NCDA
WASHINGTON REPORT

DATE: **October 21, 2013**

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

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Congress Passes Continuing Resolution to Reopen Federal Government; Focus Returns to the FY14 Budget

Nearly seven months after both chambers of Congress passed their respective FY14 budget bills, the two sides are finally sitting down to negotiate, but it took a government shutdown for them to do so. Senator Patty Murray (D-WA), Chairperson of the Senate Budget Committee, repeatedly tried to engage her House counterpart, Rep. Paul Ryan (R-WI), Chairman of the House Budget Committee, in conference talks; Murray requested on 21 separate occasions that Ryan meet to commence budget negotiations. Her requests fell on deaf ears. As part of the debt limit deal and government funding bill (H.R. 2775, the Continuing Appropriations Act, 2014) passed last week, the two sides must now sit down together to try to come to agreement on a budget resolution. H.R. 2775, approved on October 16, passed the Senate by a vote of 81-18 and the House of Representatives by a vote of 285-144. The measure funds the federal government through January 15, 2014 at the level of $986.3 billion. The measure also allows President Obama to suspend the national debt limit through February 7, 2014.

What else is in H.R. 2775?

- Provides back pay to furloughed federal workers
- Reimburses state and local governments for costs incurred to continue to carry out a

Federal program during the government shutdown

- Requires new procedures for verification of income eligibility under Obamacare
- Clarifies that the formula to distribute Low Income Housing Assistance Program (LIHEAP) funds to states will remain unchanged so that the Department of Health and Human Services uses the same formula as in prior years.
- Reauthorizes the Temporary Assistance for Needy Family Block Grant and the mandatory portion of the Child Care and Development Block Grant through January 15, 2014.
- Provides $636 million for wildland fire management and fire suppression activities
- Provides nearly $3 billion to make improvements to a dam and lock system on the Ohio River (this project was a sweetener for Senator Mitch McConnell to approve the budget deal).

A final budget resolution negotiated by the budget conferees will set an overall spending limit, called the 302(a) allocation, for congressional appropriators to use in finalizing their FY14 spending bills. The Senate budget resolution calls for a 302(a) allocation of $1.058 trillion for FY14, while the House budget resolution seeks $967 billion – a $90 billion difference. Murray and Ryan, and the other budget conferees (listed below), will need to come to agreement on a final 302(a) before December 13, the date mandated in H.R. 2775. Once budget conferees agree upon the 302(a) allocation, the chairpersons of the House and the Senate appropriations committees will use the top line number to dole out spending allocations (known as the 302(b) allocations) to each of their 12 spending subcommittee to draft their FY14 appropriations bills. The 302(b) allocations limit the total spending of each subcommittee.

Much of the budget talks with focus on the across-the-board spending cuts known as sequestration. These cuts are scheduled to continue for another nine years. Sequestration was included in the 2011 Budget Control Act as a trade-off for increasing the national debt limit. At the time, congressional members, through a "super committee" were supposed to reach agreement on spending and tax increases, so that sequestration could go by the wayside. The super committee never reached agreement on budget cuts and tax rates, so sequestration remains in place to this day and has resulted in cuts to all domestic programs over the last year. The first round of sequester cuts that took place this year cut federal programs by more than $80 billion. To replace these mandatory cuts, Ryan and other Republicans on the budget conference committee will likely push for cuts or changes to entitlement programs such as Medicare and Social Security. The Democrats will likely push for tax increases on the wealthy to offset sequestration. The Senate is bent on repealing sequestration as the cuts have gutted critical programs and stymied economic growth and they have the support of Rep. Hal Rogers (R-KY), Chairman of the House Appropriations Committee, who would like the mandatory cuts repealed as well. Some of the more conservative members of the House GOP want to see sequestration remain in place because it has provided substantial decreases in the deficit.

As mentioned earlier, both chambers passed their respective budget resolutions in March and the 302(a) allocation should have been agreed to in April, but the two sides failed to come together to negotiate, so appropriators moved forward with some spending bills based on the 302(a) allocation approved by their respective chambers (e.g., $1.058 trillion in the Senate and $967 billion in the House). Both chambers crafted a FY14 Transportation-HUD spending bill with stark differences in numbers for CDBG; the Senate provided $3.150 billion for CDBG formula grants in FY14 (a slight increase from FY13), while the House slashed the program to $1.6 billion – a cut of almost 50%. Neither passed their respective T-HUD bills. House leadership withdrew the T-HUD bill after it was clear there were not enough votes to pass it; many moderate Republicans sided with Democrats that the numbers were too low, including the paltry $1.6 billion for CDBG. The Senate failed to pass its T-HUD bill; failing to get the 60 votes needed to invoke cloture and move toward a vote on the bill. Appropriators will have to agree on a final number once the budget negotiators complete their work.

The bi-partisan, budget conference committee has twenty-nine members including the entire Senate Budget Committee and a few House members. Nine of the Republicans on the committee, including Rep. Paul Ryan, voted against the deal that re-opened the federal government and lifted the debt ceiling. The other conference committee members that voted against the deal include Rep. Tom Price (R-OK), Rep. Diane Black (R-TN), Senator Jeff Sessions (R-AL), Senator Mike Enzi (R-WY), Senator Mike Crapo (R-ID), Senator Pat Toomey (R-PA), and Senator Ron Johnson (R-WI).

<u>Conferees</u>
House: Rep. Paul Ryan (R-WI), Chair of the House Budget Committee, Rep. Tom Cole (R-OK), Rep. Tom Price (R-GA), Rep. Diane Black (R-TN), Rep. James Clyburn (D-SC), Rep. Chris Van Hollen (D-MD), and Rep. Nita Lowey (D-NY)

Senate: Senator Patty Murray (D-WA), Chair of the Senate Budget Committee, Senator Ron Wyden (D-OR), Senator Bill Nelson (D-FL), Senator Debbie Stabenow (D-MI), Senator Bernie Sanders (I-VT), Senator Sheldon Whitehouse (D-RI), Senator Mark Warner (D-VA), Senator Jeff Merkley (D-OR), Senator Chris Coons (D-DE), Senator Tammy Baldwin (D-WI), Senator Tim Kaine (D-VA), Senator Angus King (I-ME), Senator Jeff Sessions (R-AL), Senator Charles Grassley (R-IA), Senator Mike Enzi (R-WY), Senator Mike Crapo (R-ID), Senator Lindsey Graham (R-SC), Senator Rob Portman (R-OH), Senator Pat Toomey (R-PA), Senator Ron Johnson (R-WI), Senator Kelly Ayotte (R-NH), and Senator Roger Wicker (R-MI)

HUD NEWS

<u>Treasury Shores up FHA</u>

The Department of Treasury provided nearly $1.7 billion to the Federal Housing Administration (FHA) on September 30 to shore up its insurance fund after losses on defaulted mortgages depleted its reserves. By law, the FHA must have enough funds on hand to cover all projected losses and while the agency has $30 billion in liquid assets, the funds provided by the Treasury will shore up the $1.7 billion gap in the insurance fund.

This is the first time in the agency's 80-year history it has needed a federal subsidy and the move will likely provide fodder for congressional Republicans to call for a smaller footprint in the mortgage industry for the FHA. According to the FHA, it insures $1.1 trillion worth of mortgages and backs about 15 percent of all home loan originations, up from 4 percent in 2007. Since the collapse of the mortgage market in 2008, the FHA has stepped in to provide mortgage credit for home purchasers.

HOME IDIS Training Manual and ConPlan Template Troubleshooting Chart Available for Participation Jurisdictions

HUD released in August 2013 a HOME IDIS training manual for participation jurisdictions. The manual shows users how to set-up, fund, draw funds for, and complete HOME activities in IDIS.

- Chapter 1: provides information on the major components of IDIS
- Chapter 2: shows how to add and maintain projects
- Chapter 3: explains the activity screens
- Chapter 4: discusses flagged HOME activities
- Chapter 5: provides information on the Search HOME Activities screen
- Chapter 6-14: provides specific information of setting up and completing HOME rental, homebuyer, homeowner rehabilitation, tenant-based rental assistance, and admin-only activities.
- Chapter 15-17: covers the financial components of IDIS (grants, subfunds, and subgrants)
- Chapter 18-19: covers activity funding and drawdowns
- Chapter 20: shows how to receipt income

Go to https://www.onecpd.info/resource/2465/home-idis-training-manual-for-pjs/ to download a copy of the manual.

In addition, HUD has developed a troubleshooting chart to help participating jurisdictions deal with common issues and errors when using the Consolidated Plan Template in IDIS. The chart is available at https://www.onecpd.info/resources/documents/Troubleshooting-Guide-Consolidated-Plan-Template-in-IDIS.pdf

NCDA NEWS

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. The course is open to participating jurisdictions, CHDOs and other sub-recipients. The CDBG Course will provide a basic, but comprehensive overview of the program. A test (optional) will be given on the final day of the training. The CDBG course is open to grantees and sub-recipients

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

2014 Winter Conference

NCDA will hold its 2014 Winter Conference on January 22-24, 2014 in Washington, D.C. at the Renaissance Hotel. The draft conference agenda and conference registration form are attached. We have set-aside time in the agenda (Thursday and Friday morning) for you to meet with your congressional members on the importance of providing robust funding for CDBG and HOME in FY15. We urge all conference participants to schedule these meetings as soon as possible. Please go to www.senate.gov and www.house.gov to locate your members' offices. Ask to speak to their scheduler. NCDA will have talking points available for you to take with you to the meetings.

The agenda will feature a variety of sessions of importance to community development practitioners including the following:

- update on HUD's e-Con Planning Suite,
- update on HUD's CDBG listening sessions
- HUD Policy and Program Update: CDBG, HOME, HEARTH Act Programs
- mini-workshop on the HOME final rule changes
- mini-workshop on Neighborhood Revitalization Strategy Areas (NRSAs)

Other sessions include:

- Communicating with Congress
- Tax Credits 101
- Monitoring Sub-recipients
- Continuum of Care Planning and Implementation
- Using CDBG for Disaster Recovery
- Fair Housing
- Best Practices: Audrey Nelson Community Development Award Projects

Please feel free to contact Vicki Watson at vicki@ncdaonline.org with any questions concerning the conference agenda. Please contact Karen Parker at karen@ncdaonline.org with questions concerning conference or hotel registration.

NCDA is Accepting Nominations for its 2014 Audrey Nelson Awards

2014 marks the 27th Anniversary of the Audrey Nelson Community Development Achievement Awards, the 23rd Anniversary of the HOME Investment Partnerships (HOME) Program, and the

40th Anniversary of the Community Development Block Grant (CDBG) Program.

In 1987, the National Community Development Association (NCDA) established the Audrey Nelson Community Development Achievement Awards to recognize exemplary uses of CDBG funds. Audrey Nelson was the first Deputy Executive Secretary of NCDA. She grew up in an inner city Chicago neighborhood which was a target area for the local Model Cities Program. Her intense commitment to her neighborhood, her local program efforts, and her drive to serve low- income people was cut short by death from cancer at the age of 29. Over the years, the award has been expanded recognize exemplary uses of HOME and other community development funding, too. Any NCDA member may nominate a qualified program by completing the enclosed application form. The application deadline is December 6, 2013.

Award recipients, along with their nominating communities, will be notified by December 13, 2013. Awards will be presented during the NCDA Winter Meeting luncheon on Friday, January 24, 2014 at the Renaissance Hotel in Washington, D.C.

We strongly encourage communities who have never applied for the award to submit an application.

Join a Subcommittee

Are you interested in participating in NCDA? Do you want to help develop recommendations and shape policy for NCDA? We are seeking members who can dedicate their time, focus, and commitment to NCDA by serving on one of its subcommittees. If you are interested in serving on one of the following NCDA subcommittees, please contact Vicki Watson at vicki@ncdaonline.org.

Community Development Subcommittee - sets policy and recommendations related to CDBG and other federal community development programs

Housing Subcommittee - sets policy and recommendations related to HOME, HUD's homelessness assistance programs, and other federal housing programs

Economic Development Subcommittee - sets policy and recommendations related to Section 108, Brownfields, and other federal economic development programs

Technology Subcommittee - sets policy and recommendations related to IDIS, eCon Planning Suite, and NCDA's internal technology system

Planning and Professional Development Subcommittee – develops and recommends activities and programs for the advancement, education, and continuing professional development of the membership

Membership Subcommittee – works to increase membership and makes recommendations on activities to maintain existing members

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? If so, 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 *Set-Asides:* Disaster Assistance Native American Block Grant Integrated Planning Grants Neighborhood Stabilization CDBG Formula Grants	$3.127 billion 0 [$56 million] 0 0 $3.071 billion	$3093 billion 0 [$70 million] [$75 million] [$200 million] $2.748 billion	$1.696 billion 0 [$60 million] 0 0 $1.636 billion	$3.295 billion 0 [$70 million] [$75 million] 0 $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.