NCDA
WASHINGTON REPORT

DATE: September 19, 2013

HOME Basics Training – November 12-13 – Bridgeport, CT
CDBG Basics Training – December 9-11 – Tulsa, OK

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Government Shutdown Looms Ahead; Congress Works on a Continuing Resolution

The White House told federal agencies this week to prepare for a government shutdown on October 1, in case Congress can't reach agreement on a Continuing Resolution (CR). The government last shutdown in 1996 during the Clinton Administration. In the event of a shutdown, operational activities relating to contract or grant administration (including payment processing) would cease and hundreds of thousands of federal workers would be furloughed without pay.

Rep. Harold Rogers, Chairman of the House Appropriations Committee, introduced the House CR (H.J. Res. 59) on September 10. A CR is needed because none of the 12 annual spending bills for FY14 have been enacted. The bill provides $986.3 billion and would keep federal programs operating at the current levels through December 15. The CR provides $21 billion more than Rep. Paul Ryan (R-WI), Chairman of the House Budget Committee, recommended and the House approved as part of its FY14 budget recommendation. The CR provides $70 billion less than the $1.058 trillion approved by the Senate Budget Committee earlier this year and approved by the Senate Appropriations Committee earlier this summer. The revised CR fully defunds Obamacare.

The CR did not contain language to de-fund the Affordable Care Act, also known as Obamacare, when it was first introduced; however, House Speaker John Boehner (R-OH) and other House GOP leaders have received an earful from Tea Party members about including language in the CR to defund Obamacare. House Speaker John Boehner and other GOP leaders have argued in private that voters will blame Republicans if a fight over Obamacare shuts down the government and may hurt their chances for maintaining control of the House in next year's elections. But with the increasing pressure from conservative House Republicans, Boehner capitulated and agreed to include language in the final CR. The House is set to vote on the measure tomorrow and it is expected to pass with Republican votes alone; although, a few Democrats may vote for the measure. In a meeting of the Republican caucus, Boehner said, "Every member in this room is for defunding Obamacare while letting the rest of the government continue to operate. We're going to put Obamacare defunding directly into the CR. And then we're going to send it over to the Senate, so our conservative allies over there can continue the fight. That's where the fight is." Boehner further said, "On every major issued we've faced over the past two and a half years, the math has been the same: House Republicans either find a way together to get to 218, or the Democrats who run the rest of Washington essentially every thing they want," pressing for GOP unity on passage of the CR.

The House CR was approved by the Rules Committee Wednesday night – meaning the measure can be taken to the floor for a vote. Rep. Chris Van Hollen (D-MD), Ranking Member of the House Budget Committee, offered a substitute CR in the form of an amendment, but the amendment was voted down. The CR offered by Van Hollen would have provided $1.058 trillion for federal programs through November 15 and would have gotten rid of the sequester – for good – by increasing tax rates for people making over $1 million, eliminating Agriculture direct subsidies, and cutting subsidies for large oil companies.

The Senate is expected to vote on the House CR next week and Senate Majority Leader Harry Reid (D-NV) plans to strike the language to defund Obamacare through a procedural maneuver and then send it back to the House for a vote. It's unclear what the House strategy will be at that point, since just a few days remain until the government shuts down on October 1. There has been some discussion by House GOP leaders to insert addition controversial language into the CR

Federal Agencies Craft Regulations to Implement Dodd-Frank Legislation

In late August, six federal agencies, announced a revision to the Qualified Residential Mortgage (QRM) proposed rule that would make mortgage lending standards less restrictive. The new proposal aligns QRM with the Consumer Financial Protection Bureau's Qualified Mortgage (QM) rule (see below), which was finalized earlier this year but won't be effective until January 10, 2014. Both rules implement portions of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (also known simply as Dodd-Frank). The qualified residential mortgage rule is designed to protect investors, while the similarly named qualified mortgage rule (issued by CFPB) is designed to protect borrowers.

The initial QRM proposed rule was released in 2011 and would have required lenders to demand a 20% down payment from borrowers. The rule was intended to prevent unqualified borrowers from taking out a mortgage they can't handle, but housing advocates and mortgage lenders argued that it instead prevented too many qualified and responsible low- to middle-income borrowers from taking out a mortgage. The revised, 505 page draft regulation drops the requirement that lenders retain a stake in mortgages with down payments of less than 20%. The six agencies - the Federal Reserve Board, Department of Housing and Urban Development, the FDIC, the Federal Housing Finance Agency (which oversees Fannie Mae and Freddie Mac), the Office of the Comptroller of the Currency, and the Securities and Exchange Commission - are taking comments on the rule through the end of October.

The Consumer Financial Protection Bureau (CFPB) is issuing a final rule to implement laws (part of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act) requiring mortgage lenders to consider a borrower's ability to repay home loans before extending them credit. The rule takes effect on January 10, 2014. The Qualified Mortgage (QM) rule, also known as the ability-to-repay rule, aims to better protect consumers from irresponsible mortgage lending practices, particularly for homeowners facing foreclosure. The changes make it easier for delinquent borrowers who need temporary relief, including a six-month forbearance option. The rule also makes some administrative fixes such as providing specific procedures for servicers to follow if they fail to tell a borrower about information missing from their loss mitigation application and allow time to provide it. The rule also requires that an address must be listed on certain documents where borrowers can send requests, including error complaints to servicers.

Lenders must now ensure that borrowers have the ability to repay their mortgage or retain more of the default risk. Loans where a borrower's total monthly debt payments exceed 43% of income are not considered qualified mortgages, as well as loans where borrowers only make interest payments. Moreover, under the new rules, persons considered loan originators are required to meet qualification requirements and are also subject to certain restrictions on compensation practices.

HUD NEWS

CDBG Listening Session for Small Grantees Scheduled; NCDA Urges Small Grantees to Participate in this Online Session

HUD has scheduled an online listening session for small CDBG grantees (those grantees that receive less than $350,000 each year) to solicit feedback on changes to the CDBG Program. The online session will be held on October 23, from 3:30 - 5:00 pm EDT. Registration is required to participate in these outreach sessions, so please register early. To register for the webinar, go to https://secure.confertel.net/tsregister.asp?program=HUDBreakoutOctober23

HUD has launched a series of listening sessions to hear from grantees on changes to the CDBG program as well as traning and technical needs. Included in this discussion is HUD's proposal to establish a minimum threshold of $350,000 for CDBG funding; eliminating those small jurisdictions that receive less than this amount from the program. NCDA believes that establishing a minimum grant amount does nothing to improve the program, but instead would remove a critical grassroots bloc – small communities – from the program. NCDA opposes the minimum threshold and urges small grantees to participate in the online listening session to voice opposition as well.

SNAPs Launches Online Training Materials on the CoC Interim Rule

The Office of Special Needs Assistance Programs (SNAPs) has launched an online training curriculum to help grantees better understand the Continuum of Care interim rule. The curriculum includes several podcasts and a set of short YouTube videos on specific sections of the rule, an online module that covers eligible program activities and costs, a series of broadcasts that provide more detail on regulation topics, and a presentation on coordinated assessment. The Continuum of Care 2.0 training materials are available at the following site.

https://www.onecpd.info/onecpd/assets/File/CoC-2-0-Training-Materials-Overview.pdf

FY13 CoC Program Registration Notice

On August 23, HUD published the FY13 Continuum of Care (CoC) Program Registration Notice that announces the availability of CoC registration in *e-snaps*, a web-based portal accessible at www.hud.gov/esnaps. HUD requires each CoC Collaborative Applicant (also known as the CoC applicant) to register in advance of applying for the approximately $1.7 billion of funding available in the FY13 CoC program. The registration deadline is **7:59:59** pm on **September 28**.

OTHER NEWS

EPA Releases Version 2.0 of Smart Location Database

The Environmental Protection Agency's (EPA) Smart Location Database (SLD) summarizes several demographic, employment, and built environment variables for every Census block group. The SLD is a free database provided by the EPA Smart Growth Program. Users can download data for their selected region, view data online in an interactive map, or access data through a variety of web services. For more information, go to the SLD version 2.0 user guide at https://edg.epa.gov/data/Public/OP/SLD/SLD_UserGuide.pdf

NCDA NEWS

NCDA and Other Groups Sign Letter Seeking Maximum Funding of HUD Programs

The Campaign for Housing and Community Development Funding (CHCDF), of which NCDA is a member, sent a letter to House and Senate leadership on September 6 seeking agreement on a FY14 budget that provides at least the amount provided in the Senate HUD appropriations bill,

S. 1243. A copy of the letter is attached.

Final AFFH Letter Submitted to HUD

NCDA and NACCED completed joint comments this week on HUD's Affirmatively Furthering Fair Housing proposed rule, released on July 18. NCDA would like to thank the following members for participating in the working group: Bob Gehret (Boston, MA), Terrie Monroe (Plano, TX), Shirletta Best (McKinney, TX), Paul Fink (Islip, NY), Bonnie Moore (Shreveport, LA), Becky Wade (Knoxville, TN), Patrick Sullivan (New Bedford, MA), and Nancy Mikeska (Conroe, TX).

Under the rule, the Analysis of Impediments would be replaced with a standardized Assessment of Fair Housing (AFH) that would evaluate fair housing challenges and goals using new data tools provided by HUD. HUD would also encourage regional approaches to fair housing planning. The AFH must also assess the jurisdiction's fair housing enforcement and fair housing outreach capacity. Using an assessment tool provided by HUD jurisdictions must (1) identify the primary determinants of segregation; concentrations of poverty; disparities in access to community assets; and disproportionate housing needs based on protected class; and the most significant determinants of these disparities, (2) identify fair housing priorities and general goals; and (3) set one or more goals for mitigating or addressing the determinants.

Highlights from the NCDA/NACCED Letter to HUD:

- The purpose of preparing the AFH and submitting it to HUD for review and approval, and for the jurisdiction to make a good faith effort in addressing its goals, should absolutely mean that the jurisdiction has complied with its legal obligation to affirmatively further fair housing.

- To fully integrate all planning processes, the AFH must be part of the Consolidated Plan process to more directly and effectively include fair housing planning into the comprehensive housing and community development that grantees undertake in the Con Plan. Moreover, the incorporation of the two plans will save time and resources.

- We cannot fully respond to the AFH until HUD develops the template upon which the assessment will be based. We urge HUD to provide this information as soon as possible in another proposed rule.

- We are concerned that HUD may be attempting to impose additional requirements on grantees that are not required under the Fair Housing Act. HUD should make clear in the rule what is required and what is optional. While the availability of data is necessary for grantees to examine certain fair housing indicators in their community, we do not agree that requiring grantees to examine data surrounding access to education, employment, low-poverty, transportation, and environmental health are required as part of the Fair Housing Act and urge HUD to list these data elements as an option for program participants to use in the AFH, not a requirement.

- Some of the elements highlighted are outside the control of some grantees, such as the modification of local codes, which in many states, are associated with state codes that grantees have no control or jurisdiction over.
- We urge HUD to make available the data that program participants will use in the AFH at least six months prior to the start of the AFH preparation process. We also urge HUD to fully examine the data provided to grantees to ensure its accuracy before grantees begin using it. There have been inaccuracies in the eCon Planning Suite and we want to ensure a correct data set is provided to grantees before they begin the AFH.

- We urge HUD to designate the Office of Community Development and Planning as the entity to review and approve the AFH for CDBG, HOME, ESG, and HOPWA grantees since these programs fall under its jurisdiction and they have knowledge of the Fair Housing Act requirements within these programs.

- HUD should allow small grantees to submit an abbreviated AFH

A copy of the letter is attached. Please contact Vicki Watson at vicki@ncdaonline.org with any questions.

NCDA Embarks on Report on Veterans Housing and Workforce Housing

NCDA is working on a report on "Veterans and Workforce Housing." The report will look at the need and demand for affordable veterans housing and workforce housing, the effects of the economy on these sectors, and the primary obstacles to developing veterans and workforce housing at the local level. The report will also look at the role the GSEs play in the development of veterans and workforce housing and how that role can be expanded. The report will also examine best practices and will include a list of recommendations for local governments to follow in developing affordable veterans and workforce housing.

NCDA would like your help in providing project examples and information in the following areas, (1) obstacles to developing veterans housing and workforce housing; (2) what has worked? (3) model partnerships/collaboration and (4) what role should Fannie Mae, Freddie Mac, and the Federal Home Loan Banks play in providing financing and other resources to veterans and workforce housing projects?

Please forward any information you would like to share to Vicki Watson at vicki@ncdaonline.org.

HOME and CDBG Training Available

NCDA will offer two training courses this Fall; a HOME Basics Course and a CDBG Basics Course. The two-day version of the HOME Basics Course will cover all of the basics of the regular three-day course but in a condensed format. No test will be given. The course will also update participants on the significant changes made by the 2013 HOME final rule.

HOME Basics Course (Two-Day Version)
Bridgeport, CT
November 12-13, 2013
$200 for NCDA members/$300 for non-members
www.ncdaonline.org/home.asp

CDBG Basics Course
Tulsa, OK
December 9-11, 2013
$250 for NCDA members/$350 for non-members
www.ncdaonline.org/cdbg.asp

NCDA Regional Events
The following NCDA regional conferences will take place this Fall. We encourage you to participate in one of the conferences near you.

Region VI (Southwest) Conference and Pre-Conference Training
October 7-11
Tulsa, OK
For more information, go to www.regonline.com/ncdasw

Region IV (Southeast-Caribbean) Conference
October 30-November 1
Columbia, SC
For more information, go to https://www.columbia.sc.gov/NCDA2013/Agenda.cfm
and to register, go to https://www.columbia.sc.gov/NCDA2013/index.cfm

Region I (New England) Conference
November 14-15
Bridgeport, CT
For more information, go to http://ncdaregion1.yolasite.com/

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 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.

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

Program	FY13 Enacted Level	FY14 President's Request	FY14 House Committee H.R. 2610	FY14 Senate Committee S. 1243
Community Development Fund	$3.127 billion	$3093 billion	$1.696 billion	$3.295 billion
Set-Asides:				
Disaster Assistance	0	0	0	0
Native American Block Grant	[$56 million]	[$70 million]	[$60 million]	[$70 million]
Integrated Planning Grants	0	[$75 million]	0	[$75 million]
Neighborhood Stabilization	0	[$200 million]	0	0
CDBG Formula Grants	$3.071 billion	$2.748 billion	$1.636 billion	$3.150 billion
Section 108 Loan Guarantees	$250 million	$500 million	$500 million	$500 million
Brownfields	$0	$0	$0	$0
HOME Program	$998 million	$950 million*	$700 million	$1.0 billion
Homeless Programs	$2.033 billion	$2.381 billion	$2.088 billion	$2.261 billion
SHOP	$35 million	$10 million**	$10 million	$14 million
Housing Counseling	$45 million	$55 million	$35 million	$55 million
Lead Hazard Control	$120 million	$120 million	$50 million	$120 million
HOPWA	$332 million	$332 million	$303 million	$332 million
Section 202 for the Elderly	$375 million	$400 million	$375 million	$400 million
Section 811 for the Disabled	$165 million	$126 million	$126 million	$126 million
Fair Housing	$71 million	$71 million	$56 million	$70 million
Section 8 TBRA	$18.9 billion	$19.9 billion***	$18.6 billion***	$19.6 billion***
Section 8 Project-Based Assistance	$9.3 billion	$10.2 billion	$9.4 billion	$10.7 billion
Public Housing Capital	$1.875 billion	$2.07 billion	$1.5 billion	$2.0 billion
Public Housing Operating	$4.262 billion	$4.6 billion	$4.2 billion	$4.6 billion

HOPE VI	$0	$0	$0	$0
Choice Neighborhoods	$120 million	$400 million	$0	$250 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.