



DATE: October 31, 2014

NCDA Region IV Conference – Altamonte Springs, FL – November 5-7
CDBG Basic Training (2-day) – Manchester, NH – November 18-19
Region I Conference – Manchester, NH – November 20-21
NCDA Winter Conference – Washington, DC – January 21-23, 2015

FEATURED ARTICLES

- ✓ **Supreme Court Agrees to Hear Texas Disparate Impact Fair Housing Case**
- ✓ **Proposed Rule on Modified Flood Insurance Guidelines Released**
- ✓ **HUD NEWS – HUD Seeks Comments on Draft Fair Housing Assessment Tool; HUD Issues Updated CDBG Income Survey Notice; CPD Issues Guidance on on Submission of Consolidated Plans/Action Plans for FY 2015; Section 3 Proposed Rule at OMB; HUD Releases Section 811 and Section 202 Rule; HUD Releases Final FY 2015 FMRs; Promise Zones Competition Announced**
- ✓ **NCDA NEWS - Training and Technology Survey/Request for Section 108 Projects; NCDA Announces the 2015 Audrey Nelson Awards Competition; NCDA Regional Conferences; Save the Dates for the 2015 NCDA Winter and Annual Conferences; CDBG Training Available**

Supreme Court Agrees to Hear Texas Disparate Impact Fair Housing Case

The U.S. Supreme Court announced on October 2 its decision to take up the Texas Department of Housing and Community Affairs (TDHCA) v. Inclusive Communities Project case. This case could have a widespread impact on State and local grantees administering federal funding as it focuses on whether TDHCA violated the Fair Housing Act by disproportionately awarding Housing Credits to developers building properties in areas with high minority concentrations. TDHCA is appealing the ruling of the Fifth Circuit Court of Appeals ordering the agency to change the way

it awards housing resources so that they are spread more evenly across neighborhoods of various racial makeup.

NCDA will continue to track this important case.

Proposed Rule on Modified Flood Insurance Guidelines Released

On October 24, five federal agencies released a joint proposed rule to amend regulations regarding loans in special flood hazard areas to implement portions of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA), signed into law by the President on March 21, 2014. The proposed rule would establish requirements in regards to flood insurance escrow payments on loans originated or refinanced on or after January 1, 2016 and provide an exemption for structures that are on a residential property but are not attached to the home from the mandatory flood insurance purchase requirement.

The rule would also exempt small lenders with less than \$1 billion in assets from escrowing for flood insurance costs. Also exempted from this requirement are transactions involving business, agricultural and commercial loans, reverse mortgages, property that is part of a condominium cooperative, and loans that are subordinate to primary loans on the same property for which flood insurance is already being provided.

The rule was developed and released by the Federal Reserve Board of Governors, Federal Deposit Insurance Corporation, Farm Credit Administration, Office of the Comptroller of the Currency, and National Credit Union Administration. These agencies were charged with developing and implementing regulations requiring lenders to escrow borrowers' flood insurance premiums and fees.

HUD NEWS

HUD Seeks Comments on Draft Fair Housing Assessment Tool

On September 26, HUD published a proposed rule seeking comments on its draft Assessment of Fair Housing (AFH) Tool. The Tool will be used by CPD grantees and their PHA partners to help identify barriers to fair housing, set fair housing goals, and comply with HUD's soon to be released final Affirmatively Furthering Fair Housing regulations. The Assessment Tool replaces the current Analysis of Impediments process. The Assessment Tool will be completed via a web-based system that will guide users through the data and required analysis. While HUD will provide nationally uniform data that will help program participants complete the Assessment Tool, grantees will be required to use local data and local knowledge to inform their Assessments.

NCDA urges all members to send in comments directly to HUD. Comments are due to HUD by November 24. Vicki Watson is working with the NCDA Housing and Community Development subcommittees to compile comments on behalf of the Association. Please send your comments to vicki@ncdaonline.org no later than November 17.

The Federal Register Notice is available at:
<https://federalregister.gov/a/2014-22956>

The Assessment Tool – along with HUD-provided data tables and maps – is available at:
http://www.huduser.org/portal/affht_pt.html

HUD Issues Updated CDBG Income Survey Notice

On September 23, 2014, HUD issued Notice CPD-14-013: Guidelines for Conducting Income Surveys to Determine the Percentage of Low- and Moderate-Income (LMI) Persons in the Service Area of a Community Development Block Grant (CDBG)-Funded Activity. The notice supersedes Notice CPD-05-06 and reflects the replacement of the decennial census with the American Community Survey (ACS) data. The notice describes survey methodologies that will yield acceptable levels of accuracy when determining an LMI percentage for a CDBG service area.

The notice is available at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd

CPD Issues Guidance on Submission of Consolidated Plans/Action Plans for FY 2015

On October 21, 2014, HUD issued CPD Notice 2014-015 instructing grantees not to submit their FY 2015 Action Plans or Consolidated Plan until Congress has passed FY 2015 spending legislation and until HUD has notified grantees of their actual FY 2015 allocation amounts. HUD field offices have been instructed to disapprove as substantially incomplete any FY 2015 Action Plan that contain estimated grant amounts. Grantees will be given up to 60 days after HUD announcement of program formula allocations to revise their plans to incorporate the actual amounts. According to the Notice, grantees may conduct citizen participation on proposed plans, based on estimated allocation amounts, according to their normal timetable if they wish; however, HUD recommends that grantees include “contingency language” explaining how the proposed plan will be adjusted to reflect actual allocation amounts, to minimize future work for grantees. The Notice includes guidance to CDBG entitlement grantees on incurring pre-award costs prior to submission of their Action Plan, and includes a waiver of CDBG regulations to allow grantees to incur pre-award costs as of their normal program year start date. The Notice is available at the following link:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd.

Section 3 Proposed Rule at OMB

A proposed rule implementing improvements to the Section 3 program is at the Office of Management and Budget (OMB) for review and comment. HUD will need to incorporate OMB's comments into the proposed rule before releasing it to the public for comment, so it could be months before the proposed rule is published in the Federal Register. The OMB abstract of the proposed rule states that it would update the existing rule to:

1. Reflect changes in the design and implementation of HUD program changes subject to Section 3.
2. Clarify the obligations of covered recipient agencies; and
3. Simplify HUD's Section 3 complaint processing procedures.

The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that preference for jobs, training, and contracting opportunities associated with housing and community development funded projects go to low-income people and to low-income businesses "to the greatest extent feasible."

NCDA will work through its policy subcommittees (Housing, CD, and Economic Development) to provide comments on the rule once is released.

HUD Releases Section 811 and Section 202 Rule

On October 9, 2014, HUD released a proposed rule outlining several changes to the Section 811 Supportive Housing Program for Persons with Disabilities and the Section 202 Supportive Housing Program for the Elderly. Major changes include the following:

1. Provides funding to state housing finance agencies for rental assistance to extremely low income non-elderly adults with disabilities.
2. Implements an enhanced project rental assistance contract (ePRAC) that would allow operating subsidies to pay debt service under certain circumstances.
3. Allows for a set-aside of a certain number of units in projects for elderly persons with functional limitations.
4. Implements a new form of rental assistance called the Senior Preservation Rental Assistance Contracts (SPRACs) to be used in the refinancing of Section 202 projects where no debt service savings are anticipated and where unassisted residents would otherwise face rent increases.
5. Provides grants for applicants that do not have sufficient capital to prepare a housing site to compete for funding.

The proposed rule is available at the following link:

<http://www.gpo.gov/fdsys/pkg/FR-2014-10-07/pdf/2014-23276.pdf>

Comments are due to HUD by December 8.

HUD Releases Final FY 2015 FMRs

HUD released the final FY 2015 Fair Market Rents (FMRs) on October 3. The FMRs are used to determine payment standards for a number of programs. The FY 2015 FMRs are effective as of October 1. The FMRs are available at the following link.

<http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr15>

Promise Zones Competition Announced

The Obama Administration has announced a competition to designate a second round of Promise Zones. HUD will designate six urban communities and the USDA will designate one rural community and one tribal community under the competition. The deadline for submission of applications is November 21, 2014. Application materials are available at <http://www.hud.gov/promisezones>.

The Promise Zones Initiatives focuses on building public-private partnerships and funneling resources to high poverty areas to create jobs, provide affordable housing, and improve educational opportunities and public safety. The first round of Promise Zone communities were announced earlier this year and included San Antonio, Philadelphia, Los Angeles, Southeastern Kentucky, and the Choctaw National of Oklahoma.

NCDA NEWS

NCDA Training and Technology Survey; Request for Section 108 Projects

In an effort to better meet the training and technology needs of its members, NCDA has developed a short survey to gain feedback from members on the types of training needed by grantees, the use of webinars to deliver training, and the use and improvement of the NCDA website. In addition, NCDA has developed a short outline to collect Section 108 loan project information from members to assist in NCDA's advocacy of the program. The survey and Section 108 project outline is available at the following link:

<https://www.surveymonkey.com/s/QVKZP8K>

We urge all members to respond to the survey.

NCDA Announces the 2015 Audrey Nelson Awards Competition

NCDA is accepting nominations from member communities for the 2015 Audrey Nelson Community Development Achievement Awards. The deadline for submitting applications is December 5, 2014. The application is available on NCDA's website at <http://www.ncdaonline.org>. The award recognizes exemplary uses of CDBG and HOME funds in low- and moderate-income neighborhoods. Projects funded between FY08 and FY13 are eligible to be nominated for the award. Award recipients will be recognized during the 2015 Winter Conference in Washington, DC. You must be an NCDA member in order to apply for the award. We encourage you to apply; it is a relatively easy way to recognize your program and department. Please send your completed applications to vicki@ncdaonline.org.

Hold the Dates: NCDA Winter and Annual Conferences

The NCDA Winter Conference will be held at the Washington Marriott Georgetown on January 21-23, 2015 in Washington, DC. The draft agenda is available at www.ncdaonline.org.

The NCDA 2015 Annual Conference will be held in Arlington, TX at the Arlington Hilton on June 23-25, 2015.

We invite you all to attend!

CDBG Training Available

NCDA will hold a two-day CDBG Basics Course in Manchester, NH on November 18-19. The course provides a good refresher of the CDBG program. Space is still available in the class.

CDBG Basic Training (Two Day Course – No Test)

Course Fee: \$250 members/\$300 non-members

Location: Manchester, NH

Dates: November 18-19, 2014

Training Site: Radisson Hotel Manchester Downtown

Hotel Rate: \$119.00/single; \$129.00 double or triple; \$138.00/quad

Hotel Reservation, Call: 800-333-3333; mention "NCDA 14"

To register for the course, go to <http://www.ncdaonline.org/cdbg.asp>

This course will provide a basic overview of the CDBG program and will provide a hands-on

approach to learning the program through lecture and in-class exercises. Course participants will learn how to read the regulations, determine timeliness in spending CDBG funds, what activities are eligible under the program, how to document national objectives, and how to calculate low-mod income (LMI) benefit. Participants will also learn important program definitions, the components of the Consolidated Plan and the Annual Action Plan, what's covered under the administration and planning activities, and how to prepare for HUD monitoring as well as important information on how to monitor sub-recipients. Class participants will learn important financial management information including an overview of the OMB Circulars, pre-award costs, audits, program income, and keeping financial records. Finally, participants will learn about compliance with the lead-based paint regulations and the Davis-Bacon labor standards.

For questions concerning NCDA training, please contact Vicki Watson at vicki@ncdaonline.org

NCDA Regional Conferences

The NCDA Region IV and Region I conferences will take place in the coming weeks. We strongly encourage you to participate in these conferences, particularly if you are located within the region, as they provide an affordable means for participants to meet other community development professionals, receive training, and learn new techniques for managing and implementing community development, economic development, and affordable housing programs.

Region IV Conference

The NCDA Region IV Conference will be held in Altamonte Springs, FL on November 5-7 at the Hilton Orlando/Altamonte Springs located at 350 S. Northlake Blvd., Altamonte Springs, FL. The hotel rate is \$83.00 per night plus tax. Please call the hotel at 800-678-4380 and mention the "National Community Development Association" room block.

The conference fee is \$100 for members and \$125 for non-members. To register for the conference, please go to:

http://www.seminolecountyfl.gov/cms_application_placeholder.aspx?page=CMSForm&formid=94

An updated conference agenda is attached. For questions concerning the conference, please contact John Callow at jcallow@murfreesborotn.gov

Region I Conference

The NCDA Region I Conference will be held in Manchester, NH on November 20-21 at the Radisson Hotel Manchester Downtown located at 700 Elm Street, Manchester, NH. The hotel rate is \$119/single; \$129/double or triple; \$139 quad. Please call the hotel at 800-333-3333 or 603-

206-4109 and mention “NCDA14” to receive the special hotel rate.

To register for the conference go to <http://ncdaregion1.yolasite.com>. A draft agenda will be posted to the Region I website shortly. For questions concerning the conference, please contact Sean Glennon at sglennon@quincyma.gov.