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DATE: November 21, 2008

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President-Elect Obama Outlines Urban Policy Agenda; Appoints HUD Transition Team

President-elect Barack Obama has committed to focusing on urban policy during his term, something that was sorely neglected by the Bush administration the past eight years. Obama plans to install an urban czar in the White House, giving the issue prominence in the administration. As part of his urban agenda, Obama lists the restoration of funding for the Community Development Block Grant (CDBG) program as a top priority. This is good news to all of us who have toiled over the past eight years to keep the program and its funding intact.

Obama also plans to support the Department of Housing and Urban Development (HUD) and its staff through more resources and plans to place more scrutiny over outside contracts. In a letter to the president of the American Federation of Government Employees, Obama committed to appointing a HUD Secretary, Deputy and Assistant Secretaries who are committed to HUD's mission of promoting affordable quality housing and community development. He further acknowledged the need to increase resources for HUD, including funding for more employees and committed to pare back government contractors. "I know the Department needs resources

to successfully implement the expansion of programs required by the Housing and Economic Recovery Act of 2008. I pledge to work with Congress to secure resources necessary to meet HUD's important mission." He went on to say in the letter, "Because of the fiscal mess left behind in the current Administration, we will need to look carefully at all departments and programs. We plan to specifically look at work that is being contracted out to ensure that it is fiscally responsible and effective. It is dishonest to claim real savings by reducing the number of HUD employees overseeing a program but increase the real cost of the program by transferring oversight to contractors. I pledge to reverse this poor management practice."

HUD Transition Team

Obama wasted no time in selecting his federal transition teams. The HUD team, listed below, all consist of previous Clinton appointees who worked at HUD in the 1990s. The HUD transition team will help Obama secure persons for the various political positions available within the Department and will help the Department transition from the Bush Administration to the Obama Administration.

Roberta Achtenberg is an economic and workforce development consultant and has served in senior policy-making roles with the San Francisco Chamber of Commerce and the San Francisco Center for Economic Development. She serves as the Director of the Bank of San Francisco. She served in the Clinton Administration, first as Assistant Secretary of Fair Housing at HUD and later as senior advisor to HUD Secretary Henry Cisneros.

Xavier de Souza Briggs is an associate professor in MIT's Department of Urban Studies and Planning. A former Deputy Assistant Secretary at HUD, his expertise includes affordable housing, economic development and inequality, and environmental sustainability.

Bruce Katz is vice president at the Brookings Institution and Director of its Metropolitan Policy Program. He is a visiting professor at the London School of Economics. He served as Chief of Staff to former HUD Secretary Henry Cisneros and as Staff Director of the Senate Subcommittee on Housing and Urban Affairs.

House Democrats Considering Omnibus Spending Bill for January

House Democratic leaders hope to work on an omnibus spending bill in the next six weeks consisting of the nine remaining FY09 appropriations bills so President-elect Obama can sign the legislation into law shortly after he is inaugurated. Aides said it remains unclear whether the Senate would go along and allow the package to come to the floor. Federal government programs are being funded through a Continuing Resolution (CR) Congress approved in late September that expires March 6, 2009. Democrats opted to fund the government through a CR after president Bush said he would veto any appropriations bill topping the levels recommended in the FY09 budget.

Economic Stimulus Package Unlikely During Lame Duck Session; NCDA and Other Groups Send Letter to Capitol Hill Requesting \$10 Billion for CDBG

Senate Majority Leader Harry Reid and Senate Appropriations Chairman Robert C. Byrd unveiled this week the Economic Recovery Act of 2008 – a \$100.3 billion economy recovery package aimed at helping the crippling economy. The focus of the measure is job creation, aid to the auto industry, and help for working families. The Economic Recovery Act would focus on the following priorities:

- \$25 billion loan to the auto industry and tax incentives to new car purchasers
- \$22 billion in loan authority for small businesses
- 10% increase in Food Stamp benefits, \$445 million for the Women, Infants, and Children (WIC) program, \$50 million for local food banks, \$60 million for senior meal programs
- \$500 million for weatherization programs
- \$13.5 billion for building and repairing highways, bridges, mass transit, airports, and AMTRAK, creating an estimated 470,000 jobs
- \$2.5 billion for school repairs, \$600 million for youth training and dislocated workers, \$200 million for the Community Services Block Grant, and \$36 million for homeless education
- \$1 billion for border security, \$500 million for the COPS hiring program which will put 6,500 new cops on the streets
- Nearly \$3 billion in investments in energy efficiency and renewable energy research
- Additional loans for communities devastated by the 2008 disasters, including those impacted by the Midwest floods and Hurricanes Ike and Gustav. Communities whose local economies have been impacted by 25 percent or more will now be able to apply for loans up to 50% of their pre-storm revenue.
- The bill includes a directive for the Department of Commerce to assess the lost economic output caused by major natural disasters in 2008 across all impacted areas. This information will be used by HUD to allocate a portion of the CDBG disaster recovery funds approved by Congress in July 2009.
- \$75 million for the FBI to investigate rising claims of mortgage fraud; \$10.5 million for the Treasury Inspector General to conduct reviews of bank failures

Due to opposition from Senate Republicans, the package will not be enacted during the lame duck session; however, it will be revisited in January. The final stimulus package will likely be much larger and include more proposals. President-elect Obama has expressed strong support for a second stimulus package and says that it will be his first priority when he takes office.

NCDA and several other interest groups sent a letter to Capitol Hill on November 12 seeking \$10 billion in CDBG funding in the stimulus package. The funding will be used to help spur the economy through the funding of infrastructure projects and other community development and economic development activities. NCDA would like to thank members who responded to our

request for information on “ready-to-to” CDBG projects. This information was used as a basis for our proposal. A copy of the letter is attached to this newsletter.

In addition to the CDBG proposal, other groups are putting forward the following suggestions for the stimulus package: (1) \$5 billion for public housing capital funds; (2) \$200 million for relocation and temporary housing assistance; and (3) \$1 billion for HOME energy efficiency initiatives.

Auto Industry

As executives of the auto industry pleaded their case on Capitol Hill this week for a \$25 billion bailout, division between congressional Republicans and Democrats thwarted any chance for a deal during the week-long lame duck session. Senate Democratic leaders pressed for the \$25 billion loan to be carved out of the \$700 billion financial market bailout package, but they did not have the votes to break a filibuster. Senate Republicans supported the Bush Administration’s position against the loan, preferring that automakers tap the \$25 billion Congress authorized for retrofitting auto plants to meet fuel-efficiency standards. The stalemate means the Congress will revisit the issue at a later date.

Pelosi Announces New Majority Leadership Team; Senator Byrd Resigns as Appropriations Chairman

On November 18, Speaker Nancy Pelosi announced the new House Majority Leadership team for the 111th Congress, elected by the members of the Democratic Caucus.

- Majority Leader: Steny Hoyer of Maryland
- Majority Whip: James E. Clyburn of South Carolina
- Democratic Caucus Chairman: John B. Larson of Connecticut
- Democratic Caucus Vice Chairman: Xavier Becerra of California
- Assistant to the Speaker and Chair of the Democratic Congressional Campaign Committee: Chris Van Hollen of Maryland

The Democratic Caucus also approved Pelosi’s nomination of John Spratt of South Carolina to serve as the Chair of the House Budget Committee and Congresswoman Louise Slaughter of New York to serve as Chair of the House Rules Committee.

Senator Robert C. Byrd (D-WV) plans to resign his post as Chairman of the powerful Senate Appropriations Committee, a committee he has served on for 50 years. Senator Daniel Inouye (D-HI) will replace him as chairman when the 111th Congress convenes in January.

HUD NEWS

Neighborhood Stabilization Program Website

For those grantees with questions on HUD's Neighborhood Stabilization Program (NSP), HUD has posted a frequently asked questions page to the NSP website at <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>

This site is chocked full of questions from grantees and is intended to aid grantees in developing their plans and implementing the program. If you are having difficulty having HUD respond to your questions, please let us know. ***NCDA would also like to receive comments from members on problems they may be encountering with the program.*** In addition to the frequently asked questions section, the NSP website also contains the following information:

- an overview of the Disaster Recovery Grant Reporting (DRGR) system, the reporting and draw-down system used by the program
- an overview of submitting your plans (substantial amendment to action plans) to HUD by December 1, 2008
- presentations from the HUD Housing Summit
- detailed information on federal cross-cutting requirements, such as the environmental clearance requirements, fair housing, lead hazard control, and acquisition and relocation

NSP Link

The National Housing Conference (NHC) has developed a site which lists all NSP state plans and many local plans. It is helpful to see what others are planning and to understand the different strategies being proposed. To access this site, go to:

<http://www.housingpolicy.org/foreclosure-response-plans.html>

NCDA NEWS

2009 Audrey Nelson Awards

NCDA is accepting nominations from its member communities for the 2009 Audrey Nelson Awards. The application is available on NCDA's website at <http://www.ncdaonline.org>. The award recognizes exemplary uses of CDBG funds to address the needs of families and neighborhoods. Award recipients will be recognized during the 2009 Winter Conference. We encourage you to apply, especially, those communities that have never submitted an application in the past. Please fax your application to 202-887-5546.

2009 Winter Meeting

The 2009 NCDA Winter Conference will be held at The Liaison Hotel in Washington, DC on January 28-30, 2009. With a new administration and new session of Congress, the Winter Conference is the perfect opportunity to hear about upcoming policy and budgetary issues. It is also a good opportunity to learn more about HUD's Neighborhood Stabilization Program (NSP).

The conference fee is \$400 for members and \$450 for non-members. Registration must be paid by check (NCDA is not set-up to accept credit cards) and must be made payable to NCDA. NCDA has reserved a block of rooms at the special rate of \$189.00, plus tax at The Liaison Hotel, located at 415 New Jersey Avenue, NW, Washington, DC. The cut-off date for making your hotel reservations is **January 6, 2009**. Reservations received after this date will be subject to availability and based on the rate offered by the hotel. To make your hotel reservation, call 1-866-AFFINIA (866-233-4642). Be sure to mention Reservation ID: NCDA to receive the special hotel rate. Besides a congressional update and news from HUD, the conference will feature three separate, three-hour training mini-training sessions on (1) HOME Subsidy Layering; (2) Environmental Review Requirements; and (3) Continuum of Care. Other sessions will focus on public/private partnerships, Section 3 planning and compliance, and working with the press to promote CDBG and HOME. We will have a special session on the foreclosure crisis to hear from cities wrangling with the issue. You can register via the attached registration form or directly online at <http://www.ncdaonline.org>

More CDBG Basic Training Coming Soon

NCDA is planning two CDBG Basic Courses for the coming Spring. The courses will be held in Cape Canaveral, Florida on March 11-13, 2009 and in Wilmington, NC on April 1-3, 2009. The hotel contracts are being finalized. The information should be posted to NCDA's website within the next two weeks. Don't forget to register early, these courses fill up very quickly.

Attachments:

- **Letter to Pelosi and Reid Requesting \$10 Billion for CDBG in the Stimulus Package**
- **2009 Winter Conference Draft Agenda and Registration Form**
- **Job Attachment: Rehabilitation Specialist, City of Waterloo, IA**

U.S. Department of Housing and Urban Development Budget Chart

Program	FY08 Enacted Level	FY09 President's Request	FY09 Senate Appropriations	FY09 Continuing Resolution
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			Committee Level	(Effective through 3/6/2009)
Community Development Fund	\$3.866 billion	\$3 billion	\$3.889 billion	\$3.866 billion
<i>Set-Asides:</i>				
Native American	[\$62 million]	[\$57 million]	[\$65 million]	[\$62 million]
EDI Grants	[\$180 million]	0	[\$104 million]	[\$180 million]
Technical Assistance	[\$3 million]	[\$5 million]	[\$5 million]	[\$3 million]
Neighborhood Initiatives	[\$26 million]	0	[\$11 million]	[\$26 million]
Working Capital Fund	[\$1.57 million]	[\$4 million]	[\$3 million]	[\$1.57 million]
<i>Total Set-Asides</i>	<i>\$272.57 million</i>	<i>\$66 million</i>	<i>\$188 million</i>	<i>\$272.57 million</i>
Formula Grants	\$3.593 billion	\$2.934 billion	\$3.701 billion	\$3.593 billion
Section 108 Loan Guarantees	\$275 million	\$0	\$275 million	\$275 million
Brownfields	\$10 million	\$0	\$0	\$10 million
HOME Program	\$1.704 billion	\$2 billion	\$1.967 billion	\$1.704 billion
<i>Set-Asides:</i>				
Housing Counseling	[\$50 million]	funded separately	fundedseparately*	[\$50 million]
Technical Assistance	[\$12.5 million]	[\$10 million]	[\$15 million]	[\$12.5 million]
Working Capital Fund	[\$3.5 million]	[\$4 million]	\$0	[\$3.5 million]
ADDI	[\$10 million]	[\$50 million]	[\$10 million]	[\$10 million]
<i>Total Set-Asides</i>	<i>\$76 million</i>	<i>\$64 million</i>	<i>\$25 million</i>	<i>\$76 million</i>
Formula Grants	\$1.628 billion	\$1.936 billion	\$1.941 billion	\$1.628 billion
Homeless Programs	\$1.586 billion	\$1.636 billion	\$1.667 billion	\$1.586 billion
Lead Hazard Control	\$145 million	\$116 million	\$145 million	\$145 million
Section 202 for the Elderly	\$735 million	\$540 million	\$765 million	\$733 million
Section 811 for the Disabled	\$237 million	\$160 million	\$250 million	\$237 million
HOPWA	\$300 million	\$300 million	\$315 million	\$300 million
Fair Housing	\$50 million	\$51 million	\$56 million	\$50 million
Program	FY08 Enacted Level	FY09 President's Request	FY09 Senate Appropriations Committee Level	FY09 Continuing Resolution (Effective through 3/6/2009)

Self-Help Homeownership Opportunity Program	\$60 million	\$40 million	\$66 million	\$60 million
SHOP	[\$26.5 million]	[\$39 million]	[\$27 million]	[\$26.5 million]
NCDI	[\$33.5 million]	\$0	[\$35 million]	[\$33.5 million]
Technical Assistance	\$0	[\$1 million]	[\$4 million]	\$0
Section 8 TBRA	\$16.391 billion	\$16.039 billion	\$16.7 billion	\$16.391 billion
Section 8 Project-Based Assistance	\$6.382 billion	\$7 billion	\$8.450 billion	\$6.382 billion
Public Housing Capital	\$2.439 billion	\$2.024 billion	\$2.44 billion	\$2.439 billion
Public Housing Operating	\$4.2 billion	\$4.3 billion	\$4.4 billion	\$4.2 billion
HOPE VI	\$100 million	\$0	\$100 million	\$100 million
Native American Housing Block Grant	\$630 million	\$627 million	\$650 million	\$630 million
Native Hawaiian Housing Block Grant	\$9 million	\$6 million	\$10 million	\$9 million
Indian Housing Loan Guarantees	\$7.45 million	\$8 million	\$9 million	\$7.45 million
Native Hawaiian Loan Guarantees	\$1 million	\$0	\$1 million	\$1 million
Rural Housing & Economic Development	\$17 million	\$0	\$30 million	\$17 million
University Programs**	\$23 million	\$14 million	\$23 million	\$23 million

*The Senate Appropriations Committee recommended \$65 million for housing counseling in FY09

**Grants to institutions of higher learning funded under Section 107 including HBCUs, Alaska Native serving institutions, Native Hawaiian institutions, tribal colleges and universities, and Hispanic serving institutions.