



NCDA Washington Report

November 30, 2015

Appropriations Update

Congressional leaders are working to wrap-up an omnibus spending measure before the Christmas recess. The budget agreement reached earlier this fall will help to plug funding shortfalls and assist in moving the omnibus forward. The budget agreement reached in October increases discretionary spending in FY 2016 by \$50 billion with \$25 billion allocated to defense discretionary programs (Defense Department) and \$25 billion allocated to non-defense discretionary programs (all other federal departments and agencies). House and Senate Appropriations leaders allocated the \$25 billion among the 11 non-defense spending subcommittees (including the Transportation-HUD). While the Senate Transportation-HUD subcommittee received \$1.624 billion increase over the committee-reported bill, the House Transportation-HUD subcommittee has not released its new allocation.

NCDA met with House and Senate appropriators this fall to shore up support for funding for CDBG (\$3.0 billion) and HOME (\$900 million). The Senate THUD subcommittee released a substitute THUD bill on November 18 which replaced the THUD bill passed by the Senate Appropriations Committee in June. The substitute bill restores HOME program funding to \$900 million, from the stark \$66 million provided in the earlier Senate THUD bill. The substitute bill also increased CDBG by \$100 million to \$3.0 billion in FY 2016; level-funding from last year.

The Senate began consideration of the substitute THUD bill on November 18, but movement quickly stopped after Senator Rand Paul (R-KY) blocked consideration of the bill after Senator Susan Collins (R-ME), THUD Chairperson, objected to allowing a vote on his amendment to prevent federal resources provided by the bill to assist refugees from 34 countries. The bill is not expected to come back up as a stand-alone measure.

Several amendments were filed, but not voted on, including an amendment offered by Senator Jeff Flake (R-AZ) to fund HOME at \$66 million, returning the program to the level proposed in the THUD bill passed by the Senate Appropriations Committee in June. Senators Mike Lee (R-UT) and Tom Cotton (R-AR) filed separate amendments to stop HUD from implementing the Affirmatively Furthering Fair Housing rule and the Assessment of Fair Housing Tool.

Senate Majority Leader Mitch McConnell (R-KY) had hoped to match the progress made in the House by moving at least six spending bills (including THUD) separately through the Senate, but will be unable to do so now. Focus now turns to the completion of an omnibus spending measure which will include all 12 spending measures.

The task of moving a year-end omnibus spending bill is made easier by the budget agreement in late October, but policy riders may hamper passage of the measure. Republicans see the omnibus as their last chance of the Congressional session to add their legislative priorities to the bill, such as language to halt the movement of Syrian refugees to the U.S., the defunding of Planned Parenthood, and language to roll back the Obama Administration's clean air standards. Suffice it to say, the President will veto the omnibus if such policy riders are added; yet, the GOP seems willing to take that chance to move their agenda forward.

NCDA and NACO Advocate for AFFH Tool Relief and Funding

Over the past few weeks, NCDA and the National Association of Counties (NACO) joined forces to educate Congressional appropriators on the need for additional money for CDBG grantees to implement the Assessment of Fair Housing (AFH) Tool. The AFH Tool replaces the current Analysis of Impediments process which required CDBG grantees to identify local barriers to fair housing choice. The Tool is expansive and will take time and resources to implement. While only 22 grantees will be required to draft an AFH Tool in 2016, over 100 grantees will be responsible for development of the Tool in 2017. In addition to the need for additional resources, the two groups urged appropriators to insert language in the final FY 2016 omnibus budget agreement to require HUD to provide a certification to grantees upon approval of their AFH Tool and to streamline the AFH Tool for small CDBG grantees.

NCDA and other groups consider the AFH Tool to be an unfunded mandate because it requires CDBG grantees to undergo a separate planning process outside of the Consolidated Plan without additional resources to pay for it. Moreover, CDBG grantees are already overburdened with program regulations, including cross-cutting federal requirements, and many grantees have downsized due to budget cuts. Additional federal resources are needed to help CDBG grantees with the development of the AFH Tool. Likewise, small CDBG grantees need additional resources and a more streamlined AFH Tool. Jurisdictions also need formal written approval from HUD that their AFH Tool has been approved and meets the requirements imposed by HUD.

We're hopeful relief will be provided in the omnibus spending measure, but if not, we will continue to advocate for these changes in the coming year.

Negotiations Underway to Extend Tax Credits

Several major federal tax credits are set to expire by the end of the year, including the Low Income Housing Tax Credit (LIHTC) and the New Markets Tax Credit (NMTC). Negotiations are now taking place between the Administration and Congress to extend the credits and possibly make some of them permanent. The Administration and some members of Congress would like to see the minimum 9 and 4 percent LIHTC rates extended for at least two years, at a minimum. The NMTC has strong support in Congress and is seen as a candidate for permanent extension since it serves a model for attracting private investment to communities.

Congress hopes to wrap up a tax extenders bill by December 11 and roll it into the omnibus spending measure for passage.

HUD NEWS

CDBG Grant-Based Accounting Interim Rule Released; Send Your Comments to NCDA

On Thursday, November 12, HUD released an interim final rule for comment that moves the CDBG program away from the first-in, first-out (FIFO) drawdown method to a grant-based method. Under FIFO, funds were disbursed from the oldest grants. Under the new grants-based accounting methodology disbursements will be made against a specific grant year. The rule becomes effective on December 14. The rule is available for public comment until January 11, 2016 and is available at the following link.

<http://www.gpo.gov/fdsys/pkg/FR-2015-11-12/pdf/2015-28700.pdf>

Send Your Comments to NCDA

NCDA is assembling a working group of members to review the rule and provide comments to HUD. If you are interested in participating in the working group, please contact Vicki Watson at vwatson@ncdaonline.org. If you're unable to participate in the working group, but would like to provide comments on the rule, please send them to Vicki Watson by January 4, 2016.

HOME Commitment Notice Released

HUD issued Notice CPD-15-19 on November 18 to describe in more detail what constitutes an eligible commitment of HOME funds for purposes of meeting the 24-month commitment deadline and details some new requirements imposed by the HOME final rule. The Notice explains the requirements contained in the definition of “commitment” at 24 CFR 92.2 and the underwriting, subsidy layering, and project assessment requirements at 24 CFR 92.250(b) which must be met prior to the commitment of HOME funds. The Notice is available at the following link.

<https://www.hudexchange.info/resources/documents/Notice-CPD-15-09-Requirements-for-Committing-HOME-Funds.pdf>

HUD Releases AFFH Information

HUD has posted the following tools to provide information on the Affirmatively Furthering Fair Housing (AFFH) rule and Assessment of Fair Housing Tool to help communities beginning planning for their AFH submission.

• ***How Program Participants Can Collaborate on their AFH Submissions*** – An explanation of the options program participants have to work collaboratively to complete and submit the AFH Tool. The fact sheet is available at: <https://www.hudexchange.info/resources/documents/AFFH-Fact-Sheet-How-Participants-Can-Collaborate-on-the-AFH-Submission.pdf>

• ***Community Participation and Affirmatively Furthering Fair Housing (Guidance for CPD Grantees)*** – Outlines the community participation requirements under the AFFH rule for CPD grantees. The fact sheet is available here: <https://www.hudexchange.info/resources/documents/AFFH-Fact-Sheet-Community-Participation-and-Affirmatively-Furthering-Fair-Housing-CPD.pdf>

• ***Transitioning to the New AFFH Process (Guidance for CPD Grantees)*** – Provides information about the first AFH due dates, amending the citizen participation plan, and collaborating with neighboring jurisdictions. <https://www.hudexchange.info/resources/documents/AFFH-Fact-Sheet-Transitioning-to-the-New-AFFH-Process.pdf>

New Component Added to Choice Neighborhoods Program

HUD is making up to \$10 million available to local communities through a new component of the Choice Neighborhoods Program. The planning and action grants will help selected communities to create locally driven plans to transform distressed neighborhoods and to start funding early implementation efforts. Grants of up to \$2 million will be available. The grants are available to public housing authorities, local governments, non-profit organizations, and tribal entities. Applications are due by February 9, 2016. For more information, go to

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail

NCDA NEWS

Call for Presentations for the Winter Conference

NCDA is seeking moderators for several roundtable discussions at the upcoming 2016 Winter Conference. If you have expertise in one of the following areas and would like to lead a roundtable discussion, please contact Vicki Watson at vwatson@ncdaonline.org.

Section 3

Sustainable Communities

Housing Rehabilitation

National Housing Trust Fund

Uniform Physical Condition Standards for HOME

CDBG Basics

In addition, NCDA is seeking lead participants for a Leadership Roundtable that will focus on issues surrounding the management and operations of community development departments and programs and strategies for improving agency operations. Please contact Vicki if you're interested in participating in this roundtable.

Upcoming NCDA Training

HOME Basic Training

April 13-15, 2016

Austin, TX

CDBG Basic Training

July 27-29, 2016

Austin, TX

The course information and registration will be posted to the NCDA website shortly.

Are you interested in having NCDA conduct a CDBG or HOME course in or near your community? Please reach out to Vicki Watson at vwatson@ncdaonline.org or Steve Gartrell at sgartrell@ncdaonline.org. Minimum requirements: The host community is responsible for providing the training facility and a/v. The host community must guarantee a minimum of 25 participants.

American Community Survey Feedback Needed

NCDA is seeking feedback from members on the following questions related to the American Community Survey (ACS). Your response is appreciated. Please send your responses to Vicki Watson.

Questions

1. In your view, has HUD's switch from using decennial Census data to the ACS for determining whether communities meet CDBG's low- and moderate-income threshold affected whether communities are meeting this threshold? If so, what has been the result of these changes in your community?
2. Has your community requested to use a local survey in place of the ACS? In your opinion, what, if any, additional guidance or assistance is needed from HUD for communities to successfully conduct their own income surveys?
3. Besides the issues outlined in the above questions, how has the ACS affected your grant programs (negatively or positively)?

NCDA Accepting Submissions for the 2016 Audrey Nelson Award

NCDA is accepting submissions for its 2016 Audrey Nelson Community Development Achievement Award. The award recognizes exemplary projects funded with CDBG and/or HOME funds. The application deadline is December 11, 2015 and all applications must be submitted electronically. The application submission criteria is attached. NCDA encourages those member communities who have never submitted an application to do so. The winners will be recognized during a special luncheon at the NCDA Winter Conference on Friday, January 22, 2016, in Washington, DC. Please contact Vicki Watson at vwatson@ncdaonline.org with any questions.

Please Complete the CDBG Coalition Survey by December 15

If you have not already done so, please complete the CDBG Coalition survey by **December 15**. The survey is instrumental to our advocacy efforts in FY16 and FY17 and only takes about 30 minutes to complete. Please read through the survey first to compile any information that may be needed before starting it. It may be helpful to assign one staff person to collect and enter the information into the survey.

The information derived from the survey is extremely important to the Coalition's advocacy efforts to protect CDBG funding, so it is critical that NCDA members complete the survey. NAHRO is taking the lead on the survey on behalf of the CDBG Coalition, so if you have any questions, please reach out to Jenny Hsu at jhsu@nahro.org. The survey is available at the following link.

<https://www.surveymonkey.com/r/CDBGSurveyAugust2015>

Interested in Hosting the 2017 or 2018 NCDA Annual Conference?

NCDA is soliciting proposals from members to host the 2017 and 2018 annual conferences. Hosting an NCDA conference provides the opportunity for you to showcase your community and local projects, add to your local economy, involve your local agencies and elected officials in the process, and develop new partnerships. NCDA will be there to assist you. The attached RFP outlines the host community requirements, hotel requirements, and other information.

Proposals are due to Vicki Watson at vicki@ncdaonline.org no later than December 18, 2015. The Planning and Professional Development Subcommittee will review the proposals at their January 2016 meeting and will forward their recommendations to the NCDA Board of Directors for approval on January 22, 2016. The selected communities will be contacted shortly thereafter.

NCDA Seeking Sponsors for its 2016 Winter Conference

NCDA is seeking sponsorships for its 2016 Winter Conference, which will be held in Washington, DC on January 20-22, 2016. Conference sponsorship provides the opportunity to support NCDA, network with NCDA's members, and market your materials, products, and programs. As with any conference, our financial success depends on strong partnerships to help defray the costs. Please reach out to your regions and local networks to advise them of the sponsorship opportunities. The minimum sponsorship level is \$1,000. The sponsorship chart and form is attached and is also available at <http://ncdaonline.org/>. Please contact Vicki Watson at 540-626-9552 with any questions.

Save the Date: 2016 Winter Conference – January 20-22; Early Registration Ends October 30

The 2016 NCDA Winter Conference will be held on January 20-22 at the Holiday Inn Capitol Hill in Washington, DC. The conference promises to be a venue for learning, partnerships, and showcasing local projects for all who attend. NCDA's Planning and Professional Development Subcommittee has developed an agenda that is focused on issues of importance to you and your fellow grantees. Session topics will include the following:

- Grant-based accounting for HUD's CPD programs
- Funding infrastructure projects
- Underwriting CDBG economic development projects
- Underwriting HOME rental projects
- Working with developers on LIHTC projects
- Redeveloping blighted and vacant areas
- Disaster planning and preparedness
- Online mapping tools
- American Community Survey
- Leadership roundtable
- CDBG Coalition
- HUD policy update
- Fair housing
- Small roundtable discussions will be held on the following topics: section 3, housing rehabilitation, sustainable communities, National Housing Trust Fund, Uniform Physical Condition Standards for HOME, CDBG basics

Since this is NCDA's legislative conference, we have set-aside time on the agenda for you to meet with your Congressional Members to educate them on the need to provide full funding for CDBG and HOME in FY17. Please arrange the meetings directly with your Congressional Member ahead of time. To contact your Congressional Member call the Capitol Hill switchboard at 202-224-3121. Once connected your Member's office, ask to speak to the scheduler. Please begin **NOW** to compile data on your CDBG and HOME programs, such as activities funded in the past few years, beneficiaries served by the programs, unmet housing and community development need in your community (this will relay the importance of increasing funding for the programs), and other information you deem important. It would also be helpful to pepper your data with testimonials from program beneficiaries and

photos of projects. On the first morning of the conference you will receive guidance from Congressional staff and NCDAs staff on how to conduct your visits.

The Winter Conference is where most of NCDAs policy is developed and approved for the coming year and we encourage you to participate in the subcommittee meetings to hear first-hand NCDAs policy priorities and participate in the process.

HUD headquarters staff will participate in the HUD policy update session, grant-based accounting session, underwriting economic development projects, and several subcommittee meetings.

The full agenda is attached and is also available at <http://ncdaonline.org/>

NCDAs instituting a new tiered registration system, as follows. Please go to http://ncdaonline.org/events/Winter16_Regform.asp to register for the conference.

Registration Fee Schedule

General Registration (October 31 – January 3)

Members: \$450

Non-Members: \$500

Payment Deadline: January 15, 2016; Payment received after this date will incur a \$50 late fee.

Late Registration (registrations received after January 4)

Members: \$550

Non-Members: \$600

Payment Deadline: January 20, 2016; Payment received after this date will incur a \$50 late fee.

Group Discounts

When three or more persons attend from any single community, each person receives a \$50 discount.

Save the Date: 2016 NCDAs Annual Conference – June 22-25, 2016

NCDAs will hold its 2016 Annual Conference in Milwaukee, WI on June 22-25, 2016 at the Hyatt Regency Milwaukee. More detail to follow.

**Department of Housing and Urban Development
Budget Chart**

Program	FY15 Enacted Funding Level	President's FY16 Budget Request	House Appropriations Committee	Senate Appropriations Committee
CDBG Formula Grants	\$3.0 billion	\$2.8 billion	\$3.0 billion	\$2.9 billion
HOME Formula Grants	\$900 million	\$1.060 million	\$900 million	\$66 million
Homeless Assistance Grants	\$2.135 billion	\$2.480 billion	\$2.185 billion	\$2.235 billion
Section 108	\$500 million	\$500 million	\$300 million	\$300 million
Choice Neighborhoods	\$80 million	\$250 million	\$20 million	\$65 million
HOPWA	\$330 million	\$332 million	\$332 million	\$330 million
Lead Based Paint Hazard Reduction	\$110 million	\$120 million	\$75 million	\$110 million
Elderly Housing (Section 202)	\$420 million	\$455 million	\$414 million	\$420 million
Housing for Persons with Disabilities (811)	\$135 million	\$177 million	\$152 million	\$137 million
Housing Counseling	\$47 million	\$60 million	\$47 million	\$47 million
Housing Choice Vouchers	\$19.304 billion	\$21.123 billion	\$18.15 billion	\$19.934 billion
Project-Based Section 8	\$9.730 billion	\$10.760 billion	\$10.254 billion	\$10.826 billion
Public Housing Capital Fund	\$1.875 billion	\$1.970 billion	\$1.681 billion	\$1.742 billion
Public Housing Operating Fund	\$4.440 billion	\$4.600 billion	\$4.440 billion	\$4.5 billion