NATIONAL COMMUNITY DEVELOPMENT ASSOCIATION

Information for
2014 (FY15) CONGRESSIONAL VISITS

STEP ONE: SCHEDULE AN APPOINTMENT

Check with your jurisdiction first to understand any policies, procedures or restrictions you must follow before meeting with your congressional members. Contact your congressional member as far in advance as possible. To reach them, call the Capitol Hill switchboard at 202-224-3121 and ask to be connected to their office or you can go to www.house.gov or www.senate.gov to obtain their office number. Once connected, ask to speak to the member's scheduler. This person keeps their calendar and sets all appointments.

STEP TWO: PREPARE FOR YOUR VISIT

In order to support increased program funding for CDBG and HOME in FY15, congressional members need to know what benefit the programs provide in their districts and be given data from you that demonstrates the need for more CDBG and HOME funding.

Informational Packet

(1) Prior to your visit, develop a one-page description of your CDBG and HOME programs that includes the following information..

- CDBG and HOME allocation from FY10 through FY13
- types of activities funded
- beneficiaries assisted
- leveraging
- job creation/retention
- local partner organizations that participate in your programs
- program results

(2) In addition, prepare a one-page description of the unmet needs in your community that includes information on unfunded CDBG and HOME applications since FY10 and underfunded projects.

(3) CDBG Fact Sheet Hand-Out (located at the end of this document)

(4) HOME Fact Sheet Hand-Out (located at the end of this document)

STEP THREE: THE VISIT

The meeting should focus solely on CDBG and HOME, our core programs. Give a copy of your informational packet to your congressional member and their staff.

Talking Point #1: Ask your congressional member to begin to restore the cuts to CDBG by supporting **at least $3.3 billion in formula funding** in FY15. Using your one-page description of your CDBG program and your one-page description on unmet community development need (including economic development need), describe how the CDBG works in your community and the extent of the unmet need.

- CDBG funding currently stands at $3.071 billion in formula grants down from $4.4 billion in FY01.

- The problems which CDBG funds address have not lessened, but have grown more acute due to cuts in funding and the slow economy. Provide examples from your community.

- Communities use CDBG to meet their local priorities.

- The program provides vital resources for communities to make investments and improve community conditions.

- Talk about the importance of CDBG in job creation and retention in your community.

<u>Talking Point #2</u>: Ask your congressional member to participate in your 2014 National Community Development Week celebration. The CDBG program will celebrate a milestone in 2014 – its 40th anniversary. National Community Development Week will take place on April 21-26, 2014.

<u>Talking Point #3</u>: Ask your congressional member to support increased funding of **at least $1.6 billion in formula funding to the HOME program** in FY15. Using your one-page description of your HOME program and your one-page description on unmet affordable housing need, describe how the HOME works in your community and the extent of the unmet affordable housing need.

- HOME funding has decreased from $1.825 billion in FY10 to $1.0 billion in FY14.

- The program now stands at its lowest funding level; yet, the number of participating jurisdictions has increased to over 600 (300 more than in 1993).

- The need for the HOME program has never been greater. According to *HUD's Worst Case Housing Needs 2011: Report to Congress* (released on August 16, 2013), the number of renters with worst case housing needs grew from 7.1 million in 2009 to 8.48 million in 2011. There has been a 43% increase since 2007. "Worst case housing needs" are those of very low-income renters who spend more than 50% of their income on rent, live in severely inadequate conditions, or face both challenges.

- Past *Washington Post* articles unfairly cast a negative impression of the program with Congress. Let them know how the program works effectively in your community.

STEP FOUR: FOLLOW-UP

Follow-up the meeting with a thank-you letter. Send along any additional information and materials requested and again remind your congressional member of the dates for National Community Development Week.

STEP FIVE: CONTINUED COMMUNICATION

Keep in touch with your congressional members. Invite them to key CDBG events throughout the year (particularly if they are unable to participate in National Community Development Week), such as groundbreaking ceremonies, ribbon cuttings, and special events.

As part of your National Community Development Week activities, undertake the following additional activities to increase congressional support for CDBG:

- Have your program beneficiaries fill-out National Community Development Week postcards informing Congress of how CDBG and HOME have helped them. Mail the postcards to your congressional members or present the postcards to them during a National Community Development Week event.

- Conduct a tour of CDBG and HOME funded projects for your congressional members.

- Congressional members keep up with local news, so ask your local newspaper to run a story or two on your programs, such as the following.
  - story on cuts to CDBG and HOME
  - story about a CDBG and/or HOME funded project
  - story about one of your beneficiaries and how the programs have helped them
  - feature story with the Mayor or County Executive

QUESTIONS

If you have any questions, please contact Vicki Watson at vicki@ncdaonline.org or at 240-601-9356.

Hand-Out

Community Development Block Grant (CDBG) Program Fact Sheet

CDBG has been cut severely since FY2001, particularly in the last few years. We urge Congress to support CDBG and stop the cuts.

Facts
FY 2001 funding for CDBG: $4.4 billion
FY 2013 funding for CDBG: $3.071 billion

$1.329 billion loss in CDBG funding since FY01

CDBG is a valued program, contributing to local economies, serving households in need, maintaining and stabilizing neighborhoods, and providing the flexibility to develop partnerships and projects that are vital to the well-being of communities nationwide. Therefore, we strongly support the continued flexibility provided by CDBG and strongly support the preservation of CDBG funding so that jurisdictions can continue to respond to current and emerging community development needs, including the creation of jobs, development of affordable housing, improvement of existing housing stock, the delivery of vital services, and the development of important infrastructure improvements.

What is CDBG?
The Community Development Block Grant (CDBG) Program grows local economies and improves the quality of lives for low- and moderate-income citizens. CDBG provides direct grants to 1,185 state and local governments to provide decent housing, a suitable living environment, and economic opportunities within their communities.

Authorized under Title I of the Housing and Community Development Act of 1974, the Community Development Block Grant (CDBG) Program combined several existing Federal programs under one streamlined grant. CDBG grew out of the Nixon Administration and the statute creating the program (mentioned previously) was signed into law by President Gerald Ford in 1974. The program is celebrating its 40th anniversary in 2014.

CDBG provides direct formula grants to local governments and to States. Activities undertaken with CDBG must principally benefit low- and moderate-income persons. Types of activities funded with CDBG include the following examples.

- rehabilitation of single-family homeowner residences
- acquisition of property
- connection to water and sewer lines
- testing for and abatement of lead based paint
- energy improvements
- rehabilitation of commercial or industrial buildings
- street and sidewalk improvements or installation

- facilities for persons with special needs
- job training and employment services
- micro-enterprise assistance
- neighborhood revitalization

- **CDBG Provides Economic Development Opportunities to Communities**
  - job creation/retention
  - financial assistance to small businesses
  - construction of public facilities and improvements
  - commercial/industrial land acquisition
  - commercial/industrial infrastructure development
  - commercial/industrial building acquisition, construction, rehabilitation

- **CDBG Helps Anchor Communities through Housing**
  - direct homeownership assistance (downpayment and closing cost assistance to creditworthy purchasers)
  - construction of housing
  - rehabilitation of existing housing

- **CDBG Provides Vital Public Improvements and Services**
  - employment training
  - water/sewer improvements
  - flood and drainage facilities
  - fire stations
  - street improvements
  - child care centers and services
  - senior centers and services
  - youth centers and services

Does CDBG leverage other funding?
Every $1.00 of CDBG leverages an additional $3.55 in non-CDBG funding

How far reaching is the program?
Every year, an estimated 7,250 local governments nationally have access to CDBG funds; reaching rural, urban, and suburban areas.

Who administers the program? What are the program's accountability standards?
State and local governments who receive the funding directly are responsible for managing the day-to-day operations of their CDBG program, ensuring that the funds are invested in accordance with all program requirements and written agreements. Grantees are monitored by HUD to ensure the program requirements are met. Moreover, every five years, grantees must develop a strategic plan, with input from the local community, that addresses the housing, homeless, and community development needs in their jurisdiction. Annually, grantees must submit an action plan to HUD that identifies the activities they will undertake to meet the objectives in the strategic plan. At the end of each year, grantees must submit to HUD an annual performance report detailing progress they have made in meeting the goals and objectives in the

strategic plan and the annual plan.

Are funds spent in a timely manner?
Grantees are held to strict spending deadlines by HUD. Grantees must have no more than 1.5 times their annual grant in their line of credit with HUD 60 days prior to the end of their program year. Grantees who do not meet this timeliness deadline are subject to sanctions by HUD, such as a reduction in future grant amounts.

What has CDBG accomplished?*

•**CDBG is a jobs generator.** Between FY05-FY12, CDBG created/ retained 302,622 jobs.

•**CDBG leverages other funds.** For every $1.00 of CDBG investment, another $3.55 in private and public dollars is leveraged.

•**CDBG provides safe, decent, affordable housing**. Between FY05-FY12, CDBG assisted over one million low- and moderate-income homeowners rehabilitate their homes, provided down payment and closing cost assistance to qualified home buyers, and assisted homeowners with lead-based paint abatement.

•**CDBG provides crucial public improvements to communities.** Between FY05-FY12, CDBG public improvements benefitted over 30 million low- and moderate-income people nationwide. These public improvements included senior centers, child care centers, group homes for persons with disabilities, shelters for victims of domestic violence and homeless veterans, health clinics providing vaccinations and dental care to low-income children, sanitary water and sewer systems, safe streets, and improved drainage systems, among others.

•**CDBG provides needed public services.** Between FY05-FY12, CDBG provided public services to over 95 million low- and moderate-income households. These services included employment training, meals and other services to the elderly, services to help abused and neglected children, assistance to local food banks, and many other services.

How much funding has CDBG invested in our local communities?
Since the start of the program in 1974, CDBG has invested $135 billion in local economies

<u>Hand-Out</u>

HOME Investment Partnerships (HOME) Program Fact Sheet

What is HOME?
The HOME Investment Partnerships (HOME) Program is used to expand the supply of decent, safe, and affordable housing for low- and moderate-income households through public-private partnerships. HOME provides direct annual grants to over 600 state and local participating jurisdictions. HOME eligible activities include new construction and rehabilitation of rental and home buyer units, down payment assistance to credit worthy home buyers, and tenant-based rental assistance.

Who administers the program? What are the program's accountability standards?
State and local participating jurisdictions that receive HOME funding are responsible for managing the day-to-day operations of the program; ensuring that the funds are invested in accordance with all program requirements and written agreements. Grantees are monitored by HUD to ensure the program requirements are met. Moreover, every five years grantees must develop a strategic plan (called a Consolidated Plan) with input from the local community that addresses the housing, homeless, and community development needs in their jurisdiction. Annually, grantees must submit an action plan to HUD that identifies the activities they will undertake with the HOME funds to meet the objectives in the strategic plan. At the end of each program year, grantees must submit an annual performance report to HUD detailing progress that has been made in meeting the goals and objectives in the strategic plan and the annual plan. Moreover, properties assisted through the HOME program have strict requirements regarding rent controls, income eligibility, housing development costs (maximum per unit subsidy limits and maximum purchase price limits) and affordability requirements.

Quick Facts

- HOME has been cut by $875 million (48%) since FY10. The program is now funded at $950 million, the lowest level ever for the program.

- HOME provides direct grants to States and local governments; States receive 40% of the funds and local governments (participating jurisdictions) receive 60% of the funds.

- Over 600 communities receive HOME formula grants

- HOME is a flexible program that allows communities to design housing programs tailored to local priorities
- Since 1992, the HOME program has created over one million units of affordable housing.

- Every $1.00 of HOME funds leverages another $4.00 in non-HOME funds

- The HOME program facilitates public-private partnerships in the development of affordable housing.

- There are 300 more local participating jurisdictions than in 1993 when the program started.

What has HOME accomplished?

- The program has completed over one million affordable housing units including nearly 466,000 units for new home buyers, nearly 216,000 units for owner-occupied rehabilitations, and nearly 428,000 rental housing units.

- The program has provided direct rental assistance to nearly 245,000 households.

- HOME provides critical gap financing that make the Low Income Housing Tax Credit (LIHTC) projects feasible.

- All HOME funds must be used to benefit low-income households.

- In the last five years, of households occupying HOME-assisted rental units, at least 47% were extremely low-income (at or below 30% of AMI) and another 38% were very low-income (income less than 50% of AMI but greater than 30%).

Important Background Information

In March 2013, Congress approved and the President signed H.R. 933 – a Continuing Resolution (CR) – to keep the federal government operating through September 30, 2013. The CR provided FY13 funding for HUD and included a 4.4% increase to CDBG; the result of months of advocacy by the CDBG Coalition to increase program funding. However, CDBG has been cut significantly since FY2001. In FY 2001, the program received its highest funding level ever – $4.406 billion in formula funding. In contrast, the program received $3.071 billion in formula funding in FY13.

Administration's 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 to both programs. The budget provides $2.798 billion for CDBG formula grants; a cut of $273 million or 9% from FY13.

Besides funding cuts to CDBG, the budget proposes two statutory changes to the program – a minimum funding threshold of $348,000 and the elimination of communities that have been grandfathered into the program. These changes would result in over 300 small communities losing funding. Congress has shown no interest in supporting these provisions.

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.

As mentioned previously, the CDBG program received an overall increase of 4.4%; however, some grantees may have received a cut in their allocation 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. You may want to raise this issue in your congressional visits, if your CDBG program was severely cut in FY13.

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.

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.