



NCDA Washington Report

December 30, 2015

Omnibus Bill Enacted

The House passed the FY 2016 Omnibus Appropriations bill on December 18 on a vote of 316-113. The Senate followed immediately with passage on a vote of 65-33. The \$1.5 trillion bill funds the federal government through September 30, 2016. The measure is in line with the discretionary funding provided by the Bipartisan Budget Act of 2015, which was enacted on November 2. The Bipartisan Budget Act of 2015 provides two years of relief from sequester spending caps; allowing appropriators to increase non-defense discretionary programs, including programs within the Transportation-HUD spending bill. The omnibus also includes a tax-extender package that makes permanent the 9 percent minimum LIHTC rate. It also extends the New Markets Tax Credit for two years.

The omnibus provides \$38.6 billion for HUD programs. NCDA and other partners worked to protect CDBG and HOME funding. The measure provides level-funding of CDBG at \$3 billion; \$200 million more than the President's budget request of \$2.8 billion. The measure provides \$300 million for Section 108 which will be guaranteed by a fee on borrowers. The measure also provides \$300 million for flooding disasters that occurred in calendar year 2015, primarily the devastating floods that hit South Carolina. HOME funding is restored to \$950 million, an increase of \$50 million above the FY15 level, but \$110 million below the President's request. The bill leaves funding for the National Housing Trust Fund intact.

The measure increases funding for another core program for NCDA's members, HUD's Homeless Assistance Grants, at \$2.25 billion; an increase of \$115 million from the FY 2015 level. Of the \$2.25 billion amount, at least \$250 million must be allocated to the Emergency Solutions Grants (ESG) program and at least \$1.9 billion to the Continuum of Care and Rural Housing Stability Assistance programs. The measure requires HUD to establish performance measures for the Continuum of Care program of which an increasing share of the application score will be based. The measure also requires HUD to prioritize funding under the Continuum of Care program to continuums of care that have demonstrated a capacity to reallocate funding from lower performing projects to higher performing projects. The measure also allows private non-profit organizations to administer permanent housing rental assistance under the program. Up to \$33 million will be set-aside to develop projects aimed at reducing youth homelessness (ages 24 and under) in up to ten communities. Another \$5 million will be made available to provide technical assistance on youth homelessness.

The measure also includes \$335 million for Housing Opportunities for Persons with AIDs, an increase of \$5 million above last year's level. Healthy Homes and Lead Hazard Control is funded at \$110 million, the same level as last year.

The measure provides \$151 million for the Section 811 Housing for Persons with Disabilities, a \$16 million increase. The Section 202 Housing for the Elderly program is increased by \$13 million to \$433 million.

A large portion of the FY 2016 HUD budget is dedicated to funding Section 8 renewals – both tenant-based and project-based. The omnibus bill provides \$17.7 billion for the Section 8 Tenant-Based Assistance renewals; sufficient funding to renew all expiring Section 8 vouchers. This amount is an increase of \$195 million, but \$652 million below the President’s request. The Section 8 Project-Based account is funded at \$10.4 billion, an increase of \$885 million from last year, but \$140 million below the President’s request. According to HUD, this increase was required due to a shift to calendar year funding in FY 2015 that resulted in savings for that year, but caused an increased need for funding in FY 2016. The account is expected to remain stable in future years with the exception of inflationary increases.

HUD-Veterans Affairs Supportive Housing (HUD-VASH) is funded at \$60 million, a decrease of \$15 million from last year, but \$60 million above the President’s request.

The Public Housing Operating Fund is funded at \$4.5 billion, \$60 million more than last year, but \$70 million below the President’s request. The Public Housing Capital Fund is funded at \$1.9 billion, an increase of \$25 million above last year, but \$50 million below the President’s request.

The measure provides \$125 million for the Choice Neighborhoods Initiative, an increase of \$45 million from last year, but \$125 million below the President’s budget request.

National Community Development Week; March 28 – April 2, 2016

NCDA will celebrate National Community Development Week on March 28 – April 2, 2016. Now in its 30th year, the celebration is focused on bringing attention to our core programs – CDBG and HOME. It is intentionally held during the height of the Congressional appropriations season to allow a concerted focus on increasing funding for the programs. Grantees are expected to reach out or interact with their Congressional Members during the week to promote both programs. Outreach can take many forms, such as an invitation to tour local CDBG and HOME-funded projects, a meeting with Congressional Members or their staff at their District office, a letter or fact sheet e-mailed to Congressional Members that outline the accomplishments of both programs in the past year or so, completion of a YouTube video that showcases projects funded with CDBG and HOME and the link e-mailed to your Congressional Members, proclamation of support for CDBG and HOME approved by your local elected body and e-mailed to your Congressional Members, and other local outreach. The 2016 National Community Development Week Planning Guide is attached for your use in organizing your activities.

AFH Tool Final Rule

HUD will release the Assessment of Fair Housing (AFH) Tool final rule tomorrow, December 31. The rule will be available at the following link:

<https://www.federalregister.gov/articles/2015/12/13/2015-32680/affirmatively-furthering-fair-housing-assessment-tool>

The AFH Tool replaces the Analysis of Impediments to Fair Housing Choice previously conducted by grantees. The following jurisdictions will be required to complete their AFH Tool in 2016 (by October 4, 2016).

Jonesboro, AR; Apple Valley, CA; Cathedral City, CA; Fairfield, CA; Oxnard, CA; Temecula, CA; Victorville, CA; Henry County, GA; Hammond, IN; New Orleans, LA; Cumberland County, ME; Harford County, MD;

Jefferson County, MO; Kansas City, MO; St. Charles County, MO; Wilmington, NC; Dayton, OH; Hamilton City, OH; Clackamas County, OR; Dauphin County, PA; Memphis, TN; and Harrisonburg, VA

NCDA needs members to reach out to their Congressional Delegation on the following two points.

- (1) Funding for the CDBG program must be increased to pay for the development and implementation of the AFH Tool.
- (2) Grantees need assurance from HUD through certification that their AFH Tool has been approved and meets the requirements outlined by HUD.

We also need members to begin tracking the amount of staff time and resources spent on preparing (and developing) the Tool. This information will assist us in making the case for additional CDBG funding.

National Housing Trust Fund

HUD will begin implementation of the National Housing Trust Fund in 2016. The Fund will provide grants to States to produce and preserve the supply of rental housing for extremely low- and very low-income households. States must use at least 80 percent of the funds for rental housing; up to 10 percent for homeownership; and up to 10 percent for administration.

All NHTF assisted units will be required to have a minimum affordability period of 30 years. The Fund is estimated to have \$100-200 million available in 2016, enough to fund one or two projects per state. States were tasked with developing their allocation plans in 2015 and soliciting feedback from constituents, including local governments. HUD anticipates that states will receive their 2016 NHTF allocations by the summer. Please reach out to your State entity that administers the HOME program for more information on the allocation plan. A list of the State NHTF grantees is available at the following link: <https://www.hudexchange.info/programs/htf/grantees/>

HUD staff will be on hand at the NCDA Winter Conference to provide more information on the NHTF.

CDBG Grant-Based Accounting Interim Rule Released; NCDA is Preparing Comments

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. NCDA is developing comments to send to HUD by the January 11, 2016 deadline. Please send your comments to NCDA no later than January 7 for inclusion in the letter. The rule is available at the following link.

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

2016 NCDA Winter Conference – January 20-22

The 2016 NCDA Winter Conference will be held on January 20-22 at the Holiday Inn Capitol Hill in Washington, DC. An update conference agenda is attached. 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
- Assessment of Fair Housing Tool
- 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 FY 2017. 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 NCDA staff on how to conduct your visits.

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

To register for the conference go to http://ncdaonline.org/events/Winter16_Regform.asp

Upcoming NCDA Training

HOME Basic Training

April 13-15, 2016

Austin, TX

<http://ncdaonline.org/HOME.asp>

CDBG Basic Training

July 27-29, 2016

Austin, TX

<http://ncdaonline.org/CDBG.asp>

We are in the process of planning a three-day CDBG Basics Course in Nashville, TN and Seattle, WA. More details to follow.

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.

2016 Audrey Nelson Award Winners Announced

NCDA is pleased to announce the winners of the 2016 Audrey Nelson Community Development Achievement Award. The award recognizes exemplary projects funded with CDBG and/or HOME funds. The winners will be recognized during a special luncheon at the NCDA Winter Conference on Friday, January 22, 2016, in Washington, DC.

2016 Audrey Nelson Award Winners

City of Arlington, TX – Housing Opportunities: Central Arlington NRSA

City of Burlington, VT – Skate Park (Brownfields Remediation)

Clark County, NV – Bonnie Lane Elderly Housing

City of Dallas, TX – Work Center & Employment Program

City of Durham, NC – Denson I (Veterans Housing)

City of Fort Worth, TX – Pinnacle Bank Place

City of Fort Worth, TX – Terrill Heights Redevelopment

City of Kissimmee, FL – Project Open

Lexington County, SC – Pelion Family Medical Center

City of Malden, MA – Cedar House

City of Malden, MA – Richard C. Howard Park

Marion County, FL – Ritz Reserve

City of Miami, FL – Brickell View Terrace

City of Nashville, TN – 1009 Second Avenue S

City of Orlando, FL – Lighthouse Facility

City of Quincy, MA – Music club at Germantown

Seminole County, FL – Habitat for Humanity

Westland, MI – Jefferson Barns Community Vitality Center

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

NCDA 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	FY16 Enacted Funding Level
CDBG Formula Grants	\$3.0 billion	\$2.8 billion	\$3.0 billion
HOME Formula Grants	\$900 million	\$1.060 million	\$950 million
Homeless Assistance Grants	\$2.135 billion	\$2.480 billion	\$2.25 billion
Section 108	\$500 million	\$500 million	\$300 million
Choice Neighborhoods	\$80 million	\$250 million	\$125 million
HOPWA	\$330 million	\$332 million	\$335 million
Lead Based Paint Hazard Reduction	\$110 million	\$120 million	\$110 million
Elderly Housing (Section 202)	\$420 million	\$455 million	\$433 million
Housing for Persons with Disabilities (811)	\$135 million	\$177 million	\$151 million
Housing Counseling	\$47 million	\$60 million	\$47 million
Housing Choice Vouchers	\$19.304 billion	\$21.123 billion	\$19.629 billion*
Project-Based Section 8	\$9.730 billion	\$10.760 billion	\$10.62 billion
Public Housing Capital Fund	\$1.875 billion	\$1.970 billion	\$1.9 billion
Public Housing Operating Fund	\$4.440 billion	\$4.6 billion	\$4.5 billion

*includes \$17.681 billion for voucher renewals and \$60 million for new Veterans Affairs Supportive Housing (VASH) vouchers