# NCDA Washington Report

**June 8, 2015**

**House Debates FY16 THUD Bill**

On May 13, the House Appropriations Committee approved H.R. 2577, the FY 2016 Transportation-HUD (THUD) bill, along party lines with no changes to the bill from what was approved by the THUD subcommittee on April 29. The bill includes a total of $42 billion for the Department of Housing and Urban Development (HUD), an increase of $1 billion above the FY 2015 level, but $3 billion below the President's FY 2016 request. The measure also includes $3.0 billion in formula funding for CDBG in FY 2016 and $900 million for the HOME program, level funding for both programs from FY 2015.

H.R. 2577 was brought to the House floor for full consideration and debate by all House members on June 3. In his opening statement, House Appropriations Committee Chairman Hal Rogers (R-KY) said, "to help bolster economic growth in local communities, the bill provides grant funding for…programs like Community Development Block Grants that will allow funds to be targeted to local areas to meet their unique needs." He goes on to say, "As with all appropriations bills, particularly in these tight-budget times, we had to take a close look at what was mission-critical and what was lower on the priority list. Some tough choices had to be made, and some programs had to be reduced. But overall, I believe this bill puts everything in its proper place and does the very best within its allotted resources." House appropriators had to stay within the allotted budget caps established by the Budget Control Act and further enforced in the recently approved Budget Resolution.

<u>Approved HUD Amendments</u>

The House approved the following HUD-related amendments to the bill last week.

(1) Rep. Nadler (D-NY) amendment to increase funding for HOPWA from $332 million to $335 million with an offset from HUD's information technology account.
(2) Rep. Grayson (D-FL) amendment to increase funding for Section 202 (Housing for the Elderly) Program from $414 million to $416.5 million with an offset from HUD's Office of Policy Development Research – Research and Technology Account.
(3) Rep. Grayson (D-FL) amendment to increase the set-aside for the Limited English Proficiency Program under HUD's fair housing programs from $300,000 to $450,000.

Other Amendments

Several other amendments were offered to bolster HUD funding, but were ultimately withdrawn or contested on a point of order due to the lack of a corresponding offset.

(1) Rep. Green (D-TX) amendment to restore $75 million in VASH vouchers
(2) Rep. Norton (D-DC) amendment to increase Housing Choice Vouchers and restore 67,000 vouchers lost to sequestration
(3) Rep. Green amendment to restore funding for the National Housing Trust Fund and fund HOME at the President's requested level of $1.06 billion
(4) Rep. Nadler (D-NY) amendment to increase HUD's Tenant-Based Rental Assistance programs

An amendment offered by Rep. Grothman (R-WI) to cut $614 million from Section 8 was rejected by voice vote.

Upcoming Amendments

Several other amendments will be considered when debate continues on the bill on June 9, including the following:

(1) An amendment offered by Rep. Blackburn (R-TN) to make an across-the-board cut of 1% to all THUD programs.
(2) An amendment offered by Rep. Gosar (R-AZ) to prohibit funds from being used by HUD to implement, enforce, or administer the Affirmatively Furthering Fair Housing rule or the Affirmatively Furthering Fair Housing Assessment Tool notice.

No CDBG amendments are expected to be offered.

**Senate Appropriations Committee Doles Out 302b Allocations**

While the House is quickly dispersing with its spending bills, the Senate just took the first step in its appropriations process by approving and doling out the 302b spending allocations for its twelve appropriations subcommittees on May 22. The allocations, offered by Senate Appropriations Committee Chairman Thad Cochran (R-MS), conform to the spending caps contained in the Budget Control Act and approved in the recent 2016 Budget Resolution. The allocations total $523 billion for defense programs and $493 billion for nondefense programs, for a total of $1.016 trillion in discretionary spending. The allocations were approved by the Senate Appropriations Committee on a vote of 16-14. The Senate Transportation-HUD Subcommittee received an overall budget allocation of $55.646 billion, an increase of over $1.5 billion from last year, but not enough to maintain funding for HUD's housing voucher programs, according to some experts.

Senator Barbara Mikulski (D-MD), Ranking Member of the Senate Appropriations Committee, voiced her displeasure with the subcommittee allocations and the adherence to the Budget Control Act by saying, "…the Republican budget is based on the post-sequester funding levels of the Budget Control Act. This funding ceiling is Spartan. It does not contain enough resources to meet the needs of the American people for their security, jobs and future. We need a sequel to Murray-Ryan and we need it sooner than later, so that we can write realistic bills." Senator Mikulski offered substitute allocations totaling $1.091 billion, equal to the President's proposed funding levels and $74 billion more than the allocations offered by Senate Appropriations Chairman Thad Cochran (R-MS), but the substitute allocations were not approved.

Timing for consideration of the Senate THUD spending bill has not been announced, but NCDA has been told it won't occur until July.

**HUD Posts CDBG Entitlement FAQs**
HUD has posted a series of CDBG Entitlement FAQs to the following link.

https://www.hudexchange.info/cdbg-entitlements/faqs/

Topics addressed in the FAQs include: audits and budgeting, code enforcement, cost reasonableness, Davis-Bacon requirements, economic development, fair housing and Section 504 requirements, homebuyer assistance, homebuyer rehabilitation, income determination, procurement, and Section 3 requirements.

**HUD Closes Public Offering for Section 108 Program**
On May 28, HUD closed its public offering of Section 108 Guaranteed Participation Certificates in an aggregate principal amount of $391,805,000. According to HUD, the closing of this public offering will save approximately $19.4 million in future interest costs for Section 108 borrowers with higher, fixed rate notes to access lower interest costs through this public offering. Other Section 108 borrowers with interim, variable interest rates will convert to permanent, fixed interest rate financing to secure long-term savings and predictable debt service payments.

The Section 108 program allows borrowers to finance their projects for up to 20 years, with interest rates that are fixed for each year, ranging up to 3.70% for notes that will mature in 2034, according to HUD. Section 108 borrowers that had not received the full amount of their approval loan guarantee commitments drew down remaining guaranteed loan funds through this public offering. Section 108 loan borrowers are using this financing to carry out eligible job generating economic development projects, the rehabilitation of affordable housing developments, and public facilities/improvements generally in targeted areas of their communities, primarily benefiting low- and moderate-income persons.

**HUD Opens Up ESG Interim Rule for Public Comment**
On June 3, HUD issued a notice seeking comments on the Emergency Solutions Grants (ESG) Program interim rule for the second time before issuing the final rule in order to assist HUD in deciding policy for the final rule. Comments are due on August 3, 2015. NCDA will coordinate and work with a working group of members to provide comments to HUD. We also encourage you to send in individual comments. If you would like to serve on the working group, please contact Vicki Watson at vicki@ncdaonline.org. The ESG interim rule is in effect until the ESG final rule is published.

HUD requests that commenters not resubmit any comments already submitted in the first public comment period unless they provide new information or insights. The instructions for submitting comments are outlined in the beginning of the Notice. Please review this section carefully; note that all comments must be submitted in the manner outlined in the Notice in order for HUD to consider the comment. In the Notice, HUD is seeking additional feedback and comment on certain, limited provisions of the ESG interim rule. HUD has published an outline of the Notice to prove an at-a-glance overview of the content to readers. This outline is attached. Readers can use the outline to help them follow along and as a tool to organize their final comments.

HUD seeks comments on questions in the following areas: (1) Several definitions; (2) Amendments to Consolidated Submissions for CPD programs (24 CFR Part 91); and (3) ESG program regulations. In responding to the questions posed in the rule, HUD asks commenters to think about the following questions for each of the changes being considered:

How will it affect individuals and families who are homeless and at risk of homelessness, who this program is designed to serve?

Will it assist with ease of administering the program?

Will it help improve compliance with the regulation?

What effects could it have in your community – both positive and negative?

A copy of the Notice is attached.

**IDIS 11.10 Release Deployed on May 25**

HUD deployed a new system release for IDIS Online on May 25, 2015. The release made numerous modifications to improve and update the system including system-wide changes and minor updates to the CDBG, HOME, HOPWA, and HEROs pages.

A copy of the release notes is attached.

**NCDA Annual Conference; Hotel Block is Sold Out**

NCDA and Arlington, TX invite you to join other community development professionals at the 46th Annual Conference in Arlington, TX on June 24-27. The three-day conference is filled with educational sessions on issues of importance to community development practitioners. Get ideas, expand professional contacts, and explore new topics. The updated annual conference agenda is attached. To register for the conference, go to http://ncdaonline.org/events/Annual15_Regform.asp.

The following six sessions are approved for AICP Certification Maintenance Credits by the American Planning Association – Midwest Texas Chapter: Directing Community Need with Data-

Driven Results, Innovative CHDO Housing Projects, On the Tracks: How Converging Rail Impacts Development in Dallas, Leveraging Private Sector Dollars with Federal HOME Funds for Multi-Family Projects, Coordinated Response to Disasters.

NCDA's reserved block of rooms at the Hilton Arlington Hotel at the rate of $139.00 per night plus tax is sold out. You can contact the hotel at 817-640-3322 ext. 6606 to see if other rooms are available at a higher rate. We also urge you to search for hotels on Trip Advisor or Trivago or contact the following local hotels: Hilton Garden Inn, Hawthorne Suites by Wyndham, Wingate by Wyndham, Hampton Inn, or Candlewood Suites.

We are also nearly at our 200 person capacity for the conference. If you previously registered for the conference and need to cancel your registration, please let us know as soon as possible so that we can make more slots available for those persons interested in signing up for the conference. Please e-mail your cancellation request to Steve Gartrell at sgartrell1@gmail.com.

If you have any questions regarding the conference, including registration and invoicing, please contact Vicki Watson at vicki@ncdaonline.org or 540-656-9552 or Steve Gartrell at sgartrell1@gmail.com.

For information on shuttle service from DFW Airport to the Hilton Arlington Hotel, please go to http://ncdaonline.org/ and click on the "Hotel Shuttle Information" document under the NCDA Annual Conference.

NCDA would like to thank Steve Gartrell and Sheryl Kenny for their hard work on the conference. Steve has stepped up to the plate to handle the conference on NCDA's behalf including registration, conference budgeting, audio/visual, NCDA's reception, awards, and every other minute detail. We appreciate his service and his willingness to take on this responsibility on behalf of NCDA and its members. Sheryl has worked tirelessly over the last year to ensure we have a great conference program and networking events. She has also worked hard to ensure great sponsorship of the conference. We greatly appreciate all of the time and attention Sheryl has given to the conference.

**John A. Sasso National Community Development Week Award**
NCDA is pleased to announce the winners of the 2015 John A. Sasso National Community Development Week Award.

Palm Springs, CA
Hollywood, FL
Jacksonville, FL
Miami, FL
Osceola County, FL
Albany, GA
Shreveport, LA
Quincy, MA

St. Louis, MO
Richland County, SC
Clarksville, TN
Arlington, TX
Conroe, TX
Garland, TX
Burlington, VT
La Crosse, WI

The winners exemplify the best in local planning, coordination, and implementation efforts to recognize the CDBG and HOME programs during the 2015 National CD Week campaign, April 6-11. The winners will be recognized during a special luncheon on Friday, June 26, 2015, during the NCDA Annual Conference in Arlington, TX.

**NCDA Slate of Officers Announced**

The NCDA Nominations Committee has put forth the following slate of officers for 2015-2016 for approval during the NCDA general business meeting on June 27, 2015.

President: Michael Look, Seattle, WA
Vice-President: Bonnie Moore, Shreveport, LA
Secretary: Patrick Sullivan, New Bedford, MA
Treasurer: George Mensah, Miami, FL

NCDA thanks the Nominations Committee, composed of the following members, for their work.

Al Faella, Union County, NJ, Immediate Past President
Bob Gehret, Boston, MA, Past President
Barbara Ross, Denton, TX, Past President
Rita Pribyl, Davenport, IA, Past President
Becky Wade, Knoxville, TN
John Callow, Murfreesboro, TN
Gail Lewis, Brookline, MA

NCDA looks forward to working with the NCDA officers in the coming year.

**Send Us Your Program Documents, Please**

NCDA is in the process of updating its Documents Archive and would like to receive program documents from members. The archives is a service to members that provides easy access to documents used by other agencies in their program administration. If you have CDBG, HOME, Continuum of Care, ESG, HOPWA, Lead Hazard Reduction, Fair Housing, Davis-Bacon, Environmental Review, and other program documents that you think would be helpful for other members to duplicate and use, please share them with us. Please send the documents to Jim Welfley at jim@welfley.com to post to the NCDA Documents Archive on the website.

**Post Your Events on the NCDA Calendar**
We encourage members to use the NCDA Calendar available at http://ncdaonline.org/regionalevents.asp to post regional and local events of interest to the NCDA members. The calendar is particularly useful for posting regional conference events and National Community Development Week events.

NCDA will begin posting its CDBG and HOME training and other events on the calendar as well.

**NCDA Staff Updates and Contact Information**
Cardell Cooper retired from NCDA on April 30. Vicki Watson was named Acting Executive Director on May 1. Vicki will have overall management responsibility for the Association including fiscal, staffing, membership and operational as well as policy management. You can reach Vicki at vicki@ncdaonline.org or at 540-656-9552.

NCDA welcomes a new staff person, Michael Lightfield. Michael is the new Controller for NCDA and will manage NCDA's fiscal and budget portfolio. He replaces Karen Parker in handling all invoicing and payment processing. You can reach Michael at Michael@ncdaonline.org.

# Department of Housing and Urban Development
# Budget Chart

| Program | FY15 Enacted Funding Level | President's FY16 Budget Request | House Appropriations Committee |
|---|---|---|---|
| CDBG Formula Grants | $3.0 billion | $2.8 billion | $3.0 billion |
| HOME Formula Grants | $900 million | $1.060 million | $900 million |
| Homeless Assistance Grants | $2.135 billion | $2.480 billion | $2.185 billion |
| Section 108 | $500 million | $500 million | $300 million |
| Choice Neighborhoods | $80 million | $250 million | $20 million |
| HOPWA | $330 million | $332 million | $332 million |
| Lead Based Paint Hazard Reduction | $110 million | $120 million | $75 million |
| Elderly Housing (Section 202) | $420 million | $455 million | $414 million |
| Housing for Persons with Disabilities (811) | $135 million | $177 million | $152 million |
| Housing Counseling | $47 million | $60 million | $47 million |
| Housing Choice Vouchers | $19.304 billion | $21.123 billion | $18.15 billion |
| Project-Based Section 8 | $9.730 billion | $10.760 billion | $10.254 billion |
| Public Housing Capital Fund | $1.875 billion | $1.970 billion | $1.681 billion |
| Public Housing Operating Fund | $4.440 billion | $4.600 billion | $4.440 billion |