



DATE: March 31, 2014

National Community Development Week – April 21-26, 2014

CDBG Basics Training - May 5-7, 2014 - Augusta, GA

HOME Basics Training - May 28-30, 2014 - Champaign, IL

Advanced CDBG Training - June 9-10, 2014 - Murfreesboro, TN

2014 NCDA Annual Conference - June 24-28, 2014 - Franklin County, OH

FEATURED ARTICLES

- ✓ ***302(b) Letter Gains Record Number of Signatures in Support of Increased Housing and Transportation Funding***
- ✓ ***U.S. Conference of Mayors Celebrate 40 Years of CDBG***
- ✓ ***Flood Insurance Bill Enacted***
- ✓ ***Senate Banking Leaders Release Housing Finance Reform Bill; Provides Funding for the National Housing Trust Fund***
- ✓ ***HUD NEWS - FY14 CPD Allocations Announced; HUD FY15 Budget Released***
- ✓ ***NCDA NEWS - National Community Development Week: April 21-26; Post Your National CD Week Activities to the NCDA Website; CDBG 40th Anniversary Posters and Postcards Still Available for Purchase; Upcoming NCDA Training; 2014 Annual Conference - Franklin County, OH***
- ✓ ***HUD Budget Chart***

302(b) Letter Gains Record Number of Signatures in Support of Increased Housing and Transportation Funding

An annual sign-on letter that calls for increased funding for the FY15 Transportation, Housing and Urban Development (THUD) appropriations bill, has gained 3,267 signatures, a record high in the letter's three-year history. NCDA would like to thank those members that signed on to the letter.

In the letter, organizations from every state urge Congress to increase the 302(b) allocations to THUD to the highest possible level in FY15. Congress, in establishing spending for all government programs, sets an overall funding level known as 302(a), which is then distributed among 12 appropriations subcommittees into allocations known as the 302(b). The letter is important to affordable housing, community development, and transportation advocates who support higher funding levels for programs administered by HUD and the Department of Transportation. While funding levels for THUD improved in 2014 in comparison with those enacted under sequestration, programs such as CDBG, HOME, public housing, and section 8 housing choice vouchers are still underfunded. The extraordinary number of signers to the letter

clearly demonstrates the broad national support for responsible funding for programs financed by the THUD subcommittee.

Congress is expected to begin work on the 2015 appropriations bill in April, starting with hearings and then bill markups, once the 302(b) allocations are determined.

Please click on the following link to view the letter.

http://nlihc.org/artichttp://nlihc.org/sites/default/files/FY15_THUD_302%28b%29_2014.pdf

U.S. Conference of Mayors Celebrate 40 Years of CDBG

A delegation of mayors from across the country held a press conference on March 13th to draw attention to the 40th anniversary of the CDBG program. Led by Mayor Setti Warren (Newton, MA), Chairperson of the USCM Community Development Committee, the event allowed mayors to explain the importance of CDBG in their communities while railing against cuts to the program. Mayor Warren urged all mayors to conduct activities to celebrate CDBG during National Community Development Week, April 21-26. Warren asked mayors to join with local businesses, non-profit partners, and congressional members to recognize the significant achievements of CDBG.

Signed into law on August 22, 1974, CDBG has played a vital role for jurisdictions nationwide. Since 2010, CDBG has been cut by nearly 25 percent and the President cut CDBG in his FY15 budget by nearly 8 percent from FY14 levels. Tom Cochran, USCM Executive Director, told those assembled that “CDBG is the number one issue for us...” Mayor Warren followed up by saying, “we must ensure that this program goes back to \$3.3 billion. In the economy that we face with the unemployment numbers that we still see... and moving to ensure that businesses still hire...this is critical to ensuring economic growth continues in our cities.”

Flood Insurance Bill Enacted

The Homeowner Flood Insurance Affordability Act of 2013 (HR 3370) cleared the House on March 4 and the Senate on March 13. President Obama signed the measure on March 21.

The bill rolls back the flood insurance premium increases proposed in the Biggert-Waters Flood Insurance Reform Act of 2012 (BW12) that were enacted last year to try to make the government’s flood insurance program financially solvent. BW12 led to stark increases in premiums nationally with some homeowners experiencing a tenfold increase in their premiums. This rapid increase in premiums made it difficult for some homeowners to keep their homes or sell them.

Under HR 3370, premiums under the National Flood Insurance Program (NFIP) could increase no more than 18% annually. The bill also reinstates the flood insurance program’s grandfathering

provisions, meaning homes that complied with previous flood maps would not be hit with large increases when new maps show greater risk of flooding. Under the bill, homes that met code when they were built would be protected from rate spikes due to new flood mapping including older homes built before NFIP was created.

Senate Banking Leaders Release Housing Finance Reform Bill; Provides Funding for the National Housing Trust Fund

Senators Tim Johnson (D-SD) and Mike Crapo (D-ID), the top Democrat and the top Republican on the Senate Banking Committee, have released a housing finance reform bill. The bill proposes replacing Fannie Mae and Freddie Mac with a new agency, the Federal Mortgage Insurance Corporation (FMIC), modeled on the FDIC. As the FDIC currently oversees and monitors the banking industry, the FMIC would play the same role with the housing finance system. The FMIC would collect fees for and administer a special fund, known as the Mortgage Insurance Fund, to cover losses on mortgage backed securities (MBS), with private capital required to take the first 10% of losses and the government required to back the remaining 90% of losses. This level of government-back protection does not sit well with Rep. Jeb Hensarling (R-TX), Chairman of the House Financial Services Committee, who released his own bill last year and who is opposed to any government guarantee.

The measure would eliminate the affordable housing goals previously used by Fannie Mae and Freddie Mac which required them to make certain number of loans to low-income people. However, the bill as drafted would direct to the National Housing Trust Fund 75% of the 10 basis point fee assessed on users of the new housing finance system, estimated to be \$3.75 billion annually. The National Housing Trust Fund monies would be used primarily to create rental housing for extremely low-income and very low-income people.

The Senate Banking Committee will mark-up its housing reform bill on April 29. Differences in the House and Senate versions and time constraints with the upcoming mid-term elections, makes passage of a final housing reform bill this year highly unlikely.

HUD NEWS

FY14 CPD Allocations Announced

On March 18, HUD released its FY14 allocations for the Community Planning and Development (CPD) programs – CDBG, HOME, ESG, and HOPWA. CDBG received an overall program reduction of 1.6 percent from last year and some communities saw further reductions due to the American Community Survey (ACS) data. HOME received an increase of \$50 million from FY13, so participating jurisdictions should have seen a modest increase in their FY14 HOME allocation. Likewise, the Emergency Solutions Grant program also received an increase of approximately \$35 million. The FY14 CPD allocations can be viewed at the following link.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budge

[t14](#)

HUD FY15 Budget Released

The President proposes to fund the U.S. Department of Housing and Urban Development (HUD) at \$46.6 billion in FY15; an increase of \$1 billion above the FY14 enacted level. The proposed budget increases funding for the Housing Choice Voucher Program, homelessness assistance grants, and Section 811 Housing for the Disabled. The proposed HUD budget decreases funding for CDBG, HOME, and section 8 project-based vouchers.

CDBG

The budget proposes cutting CDBG formula grants by \$230 million, or 7.6%, from \$3.030 billion in FY14 to \$2.8 billion in FY15. The budget also proposes a series of reforms to “strengthen the CDBG program, help grantees target funding resources to areas of greatest need, enhance program accountability, synchronize critical program cycles with the consolidated plan cycle, reduce the number of small grantees, and provide more options for regional coordination, administration and planning.” NCDAs will provide more information on these reforms once HUD sends its package of legislative reforms to the Hill - which is expected to happen before July.

HOME

The budget cuts the HOME program by \$50 million, or 5%, from \$1.0 billion in FY14 to \$950 million in FY15. The budget also allows up to \$10 million to be set-aside for the Self-Help Homeownership Opportunity Program (SHOP). SHOP was previously funded as a stand-alone program.

Homeless Assistance Grants

The budget provides \$2.4 billion for the homeless assistance grants, a \$300 million increase from last year. Of this amount, \$2.2 billion would be allocated to continuum of care and rural housing stability assistance programs and \$215 million would be allocated for Emergency Solutions Grants, a \$35 million reduction from last year. The budget states that HUD will continue to implement the HEARTH Act.

HOPWA

The budget provides \$332 million for the Housing Opportunities for Persons with AIDS (HOPWA) program, a \$2 million increase from last year.

HUD-VASH Vouchers

HUD requests \$75 million for HUD-VASH vouchers, the same level as FY14. HUD anticipates this funding level will enable housing authorities to serve an additional 10,000 veterans. The budget extends eligibility for HUD-VASH to Indian tribes and tribally-designated housing authorities. The HUD-VASH vouchers will be funded through the Housing Choice Voucher Program.

Lead-Based Paint Hazard Reduction

The budget proposes \$120 million for the Lead-Based Paint Hazard Reduction program, \$10 million more from last year.

National Housing Trust Fund

For the sixth year in a row, the President's budget proposal requests \$1 billion in mandatory funding for the National Housing Trust Fund which requires an offset in funding from somewhere in the budget either through a reduction in funding or an increase in revenue. Congress has yet to fund the National Housing Trust Fund and will likely not do so in this budget. NCDAs support the funding of the National Housing Trust Fund, but it will likely be funded through some other vehicle other than the HUD budget.

Section 202 Housing for the Elderly

The budget proposes \$440 million for the Section 202 Housing for the Elderly Program, an increase of \$57 million from last year. Of this amount, \$350 would renew and amend operating subsidy contracts, \$70 million would support service coordinators, and \$20 million would fund Elderly Project Rental Assistance (PRA).

Section 811 Housing for the Disabled

The budget provides \$160 million for the Section 811 Housing for the Disabled. Of this amount, \$135 million would renew and amend operating subsidy contracts and \$25 million would be used for new Project Rental Assistance.

Fair Housing

The budget proposes \$71 million for Fair Housing programs; including \$45.6 million for the Fair Housing Initiatives Program and \$23.3 million for the Fair Housing Assistance Program.

Housing Counseling

The budget provides \$60 million for housing counseling, an increase of \$15 million above the FY14 level.

Choice Neighborhoods Initiative

HUD requests \$120 million for the Choice Neighborhoods Initiative, an increase of \$30 million from the FY14 level. HUD estimates this funding level will allow for the awarding of approximately 10 planning grants totaling \$5 million each and three to four implementation grants totaling \$30 to \$40 million each.

Housing Choice Vouchers

HUD proposes \$20 billion for the Housing Choice Voucher Program in FY15, a 5 percent increase. Of this amount, \$18 billion will be used to renew expiring vouchers, an increase of \$641 million from last year.

Section 8 Project-Based Vouchers

The budget proposes \$9.7 billion to renew expiring Section 8 project-based contracts, a decrease of \$171 million, or 2 percent, from last year.

Public Housing Operating Fund

HUD recommends funding the Public Housing Operating Fund at \$4.6 billion, an increase of \$200 million, or 5 percent, above the \$4.4 billion level enacted in FY14. Public housing advocacy groups say that \$5.265 billion is needed to fully fund the Operating Fund.

Public Housing Capital Fund

HUD recommends \$1.9 billion for the Public Housing Capital Fund; an increase of \$50 million, or 3 percent, from last year.

Rental Assistance Demonstration

The Rental Assistance Demonstration (RAD) allows public housing authorities to convert public housing units into Section 8 contract based units. The budget requests \$10 million for a targeted expansion of RAD to public housing properties that cannot feasibly convert at existing funding levels and are located in high-poverty neighborhoods, including Promise Zones.

NCDA NEWS

National Community Development Week: April 21-26; Post Your National CD Week Activities to the NCDA Website; CDBG 40th Anniversary Posters and Postcards Still Available for Purchase

National Community Development Week will be celebrated on April 21-26, 2014. To help you plan and implement your National CD Week activities, NCDA has developed a planning guide, available at www.ncdaonline.org. Since this year marks a special anniversary for CDBG, we urge all of you to plan events for National CD Week. Congress needs to hear from you and your beneficiaries during this week-long celebration. Reach out now to your congressional members to invite them to your events. The CDBG Coalition has developed a special poster and postcard for communities to use in their National CD Week activities. Using the postcards, we ask you to have your beneficiaries write a short note to their Congressional members on how CDBG and HOME have assisted them.

Post Your National CD Week Activities to the NCDA Website

We would like to share your National Community Development Week activities with your fellow NCDA members. NCDA has set-up a special link on its website to allow members to post their events. To post your National CD Week events please go to <http://ncdaonline.org/cdweekevents.asp>

You must have a userid and password to post your events. If you need a user id/password, please contact Karen Karen Parker at karen@ncdaonline.org

CDBG 40th Anniversary Posters and Postcards Still Available for Purchase

Printing Productions, Inc., the company handling the printing and distribution of the CDBG 40th anniversary posters and postcards will continue to accept orders until the remaining product is sold. If you haven't placed your order yet, now is the time to do so. The order form is attached. Please contact Randy Davis at Printing Productions with any questions at 703-406-2400.

Upcoming NCDA Training

CDBG Basic Course Training

May 5-7

Augusta, GA

Cost: \$250 for members/\$350 for non-members

This 3-day course will provide a basic, but comprehensive overview of the CDBG program. For more information and to register for the course, go to www.ncdaonline.org/cdbg.asp.

HOME Basic Course Training

May 28-30

Champaign, IL

Cost: \$250 for members/\$350 for non-members

This 3-day course will provide a basic, but comprehensive overview of the HOME program, including the HOME program final rule changes. For more information and to register for the course, go to www.ncdaonline.org/home.asp.

Advanced CDBG Program

June 9-10

Murfreesboro, TN

Cost: \$200 for members/\$250 for non-members

This 1-1/2 day course is targeted to senior staff and managers who administer the CDBG program. The class format will allow participants to engage in discussion on effective program planning, allocation of funding, program implementation challenges, leveraging additional resources, and problem solving. For more information and to register for the course, go to www.ncdaonline.org/cdbg.asp.

2014 Annual Conference - Franklin County, OH

The 2014 Annual Conference will be held in Franklin County (Columbus), OH on June 25-28. Franklin County is excited to host this event and showcase the County, Columbus, and its surrounding community development projects. Franklin County has been diligently working on this premier event since last summer and it promises to be an educational, yet fun experience for all who attend. We have the pleasure of celebrating the 40th Anniversary of CDBG this year and the agenda includes a special opening session to honor our landmark program.

Because of Franklin County's excellent work in obtaining conference sponsors, conference participants will receive a complimentary lunch all three days of the conference as well as participation in wonderfully planned evening excursions.

Please find attached an updated draft agenda. To register for the conference, go to <http://ncdaonline.org/events/14annualconferencebrochure.pdf>

The conference will feature a variety of community development and affordable housing topics including:

- Implementing the HOME Final Rule (from the perspective of participating jurisdictions)
- Implementing the eCon Planning Suite (again, from the perspective of grantees)
- HOME program underwriting and subsidy layering (**NEW SESSION**)
- Local projects tour
- Special session for directors of departments of community development
- Tool for managing federal grants (**NEW SESSION**)
- Working with new immigrants
- Update on the National Housing Trust Fund
- Roundtable discussions on the following topics: monitoring, economic development, housing rehabilitation, energy efficiency, local housing trust funds, and veterans
- CDBG and HOME best practices
- John Sasso National Community Development Week Awards Luncheon
- HUD Program Update

The conference fee is \$350 for members and \$450 for non-members. Group discounts are available. When two or more persons attend from any single community, each person receives a \$25 discount. The conference will be held at the Crowne Plaza - Columbus Downtown. NCDA has secured a block of rooms at the rate of \$94.00/single and \$104.00/double per night, plus tax. The hotel will hold this block of rooms at this rate through **May 26, 2014**. Please book early! To make your reservation, please call the Crowne Plaza at 1-800-338-4462 and mention "NCDA Annual Conference" to receive the special room rate.

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

Program	FY13 Enacted Level	FY14 Enacted	President's FY15 Request
Community Development Fund	\$3.127 billion	\$3.100 billion	\$2.87 billion
<i>Set-Asides:</i>			
Disaster Assistance			
Native American Block Grant	0	0	0
Integrated Planning Grants	[\$56 million]	[\$70 million]	[\$70 million]
Neighborhood Stabilization	0	0	0
	0	0	0
CDBG Formula Grants	\$3.071 billion	\$3030 billion	\$2.8 billion
Section 108 Loan Guarantees	\$250 million	\$250 million	\$500 million
Brownfields	\$0	\$0	\$0
HOME Program	\$948 million	\$1.0 billion	\$950 million*
Homeless Programs	\$2.033 billion	\$2.1 billion	\$2.4 billion
SHOP	\$35 million	\$10 million	\$10 million**
Housing Counseling	\$45 million	\$45 million	\$60 million
Lead Hazard Control	\$120 million	\$110 million	\$120 million
HOPWA	\$332 million	\$330 million	\$332 million
Section 202 for the Elderly	\$375 million	\$384 million	\$440 million
Section 811 for the Disabled	\$165 million	\$126 million	\$160 million
Fair Housing	\$71 million	\$66 million	\$71 million
Section 8 TBRA	\$18.9 billion	\$19.2 billion***	\$20 billion***
Section 8 Project-Based Assistance	\$9.3 billion	\$9.91 billion	\$9.7 billion
Public Housing Capital	\$1.875 billion	\$1.87 billion	\$1.9 billion
Public Housing Operating	\$4.262 billion	\$4.4 billion	\$4.6 billion
Choice Neighborhoods	\$120 million	\$90 million	\$120 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.