



WASHINGTON REPORT

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*NCDA Annual Conference, June 19-22, 2007, San Francisco, CA
Pre-Conference CDBG Basics Course Training, June 16-18, 2007*

FEATURED ARTICLES

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House and Senate Approve FY 2008 Budget Resolution; Await Conference; CDBG Supported

Both the House and Senate have approved their respective versions of the FY 2008 Budget Resolution, with the Senate passing its Budget Resolution on March 23 and the House passing its Budget Resolution on March 29. The two measures will be reconciled in conference committee some time in late April. NCDA is pleased to announce both chambers included language in their respective resolutions “rejecting the proposed cut to CDBG.” NCDA, along with the U.S. Conference of Mayors, National Association of Counties, and the National Association for County Community and Economic Development, worked together with the Northeast-Midwest Coalition in both the House and Senate to spearhead a CDBG support letter from House and Senate members to the Budget Committees seeking at least \$4.1 billion in formula funding for CDBG in FY 2008. NCDA would like to thank its membership for reaching out to their congressional members to seek their support of the letters.

Both the House and Senate FY 2008 Budget Resolutions are remarkably similar. Both propose to balance the federal budget by 2012. Both reinstate the pay-as-you-go rule which requires that new mandatory spending and tax cuts be offset elsewhere in the budget. Both sharply increase funding for veterans' healthcare and children's health insurance. Moreover, both reject the Administration's cuts to discretionary programs such as CDBG, LIHEAP, and Head Start. As stated by Rep. Spratt (D-SC), Chairman of the House Budget Committee, "Our budget invests in vital services that help Americans – including Head Start, education, LIHEAP, COPS, CDBG, and child care – while the President's budget cuts each of these areas."

The Budget Resolution establishes a framework to guide budgetary decisions for the year. It is now law, but simply guidance. Ultimately, the appropriators will decide upon the funding for each federal program. The appropriators are expected to begin their work on their spending bills once the Budget Resolution has been approved by Congress.

FHA Reform Bill Introduced in the House

Rep. Maxine Waters (D-CA), Chairperson of the House Subcommittee on Housing and Community Opportunities, and Rep. Barney Frank (D-MA), Chairman of the House Financial Services Committee, introduced legislation on March 29 to reform the Federal Housing Administration (FHA). The bill, H.R. 1852 – Expanding Homeownership Act of 2007 – would attempt to revitalize an ailing FHA by:

- 9 increase loan limits in high cost areas, including the loan limits for multifamily housing in high cost areas where the current FHA loan limits do not meet the local construction costs
- 9 create a zero down payment loan program
- 9 allow FHA to underwrite borrowers with higher credit risks
- 9 eliminate the current volume cap on reverse mortgages for seniors

Once flush with cash, the FHA has faced hard times over the last five years due to competition from private lenders offering non-traditional loan products, such as zero down payment loans, interest only loans, and many other flexible loan products to qualify virtually any person seeking a home loan. FHA used to be considered the more flexible lender; offering low down payment loans and flexible qualifying and mortgage terms. H.R. 1852 would give the FHA an opportunity to compete with other private lenders by offering more desirable mortgage products to low- and moderate-income persons. The legislation allows FHA to underwrite loans for borrowers with higher credit risk, yet still considered creditworthy, in order to limit the use of sub-prime lenders. The FHA's loans are also guaranteed by the federal government which poses no risk of default to lenders and the secondary market which underwrite and purchase the loans. The bill includes language requiring pre-purchase counseling for riskier borrowers.

The House Subcommittee on Housing and Community Opportunities will hold a hearing on the bill on April 19.

House Financial Services Committee Passes GSE-Reform Legislation

The House Financial Services Committee passed H.R. 1427 – The Federal Housing Finance Reform Act of 2007 – on March 29 on a bi-partisan vote of 45-19 [*See March 19, 2007 edition of the Washington Report for an overview of the legislation*]. The primary purpose of the bill is to tighten the oversight of the government-sponsored enterprises – Freddie Mac, Fannie Mae, and Ginnie Mae. The concern for tightened oversight stems from the accounting scandal within Fannie Mae a few years ago. The legislation would establish the Federal Housing Finance Agency, a new, independent regulator to oversee the GSEs. The bill also creates a five-year Affordable Housing Fund to be managed by the new regulator and funded by the GSEs. The Fund is estimated to bring in approximately \$500 million annually for affordable rental and homeownership housing. The bill allocates the funds through States, with all of the first year’s funding directed towards the gulf coast states – Louisiana, Mississippi, and Alabama. NCDA, the U.S. Conference of Mayors, and other groups have advocated for the funds to be distributed through both State and local governments and are focusing our efforts to ensure a companion Senate bill includes such language.

NCDA and Other Groups Work on CDBG Appropriations Letter in the House and Senate

NCDA and several other national interest groups are working with the Northeast-Midwest Coalition in both the House and Senate to circulate a CDBG support letter to appropriators. The Northeast-Midwest Coalition (a coalition of congressional members from the Northeast and Midwest) have been instrumental over the past few years in working with NCDA and other groups to garner congressional support for CDBG. Most recently, the Coalition worked with NCDA, the U.S. Conference of Mayors, National Association of Counties, and the National Association for County Community and Economic Development on a CDBG support letter to the Budget Committee in both chambers. The letter was instrumental in garnering support from the chairmen for CDBG. Like the Budget letter, the Appropriations letter seeks \$4.1 billion in formula funding for CDBG in FY 2008, an increase of \$400 million from FY 2007. We will send out periodic alerts to members seeking your help in obtaining your congressional members’ signatures on the letters.

HUD NEWS

IDIS Re-engineering Project Delayed

Last Fall, HUD was filled with hope on re-engineering IDIS into a web-based system by September 30, 2007. In January 2007, HUD began its “Proof-of-Concept” phase, which allowed grantees to become familiar with the platform through the use of real but not “live” data to test the usability of the system. HUD had hoped to start the User Acceptance Testing (UAT) phase this spring. This phase would have allowed grantees to begin testing the business/financial functions of the system. However, fate has once again intervened, and HUD has issued a stop work order with the existing contractor due to the contractor’s revised and delayed delivery date for the completion of the IDIS re-engineering project, which would have extended the project extensively. HUD is working on hiring a new contractor and

hopes to re-engineer IDIS into a web-based system by early 2008. What can we say, hope springs eternal...

HUD Publishes Change to HOME Final Rule

On April 4, HUD issued notification of changes to the final HOME rule. The rule change follows publication of two interim rules published on March 30, 2004 and November 22, 2004, the first of which implemented ADDI within the HOME program and the second which revised and clarified the HOME program's homeownership affordability requirements.

After reviewing public comments received on the two interim rules issued in 2004, HUD has amended the HOME final rule as follows:

- 9 Amends the definition of first-time homebuyer in the HOME program to include persons owning manufactured housing.
- 9 Amends the HOME program's eligible administrative and planning costs to include the preservation of affordable homeownership housing previously assisted with HOME funds as an eligible activity. Under the rule change, participating jurisdictions can use additional HOME funds to acquire HOME-assisted homebuyer housing that is in default, including using HOME funds to acquire the housing at the foreclosure sale. HOME funds can also be used to make repairs to the home to make it decent and safe and funds can be used to assist another homebuyer purchase the home, including the cost of holding the housing pending resale to another homebuyer. All of these activities can be paid for with HOME funds regardless of whether the housing was acquired due to default of a HOME loan or loan superior to the HOME loan.
- 9 Amends the final rule to clarify that HOME fund recaptures cannot exceed net proceeds.

HOME Program Income and Rent Limits Released

HUD released the 2007 HOME Program Income and Rent Limits on March 29. The limits are available at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm>.

NCDA NEWS

Communities Celebrate CD Week

CDBG grantees from across the country celebrated National CD Week last week. NCDA invited communities to complete the 2007 CD Week Survey to outline their planned activities. Communities celebrated the program in many different ways. The following provides you with a sample of those celebrations.

Santa Clara County, CA

Four cities within Santa Clara, CA came together to organize their CD Week activities. The cities of Sunnyvale, Palo Alto, Mountain View, and Santa Clara organized a CD Week breakfast comprised of local elected officials, agency staff, and subrecipient staff and board members. Following the celebratory breakfast, the cities conducted a bus tour of CDBG funded projects in each of the four cities.

The City of Bellevue/King County, WA

The City of Bellevue, WA and other entitlement communities within King County, WA developed a written summary of their CDBG programs. The publication will be shared with local elected officials and the congressional delegation from King County, WA. This is important because Senator Patty Murray (D-WA), Chairs the Subcommittee on Transportation and HUD, which will decide how much funding the CDBG program will receive in FY 2008.

Cuyahoga County, OH

Cuyahoga County, OH developed and provided a map to their congressional delegation of the number of CDBG-funded projects in their district. The Cuyahoga County Board of Commissioners also passed a resolution in favor of CD Week. A letter was sent to all mayors within the county expressing concern with the cuts to the program. The County plans to highlight the cuts with the local press as well.

Cranston, RI

The Mayor and city employees visited three CDBG-funded projects to highlight CD Week. This included organizing a food drive for the local emergency food center, one of the three projects visited during the week. Senators Jack Reed and Sheldon Whitehouse sent Proclamations commemorating National CD Week. The city personally met with their congressional delegation to discuss the impact of the cuts to CDBG. Finally, the City sent a press release on CD Week to the major state-wide newspaper and Cranston's local paper to highlight the program.

Although CD Week has passed, NCDA still has CD Week products available for sale including: posters and postcards, t-shirts (small, 2x, and 3x), playing cards, caps, and tote bags. Please fax your orders to 202-887-5546.

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 an updated draft agenda is attached, along with a conference registration form. 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 government identification when you register at the hotel in order to receive 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.

NCDA is Accepting Applications for the 2007 John A. Sasso National CD Week Award

The 7th Annual John A. Sasso Award will be presented during a special luncheon on Thursday, June 21, during NCDA's Annual Conference in San Francisco. The award recognizes exemplary activities undertaken by communities during the 2007 National CD Week with a special focus on activities that generate media coverage and include the involvement of citizens, nonprofits, and elected officials, particularly congressional members.

Interested communities should submit a essay of 1,000 words or less that describe your 2007 CD Week activities. The essays are due to NCDA by the close of business on **May 11, 2007** and winners will be notified by May 18, 2007. You must be a member of NCDA in order to be eligible to receive an award. Please see the attached John A. Sasso Award Submission Criteria for further information.

NCDA Seeks Host City for 2008 and 2009 Annual Conferences

NCDA is currently seeking a host city for the 2008 and 2009 Annual Conferences. A formal bid package is attached to the newsletter. Interested cities should submit their bid on or before **June 8, 2007** to:

National Community Development Association
522 21st Street, NW, Suite 120
Washington, D.C. 20006
Fax Number: 202-887-5546

Please call 202-293-7587 with any questions.

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>

CDBG Subrecipient Management Course

Two-day workshop

St. Louis, MO

May 21-22, 2007

Cost: Free

Registration: online at <http://www.ncdaonline.org>

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>

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. NCDA's Executive Director, Cardell Cooper, will also participate in the conference. 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:

Boyndton Beach, FL
Elmira, NY
Freeport, NY
Harris County, TX
Oakland, CA

Job Announcements/Attachments

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

- 2007 Annual Conference Draft Agenda and Registration Form
- 2007 John A. Sasso Award Submission Criteria
- 2008 and 2009 NCDA Annual Conference Bid Proposal

