



DATE: June 30, 2014

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Appropriations Update

House

On June 10, the House of Representatives approved the FY15 Transportation-HUD (T-HUD) bill on a vote of 229-192. The bill provides \$17 billion for the Department of Transportation and \$40.3 billion for the Department of Housing and Urban Development. The bill was brought to the House floor under an open rule, meaning that members could offer an unlimited number of amendments. In total, the House debated nearly 70 amendments. Many of the amendments were offered late in the wee hours and debated as quickly as two minutes each. The following amendments were adopted that make an impact on programs of interest to NCDA members.

- Rep. Duffy (R-WI) - The amendment provides a \$10 million increase to HUD's Continuum of Care and Rural Housing Stability programs.
- Rep. Conyers (D-MI) - The amendment provides a \$2 million increase for HUD's national homeless data analysis project.
- Rep. Lee (D-CA) - The amendment provides a \$10 million increase to HUD's Fair Housing Initiatives Program.
- Rep. Gosar (R-AZ) - The amendment prohibits funding to implement, enforce, or

- administer the Affirmatively Furthering Fair Housing Rule proposed by HUD.
- Rep. Schock (R-IL) - The amendment prohibits funding for Tenant-Based Rental Assistance housing vouchers, if the payment standard of the voucher exceeds 120% of fair market rent.
- Rep. Higgins (D-NY) - The amendment prohibits the termination of a jurisdiction's status as "metropolitan city" with respect to its ability to receive a Community Development Block Grant. This amendment allows a CDBG grantee to continue to receive the grant if their population dips below 50,000. Rep. Higgins (D-NY) offered this amendment because Niagara Falls, NY had dipped below the 50,000 population threshold and was at risk of losing its direct allocation of CDBG funds.

Probably the most contentious amendment for NCDAs that was adopted was offered by Rep. Ron DeSantis (R-FL). The amendment "prohibits funding for HUD to repay any loan made, guaranteed, or insured by HUD." This amendment will have a profound effect on the Section 108 Loan Guarantee Program because many grantees use their CDBG funds to repay their Section 108 loans. NCDAs are fighting off attempts to have a similar amendment introduced to the Senate FY15 Transportation-HUD bill. We will also have to work to have the House amendment removed from the final T-HUD bill once it goes to conference (if it ever goes to conference).

Senate

The week of June 16, the Senate considered a mini-bus appropriations package that included three FY15 spending bills - Commerce, Justice, State; Transportation-HUD, and Agriculture. After several days of debate, the bill was pulled from the Senate floor over a lack of consensus on the amendment process. Reid proposed an agreement to take up the mini-bus spending package with an amendment process that would require 60 votes for amendments to be adopted. McConnell balked at this idea; instead seeking just 51 votes for amendments. Senate leadership hopes to bring the bill back to the floor at a later date.

After the July 4 recess, only 28 legislative days will be left to address a lot of unfinished legislative business. There have been murmurs of taking up most legislation after the November 4 elections in what is called the lame duck session. Any post-election mix of activity must also include a full slate of leadership elections for both parties, which is time consuming.

At this point in time, most pundits would agree that we can expect to see a Continuing Resolution (CR) that runs from August through mid-November. What happens after the November elections depends on whether the Democrats maintain control of the Senate, which is up in the air.

Senate Panel Moves Forward on Julian Castro Nomination as Secretary of HUD

Last week, the Senate Banking Committee approved the nomination of Julian Castro, Mayor of San Antonio, to be the next Secretary of the Department of Housing and Urban Development (HUD) by a vote of 16-6. The full Senate is expected to confirm his nomination next week.

Senate Nomination Hearing

Earlier this month, the Senate Banking Committee held a hearing on Castro's nomination where he was questioned on several fronts. Senator John Cornyn (R-TX) introduced Mayor Julian Castro at the hearing. He called his background uniquely Texan and uniquely American. Committee Chairman Tim Johnson (D-SD) asked Castro about the City of San Antonio's misuse of Neighborhood Stabilization Program funds. Castro told the panel that "compliance was strengthened, staff was removed, and \$125,000 repaid."

In his brief opening statement, Castro told the Committee that he would focus on cross-agency collaboration and program outcomes, if confirmed as the Secretary of HUD. He spoke about San Antonio's designation as a Promise Zone and receipt of a Promise Neighborhoods grant, Choice Neighborhoods grant, and a Byrne Criminal Justice Program grant, a collaborative approach that has improved education, housing, and the quality of life for residents of San Antonio's East Side. Castro also told the Committee about SA2020, a city-wide public engagement process that resulted in numeric goals for achieving the city's vision by the year 2020.

Castro told the Committee, "HUD's role is one of the most critical in government because it directly impacts American families. From enforcing fair housing rights to revitalizing distressed areas - from assisting veterans in finding permanent housing to helping communities rebuild after a natural disaster hits - the Department is making an impact in small towns, big cities, rural communities and tribal communities across the country. The 21st century is shaping up to be the century of cities. And I believe there's a reason for that: In America's local communities, partnerships and pragmatism are the key drivers to success." He also told the Committee that he is supportive of winding down Fannie Mae and Freddie Mac. This answer was enough to garner Republican support for his nomination.

President Announces National Disaster Resilience Competition

On June 14, President Obama announced the National Disaster Resilience Competition to support innovative local resilience projects that plan for the impacts of extreme weather and climate change and rebuild affected areas to be better prepared for the future.

Nearly \$1 billion in federal CDBG disaster funding will be awarded; \$820 million to States and local governments that experienced a federally declared disaster in 2011, 2012, and 2013. States affected by Hurricane Sandy will be eligible to compete for \$180 million. HUD will ensure that geographic diversity is a consideration in the selection of participating communities.

HUD is working on the NOFA for this competition.

Congress Moves to Shore Up Highway Trust Fund

Last week, the Senate proposed a short-term solution to make the Highway Trust Fund solvent through the end of December. The trust fund will face a shortfall as early as this August. On June 26, the Senate Finance Committee met to mark-up the Preserving American's Transit and Highways (PATH) Act. Developed by Senate Finance Committee Chairman Ron Wyden (D-OR), the PATH Act would raise revenue needed to pay for this extension through a modification to the Heavy Vehicle Use Tax that would increase the tax cap for heavy vehicles (vehicles over 97,000 pounds). The Senate Finance Committee will reconvene the mark-up on July 6 to consider additional funding sources.

House Ways and Means Committee Chair Dave Camp (R-CA) announced his plans to mark-up a trust fund fix (which hasn't been released yet) on July 7.

HUD NEWS

HUD Releases Notice on Low/Mod Summary Data

HUD issued CPD Notice 14-11 on June 10. The notice provides guidance and information on the updated 2014 Low/Moderate Income Summary Data (LMISD). The data will be available in IDIS and required for new activities for which funding is first obligated by the grantee on or after July 1, 2014. According to HUD, for new activities with service areas that qualified on LMI according to the prior data set, but do not qualify according to the updated data set, the prior data set may still be used in limited circumstances. The complete notice is available at the following link:

<http://portal.hud.gov/hudportal/documents/huddoc?id=14-11cpdn.pdf>

The new LMISD is based on the 2006-2010 American Community Survey (ACS) data. The data is provided for block groups, census designated places, county subdivisions, counties, and entitlement jurisdictions. Split-block group data is not provided due to the small sample size offered by the ACS. The LMISD is available here.

<https://www.onecpd.info/manage-a-program/acs-low-mod-summary-data/>

HOPWA Formula Modernization Legislative Proposal

As part of its FY15 budget justification, HUD included a proposal to update the formula for the Housing for Persons with Aids Program (HOPWA). The existing formula is outdated; including over 500,000 people who have passed away from AIDS in the calculation (according to HUD). The proposed formula change would be based on the number of persons living with HIV, including those also living with AIDS. The formula would also be revised to adjust for local housing costs (FMRs) and community need (poverty rates). The legislative proposal also includes language that would expand short-term housing interventions and rapid re-housing of homeless people living with HIV/AIDS.

Congressional action is needed for the formula change to be enacted. If you have any questions or comments on the proposed formula change, please contact HUD directly at HOPWA@hud.gov.

HUD Announces Continuum of Care Grants

On June 19, HUD released a list of grants totaling \$140 million to nearly 900 local homeless assistance programs. The FY 2013 Continuum of Care Tier 1 new and Tier 2 new and renewal grants will provide funding to 436 new projects and renew over 450 existing projects.

The following link provides a list of all the state and local homeless projects awarded funding for FY 2013 Tier 1 new and Tier 2 new and renewal projects.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/homeless/budget/2013_final

The following link provides a list of FY 2013 Tier 1 renewal projects.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/homeless/budget/2013

HUD Announces CDBG Economic Development Training

HUD will hold a three-day training in Denver, CO on August 12-14, 2014 for CDBG grantees interested in learning more about using CDBG for economic development activities. The Economic Development Toolkit Training is targeted at CDBG grantees that are familiar with the CDBG regulations, but want to know more about using CDBG for economic development. It is not an introductory CDBG class.

Participants will learn how to carry out activities such as:

- Microenterprise development
- Assistance to for-profit businesses and CBDOS
- Financing of large-scale commercial, industrial, and other projects
- Financial underwriting
- Applying public benefit standards
- Section 108 Loan Guarantee financing

The deadline for registration is July 30, 2014. To register go to:

<https://www.onecpd.info/training-events/courses/the-economic-development-toolkit-training-module/>

Environmental Review FAQs Available

Environmental Review Frequently Asked Questions (FAQs) are now available on the OneCPD Resource Exchange at <https://www.onecpd.info/environmental-review/faqs>

NCDA NEWS

2014 Annual Conference Presentations

NCDA would like to thank the many speakers and trainers who helped make the 2014 NCDA Annual Conference a success. The conference presentations are available at the following link.

<https://drive.google.com/folderview?id=0B4lh3y0lJtirbnEtek4tMy1NWm8&usp=sharing>

NCDA would like to especially thank the staff from Franklin County, OH (Rollin Seward, Kate Matheney, Omri Gross, and many others) and the local sponsors for their many hours of work and dedication to make sure the conference came off without a hitch.

