NCDA WASHINGTON REPORT

DATE: **November 21, 2013**

CDBG Basics Training – December 9-11 – Tulsa, OK
Audrey Nelson Award Applications Due by December 6, 2013
NCDA Winter Conference – January 22-24, 2014 (make your hotel reservation by 12/24)

FEATURED ARTICLES

- ✓ ***FY14 Budget Negotiations Continue***
- ✓ ***House Passes Veterans Housing Bill***
- ✓ ***Infrastructure Bill Introduced in the Senate***
- ✓ ***Consumer Financial Protection Bureau Issues Final Rule on Mortgage Disclosure Documents***
- ✓ ***HUD NEWS - Upcoming eCon Planning Suite Webinar; IDIS Training Available for CDBG Entitlements; IDIS Training for HOME Participating Jurisdictions***
- ✓ ***NCDA NEWS - CDBG Coalition Sends Letters to Appropriators and Works on 40th Anniversary Poster for CDBG; CDBG Training Available; 2014 Winter Conference; NCDA is Accepting Nominations for its 2014 Audrey Nelson Awards; Join a Subcommittee; NCDA Staff Contacts***
- ✓ ***HUD Budget Chart***

FY14 Budget Negotiations Continue

Created as part of the deal to re-open the federal government in October, the Budget conference committee, consisting of 29 members, is working to reconcile the House and Senate budgets passed by their respective chambers earlier in the year, and come up with a top line budget cap for Congressional appropriators to use in completing their FY14 spending bills. The Budget conference committee has until December 13 to finish its work. The committee is co-chaired by Senator Patty Murray (D-WA) and Rep. Paul Ryan (R-WI). Both sides are trying to craft a deal that, at the least, replaces some automatic sequester cuts and sets a spending limit for the rest of the year in order to avoid a shutdown in January. The federal government is currently operating under a Continuing Resolution (CR) through January 15.

The House budget resolution, passed earlier this year, provides $967 billion in budget authority for FY14, while the Senate version provides $1.058 trillion, a $91 billion difference. The House budget number includes the across-the-board sequester cuts that were created as part of the

Budget Control Act of 2011, while the Senate budget number does not. The Budget conference committee must reconcile the two numbers in order for the FY14 spending bills to move forward. If agreement is not reached, then Congress will have to pass another CR or face another government shutdown.

The Budget conference committee has met only twice; on October 30 and November 13, and no further meetings are scheduled before Congress leaves town this week for a ten day Thanksgiving recess. The two meetings yielded no meaningful results. In the first meeting, the Democrats and the Republicans held fast to their partisan positions with Ryan reiterating there will be no tax increases as part of any deal and Murray insisting that the closing of "egregious" tax loopholes must be part of the deal.

On November 10, Senator Patty Murray penned an op-ed in the *Washington Post* arguing for closing some tax loopholes. Speaking about the Budget conference committee she said, "Democrats and Republicans agree that we should work toward, at the very least, a short-term deal to replace the irresponsible cuts from sequestration and agree on a spending level. But differences remain over how to do that. Republicans say they want to replace sequestration only with cuts to domestic investments such as education and Medicare. Democrats want the replacement to come through an equal mix of responsible spending cuts and revenue generated by closing tax loopholes." While the Budget conference committee has not put forward any details on a deal, Murray laid out a few ideas on closing tax loopholes in the op-ed, suggesting the following two loopholes could be closed immediately and save tax payers nearly $130 billion over 10 years.

- <u>Executive Compensation</u> - Big corporations currently skirt the limits on deductible executive compensation and claim massive tax breaks by paying their CEOs in stock options and bonuses instead of paychecks.

- <u>Check the Box</u> - This loophole allows major multinational corporations to choose for themselves how to classify their subsidiaries for tax purposes; hiding foreign subsidiaries and profits from the IRS simply by marking a box on their tax forms. What was intended as a means to simplify the tax code mistakenly ended up as a massive tax loophole for big corporations.

Congressional appropriators are growing increasingly frustrated with the slow pace of the negotiations and have sent letters to the committee in hopes of speeding up the process. "The importance of them coming up with a [budget number] common to the House and the Senate is critical to avoiding the mess we are in now," House Appropriations Committee Chairman Hal Rogers (R-KY) said. It will take us at least a month, when we get a number, to put together an omnibus bill with the Senate, at the very minimum." In a October 31 letter to Budget conference committee members, Senator Barbara Mikulski (D-MD) and Rep. Harold Rogers (R-KY), asked that the committee decide upon a top line budget number no later than December 2 to allow the House and Senate time to complete work on the FY14 spending bills. In the letter, Mikulski and Rogers also requested that the committee decide upon an overall discretionary spending level for

FY15, so that the two chambers can have one number to work off of, and hopefully, be able to proceed to regular order on the FY15 spending bills. In the letter, Mikulski and Rogers wrote, "If a timely agreement is not reached, the likely alternatives could have extremely damaging repercussions. The failure to reach a budget deal...will reopen the specter of another government shutdown. In addition, failure to agree on a common spending cap for FY15 will guarantee another year of confusion." On Monday, all twelve House GOP chairmen penned a letter to Murray and Ryan requesting consensus be reached on a final budget cap by December 2.

In just the last day, a glimmer of hope has arisen that the Budget conference committee may reach agreement on rolling back some of the future sequestration cuts. Murray and Ryan have had private conversations outside of the committee and appear to be closer to a serious agreement. No details have been disclosed. The Budget Control Act of 2011 set in motion the sequestration that began this year. The Act calls for the cuts ($109 billion annually) to be carried out over nine years and to be divided evenly between Defense and non-Defense programs. The first round of cuts were supposed to take place on January 2, 2013, but were moved up to March 1, 2013, thereby reducing the required cuts by $24 billion in FY13, to $85 billion. At this point any deal appears to be small; focusing solely on replacing this year's sequestration cuts. House and Senate appropriations leaders are putting major pressure on the committee to come up with a deal. Moreover, with the upcoming mid-term elections, Congressional members don't want to be bogged down in another spending fight that might lead to a government shutdown. Defense hawks also want to see a deal to avoid any further cuts to Defense spending in the coming year.

House Passes Veterans Housing Bill

On October 24, the House passed by voice vote H.R. 1742, the Vulnerable Veterans Housing Reform Act of 2013. The legislation was introduced by Rep. Joe Heck (R-NV). The measure was brought directly to the floor, bypassing the need for committee action. The bill would exempt expenses related to a veteran's aid and attendant pension payments from counting as income in determining eligibility under HUD programs.

The legislation now awaits Senate action.

Infrastructure Bill Introduced in the Senate

Senator Mark Warner (D-VA) and Senator Roy Blunt (R-MO) introduced last week the Building and Renewing Infrastructure for Development and Growth in Employment (BRIDGE Act). The legislation would create a national Infrastructure Financing Authority (IFA) to provide federal loans and loan guarantees to spur infrastructure across the country. In addition to Warner and Blunt, the bill is co-sponsored by Senators Lindsay Graham (R-SC), Kirsten Gillibrand (D-NY), Dean Heller (R-NV), Chris Coons (D-DE), Roger Wicker (R-MS), Amy Klobuchar (D-MN), Claire McCaskill (D-MO), and Mark Kirk (R-IL). Projects would have to "show a clear public benefit" and "meet economic, technical and environmental standards." The IFA would receive an initial $10 billion in seed money from the federal government and would become selfsustaining over time. The IFA will provide no grants. All projects would have to be credit-worthy and backed by a dedicated revenue stream.

Projects must be at least $50 million in size (except for rural projects that can be $10 million in size). The IFA would finance no more than 49 percent of the project to allow for private capital and other sources to finance the remainder of the deal.

The IFA would establish fees for loans and loan guarantees and loans could have up to a thirty-five year term. The program could offer lower interest rates than conventional financing – just slightly above the rates for Treasury securities. The bill establishes an Office of Technical and Rural Assistance to help guide State and local governments in the development and financing of infrastructure projects. The IFA would operate outside of existing federal agencies and would be managed by a CEO and a seven-member board.

Consumer Financial Protection Bureau Issues Final Rule on Mortgage Disclosure Documents

Yesterday, the Consumer Financial Protection Bureau (CFPB), the federal agency tapped with implementing much of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) released a final rule regarding new mortgage disclosure documents. The rule becomes effective on August 1, 2015. The final rule does not apply to reverse mortgages, equity lines of credit, loans secured by a mobile home, or to loans made by creditors who make five or fewer mortgages each year.

The final rule replaces existing mortgage disclosure forms with two documents: (1) the Loan Estimate form; and (2) the Closing Disclosure form. The Loan Estimate form, given three days after mortgage application, replaces two current federal forms: the Good Faith Estimate form and the Truth-in-Lending form. It also incorporates new disclosures required under Dodd-Frank. The Closing Disclosure form, given three days before closing, replaces the HUD-1 form and the revised Truth-in-Lending form.

The forms are designed to make it easier for consumers to understand their loan and closing cost information. The Loan Estimate form provides a summary of the key loan terms and estimated loan and settlement costs. The Closing Disclosure form also provides key loan terms, payment information, costs at closing, detailed information on closing costs, and easy-to-understand loan disclosures, and contact information for the lender, real estate broker, and settlement agent.

To view the forms, go to www.consumerfinance.gov/knowbeforeyouowe/compare/

HUD NEWS

Upcoming eCon Planning Suite Webinar

HUD will hold an eCon Planning Suite question and answer webinar on December 5. Grantees need to register by December 2. For more information, go to www.onecpd.info

IDIS Training Available for CDBG Entitlements

Over the next several months, HUD will provide training for CDBG entitlement communities on IDIS. The two-day training will focus specifically on CDBG requirements, screens and reporting, as well as the new Section 108 component. Registration is open for the first three sessions listed below: Louisville, Birmingham, and San Francisco. Go to www.onecpd.info for more information.

Training Date	Registration Deadline	Location
December 18-19	November 29	Louisville, KY
January 8-9	December 20	Birmingham, AL
January 15-16	December 27	San Francisco, CA
January 28-29	TBA	San Juan, PR
February 11-12	TBA	Jacksonville, FL
March 5-6	TBA	Oklahoma City, OK
March 12-13	TBA	Los Angeles, CA
March 19-20	TBA	Roanoke, VA
March 26-27	TBA	Newark, NJ
April 2-3	TBA	San Antonio, TX
April 9-10	TBA	New York, NY
May 7-8	TBA	Los Angeles, CA
May 14-15	TBA	Chicago, IL
May 21-22	TBA	Oregon City, OR
June 4-5	TBA	Houston, TX
June 10-11	TBA	Greensboro, NC
June 25-26	TBA	Medina, MN

IDIS Training for HOME Participating Jurisdictions

HUD is also offering hands-on IDIS training for HOME participating jurisdictions. Go to www.onecpd.info for more information.

Training Date	Registration Deadline	Location
December 10	November 22	Seattle, WA
December 17	November 29	Louisville, KY
January 7	December 20	Birmingham, AL
January 14	December 27	San Francisco, CA
January 30	TBA	San Juan, PR

February 13	TBA	Jacksonville, FL
March 4	TBA	Oklahoma City, OK
March 11	TBA	Los Angeles, CA
March 18	TBA	Roanoke, VA
March 25	TBA	Newark, NJ
April 1	TBA	San Antonio, TX
April 8	TBA	New York, NY
May 6	TBA	Los Angeles, CA
May 13	TBA	Chicago, IL
May 29	TBA	Oregon City, OR
June 3	TBA	Houston, TX
June 12	TBA	Greensboro, NC
June 24	TBA	Medina, MN

NCDA NEWS

CDBG Coalition Sends Letters to Appropriators; Works on 40th Anniversary Poster for CDBG

Last week, the Community Development Block Grant (CDBG) Coalition, of which NCDA is one of the lead members, sent letters to House and Senate Appropriations leaders urging a funding level of $3.150 billion for CDBG in FY14 and $1.0 billion for the HOME Program; the same funding levels supported in the Senate. The Coalition will reach out personally to these Appropriations leaders once the Budget conference committee reaches agreement on a final FY14 budget cap.

The CDBG Coalition is also working on a CDBG 40th anniversary poster for the Coalition organizations and their members to use throughout 2014 to celebrate the program. The poster should be ready by the end of the year.

The CDBG Coalition is comprised of the following national organizations: NCDA, U.S. Conference of Mayors, NACCED, National Association of Counties, National League of Cities, National Association of Local Housing Finance Agencies, Feeding America, Rebuilding Together, Council of State Community Development Agencies, Habitat for Humanity International, National Association of Development Organizations, National Association of Housing and Redevelopment Officials, National Rural Housing Coalition, National Urban League, American Planning Association, YWCA USA, International Economic Development Council, and Local Initiatives Support Corporation.

For questions concerning the CDBG Coalition, please contact Vicki Watson at vicki@ncdaonline.org.

CDBG Training Available

Space is still available in the upcoming CDBG Basics Course to be held in Tulsa, OK on December 9-11. The three-day course will provide a basic, but comprehensive overview of the CDBG program. A test (optional) will be given on the final day of the training.

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 conference fee is $400 for members and $450 for non-members. Please go to www.ncdaonline.org/events/2014wintermeetingdraftagenda.pdf to view the draft agenda and go to www.ncdaonline.org/events/Winter14_Regform.asp to register for the conference.

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.

NCDA has secured a block of rooms at the Renaissance Hotel, 999 9th Street, NW, Washington, DC at the special rate of $169 plus tax exclusively for conference registrants through **December 24, 2013**. Reservations received after this date will be based on room availability and the best available rate offered by the hotel. To make your hotel reservation, please call (202) 898-8000. Be sure to mention Reservation ID: NCDA to receive the special rate of $169 per night plus tax.

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
- session on CDBG Admin Costs vs Project Delivery Costs ***(newly added session)***

Other sessions include:
- Economic Development ***(newly added session)***
- 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 to 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 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 becoming more involved in NCDA? Do you want to help shape policy for NCDA? Do you want to work with your fellow community development practitioners on NCDA membership and the development of conferences and educational opportunities? 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? Do you have a question about NCDA's participation in the CDBG Coalition? 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	$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.