



**DATE: March 29, 2012**

**National Community Development Week: April 9-14, 2012**

**National Community Development Week Action Plans Due April 6, 2012 (see attached)**

**John Sasso CD Week Awards Due May 4, 2012**

**NCDA Annual Conference - Palm Springs, CA: June 20-23, 2012**

***FEATURED ARTICLES***

- ✓ ***CDBG Advocacy***
- ✓ ***Federal Budget Process Moves Forward***
- ✓ ***Recent Housing Bills Introduced***
- ✓ ***HUD NEWS – HUD Issues CDBG-R Close-Out Procedures***
- ✓ ***NCDA NEWS – National Community Development Week – April 9-14, 2012; Call for CDBG and HOME Best Practices; John Sasso Community Development Week Awards; Join Us in Beautiful Palm Springs for the NCDA Annual Conference; On-Site CDBG and HOME Training Available Through NCDA***
- ✓ ***HUD Budget Chart***

**CDBG Advocacy**

NCDA and other members of the CDBG Coalition spent the first three weeks of March meeting with members of the House and Senate Transportation-HUD (T-HUD) appropriations subcommittees to advocate for increased funding for CDBG in FY13. The CDBG Coalition supports \$3.3 billion in formula funding, the amount that would have been allotted to the program last year if Congress had not taken \$300 million out of the program for disaster assistance. Subcommittee members had until March 21 (in the House) and March 23 (in the Senate) to submit their top funding requests to the T-HUD chairpersons. In each meeting, we made our case for funding and asked each member to list CDBG (and HOME) as priorities for funding in their requests to the Chairman. We came away from the meetings feeling that we had made headway, particularly with House T-HUD members. Our efforts seemed to have paid off given the tenor of the comments made at a recent House T-HUD hearing on HUD's budget. Several subcommittee members including Chairman Tom Latham (R-IA), Ranking Member John Olver (D-MA), Rep. Mario Diaz-Balart (R-FL), Rep. Charlie Dent (R-PA), and Rep. David Price (D-NC) all voiced their concerns with the Administration's proposed FY13 funding level of \$2.9 billion for CDBG and also commented on the importance of CDBG to their communities.

*CDBG Sign-On Letters*

NCDA would, again, like to thank its members for reaching out to their Representatives and Senators to gain signatures for the CDBG support letters.

*Senate Letter*

Senator Patrick Leahy (D-VT) once again championed a CDBG support letter in the Senate. NCDA worked with Leahy's office in drafting the letter, which seeks \$3.3 billion in CDBG formula funding in FY13. The following thirty-three Senators signaled their support for the funding level by signing on to the letter: Landrieu (D-LA), Harkin (D-IA), Wyden (D-OR), Coons (D-DE), Lieberman (I-CT), Kerry (D-MA), Whitehouse (D-RI), Franken (D-MN), Gillibrand (D-NY), Menendez (D-NJ), Merkley (D-OR), Bill Nelson (D-FL), Stabenow (D-MI), Begich (D-AK), Sanders (I-VT), Levin (D-MI), Blumenthal (D-CT), Rockefeller (D-WV), Casey (D-PA), Shaheen (D-NH), Scott Brown (R-MA), Schumer (D-NY), Reed (D-RI), Sherrod Brown (D-OH), Lautenberg (D-NJ), Cardin (D-MD), Boxer (D-CA), Klobuchar (D-MN), Durbin (D-IL), Feinstein (D-CA), Tim Johnson (D-SD), Akaka (D-HI), and Cantwell (D-WA).

*Synopsis*

Senators Leahy, Durbin, Harkin, Feinstein, Johnson, and Lautenberg all serve on the Transportation-HUD Appropriation Subcommittee which bodes well for support of the program during spending negotiations. Durbin also serves Assistant Majority Leader of the Senate, a powerful leadership position that may help in negotiations down the road.

Senators from the following states all signed the letter, giving them a perfect score: Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Oregon, Minnesota, California, and Michigan.

At least one Senator from the following states signed the letter, showing significant support for the program: Louisiana, Delaware, Florida, West Virginia, Alaska, New Hampshire, Pennsylvania, Ohio, Maryland, Illinois, Iowa, South Dakota, Hawaii, and Washington. With help from our Massachusetts members we were able to gain one Republican on the letter, Senator Scott Brown. This may make it easier for other Senate Republicans to signal their support for the program during the appropriations discussions.

For those states where no Senator signed on, we need our members in those states to reach out to their Senators over the next several weeks to convey the importance of CDBG and to educate them on how CDBG is being spent in their State. National CD Week would be an opportune time to do so. They must hear from you in order to shift their support to the program.

*House Letter*

NCDA and other members of the CDBG Coalition worked with Rep. Robert Brady's (D-PA) office to champion a CDBG support letter in the House. The letter seeks \$3.46 billion (the level supported by the House last year) in formula funding for CDBG. Thanks to the efforts of the

CDBG Coalition, its individual members, and others, we were able to collect a record 138 signatures to the letter, an increase of 57 signatures from last year. Two Republicans signed the letter: Rep. Lou Barletta (R-PA) and Rep. Glenn Thompson (R-PA). Rep. Barletta agreed to be the Republican co-sponsor of the letter.

The letters have been sent to the leadership of the House and Senate T-HUD subcommittees for their consideration. We are hopeful the letters will help in our effort to secure increased funding for CDBG in FY13. For copies of the letters, go to [www.ncdaonline.org](http://www.ncdaonline.org) under the CDBG and HOME Support section on the front page.

#### *CDBG Coalition Letter*

In addition to the Brady and Leahy letters, the CDBG Coalition joined with the HOME Coalition to draft a letter to the chairperson and ranking member of the T-HUD subcommittees seeking \$3.3 billion in formula grants for CDBG in FY13 and \$1.6 billion in HOME formula grants. The letter is available at [www.ncdaonline.org](http://www.ncdaonline.org), under the CDBG and HOME Support section.

#### *302(b) Letter*

NCDA and other members of the CDBG Coalition joined forces with the Campaign for Housing and Community Development Funding (of which NCDA is also a member) and many other national interest groups to push for a higher 302(b) allocation for the T-HUD subcommittees. The organizations collectively drafted a joint letter to the Appropriations cardinals – in the Senate, Senator Inouye (D-HI) (Appropriations Chairman), Senator Cochran (R-MS) (Ranking Member), and in the House – Rep. Rogers (R-KY) (Appropriations Chairman) and Rep. Norm Dicks (D-WA) (Ranking Member) seeking support of a higher 302(b) allocation for the THUD Appropriations subcommittees. On March 21, the letter was sent to House and Senate appropriations leaders. Over 1,700 organizations representing every State signed the letter.

### **Federal Budget Process Moves Forward**

#### *Ryan Budget Plan*

Rep. Paul Ryan (R-WI), Chair of the House Budget Committee, released his FY13 budget proposal – “The Path to Prosperity: A Blueprint for American Renewal” – last week. The plan calls for \$2 trillion in lower taxes over the next decade and \$5.3 billion in reduced spending. The Budget Control Act of 2011 established a \$1.047 trillion discretionary spending cap for FY13. Ryan’s proposal would set discretionary spending at \$1.028 trillion, a \$19 billion cut and the same level that he proposed in the House budget resolution last year. Ryan’s plan would ditch the upcoming sequestration (across-the-board cuts in discretionary programs that would begin in January 2013) in favor of no cuts to Defense and deeper spending cuts to non-defense programs.

The Ryan budget calls for streamlining what it considers non-essential community and regional development programs. Included in his recommendation is the Community Development Block Grant Program, citing the lack of targeting to poverty areas nor an exclusion for wealthier communities as a reason to scale back the program. Ryan and other conservatives try to make

the case that the funds are not being solely targeted to the extremely poor (a case that some of the low-income advocacy groups have tried to make over the years, too) as an excuse to cut the program – or try to eliminate it. The fact is the program serves primarily low-income households with nearly 95% of the funds spent in low-income communities. Without these funds – in both wealthy and non-wealthy communities – these households would not be served. Conservatives also dislike the program because they see it as using Federal monies to fill local coffers for activities that should be funded at the local level anyway (e.g., parks, code enforcement, street improvements, etc.). This can be said of many federal programs and is not a solid reason for eliminating a program that clearly works.

Ryan debated his plan before the House Budget Committee last week. The House Budget Committee is stacked with Republican Study Committee members and Tea Party freshmen – a virtual conservative conglomerate. Ironically, Ryan’s budget plan almost failed to pass the committee due to half of the 21 committee Republicans arguing the discretionary cuts did not go far enough. Some wanted Ryan to adopt the Republican Study Committee (RSC) plan to cut discretionary spending down to \$931 billion, an estimated \$116 billion cut from last year. In the end, the plan passed by a margin of 19-18, with all committee Democrats voting against the plan and two Republicans – Rep. Akin (R-MO) and Rep. Huelskamp (R-KS) – defecting.

Ryan’s budget plan instructs six committees – Agriculture, Energy and Commerce, Financial Services, Judiciary, Oversight and Government Reform, and Ways and Means – to spend April finding a collective \$261 billion in cuts to mandatory programs over 10 years. According to sources, those recommendations will be put to a vote in the House in early May. By launching what Republicans are calling a “shadow reconciliation” process in the spring, they say, they should be able to gain significant leverage in the lame duck session after the November elections – when Congress will more or less have to come up with some sort of bipartisan package that resolves the partisan standoffs over FY13 spending, the Bush-era tax cuts, and the sequester.

Ryan’s budget plan passed the House today by a margin of 218-191. Even with the House passage, the plan has as much chance as passing the full Congress as an asteroid hitting the Earth because Senate Democrats will never consider it. The Senate will follow the top line of \$1.047 trillion agreed upon last year as part of the Budget Control Act. Senate Budget Chairman Kent Conrad (D-ND) and Senate Appropriations Chairman Daniel Inouye (D-HI) wrote to Speaker Boehner last week that anything less from the House would be a “breach of faith” and would risk a government shutdown in the Fall.

### *Senate Budget Plan*

Senate Budget Committee Chairman, Kent Conrad (D-ND), filed a deeming resolution establishing the spending limits for FY13 - FY22 as those agreed upon last August in the Budget Control Act. The deeming resolution replaces marking up and passing a budget resolution in the Senate, so the Appropriations Committee Chair, Daniel Inouye, can effectively go ahead and make the 302(b) allocations – the spending allocations for each of the twelve appropriation subcommittees.

Both chambers will begin to craft spending bills once they return from their two-week recess in mid-April. With the House and Senate following different spending limits, it is unlikely that agreement will be reached on final appropriations measures, either forcing a federal government shutdown in September or making way for a short-term continuing resolution until after the November elections.

## **Recent Housing Bills Introduced**

### *Preservation Housing Bill*

Rep. Nadia Velazquez (D-NY) introduced H.R. 4218 – The Stabilizing Affordable Housing for the Future Act – on March 20. The major provision of the bill would provide up to \$40,000 per unit or 50% of the total costs to entities purchasing HUD-owned properties for the rehabilitation, demolition, and rebuilding costs associated with these units. In exchange, owners would have to agree to keep the units affordable for a minimum of 20 years.

### *Demolition Bonds Bill*

Rep. Steve LaTourette (R-OH) and Rep. Marcia Fudge (D-OH) introduced H.R. 4210 – The Restore our Neighborhoods Act of 2012 – on March 19. The legislation provides \$4 billion to States and land banks to issue 30-year demolition bonds to demolish vacant, foreclosed and abandoned homes. In introducing the measure LaTourette provided the following statement, “The intention is to halt a tsunami of blight that is ruining once-stable neighborhoods one home and one street at a time by focusing on properties that are beyond repair.” LaTourette and Fudge represent portions of Ohio that have been devastated by the foreclosure crisis.

The bill also contains a provision that would allow hard hit communities, like Cleveland, to use all of their Neighborhood Stabilization Program funds towards demolition.

## **HUD NEWS**

### **HUD Issues CDBG-R Close-Out Procedures**

Last month, HUD issued CPD Notice 12-004 outlining the procedures CDBG-R grantees must follow to close out their grant. The notice can be found at the following link <http://portal.hud.gov/hudportal/documents/huddoc?id=12-04cpdn.pdf>

According to the notice, in order for a grantee to initiate close-out procedures, the following actions must have occurred:

- all eligible activities completed and met a national objective;
- all grant funds expended in full or unexpended funds returned to HUD;
- all reporting requirements in Federal Reporting, RAMPS, DRGR and IDIS completed and submitted;
- any special conditions met;
- monitoring findings closed; and

- audits closed, if applicable

To officially close out a grant, grantees must request, complete and return the close-out agreement/certification to their local HUD field office. Please read the notice in full before closing out your CDBG-R grant. HUD will provide a one-hour synopsis of the close-out procedures during the 2012 NCDA Annual Conference in June. To register for the conference go to [www.ncdaonline.org](http://www.ncdaonline.org).

## **NCDA NEWS**

### **National Community Development Week, April 9-14**

NCDA will celebrate National Community Development Week the week of April 9-14, 2012. Our primary focus this year is having our members conduct a tour of local CDBG- and HOME-funded projects for their congressional delegation. It is imperative that congressional members experience first-hand the work of both programs in order to understand how both programs work at the local level to improve the lives of low- and moderate-income people. *Please complete the attached National CD Week Action Plan (attached) and return it to NCDA on or before April 6.*

### **Call for CDBG and HOME Best Practices**

NCDA is developing a CDBG and HOME best practices document to share with congressional members. There are many new members in Congress who are not aware of CDBG and HOME and others who need to be reminded of the great projects being developed with CDBG and HOME dollars. Please use the following criteria when submitting your best practice(s) narrative and information.

- discuss the amount of CDBG and/or HOME dollars committed to the project and the amount of dollars leveraged from other resources;
- discuss the population served (veterans, elderly, youth, working families, homeless, victims of domestic violence, etc.);
- discuss how the project helps to meet a critical need in the community;
- discuss partnerships forged with other organizations in developing/operating the project;
- discuss any special recognition bestowed upon the project, if any (e.g., award, city council recognition, press articles, etc.); and
- discuss any other noteworthy aspects of the project

Please send your best practice(s) to Vicki Watson at [vicki@ncdaonline.org](mailto:vicki@ncdaonline.org) on or before **April 15**.

### **2012 John Sasso Community Development Week Awards**

As a means of recognizing community efforts to promote and celebrate National Community Development Week, NCDA is holding a competition for its annual John Sasso CD Week Awards. The award recognizes the work of NCDA members who showcase the Community Development Block Grant (CDBG) Program; its importance and value in the community; how it

has been used to help low- and moderate-income families; how CDBG has been leveraged; how it has transformed lives (e.g., but for CDBG, this family could not have... or this project could not have...); how partnerships have been formed; media outreach; and participation of your local, State, and national lawmakers in celebrating the program.

To be eligible for consideration of an award, communities must be a member of NCDA and must provide an essay of 1,000 words or less emphasizing the points mentioned above. Essays are due to NCDA by the close of business on May 4, 2012. NCDA will select the winners by May 18, 2012. Winners will be notified no later than May 25, 2012.

The awards will be presented at the John A. Sasso National Community Development Week Award luncheon on June 22, 2012 in Palm Springs, CA during the 2012 NCDA Annual Conference. Please submit your 1000-word essay, along with your contact name, address, phone number, and e-mail address to: National Community Development Association, 522 21<sup>st</sup> Street, NW, Suite 200, Washington, DC 20006. Please call 202-293-7587 with any questions.

#### **Join Us in Beautiful Palm Springs for the NCDA Annual Conference**

NCDA will hold its 43<sup>rd</sup> Annual Conference in Palm Springs, CA on June 20-23, 2012. The conference will be held at the Riviera Palm Springs, 1600 North Indian Canyon Drive, Palm Springs, CA. NCDA has secured a hotel rate of **\$82.00 per night plus tax**. The rooms are selling out quickly, so register soon! To make your reservation call 1-866-588-8311. Be sure to mention "NCDA Annual Conference" to receive this special rate. The conference fee is \$350 for NCDA members and \$450 for non-members. An updated conference agenda is attached along with a registration form and information on the airlines that serve Palm Springs International Airport. You can also register online at [www.ncdaonline.org](http://www.ncdaonline.org).

#### **On-Site CDBG and HOME Training Available Through NCDA**

With the cuts to CDBG and HOME, many communities are scaling back on their travel budgets. To help grantees with their training needs, NCDA has decided to provide on-site CDBG and HOME training, with the following parameters:

- There must be a minimum of 20 persons to be trained. Multiple communities may want to join together to hold a single training to meet this minimum number.
- The grantee will provide the training room and audio-visual equipment.
- The training fee for the CDBG and HOME Basic courses is \$250 for members and \$350 for non-members. The training fee for the Advanced CD Course is \$150 for members and \$250 for non-members. These are the lowest fees in the industry.

If you would like NCDA to provide on-site training in any of these areas, please contact Vicki Watson at [vicki@ncdaonline.org](mailto:vicki@ncdaonline.org)

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

<b>Program</b>	<b>FY11 Enacted Level</b>	<b>FY12 President's Request</b>	<b>FY12 Enacted Level</b>	<b>FY13 President's Request</b>
Community Development Fund	\$3.5 billion	\$3.804 billion	\$3.308 billion	\$3.143 billion
<i>Set-Asides:</i>				
Disaster Assistance	0	0	[\$300 million]	0
Native American Block Grant	[\$65 million]	[\$65 million]	[\$60 million]	[\$60 million]
Sustainable Communities	[\$100 million]	0	0	[\$100 million]
SHOP	0	0	0	[\$35 million]
University Community Fund	0	[\$23 million]	0	0
EDI Grants	0	0	0	0
Neighborhood Initiatives	0	0	0	0
Rural Innovation Fund	0	[\$25 million]	0	0
Formula Grants	\$3.335 billion	\$3.684 billion	\$2.948 billion	\$2.948 billion
Section 108 Loan Guarantees	\$275 million	\$500 million	\$275 million	\$500 million
Brownfields	\$0	\$0	\$0	\$0
HOME Program	\$1.606 billion	\$1.650 billion	\$1.0 billion	\$1.0 billion
Homeless Programs	\$1.9 billion	\$2.372 billion	\$1.9 billion	\$2.2 billion
Housing Counseling	\$0	\$88 million	\$45 million	\$55 million
Lead Hazard Control	\$120 million	\$140 million	\$120 million	\$120 million
HOPWA	\$335 million	\$335 million	\$332 million	\$330 million
Section 202 for the Elderly	\$400 million	\$757 million	\$375 million	\$475 million
Section 811 for the Disabled	\$150 million	\$196 million	\$165 million	\$150 million
Fair Housing	\$72 million	\$72 million	\$71 million	\$68 million
Section 8 TBRA	\$16.6 billion	\$16.3 billion	\$17.2 billion	\$17.2 billion
Section 8 Project-Based Assistance	\$9.3 billion	\$9.4 billion	\$8.94 billion	\$8.7 billion
Public Housing Capital	\$2.04 billion	\$2.04 billion	\$1.875 billion	\$2.07 billion
Public Housing Operating	\$4.616 billion	\$4.829 billion	\$3.962 billion	\$4.5 billion
HOPE VI	\$35 million	\$0	\$0	\$0
Choice Neighborhoods	\$65 million	\$250 million	\$120 million	\$150 million
Native American Housing Block Grant	\$649 million	\$700 million	\$648 million	\$650 million

Native Hawaiian Housing Block Grant	\$13 million	\$10 million	\$13 million	\$13 million
Indian Housing Loan Guarantees	\$9 million	\$7 million	\$6 million	\$7 million
Native Hawaiian Loan Guarantees	\$1 million	\$10 million	\$386 thousand	\$1 million