development Week is April 9-15, 2007. National CD Week affords communities the opportunity to celebrate the importance of the CDBG Program in their community by showcasing projects funded with CDBG, families assisted through the program, and neighborhoods that have benefitted from the program. To help communities celebrate the program, NCDA provides products – T-shirts, posters, postcards, and other memorabilia – for purchase by communities. Communities can order the products directly online at <http://www.ncdaonline.org> or can fax in the attached order form. Communities do not have to pre-pay for the products, but will be invoiced by NCDA after the purchase. Place your order soon! To ensure that you receive your products prior to National CD Week, the deadline is set for March 23, 2007, to allow for adequate time for shipping. However, products will be available after this date.

CD Week Guide Available Online

NCDA has developed a *2007 CD Week Guide*, a comprehensive guide to help you design your CD Week activities and to help you support funding for the CDBG program. You can download both the *2007 CD Week Guide* and CD Week Products Flyer at <http://www.ncdaonline.org>

2007 NCDA Annual Conference

The 2007 NCDA Annual Conference will be held in the beautiful city of San Francisco from June 19-22 at the San Francisco Hilton Hotel. Pre-conference training will be offered on June 16-18.

A copy of the draft agenda and registration form are attached. You can also register for the conference online at <http://www.ncdaonline.org>. A link for the hotel registration is also available on NCDA's website. The City of San Francisco has obtained a rate of \$140 plus tax per night for the first 80 government employee registrants. You must show a government i.d. when you register at the hotel in order to receive this rate. Approximately 40 rooms remain at this rate. A rate of \$209.00 per night plus tax is available after this rate.

Pre-Conference Training

NCDA will offer a three-day CDBG Basics Course on June 16-18. The hotel rate of \$209.00 applies for this training. Separate registration is also required at <http://www.ncdaonline.org>, at "Training Available Through NCDA," click on CDBG Training. The cost for the training is \$250 for members and \$350 for non-members.

CDBG Training Available through NCDA

The following CDBG Program workshops are available through NCDA:

CDBG Subrecipient Management Course

Two-day workshop

Phoenix, AZ

April 30-May 1, 2007

Cost: Free

Registration: online at <http://www.ncdaonline.org> or fax in the attached registration form

CDBG Subrecipient Management Course

Two-day workshop

St. Louis, MO

May 21-22, 2007

Cost: Free

Registration: online at <http://www.ncdaonline.org> or fax in the attached registration form

CDBG Basics Course

Three-day workshop

San Francisco, CA

June 16-18, 2007

Cost: \$250 for members/\$350 for non-members

Registration: online at <http://www.ncdaonline.org> or fax in the attached registration form

Region I Spring Conference; Housing 2012 Conference

Region I Spring Conference

The NCDA Region I Spring Conference will be held on April 26 in Boston. The registration fee is \$75.

The conference will be held at the Sheraton Hotel, located at 320 Washington Street, Newton, MA (I-90

- Exit 17). A special hotel rate of \$129 is available for the nights of Wednesday, April 25, and Thursday, April 26. You must ask for the "NCDA Region I Conference" in order to receive this special rate.

The conference will feature a legislative update from NCDA staff, update from the regional HUD office, and afternoon workshops on "Responses to the Rise in Foreclosures," "New Market Tax Credit Success Stories," and "HUD's Lead Hazard Control Grant Program." For more information on the conference and registration, please contact Bob Gehret at bgehret.dnd@cityofboston.gov or at 617-635-0242.

Housing 2012 Conference

Following the Region I Conference, the City of Boston will hold a national conference on housing strategies for high-cost cities on April 27. The government rate for the conference is \$60. Rep. Barney Frank (D-MA) will deliver the keynote address. Other speakers include Boston's Mayor Thomas Menino and Richard Syron, President and CEO of Freddie Mac. Workshop sessions include, "The Future of Federal Housing Resources," "Housing and the Economy," "New Frontiers in Design," "Innovative Local Resource Strategies," "Making the Most of the Market," and "What's Next for the Homeless." For more information, go to <http://www.cityofboston.gov/dnd/housingboston2012/index.asp>

New NCDA Members

NCDA would like to welcome the following new members:

Lodi, CA
Winchester, VA

Job Announcements/Attachments

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

- Senate CDBG Support Letter
- Local Government Letter to the House on GSE Reform
- CD Week Products Flyer
- 2007 Annual Conference Draft Agenda and Registration Form
- CDBG Training Information and Registration Forms