NCDA
WASHINGTON REPORT

DATE: May 31, 2013

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

FEATURED ARTICLES

- ✓ ***Budget Resolution Compromise Unlikely; House Committee on Appropriations Releases its FY14 302(b) Allocations; Funding for the Transportation-HUD Subcommittee Reduced from FY13 Levels***
- ✓ ***More Federal Furloughs Announced***
- ✓ ***Rep. Pascrell (D-NJ) Introduces Sandy Tax Relief Bill***
- ✓ ***HUD NEWS - CPD Releases FY13 Program Allocations; Guidance Released on the Fair Housing Act's Multifamily Accessibility Requirements; OMB Approves Waiver for NSP2; HUD/Treasury Extend Deadline for the Making Home Affordable Program; Assistant Secretary John Trasvina Announces Resignation***
- ✓ ***NCDA NEWS - 2013 NCDA Annual Conference - Horry County, SC - June 26-29; John Sasso 2013 National Community Development Week Award Winners; Request for Proposals to Host the 2014/2015 NCDA Annual Conference; HOME Training Available; NCDA Staff Contacts; HUD Budget Chart***

Budget Resolution Compromise Unlikely; House Committee on Appropriations Releases its FY14 302(b) Allocations; Funding for the Transportation-HUD Subcommittee Reduced from FY13 Levels

Republican moderates challenged their tea party counterparts in the Senate this week over their refusal to work with Democrats to name a conference committee to reconcile the respective budget resolutions passed by the two chambers in March. The Senate budget resolution would close the deficit gap by raising nearly $1 trillion in new taxes over the next decade while the House budget proposal would eliminate the deficit in ten years through spending cuts. Senator John McCain (R-AZ) and Senator Susan Collins (R-ME) told their tea party counterparts they look ridiculous after months of GOP complaints over the Senate Democrats' refusal to adopt a budget. In recent conversations with reporters, Collins called the stall tactics "absurd" while McCain has labeled them as "insane."

FY14 discretionary spending will be constrained by the budget caps and automatic spending reductions (sequestration) put in place by the Budget Control Act of 2011 (BCA). The BCA set the FY14 discretionary spending cap at $1.066 trillion. That number was reduced by $8 billion to $1.058 trillion as part of an offset for the two month delay of sequestration included in the American Taxpayer Relief Act of 2012. The Senate passed a budget resolution in March which set the FY14 spending cap at $1.058 trillion and the Senate Committee on Appropriations will use that number to make its spending allocations (commonly referred to as 302(b) allocations) to its subcommittees. The House budget resolution adopted $967 billion as its spending cap for FY14, $91 billion lower than the Senate and the BCA.

Using the $967 billion House-approved spending cap, Rep. Hal Rogers (R-KY), Chairman of the House Appropriations Committee, doled out the 302(b) allocations on May 21 for the 12 House appropriation subcommittees. The Transportation, HUD, and Related Agencies Subcommittee (T-HUD) received an allocation of $44 billion, $7 billion lower than last year's allocation of $51 billion. The House's 302(b) T-HUD allocation would make even deeper cuts than those in FY13. On May 3, over 2,400 national, state, local, and regional organizations and governments, including NCDA and many of its members, sent a letter to congressional appropriators calling for an increase to the 302(b) T-HUD subcommittee allocations. We're hopeful the letter will help to garner a much higher 302(b) allocation for the T-HUD Subcommittee in the Senate.

During the House Appropriations Committee meeting on May 21, Rep. Nita Lowey (D-NY), ranking member, offered an amendment to increase the Committee's overall spending cap from $967 billion to $1.058 trillion, the same level approved by the Senate and allowed for by the BCA. The amendment was defeated among party lines.

With the two chambers moving forward on marking up their respective spending bills using different budget caps, it is doubtful that consensus can be reached on any of the spending bills this year. Pundits expect Congress will enact a short-term Continuing Resolution (CR) in late Summer to keep federal agencies operating through early Fall to allow time to reach agreement on the federal debt ceiling. A second, longer-term CR will likely be the vehicle for final compromise on the debt ceiling, sequestration, and FY14 spending.

More Federal Furloughs Announced

An estimated 820,000 federal workers will face furloughs before September 30, the end of the fiscal year. Defense Secretary Chuck Hagel announced last week that 680,000 civilian defense workers will have to stay home 11 days without pay. About 140,000 workers from other federal agencies have already been given furlough notices. The number of furloughed workers is expected to grow as federal departments make tough choices about how to absorb the $85 billion in across-the-board spending cuts caused by sequestration. Some federal workers have been exempted from the cuts most notably FAA air traffic controllers and USDA meat inspectors.

Employees at HUD have already taken two furlough days and are scheduled for five more, as follows.

•June 14
•July 5
•July 22
•August 16
•August 22

Rep. Pascrell (D-NJ) Introduces Sandy Tax Relief Bill

Rep. Bill Pascrell (D-NJ) introduced H.R. 2137, the Sandy Tax Relief Act of 2013, on May 23. The bill would increase the allocation of the Low-Income House Tax Credit from $2.25 per capita to $8.00 per individual in states containing counties that were presidentially declared disaster areas after Super Storm Sandy. The measure would also provide $250 million in New Markets Tax Credits for these same areas. The bill has been referred to the House Committee on Ways and Means, the Committee which oversees tax policy. The bill has 28 co-sponsors in the House. A companion bill has not been introduced in the Senate.

HUD NEWS

CPD Releases its FY13 Program Allocations

After months of waiting, CPD grantees finally received their FY13 program allocations this week. The CDBG program received an overall increase of 4.5% from last year while HOME and the Emergency Solutions Grant Program (ESG) both saw overall reductions. Even with the increase to CDBG, some grantees may have received a cut in their allocation; this is mainly due to the American Community Survey (ACS) data that is used in the formula allocations. The HOME program and the ESG program also use the ACS in the calculation of their allocations.

Both the CDBG and HOME program statutes specify that funding be allocated based on the most recent Census data. FY12 was the first year that the CDBG and HOME formulas relied on the Census Bureau's new data source – the ACS – which is based on a five year rolling average of data instead of being recalculated once every ten years with the decennial census. Population will be the only formula factor that will continue to rely on the 10 year decennial census; with yearly adjustments based on population estimates. All other CDBG and HOME formula factors will rely on the ACS, which will change annually.

FY13 was the first year in which the ESG formula used data from the ACS, causing shifts in funding allocations to grantees. FY13 ESG funding was reduced further to help pay for the Continuum of Care (CoC) project renewals. For FY13, Congress mandated that HUD provide at least $190 million to ESG. HUD went above this level providing $215 million for the program; however, this amount represents a reduction of 25% – or $71 million – from FY12 when the program was funded at $286 million. HUD used this $71 million to help fund the CoC project renewals. According to HUD, even with the diversion of some of the ESG funds towards renewals, Continuum of Care recipients should still expect to see cuts of at least 3.5% in the FY13 CoC NOFA. The following link provides a letter from Ann Oliva, Director, Office of

Special Needs Assistance Programs (SNAPS) at HUD, which goes into further detail on this issue.

https://www.onecpd.info/resource/3047/letter-from-ann-oliva-to-grant-recipients-coc-leaders-and-stakeholders/

Guidance Released on the Fair Housing Act's Multifamily Accessibility Requirements

HUD and the Department of Justice (DOJ), both of which have responsibility for enforcing the Fair Housing Act, released guidance on April 30, 2013 on the accessible design and construction requirements of the Fair Housing Act. One of the types of disability discrimination prohibited by the Act is the failure to design and construct multifamily dwellings with certain accessible design features. The HUD/DOJ guidance is laid out in a question and answer format and is available at http://portal.hud.gov/hudportal/documents/huddoc?id=JOINTSTATEMENT.PDF

The guidance states that the Fair Housing Act requires all multifamily dwellings designed and constructed for occupancy after March 13, 1991 to be readily accessible to and usable by persons with disabilities. In buildings with four or more units with an elevator all units as well as the common areas must met the accessibility requirements. In buildings with four or more units without an elevator only the ground floor units and the common areas must meet the accessibility requirements.

OMB Approves Waiver for NSP2

The Office of Management and Budget (OMB) has approved a HUD request to allow NSP2 grantees to keep lines of credit open after September 30, 2013. NSP1 and NSP2 grantees are not affected by the waiver since they do not have to adhere to an expiration date. This waiver essentially provides the same flexibility for NSP2 grantees.

HUD/Treasury Extend Deadline for the Making Home Affordable Program

HUD and the Department of Treasury announced an extension of the Making Home Affordable Program through December 31, 2015. The program was set to expire at the end of this year. The deadline was changed to align the program with the new deadlines for the HOME Affordable Refinance Program (HARP) and the Streamlined Modification Initiative for homeowners with loans owned or guaranteed by Freddie Mac and Fannie Mae.

The Making Home Affordable Program includes the Home Affordable Modification Program (HAMP) which modifies the term of a homeowner's mortgage to reduce their payment and avoid foreclosure. According to HUD and Treasury, as of March 2013, more than 1.1 million homeowners have received permanent mortgage modifications through HAMP with a median savings of $546 every month or 38%. For more information, visit MakingHomeAffordable.gov.

Assistant Secretary John Trasvina Announces Resignation

John Trasvina, Assistant Secretary for Fair Housing and Equal Opportunity, announced earlier this month that he will be leaving his position at HUD at the end of May to become the Dean of the Law School at the University of San Francisco. Trasvina has served at HUD in the Obama Administration since 2009. The Office of Fair Housing and Equal Opportunity has responsibility for enforcing the Fair Housing Act and other civil rights laws.

NCDA NEWS

2013 NCDA Annual Conference - Horry County, SC - June 26-29

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
- Special half-day environmental review training
- Legislative Update session
- Plenary session on the Consolidated Plan
- Plenary session on using CDBG for Business Development
- Discussion roundtables
- Tour of local community development projects

We urge you to attend – and bring staff – to the conference. The conference 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.

John Sasso National Community Development Week Award Winners

The following NCDA member communities will receive the prestigious John A. Sasso National Community Development Week Award for their outstanding work during 2013 National CD Week. Winners will be recognized during a special awards luncheon on June 28 during the NCDA Annual Conference.

- Palm Springs, CA
- Hollywood, FL
- Jacksonville, FL
- Albany, GA
- Boston, MA
- Fall River, MA

•Knoxville, TN
•El Paso, TX

Request for Proposals to Host the 2014 or 2015 NCDA Annual Conference
NCDA is seeking proposals from member communities to host the 2014 or 2015 annual conference. If you are interested in hosting the conference, please read the attached bid proposal and complete the agreement. Proposals are due to Vicki Watson at vicki@ncdaonline.org by June 21, 2013.

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!

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

Program	FY12 Enacted Level	FY13 Enacted Level	FY14 President's Request
Community Development Fund *Set-Asides:* Disaster Assistance Native American Block Grant Integrated Planning Grants Neighborhood Stabilization CDBG Formula Grants	$3.308 billion [$300 million] [$60 million] 0 0 $2.948 billion	$3.127 billion 0 [$56 million] 0 0 $3.071 billion	$3093 billion 0 [$70 million] [$75 million] [$200 million] $2.748 billion
Section 108 Loan Guarantees	$275 million	$250 million	$500 million
Brownfields	$0	$0	$0
HOME Program	$1.0 billion	$998 million	$950 million*
Homeless Programs	$1.9 billion	$2.033 billion	$2.381 billion
SHOP	$53.5 million	$35 million	$10 million**
Housing Counseling	$45 million	$45 million	$55 million
Lead Hazard Control	$120 million	$120 million	$120 million
HOPWA	$332 million	$332 million	$332 million
Section 202 for the Elderly	$375 million	$375 million	$400 million
Section 811 for the Disabled	$165 million	$165 million	$126 million
Fair Housing	$71 million	$71 million	$71 million
Section 8 TBRA	$18.9 billion	$18.9 billion	$19.9 billion***
Section 8 Project-Based Assistance	$9.3 billion	$9.3 billion	$10.2 billion
Public Housing Capital	$1.875 billion	$1.875 billion	$2.07 billion
Public Housing Operating	$3.962 billion	$4.262 billion	$4.6 billion
HOPE VI	$0	$0	$0
Choice Neighborhoods	$120 million	$120 million	$400 million
Native American Housing Block Grant	$650 million	$650 million	$650 million

*Of this amount, $940 million would be provided to HOME formula grants and $10 million to SHOP.

**The Administration's FY14 budget funds SHOP as a set-aside within the HOME Program.
***The Section 8 TBRA total includes funding for contract renewals, tenant protection vouchers, administrative fees, family self-sufficiency coordinators, family unification program vouchers, section 811 mainstream vouchers, and veterans supportive housing vouchers.