



DATE: May 30, 2014

Advanced CDBG Training - Murfreesboro, TN - June 9-10, 2014
NCDA Annual Conference - Franklin County, OH - June 25-28, 2014

FEATURED ARTICLES

- ✓ ***House Marks Up FY14 Transportation-HUD Bill***
- ✓ ***President Obama Nominates Shaun Donovan to Head OMB; Julian Castro to Head HUD***
- ✓ ***Congress Approves Loan Program for Flood Control, Water Projects***
- ✓ ***Commerce Department Announces 12 Designated Manufacturing Communities***
- ✓ ***HUD NEWS – Senate Makes HUD Confirmations***
- ✓ ***NCDA NEWS – 2014 John A. Sasso Award Winners Announced; Upcoming NCDA Training; It's Almost Here!! - The 2014 Annual Conference - Franklin County, OH***
- ✓ ***HUD Budget Chart***

House Marks Up FY14 Transportation-HUD Bill

On May 7, the House Subcommittee on Transportation-HUD (T-HUD) marked-up its FY15 spending bill. In his opening statement, Chairman Tom Latham (R-IA) said, “Our allocation is \$52.029 billion, an increase of \$1.17 billion over the 2014 enacted levels. That’s the good news. The bad news is the FHA receipts are down almost \$3 billion from last year. That doesn’t mean FHA is going broke – just that CBO estimates more homebuyers are financing and refinancing their homes through the private market.” FHA receipts are used to provide funding for HUD’s programs in the T-HUD appropriations bill; however, with the dip in receipts this year, the subcommittee had to rely solely on its allocation to fund HUD’s programs, causing a squeeze on some programs.

Latham also pointed out that, “the bill provides sufficient funds to keep all families currently receiving housing assistance under the umbrella of the various HUD programs. We recommend funding the base CDBG at \$3 billion, almost level with last year.” The bill would fund the CDBG Program at \$3 billion in formula funding, a slight decrease of \$30 million, or 1 percent,

below last year's level, but an increase of \$200 million, or 7 percent more, than the President's FY15 budget request. In this atmosphere of budget constraints, this is a victory. We are hopeful of an even higher number in the Senate.

Much of the behind-the-scenes work to garner support for CDBG during the subcommittee mark-up was launched early on by the CDBG Coalition, of which NCDA is one of the lead organizations. Since late February, the Coalition has met with all T-HUD members, submitted written requests to all T-HUD members for support of \$3.3 billion for CDBG, and worked with the Northeast-Midwest Congressional Coalition on a House-wide support letter for CDBG. Two hundred House members sent in written support letters for CDBG directly to Chairman Latham, the most for any federal program in the T-HUD bill. We also worked closely with other national housing and transportation groups to increase the overall T-HUD subcommittee allocation in both the House and Senate through a national letter that garnered over 3,200 signatures. This effort proved successful as the House T-HUD Subcommittee received an allocation of \$52.029 billion, an increase of \$1.17 billion from last year; and the Senate T-HUD Subcommittee received an allocation of \$54.439 billion, an increase of \$3.58 billion from last year. The Senate T-HUD Subcommittee will mark-up its bill on June 5.

The House subcommittee recommended \$700 million for the HOME Program in FY15, \$300 million, or 30% less than the FY14 level. We are confident the funding will be restored in the Senate. The bill would provide \$2.1 billion for HUD's homeless assistance grants, the same level as in FY14, but \$301 million, or 13 percent, less than the President's budget request. The bill would require that at least \$200 million of the funds be used for the Emergency Solutions Grants (ESG) program. Please see the HUD budget chart at the end of this newsletter for the House recommended funding levels for other HUD programs.

On May 21, the House Appropriations Committee approved the T-HUD spending bill on a vote of 28-21. The following amendments to the bill were approved.

- an amendment, offered by Rep. David Price (D-NC), to increase funding for the U.S. Interagency Council on Homelessness by \$1 million;
- an amendment requiring HUD to evaluate and report on the effect of the Housing Choice Voucher portability costs to certain public housing authorities, offered by Rep. Adam Schiff (D-CA). The amendment directs HUD "to evaluate the effect of voucher portability on administrative costs to PHAs experiencing a large number of vouchers that are ported in from other jurisdictions";
- an amendment, included in Chairman Latham's manager's amendment, to increase funding for HUD's Housing Counseling program by \$2 million; and
- an amendment to increase funding for the HOPWA program by \$2.9 million, also

included in Latham's manager's amendment;

Amendments were offered to increase funding for HOME and CDBG, but they were not approved. Rep. Marcy Kaptur (D-OH) offered an amendment to increase CDBG to \$3.27 billion and Rep. Adam Schiff (D-CA) offered an amendment to increase HOME to \$1.6 billion.

The report accompanying the manager's amendment recommends that HUD work with congressional authorizers to modernize the HOPWA formula. The report also urged congressional authorizers to enact a Housing Choice Voucher reform bill before FY15 (this is highly unlikely).

The Senate T-HUD Subcommittee is expected to mark-up the FY15 T-HUD spending bill on June 5. Senator Barbara Mikulski (D-MD), Chair of the Senate Appropriations Committee, wants to complete subcommittee mark ups by early July, according to her office. Majority Leader Reid (D-NV) has committed to providing floor time in June and July for the Senate to consider appropriations bills. It's likely the T-HUD bill will go to the Senate floor as early as June.

President Obama Nominates Shaun Donovan to Head OMB; Julian Castro to Head HUD

President Obama has nominated HUD Secretary Shaun Donovan to lead the Office of Management and Budget (OMB) and San Antonio Mayor Julian Castro to take the helm at the Department of Housing and Urban Development (HUD). Both will need to be confirmed by the U.S. Senate which shouldn't be a problem considering the recent rule changes put in place by Majority Leader Harry Reid to prevent the filibuster of presidential nominees. Donovan replaces Sylvia Mathews Burwell at OMB; Burwell has been nominated to replace Kathleen Sebelius as the Secretary of Health and Human Services.

Running a federal agency offers Castro the opportunity to raise his national profile. At 39, he is an up-and-coming leader in the Democratic Party and is considered by some to be a sound choice for the vice presidential nominee for the 2016 ticket.

Congress Approves Loan Program for Flood Control, Water Projects

Congress recently approved the Water Resources Reform and Development Act of 2014. The bill creates the Water Infrastructure Finance and Innovation Act (WIFIA) program, a five-year pilot program to provide credit to fund water projects. The WIFIA program will allow the Army Corps of Engineers and the EPA to provide direct loans and loan guarantees for the construction of critical water infrastructure projects, including levee and flood control projects, drinking water systems, and wastewater treatment plants.

The legislation also requires the National Academy of Sciences and the Government Accountability Office to evaluate options for reducing risk from extreme weather events and ensure the Army Corps of Engineers is using best practices to address threats from floods,

droughts, and storms. The legislation provides the Corps with new authority to conduct rapid, post-disaster watershed assessments and implement small flood control and ecosystem restoration projects.

According to information from the House Transportation and Infrastructure Committee, of the 100,000 miles of levees across the country, almost 85 percent of these are locally owned, operated, and maintained – making it extremely difficult to collect information about the levees or estimate their reliability and leaving the public at risk if a levee fails. The legislation enhances the safety of the nation's levees, establishing a National Levee Safety Initiative that promotes consistent safety standards and effectively communicates to the public the risks of living behind a levee.

Of the 84,000 dams in America, the average dam is 52 years old, and 14,000 are high-hazard, meaning failure would cause significant loss of life and damage to the surrounding area. The legislation increases funding for dam inspections and maintenance, provides stronger safety requirements, upgrades emergency preparedness plans in order to prevent dam failures, and improves recovery plans in the event of dam failures.

A copy of the full legislation can be found at the following link.

http://www.epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=a7e68d9a-14fc-4e0b-ad91-a0ab233e39ed

Commerce Department Announces 12 Designated Manufacturing Communities

On May 29, Commerce Secretary Penny Pritzker announced the 12 communities that will be designated Manufacturing Communities as part of the Investing in Manufacturing Communities Partnership (IMCP) Initiative. The program is designed to accelerate manufacturing by supporting long-term economic development strategies for communities to attract and expand private investment. From the 70 communities that applied to the initiative, the following 12 were selected.

- Southwest Alabama led by the University of South Alabama
- Southern California led by the University of Southern California
- Northwest Georgia led by the Northwest Georgia Regional Commission
- The Chicago metro area led by the Cook County Bureau of Economic Development
- South Kansas led by Wichita State University
- Greater Portland Region in Maine led by the Greater Portland Council of Governments
- Southeastern Michigan led by the Wayne County Economic Dev. Growth Engine
- New York Finger Lakes Region led by the City of Rochester
- Southwestern Ohio Aerospace Region led by the City of Cincinnati
- The Tennessee Valley led by the University of Tennessee
- The Washington Puget Sound Region led by Puget Sound Regional Council

- The Milwaukee 7 Region led by the Redevelopment Authority of the City of Milwaukee

The 12 designated Manufacturing Communities will receive coordinated support for their strategies from 11 federal agencies (including the Small Business Administration and HUD) with \$1.3 billion available in federal economic development assistance. In order to receive the designation, communities had to demonstrate the significance of manufacturing already present in their region and develop strategies to make investments in six areas: (1) workforce and training; (2) advanced research; (3) infrastructure and site development; (4) supply chain support; (5) trade and international investment; and (6) operational improvement and capital access.

For more information, please visit <http://www.eda.gov/challenges/imcp/index.htm>

HUD NEWS

Senate Makes HUD Confirmations

On April 29, the full Senate approved the confirmation of Katherine O'Regan to be the Assistant Secretary for Policy Development and Research (PDR) at HUD. O'Regan is an Associate Professor at the Wagner School of Public Service at New York University.

On the same day, the Senate Banking Committee confirmed Nani Coloretti to be the HUD Deputy Secretary and confirmed Gustavo Velasquez Aguilar to be the Assistant Secretary for the Office of Fair Housing and Equal Opportunity. Coloretti is the Assistant Secretary for Management at the Department of the Treasury. She also held positions at the Office of Management and Budget and the City of San Francisco, where she served as Budget Director. Aguilar served as the Director of the District of Columbia's Office of Human Rights. Both positions await confirmation by the full Senate.

NCDA NEWS

2014 John A. Sasso Award Winners Announced

Every year communities across the country celebrate National Community Development Week to recognize the importance of CDBG and HOME in their communities. NCDA started National Community Development Week nearly 30 years ago to bring attention to CDBG during a time when the program was at risk of stark cuts. Remarkably, CDBG – and HOME – once again face budget reductions and National Community Development Week helps to harness support for the programs during the appropriations process.

National Community Development Week takes effort, planning, and coordination with other local partners. It is not an easy task. For their hard work and outstanding planning and implementation, NCDA is pleased to announce the following communities will receive the 2014 John A. Sasso National Community Development Week Award during a special luncheon at the NCDA Annual Conference on June 27, 2014.

Award Winners (in alphabetical order)

Albany, GA
Arlington, TX
Beaverton/Washington County, OR
Bryan/College Station, TX
Burlington, VT
Durham, NC
El Paso, TX
Hollywood, FL
Jacksonville, FL
Kettering, OH
Knoxville, TN
La Crosse, WI
McKinney, TX
Malden, MA
Palm Springs, CA
Quincy, MA
Richland County, SC
Salinas, CA
Seminole County, FL

Upcoming NCDA Training

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.

It's Almost Here!! - The 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:

- Special session to honor the 40th anniversary of CDBG
- 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
- Local projects tour
- Special session for directors of departments of community development
- Tools for managing federal grants
- 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 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. We have sold out our room block; however, Karen Parker is looking for additional accommodations. Please contact her directly at karen@ncdaonline.org.

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

Program	FY13 Enacted Level	FY14 Enacted	President's FY15 Request	FY14 House Approp. Committee Request
Community Development Fund	\$3.127 billion	\$3.100 billion	\$2.87 billion	\$3.060 billion
<i>Set-Asides:</i>				
Disaster Assistance				
Native American Block Grant	0	0	0	0
Integrated Planning Grants	[\$56 million]	[\$70 million]	[\$70 million]	[\$60 million]
Neighborhood Stabilization	0	0	0	0
CDBG Formula Grants	0	0	0	0
	\$3.071 billion	\$3030 billion	\$2.8 billion	\$3.00 billion
Section 108 Loan Guarantees	\$250 million	\$250 million	\$500 million	\$500 million
HOME Program	\$948 million	\$1.0 billion	\$950 million*	\$700 million
Homeless Programs	\$2.033 billion	\$2.1 billion	\$2.4 billion	\$2.1 billion
SHOP	\$35 million	\$10 million	\$10 million**	\$10 million**
Housing Counseling	\$45 million	\$45 million	\$60 million	\$45 million
Lead Hazard Control	\$120 million	\$110 million	\$120 million	\$70 million
HOPWA	\$332 million	\$330 million	\$332 million	\$306 million
Section 202 for the Elderly	\$375 million	\$384 million	\$440 million	\$420 million
Section 811 for the Disabled	\$165 million	\$126 million	\$160 million	\$135 million
Fair Housing	\$71 million	\$66 million	\$71 million	\$68 million
Section 8 TBRA	\$18.9 billion	\$19.2 billion***	\$20 billion***	\$19.3 billion
Section 8 Project-Based Assistance	\$9.3 billion	\$9.9 billion	\$9.7 billion	\$9.7 billion
Public Housing Capital	\$1.875 billion	\$1.87 billion	\$1.9 billion	\$1.775 billion
Public Housing Operating	\$4.262 billion	\$4.4 billion	\$4.6 billion	\$4.4 billion
Choice Neighborhoods	\$120 million	\$90 million	\$120 million	\$25 million

*Of this amount, \$940 million would be provided to HOME formula grants and \$10 million to SHOP.

**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.