



FROM: NCDA STAFF

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Congressional Update

Congress reconvenes the week of November 29 for a three-week lame duck session. Top legislative issues include the extension of the Bush tax cuts, completion of a FY11 spending package, jobless benefits (estimated at \$13 billion through February), and the START arms control treaty. Given the machinations the Senate Democrats have to go through to gain support for these legislative items (60 votes are needed to move legislation forward), it's impossible to see how any will gain passage. The tax debate alone will take up most of the lame duck session. While Senator Reid (D-NV), majority leader, seems poised to compromise on the tax cuts for the wealthy; extending the cuts for households earning below one million dollars (the Democrats have supported tax cuts only for households earning \$250,000 and below), Congressional Republicans want the tax cuts to apply to all income brackets and have signaled they won't compromise.

The fate of the FY11 spending bills remain unclear. Congress has not passed any spending bills, including the Transportation-HUD appropriations bill. The federal government is operating under a Continuing Resolution through December 3. Another CR will likely be enacted through December 17 to keep federal departments operating. Congressional Democrats would like to roll the twelve spending bills into one large omnibus bill and pass it during the lame duck session. As of today, some Senate Republicans (those who are retiring or who lost their reelection) have signaled some support for the idea, but most Senate Republicans are opposed to an omnibus measure. Republicans want to start cutting domestic programs in order to make good on their campaign promise to reduce the federal deficit. The passage of an omnibus would hinder this

goal. Instead, Republicans would like to see a continuing resolution enacted through early January, when a new Congress with a Republican majority takes over.

When the 112th Congress convenes in January, Republicans will have 242 seats in the House, a gain of 63, while the Democrats will have 193. The Democrats will control the Senate by a margin of 58 (including the two independent Senators – Sanders (VT) and Lieberman (CT)) to 42. Keep in mind that 60 votes are needed to stop a filibuster and move legislation. New leaders will be appointed to key committees. Rep. John Boehner (R-OH) is expected to be elected Speaker of the House. Rep. Spencer Bachus (R-AL), ranking member of the Financial Services Committee is expected to be elected chairman, while Rep. Barney Frank (D-MA) will become the ranking member. The powerful chairmanship of the House Appropriations Committee is up for grabs; Rep. Jerry Lewis (R-CA) is the ranking member and the likely choice for the position, but reports have surfaced that he may be challenged for the position. With Senator Christopher Dodd's retirement, Senator Tim Johnson (D-SD), the next most senior person, will take over chairmanship of the Senate Banking Committee. Senator Daniel Inouye (D-HI) will continue to chair the Senate Appropriations Committee. Senator Harry Reid (D-NV) is expected to retain his post as Majority Leader.

During NCDA's 2011 Winter Legislative and Policy Meeting in Washington, DC on January 19-21, 2011, time has been set-aside within the conference agenda to allow for conference participants to visit with their congressional representatives to seek support for CDBG, HOME, and homeless assistance funding in FY12. Please start now to schedule an appointment with your congressional members. Check with your local jurisdiction first to understand any policies, procedures or restrictions you must follow before meeting with your congressional member, then contact your member to schedule an appointment. To reach your congressional member, contact the Capitol Hill switchboard at 202-224-3121. Once connected, ask to speak to the member's scheduler. This person keeps the member's calendar and sets all appointments. NCDA is developing a set of congressional talking points and will meet with the U.S. Conference of Mayors and other national interest groups on December 13 to finalize the talking points. We will provide them to members prior to the conference. With the large turnover in the House, it is vital that you meet with your congressional member to voice support for CDBG, HOME, and HUD's homeless assistance programs. If you cannot meet with your congressional member during the NCDA Winter Conference, then plan to meet with them at their local district office in January or February, prior to the start of the congressional budget process.

Federal Deficit Reduction Commission Recommends Domestic Cuts; CDBG Included

Former Wyoming Senator Alan Simpson and former Clinton White House Chief of Staff Erskine Bowles, both co-chairs of the Federal Deficit Reduction Commission, released their draft recommendations for reducing the federal deficit in early November. The full Commission is expected to vote on the draft recommendations on Friday, December 3. The Commission is composed of 18 members from varied backgrounds and 14 votes are needed for approval of the plan, which is highly unlikely since many of the Commission members oppose some or all of the

recommendations put forward by the chairmen. President Obama created the Commission in February as a means of developing bi-partisan recommendations to cut the soaring federal deficit. Simpson and Bowles had hoped to have the plan approved and forwarded on to Congress for further action during the lame duck session. Even if the plan isn't adopted, it plants the seeds for ideas of what programs should be cut in the federal arsenal for FY12 and beyond. The plan would drop wealthier communities from the CDBG program, resulting in an estimated cut of \$500 million to the program annually. This is a proposal that NCDA does not support and will fiercely fight. This same idea was pushed during the Bush Administration and only serves to fracture communities and limit resources to low- and moderate-income households living in those communities.

Other recommendations include eliminating the Economic Development Administration, reducing the federal work force by 10 percent and freezing salaries, merging the Department of Commerce and the Small Business Administration into one agency, eliminating a number of programs administered by the Rural Utility Service, eliminating the Appalachian Regional Commission and the Delta Regional Authority, eliminating all earmarks, reducing funding to the Smithsonian and the National Park Service, creating a leaner, more efficient Defense Department, among others.

HUD NEWS

Update of CPD Programs

Steve Johnson, Director of the Entitlement Communities Division at the Department of Housing and Urban Development, provided an update of the Office of Community Planning and Development's (CPD) programs at the recent NCDA Region IV conference in Knoxville, TN.

CDBG Program Reporting

- HUD has encountered a problem with the PR03 Report in IDIS On Line - the report is not picking up activities on a program year basis, instead it is tracking activities on a calendar year. HUD will issue a permanent fix this month.
- Grantees need to report often and accurately. Reported accomplishments keep dropping. Conference participants told Steve this is due to having to spend NSP and CDBG-R funds first, causing CDBG funds to back-up and accomplishments to drop.

One CPD Technical Assistance

- This is CPD's prime initiative – combining HOME, CDBG, and homelessness TA into one pot, focused on ramping up grantee skills and HUD staff skills.
- HUD will deliver two CDBG Subrecipient Trainings in December – one in New Orleans and another in Columbus, OH

FFATA and FSRS

- Another federal reporting requirement. The Federal Funding Accountability and Transparency Act (FFATA), enacted on September 26, 2006, requires that information on federal awards be made available to the public via the website www.USASpending.gov. The General Services Administration is responsible for overseeing the system. All federal grantees (excludes ARRA funding) must report information to the FFATA Subaward Reporting System (FSRS). Applies to awards made on or after October 1, 2010. Grantees must report on themselves and their subrecipients within 30 days of an award receipt. According to HUD, most of the data will be pre-populated. Information on the system is available at www.fsrs.gov.

CDBG-R

- Ensure that any changes or amendments to approved action plans are provided to HUD
- Keep your CCR registration current
- HUD is working on close-out instructions
- CDBG-R Program Data, As of 11/15/10:
 - 51.7% of the funds have been drawn down nationally
 - nearly 92% funded to activities in IDIS
 - 413 grantees are 90% drawn down
 - 112 grantees less than 10% drawn down
 - 52 are still at \$0 drawn

NSP

HUD will hold five NSP Problem Solving Clinics in the coming months. The clinic locations and dates are as follows:

- Detroit, MI, December 7-8
- Atlanta, GA, January 11-12
- Los Angeles, CA, January 19-20
- Orlando, FL, January 25-26
- Washington, DC, February 1-2

The clinics are one-day, but will be offered twice in the same city to allow more participation. NSP1, NSP2, and NSP3 grantees can register up to five people. Travel costs to the clinics are an eligible administrative cost, according to HUD. December 8th in Detroit and January 12th in Atlanta have been targeted specifically for state grantees.

All of the clinics will focus on the NSP program rules and DRGR and will focus on other issues (land banking, program design, marketing, sustainable underwriting for multifamily projects, managing scattered-site rental programs, structuring single-family properties), based on registration preference.

To register for a clinic, go to <http://hudnsphelp.info/index.cfm>

NCDA NEWS

NCDA is Seeking Comments From Members on the Housing Trust Fund Proposed Rule

HUD released its proposed rule on the National Housing Trust Fund on October 29, 2010. The Housing Trust Fund (HTF) was authorized by the Housing and Economic Recovery Act (HERA) of 2008 (the same legislation that created NSP1). While the proposed rule will help to establish the parameters of the regulations that will govern the HTF, Congress still has not appropriated funding for the program. Even so, HUD is moving forward with the rule.

While HERA allocates the HTF funds directly to States, the proposed rule allows States to allocate funds directly to local governments, as a sub-grantee. NCDA has not openly supported the HTF because of the lack of funding provided to local governments, but the rule would provide the flexibility to allow States to designate local governments as sub-grantees. Another concern we initially had with the Fund is the deep targeting to extremely low-income persons; 75% of the funds must be targeted to persons at or below the poverty line. This level of income makes it difficult to develop rental projects for this sector without a large infusion of various resources or rental subsidies. Thankfully, Congress has included \$65 million in rental subsidies for the HTF; however, this funding is included in the tax extender bill, along with the \$1 billion for the HTF, of which the future of the bill – and this provision, are unknown at this time.

The HTF regulations would be codified in a new subpart N of the HOME program regulations (24 CFR part 92), making the HTF part of the HOME program. To review the rule, go to <http://edocket.access.gpo.gov/2010/pdf/2010-27069.pdf>.

Please e-mail your comments to Vicki Watson at vicki@ncdaonline.org by December 17.

NCDA Region IV Elects National Board Members and Regional Officers

During its annual conference in Knoxville, TN on November 17-19, NCDA's Region IV elected the following members to the national board of directors:

John Callow (Murfreesboro, TN)
Bob Harkrader (Burlington, NC)
George Mensah (Miami, FL)
Becky Wade (Knoxville, TN)
Chester Wheeler (Augusta, GA)

Sandra Anderson (Greenville, SC, Co-Chair, Housing Subcommittee)
Willie Day (Anderson, SC, Co-Chair, Economic Development Subcommittee)
Mara Register (Valdosta, GA; Co-Chair, Membership Subcommittee)
Tom Tiffin (Birmingham, AL; Co-Chair, PPD Subcommittee)

Emory Counts (Dayton Beach, FL; Past-President)

Region IV Officers:

Mara Register, President

John Callow, Vice-President

Chester Wheeler, Secretary-Treasurer

Advertise Your Internship Positions on the NCDA Website

NCDA's Membership Subcommittee created a student membership category within the NCDA membership structure earlier this year. The student membership category applies to college students, including graduate students. The annual membership fee is \$50.00 per student. Student members will receive the newsletter and access to the Jobs/Internships Board.

NCDA created the new membership category as a way of attracting young professionals into the community development profession and as a means of assisting students in locating internships and jobs in the community development field. With that being said, we strongly encourage members to post internships on the newly renamed NCDA Jobs/Internships Board on NCDA's website at www.ncdaonline.org and to encourage college students in your community to join the Association.

Upcoming Events

CDBG Training

NCDA will hold a CDBG Basics Course in Austin, TX on December 6-8, 2010. The three-day course provides a comprehensive overview of the CDBG program. The fee is \$250 for members and \$350 for non-members. To view the agenda and to register for the course, go to www.ncdaonline.org/cdbg.asp

NCDA 2011 Legislative and Policy Conference

NCDA will hold its 2011 Legislative and Policy Conference in Washington, DC on January 19-21, 2011. The conference will feature updates from HUD and congressional staff, offer informative sessions on a variety of topics, including Section 3/AFFH, grantee reporting, regional approaches to community development, consolidated plan streamlining, implementation of the HEARTH Act, CDBG-R and NSP implementation, and a demonstration of the Census Bureau's American Fact Finder tool. The agenda and registration form are attached. You can also register online at www.ncdaonline.org. The cut-off date for making your hotel reservation is December 17.

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

Program	FY10 Enacted Level	FY11 President's Proposed Funding Level	FY11 House Appropriations Level	FY11 Senate Appropriations Level
Community Development Fund	\$4.450 billion	\$4.380 billion	\$4.352 billion	\$4.450 billion
<i>Set-Asides:</i>				
Sustainable Communities Initiative	[\$150 million]	[\$150 million]	[\$150 million]	[\$150 million]
Catalytic Investment Competition	[\$0]	[\$150 million]	[\$0]	[\$0]
Native American Block Grant	[\$65 million]	[\$65 million]	[\$65 million]	[\$65 million]
University Community Fund	[\$25 million]	[\$25 million]	[\$25 million]	[\$25 million]
EDI Grants	[\$172.8 million]	[\$0]	[\$77.145 million]	[\$173 million]
Neighborhood Initiatives	[\$22 million]	[\$0]	[\$12.2 million]	[\$22 million]
Rural Innovation Fund	[\$25 million]	[\$0]	[\$25 million]	[\$25 million]
<i>Total Set-Asides</i>	<i>[\$265 million]</i>	<i>[\$390 million]</i>	<i>[\$354.4 million]</i>	<i>[\$460 million]</i>
Formula Grants	\$3.990 billion	\$3.990 billion	\$3.997 billion	\$3.990 billion
Section 108 Loan Guarantees	\$275 million	\$500 million	\$427 million	\$275 million
Brownfields	\$17.5 million	\$0	\$17.5 million	\$0
HOME Program	\$1.825 billion	\$1.650 billion	\$1.825 billion	\$1.825 billion
<i>Set-Asides:</i>				
Technical Assistance	[\$0]	[\$3 million]	[\$0]	[\$0]
Formula Grants	\$1.825 billion	\$1.647 billion	\$1.825 billion	\$1.825 billion
Homeless Programs	\$1.865 billion	\$2.055 billion	\$2.2 billion	\$2.055 billion
Housing Counseling	\$87.5 million	\$88 million	\$88 million	\$100 million
Lead Hazard Control	\$140 million	\$140 million	\$140 million	\$140 million
Self-Help and Assisted Homeownership Program (SHOP)	\$82 million	\$0	\$82 million	\$82 million
Section 202 for the Elderly	\$825 million	\$274 million	\$825 million	\$825 million
Section 811 for the Disabled	\$300 million	\$90 million	\$300 million	\$200 million
HOPWA	\$335 million	\$340 million	\$350 million	\$340 million

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Program	FY10 Enacted Level	FY11 President's Proposed Funding Level	FY11 House Appropriations Level	FY11 Senate Appropriations Level
Fair Housing	\$72 million	\$61 million	\$72 million	\$72 million
Section 8 TBRA	\$16.3 billion	\$19.5 billion	\$19.396 billion	\$19.396 billion
Section 8 Project-Based Assistance	\$8.3 billion	\$9.376 billion	\$9.382 billion	\$9.4 billion
Public Housing Capital	\$2.5 billion	\$2 .044 billion	\$2.5 billion	\$2.5 billion
Public Housing Operating	\$4.775 billion	\$4.829 billion	\$4.829 billion	\$4.8 billion
HOPE VI	\$135 million	\$0^	\$200 million	\$0^
Choice Neighborhoods	\$65 million	\$250 million	\$0	\$250 million
Energy Innovation Fund	\$100 million	\$0	\$0	\$0
Native American Housing Block Grant	\$700 million	\$578 million	\$700 million	\$700 million
Native Hawaiian Housing Block Grant	\$13 million	\$10 million	\$10 million	\$10 million
Indian Housing Loan Guarantees	\$7 million	\$9 million	\$9 million	\$9 million
Native Hawaiian Loan Guarantees	\$1 million	\$0	\$1 million	\$1 million

^HOPE VI replaced by the Choice Neighborhoods Initiative

*HUD programs are operating at FY 10 funding levels through December 3, 2010.