



DATE: April 26, 2013

**NCDA Annual Conference - June 26-29 – Horry County, SC
NCDA HOME Basics Course – June 19-21 – Plano, TX**

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Congress Dedicates a Room in the Capitol Visitor Center for Gabe Zimmerman

On April 16, 2013, family, friends, and political dignitaries gathered to dedicate a room in the Capitol Visitor Center in honor of Gabe Zimmerman, an aide to former Congresswoman Gabrielle Giffords, and son to NCDA friend and former member, Emily Nottingham, former Director of Community Development for the City of Tucson, AZ. Gabe tragically lost his life in the Tucson shooting on January 8, 2011. He was the first congressional aide ever killed on the job

The House of Representatives voted in 2011 to name a conference room in the Capitol Visitor Center in honor of Gabe who served as the community outreach director for Rep. Gabrielle Giffords. The House resolution attracted 400 co-sponsors, an unheard of number and passed on a rare 414-0 unanimous, bipartisan vote.

The tribute included remarks from Vice President Joe Biden, House Speaker John Boehner, House Minority Leader Nancy Pelosi, Gabby Giffords and Mark Kelly, her husband, and members of Congress from his native Arizona. Hundreds of congressional staffers were present for the ceremony. Amid the tears, there were laughs as colleagues and family recounted stories of Gabe.

Speaker Boehner opened the ceremony by saying, “It’s a stirring tribute – and a fitting one too. This isn’t a space we use for pomp and ceremony. People come together here for meetings and gatherings, democratic rituals in their own right – the kind of assemblies Gabe planned and led throughout his career....may this room stand as a marker of our capacity to give, to care, and to love.” Pelosi followed by saying, “By dedicating this room, we do more than simply remember; we honor the highest ideals of service.”

A large plaque bearing Gabe’s name and likeness will hang in Room HVC-215 in the Capitol Visitor Center; the first room in the Center to be dedicated in honor of an individual. The inscription on the plaque reads, “This meeting room is dedicated in memory of Gabe Zimmerman, who was shot and killed serving the people of Arizona while carrying out his duties as an aide to Representative Gabrielle Giffords. His dedication to community and to the Democratic process inspires us to help each other as fellow human beings and as citizens of a caring nation.”

Administration Releases FY14 Budget

President Obama released his FY14 budget on April 10. The FY14 HUD budget calls for reductions to CDBG and HOME as well as set-asides and statutory changes. The budget provides \$3.143 billion for the Community Development Fund. Of this amount, the budget provides \$2.798 billion for CDBG formula grants; a cut of \$273 million or 9% from FY13, \$200 million for an NSP-like competitive program set-aside targeted to communities hardest hit by the foreclosure crisis, \$75 million set-aside for Integrated Planning and Investment Grants for regional planning around public/private development and infrastructure, and \$70 million for Indian Community Development Block Grants. Besides funding cuts to CDBG, the budget proposes two statutory changes to CDBG; a minimum funding threshold of \$348,000 and elimination of communities that have been grandfathered into the program. These changes would result in over 300 small communities losing funding and would deal a political blow to the program as a lot of support for CDBG comes from rural and suburban areas.

The Administration also proposes a fee to borrowers to fund Section 108 loan guarantees totaling \$500 million in FY14.

The budget provides \$940 million for HOME formula grants in FY14, a cut of \$10 million from FY13. The \$10 million cut will be used to fund the Self-Help and Assisted Homeownership Opportunity Program (SHOP), which is normally funded as a stand alone program and not within HOME. The budget also proposed the following statutory changes to HOME; a \$500,000 minimum threshold and a revision to the existing grandfather clause that would cause

participating jurisdictions that fall below the minimum threshold three out of five years to be kicked out of the program, and another provision that would facilitate the eviction of HOME rental tenants who pose a risk to the health and safety of other tenants.

The Administration's budget reduces funding for HOME; yet proposes \$1 billion to capitalize the National Housing Trust Fund, a program very similar to HOME. As of now the program would be allocated to States; local governments are not listed as eligible grantees.

The Administration's proposed FY14 HUD budget provides \$2.381 billion for homeless assistance grants. Of this amount, at least \$346 million would be allocated to the Emergency Solutions Grants (ESG) Program, of which \$60 million would be targeted towards rapid re-housing in high need communities. Another \$2.027 billion would be allocated to the Continuum of Care Program (\$1.95 billion for competitive project renewals and \$40 million for new competitive permanent supportive housing projects).

Senate/House CDBG Dear Colleague Letters; T-HUD Subcommittee Visits

NCDA and other members of the CDBG Coalition worked with members of the House and Senate on separate support letters for CDBG seeking \$3.3 billion in formula funding for the program in FY14, an increase of nearly 7% from last year.

Six House members co-led the letter this year, including three Republicans, a first for the letter. These House members included Rep. King (R-NY), Rep. Gibson (R-NY), Rep. Barletta (R-PA), Rep. Brady (D-PA), Rep. McGovern (D-MA), and Rep. Cleaver (D-MO). A total of 144 House members signed the letter; eight more than last year. Kate Ostrander, Legislative Director, House Northeast-Midwest Congressional Coalition gathered the signatures and forwarded the final letter to Rep. Tom Latham (R-IA), Chairman of the House Subcommittee on Transportation-HUD Appropriations, and to Ed Pastor (D-AZ), ranking member of the subcommittee.

Senator Patrick Leahy (D-VT) led the CDBG support letter in the Senate again this year. He has led the letter for the past 15 or more years on our behalf. The Senate letter garnered the signatures of 39 Senate Democrats; six more than last year. Leahy staffer Lauren Brackett forwarded the letter to Senator Patty Murray (D-WA), Chairwoman of the Senate Subcommittee on Transportation-HUD Appropriations (T-HUD), and to ranking member, Senator Susan Collins (R-ME).

Besides the work in gathering support and signatures for the letters, NCDA and other members of the CDBG Coalition met with every member of the House T-HUD Subcommittee to advocate for \$3.3 billion in formula funding for CDBG in FY14. The Coalition will meet with members of the Senate T-HUD Subcommittee in the next two weeks.

NCDA would like to thank those members that reached out to their congressional members to sign-on to the letter.

USCM, NCDA and Others Submit Testimony to House and Senate Appropriators Opposing Proposed Set-Asides and Statutory Changes to CDBG, HOME

This afternoon the U.S. Conference of Mayors, NCDA, National Association of Local Housing Finance Agencies, Feeding America, and YWCA USA, sent a letter to congressional appropriators opposing the statutory changes to CDBG and HOME recommended in the Administration's FY14 Budget. The President's FY14 Budget calls for the establishment of a minimum funding threshold of \$348,000 in CDBG. This provision, if enacted, would delete over 300 cities from the CDBG program; many of whom are members of USCM and NCDA. Furthermore, the minimum threshold provision would fracture the program and erode political support as a lot of the support for CDBG comes from rural and suburban areas. In the overall interest and political health of the program, these provisions are not sound. The Administration did not reach out to national interest groups nor Congress in crafting the proposals, so the language was met with surprise and disappointment by many who work with CDBG. The President's budget also calls for the funding of an NSP-like program and a program to fund regional planning grants out of the Community Development Fund. These proposed programs would take funding away from the regular CDBG program.

HUD plans to hold listening sessions later this year on the statutory changes to CDBG; meaning these and other possible changes to CDBG will not dissipate any time soon; however, Congress has not shown any interest in taking up these changes

Simpson, Bowles Unveil New Budget Plan

Erskine Bowles, former chief of staff to President Clinton, and former Senator Alan Simpson today released their latest plan to lower the deficit. Both served as co-chairmen of President Obama's fiscal commission in 2010.. The new plan is smaller in scope and would cancel most of the sequester cuts this year. To avoid harming the economy, they recommend delaying most of their deficit reduction plan until 2016 and beyond.

The plan calls for \$2.5 trillion in budget savings over ten years which is more than the \$1.8 billion budget savings called for by the President in his FY14 budget but \$5 trillion less than the budget savings called for by House Republicans, who aim to balance the budget by 2013 by cuts alone. The plan aims to keep public debt on a downward path; lowering the debt from an estimated high of 78% of GDP in 2014 down to 68% by 2023. The following provides some highlights of the plan.

Discretionary Spending Limits

The plan recommends \$220 billion in cuts to defense and \$165 billion in cuts to non-defense programs through 2023 and limiting the growth in discretionary spending to the rate of inflation through 2025. This means all federal programs would operate under strict spending limits with

little chance of any major funding increases. As a final nail in the coffin, the plan calls for a 67 vote point of order in the Senate to raise the spending limits, something that will never happen given the partisan nature of Senate politics.

Health Care Reform

The plan would streamline health care costs and enact sustainable Medicare reforms by replacing the now complex Medicare cost-sharing rules with a simple income-based system of deductibles and out of pocket limits. The plan also calls for means-testing Medicare premiums (e.g., higher premiums for wealthier people) and to gradually raise the age (from 65 to 67) by which people would be eligible for Medicare.

Reductions in Other Mandatory Spending

The plan also calls for other mandatory spending changes such as cutting agriculture subsidies, bringing federal employee pension programs in line with the private sector programs by increasing contributions and modifying benefits.

Tax Reform

The plan calls for Congress to pass comprehensive tax reform that would lower tax rates and decrease tax breaks.

Other

The plan supports the use of the chained CPI to more accurately measure inflation, a slower measure of inflation, throughout government programs. It also calls on Congress to enact comprehensive Social Security reform that reduces benefits for higher income earners, brings in more revenue, and strengthens benefits for the most vulnerable. The plan also urges Congress to enact a comprehensive highway bill to bring spending and revenues in line with one another.

HUD NEWS

FY14 CDBG, HOME Allocation Update

According to HUD staff, the FY14 CDBG and HOME allocations to grantees will be released before June 10, 2013; the statutory deadline for releasing the allocations. HUD hopes to have the allocations sent out long before this date, but is still waiting for the funding apportionment for some HUD programs from the Office of Management and Budget (OMB). We will let you know if the allocations are released earlier.

Sequester Causes Furloughs for HUD

Because of the effect of the FY13 sequester cuts on federal agencies, employees of the Department of Housing and Urban Development will be met with seven unpaid days in the coming months. This means the entire department and its field offices will shut-down on the following days:

- May 10
- May 24

- June 14
- July 5
- July 22
- August 16
- August 22

HUD Announces Major Restructuring of its Office of Multifamily Housing Programs

According to a press statement released by HUD on April 24, 2013, HUD plans to consolidate its Multifamily hubs into ten sites nationally. The consolidation would affect approximately 900 of HUD's 9,000 employees.

HUD's Office of Multifamily Housing provides mortgage insurance to HUD approved lenders for the construction, rehabilitation, purchase and refinancing of multifamily projects and administers a number of project-based rental assistance programs. The consolidation is expected to begin this Fall and will be fully implemented by 2016. HUD estimates the plan will save \$40-45 million annually in operation costs once fully implemented.

NCDA NEWS

NCDA Members Celebrate National Community Development Week; John Sasso National Community Development Week Award Submissions Due on May 3

NCDA member communities celebrated CDBG and HOME through activities held during National Community Development Week, April 1-6. Thanks to all of you who took the time to plan and carry out activities during this special week. The activities garnered press coverage, local interest, and heightened awareness of the program nationwide. The following provides some activities from this year's celebration.

- City of Knoxville, TN held events each day that focused on community development, affordable housing, homelessness, and fair housing. Events included a Community Development Week breakfast for elected officials, a tour of local projects, an awards breakfast that focused on fair housing, disability services, and Section 3 business contracting, and a Community Development Fair that included exhibits from local agencies and community groups.
- City of Portland, ME held four primary events: a food/donations drive for the local food bank and city shelters, public input session at the CDBG Working Group meeting, a walking tour of facade improvements, and a fair housing law seminar.
- City of Albany, GA developed a video that highlighted CDBG and HOME funded projects in the City and provided remarks from beneficiaries. It is a great video and we urge to view it at <http://www.youtube.com/watch?v=8xVxMdPG1jE>

It serves as a model for other communities in preparing National CD Week videos.

- City of Boston, MA hosted a roundtable discussion with Boston Mayor Thomas Mennino and Senator Elizabeth Warren for women entrepreneurs on the impact and benefits of CDBG in Boston neighborhoods and to women-owned businesses, in particular. The Mayor asked the business owners to ask their customers to tweet support of CDBG using the hashtag #WeAreCDBG. Great idea.

John A. Sasso National Community Development Week Awards

We invite NCDA members who celebrated National Community Development Week this year to submit an application for the John A. Sasso National Community Development Week Award. Submissions are due by the COB, Friday, May 3. Winners will be notified no later than May 24. Winners will also be recognized during a special awards luncheon on June 28 during the NCDA Annual Conference. Please send your submissions to vicki@ncdaonline.org

Attend the 2013 NCDA Annual Conference

The 2013 NCDA Annual Conference will be held in Horry County, SC on June 26-29. The conference will feature sessions that focus on issues of prime importance to community development professionals including the following:

- Policy updates on CDBG, HOME, and HUD's homeless assistance programs
- A special half-day environmental review training
- Legislative Update session
- Plenary session on the Consolidated Plan
- Plenary session on using CDBG for Business Development
- Session on HUD's final HOME rule
- Tour of local community development projects

We urge you to attend – and bring staff – to the conference. It offers the opportunity to converse with HUD staff and learn from your fellow community development practitioners. The conference fee is \$350 for members and \$450 for non-members. To register for the conference, please go to www.ncdaonline.org and click on the registration form.

NCDA has reserved a block of rooms at the Sheraton Myrtle Beach Convention Center Hotel, 2101 North Oak Street, Myrtle Beach, SC, where the conference will be held. The hotel will hold this block of rooms exclusively for conference registrants through **June 4, 2013**.

Reservations received after this date will be based on room availability, so please book early! To make your reservation at the Sheraton call 1-888-627-8203. Be sure to mention "NCDA annual conference" to receive the special rate of \$135 per night plus tax.

HOME Training Available

Space is still available in the following course.

HOME Basics Course

Plano, TX

June 19-21

For more information and to register for this course, go to www.ncdaonline.org/home.asp

NCDA Staff Contacts

Do you have a program, policy or funding question regarding CDBG, HOME and other HUD programs? Do you have questions about the legislative work of NCDA? Do you have questions about the Washington Report? Do you have questions about NCDA training? Do you have questions about the NCDA conference agendas? Do you have a question about NCDA's subcommittees? Then please contact Vicki Watson, NCDA Assistant Director, at vicki@ncdaonline.org or at 240-601-9356.

Do you need a user id or password? Do you need to be added to the NCDA listserv? Do you need to update your address or e-mail? Do you have a question about an invoice? Do you have a question about membership? Then you need to contact Karen Parker, NCDA Operations Manager, at karen@ncdaonline.org or at 202-293-7587 or 240-601-9366.

Do you have a question about the NCDA web site? Then please contact Jim Welfley at jim@welfley.com.

Thanks!

