NCDA Washington Report
April 29, 2016

Senate Committees Approve FY17 Transportation-HUD Spending Bill; CDBG and HOME Funding Maintained
The Senate Subcommittee on Transportation, HUD, and Independent Agencies (THUD) marked-up its FY17 spending bill on April 19. The subcommittee provided $3.0 billion for CDBG in FY17, level funding from last year, and an increase of $200 million above the President's FY17 budget request. The subcommittee recommended $950 million for HOME, level funding from last year and in line with the President's FY17 budget request. Both programs did extremely well given the cut in the subcommittee's 302b allocation of $800 million from last year. The Senate Appropriations Committee voted unanimously in favor of the bill on April 21. It now heads to the Senate floor at some point for a vote.

None of the HOME policy changes proposed in the Administration's budget request were included in the Senate bill, such as: (1) eliminating the 24-month commitment deadline; (2) eliminating the 15% CHDO set-aside; (3) eliminating eligibility for participating jurisdictions that receive allocations below an established threshold. NCDA and other national groups representing local governments support HUD's recommendation to eliminate the 24-month commitment deadline and the 15% CHDO set-aside as both requirements impede the HOME Program's flexibility and efficiency. The groups sent a letter to Congressional appropriators supporting these changes.

The House Subcommittee on Transportation, HUD is expected to mark-up its FY17 spending bill in mid-May.

House Committee Seeks Data on CDBG
The House Committee on Oversight and Government Reform has reached out to HUD requesting a litany of data on the CDBG program. The Committee is the principal investigative committee in the House.

In the request, the Committee noted that "…there have been reports of CDBG funds allocated to projects of questionable merit. In some instances, communities sold their grants to obtain unrestricted funds or misused their awards." The request goes on to say, "CDBG is intended to help this country's most vulnerable populations and neediest communities. Every dollar of program funding that is wasted or misused is a dollar taken from those who genuinely need it."

The Committee is requesting the following CDBG data from HUD:

- Documents sufficient to show all CDBG program awards, including the specific activities funded, from 2005-2015.

- The funding applications of all CDBG program grantees from 2005-2015, copies of the grantees' assessments of current community development conditions and proposed plans to address community development needs, their annual performance reports, and any supporting documents.

- All documents referring or relating to HUD's assessment of the CDBG's performance from 2005-2015.

- Documents sufficient to identify all instances where HUD demanded that CDBG grantees and/or recipients return their awards to HUD, and all documents referring or relating to each of these cases.

- Documents sufficient to identify all instances where HUD declined to renew or continue a CDBG grant due to findings or concerns about the grantee or recipient's poor performance, questionable merit, or improper conduct

- Documents sufficient to identify all instances where HUD found that CDBG grantees and/or recipients had improperly used their CDBG funds or engaged in malfeasance and all documents referring or relating to each of these areas.

HUD is working on supplying this data to the Committee, so they may reach out to you for documents. Since hearing about this request, NCDA has met with appropriations leaders to ensure their full support of CDBG. So far the meetings have been positive and appropriators are fully behind the program.

This request does remind us that all it takes is one bad project or story in a newspaper (such as occurred with the HOME program) to see a program go down in flames. As NCDA has told appropriators, CDBG grantees do a stellar job of ensuring the funds are properly allocated and spent and work very hard to ensure the funds go to the neediest populations.

Since Congress has very few working days this year to spend on hearings and oversight due to the elections, don't expect any activity on this issue. However, the Committee could possibly hold hearings next year. We'll keep you posted.

Treasury Announces Final Allocation of $1 billion Among Hardest Hit Fund States
The Treasury Department announced the allocation of the final $1 billion in funds under the Hardest Hit Fund (HHF) on April 20. The HHF was created in 2010 to provide targeted financial assistance to 18 states and the District of Columbia deemed hardest hit by the housing market downturn. According to the Treasury, the HHF has assisted nearly 250,000 homeowners and has removed more than 9,000 blighted properties.

Thirteen of the nineteen participating HHF states will receive additional funds, which were allocated through a competitive process. In order to receive additional funds, state housing finance agencies were required to submit detailed applications that demonstrated an ongoing need for additional funding to prevent foreclosure and stabilize housing markets as well as lay out a plan of action to address those needs and fully use the funds by December 31, 2020.

California	$169 million
DC	$3 million
Illinois	$151 million
Indiana	$33 million
Kentucky	$27 million
Michigan	$188 million
Mississippi	$23 million
North Carolina	$145 million
New Jersey	$45 million
Ohio	$94 million
Oregon	$58 million
Rhode Island	$26 million
Tennessee	$32 million

New Pilot for TOD Planning
The Treasury Department released a NOFA for a pilot for Transit-Oriented Development (TOD) planning. The pilot program supports the Federal Transit Administration's mission of improving public transportation for America's

communities by providing funding to local communities to integrate land use and transportation planning. The NOFA announces the availability of $20.49 million to support comprehensive planning associated with new fixed guideway and core capacity improvement projects that are seeking or have received funding through FTA's Fixed Guideway Capital Investment Grants Program. Applications are due on June 13, 2016.

FY16 HOME Allocations Changing

The FY16 HOME formula allocation letters sent to grantees in February contained incorrect HOME grant amounts, according to HUD. After the initial HOME formula run there was nearly $3 million of additional HOME funds to reallocate by formula. HUD recently reallocated this additional funding and posted the new allocations on the HUD Exchange. However, this week HUD found another error in the HOME formula allocations that affects all PJs. HUD will post the corrected formula allocations to the HUD Exchange next week.

HUD Releases Guidance on 2 CFR Part 200

On April 13, HUD issued CPD Notice 16-04 which discusses the December 7, 2015 conforming amendments to CPD's program regulations that replaced citations to the superseded requirements with citations to the Uniform Requirements in part 200. The Notice also discusses in detail issues regarding the effective date of the Uniform Requirements, procurement standards, the effect on agreements between the recipients of CDBG, CDBG Disaster Recovery, ESG, and HOME grants and other entities, program income, single audits, indirect cost issues, and monitoring for compliance.

New CPD Notice: Instructions for Urban County Qualifications for Participation in the CDBG Program for FYs 2017-2019

HUD released CPD Notice 16-05 on April 14 which provides the annual instructions for CDBG urban county qualification/requirements. The Notice provides guidance for counties wanting to qualify or requalify for entitlement status as urban counties as well as for existing urban counties that wish to include previously nonparticipating jurisdictions.

Using HOME Income Limits vs. Section 8 Income Limits

All CPD programs included in the Consolidated Plan should be using the HOME income limits. According to HUD there has been considerable confusion about Extremely Low Income (ELI) figures as they apply to the CDBG vs. the HOME program. The Consolidated Plan regulations defines the term "Extremely Low Income" as 30% of area median income. However, in many areas 30% of area median income may no longer be the same as the Section 8 ELI Limits. According to HUD, the Quality Housing and Work Responsibility Act of 1998 established a new income limit standard based on 30 percent of median family income (the ELI limits), which was to be adjusted for family size and for areas of unusually high or low family income. A statutory change was made in 1999 to clarify that these income limits should be tied to the Section 8 very low income limits. The Consolidated Appropriations Act of 2014 further modified these ELI limits to ensure that these income limits would not fall below the poverty guidelines determined for each family size. Specifically, ELI families are defined to be very low income families whose incomes are the greater of the poverty guidelines (as published and periodically updated by the Department of Health and Human Services) or the 30 percent income limits calculated by HUD. According to HUD, there are a few exceptions to this rule, but generally, the ELI limits are first calculated as 30/50ths (60 percent) of the Section 8 very low income limits. They are then compared to the appropriate poverty guideline and if the poverty guideline is higher, that value is chosen. If the poverty guideline is above the very low income limit at the family size, the ELI limit is set at the very low income limit because the definition of ELI limits caps them at the very low income levels.

HUD's Office of Affordable Housing Program has already advised that the 30% of area median should be used as the definition of ELI persons/families. After consultation among all four formula programs, CPD has confirmed that **ALL CPD** programs included in the Consolidated Plan should be using the HOME income limits under which ELI families are identified by the 30 percent income limits as opposed to the Section 8 limits which are adjusted for poverty. Please note that the CPD Income Calculator does not yet reflect the FY 2016 income limits. HUD will send an e-mail alert when the income limits are updated in the Income Calculator.

According to HUD, should the language establishing the poverty level as a “floor” for Section 8 income limits continue to be included in future appropriations bills to the point that it can be considered a permanent requirement, CPD would then need to consider revising the Part 91 regulations to redefine the term “extremely low income.”

Income Eligibility Calculator Expanded to Include the ESG Program
The CPD Income Eligibility Calculator has now been updated to perform income eligibility for the Emergency Solutions Grants (ESG) Program. The calculator is currently used to perform income eligibility and assistance amounts for CDBG, HOME, and HOPWA.

HUD Posts Fair Housing Webcast
HUD has produced a six-part webcast that provides an overview of the Assessment of Fair Housing (AFH) and key concepts. Participants will learn about fair housing issues, contributing factors using HUD-provided data, local data and local knowledge. The webcast also discusses the establishment of fair housing priorities and goals based on the analysis of fair housing issues and the priority contributing factors.

HUD Makes $174 Million Available through the National Housing Trust Fund
According to HUD, approximately $174 million will be made available later this spring through the National Housing Trust Fund (HTF). The HTF is a new affordable housing production program that will complement existing federal sources. HUD will allocate the HTF funds annually to state housing finance agencies. At least 80 percent of the funds must be used for the production and preservation of rental housing for very low income and extremely low income households. HUD recently conducted a webinar for HTF grantees on the submission requirements of the HTF Allocation Plan.

Choice Neighborhood Funding Available
HUD recently announced the availability of $120 million through the Choice Neighborhoods Implementation Grant Program to support locally driven strategies to address struggling neighborhoods with distressed public housing or HUD-assisted housing through a comprehensive approach to neighborhood transformation. The implementation grants support communities that have undergone a comprehensive local planning process. Eligible applicants include PHAs, local governments, non-profits, tribal organizations, and for-profit developers. The deadline to apply is June 28, 2016.

Section 108 Webinar
In February HUD released a webinar on how the Section 108 Loan Guarantee Program can serve as an important financing tool in targeting reinvestment for economic development. The webinar addresses how loan guarantees can help recipients leverage limited public resources to catalyze investment in communities. The webinar provides an overview of how Section 108 recipients should be using IDIS to track and disburse funds. The webinar also covers the recent rule changes that permit HUD to charge borrowers a one-time fee upon loan approval.

Update Your NCDA Username and Password
In our effort to upgrade our website and database we need you to please go to the link below to create a new password to access the Members Only sections of the website. After you do so, your username will be the e-mail address we used to e-mail this message to you and the password you create. **Your existing username and password will expire May 1, 2016.**

http://ncdaonline.org/membercredential.asp

Call for Presenters for the NCDA Annual Conference – June 22-25 – Milwaukee, WI
NCDA is seeking presenters for the 2016 Annual Conference in Milwaukee, WI on June 22-25. If you or someone from your agency would like to participate in one of the following sessions as a presenter, please contact Vicki Watson at vwatson@ncdaonline.org. Participating as a presenter at the conference is a great way to showcase your skills and expertise and highlight the work of your agency. We would love to have you take part in the conference!

<u>Speakers are needed in the following sessions</u>:
Best Practices in Housing Rehabilitation
Housing rehab is a major component of both the CDBG and HOME programs. Oftentimes, local housing rehab programs become bogged down with programmatic requirements. This session will provide information on how to manage and operate your housing rehabilitation programs better. You will hear from other grantees on their procedures for better processing of clients, the use of flexible loan terms and conditions, better recruitment of contractors, and the use of technology to streamline program operations.

Neighborhood Revitalization Strategy Areas (NRSAs)
CDBG grantees may classify local target areas for revitalization through the Neighborhood Revitalization Strategy Area (NRSA) designation. With the NRSA designation comes greater flexibility in undertaking economic development, housing, and public service activities with a focus on promoting innovative programs and practices in economically distressed neighborhoods. This session will examine the use and outcomes of the NRSA designation in several communities.

Ending Veterans Homelessness
HUD and the Department of Veterans Affairs have taken action to end veterans homelessness with some cities meeting the goal and others working towards it. This session will look at the resources, partners, and strategies amassed in local communities to end homelessness among veterans.

Highlights of Economic Development Projects
This session will focus on local policies and programs to lift Americans up the economic ladder and create opportunity for all through business assistance, job creation, and private development.

Grant-Based Accounting Implementation
CDBG and HOME must now use the grant-based accounting method to commit and disburse funds for activities in IDIS. This method requires commitments and disbursements to be made against a specific grant year rather than through the FIFO method traditionally used in IDIS. This session will provide tips and advice from grantees for transitioning to the grant-based accounting method. HUD staff will also be on hand to provide an update on system changes.

NCDA Annual Conference
NCDA invites you to join other community development professionals at the 47th Annual Conference in Milwaukee, WI on June 22-25. 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. A copy of the agenda is attached. To register for the conference, go here.

General Registration (April 2 – June 3)
Members: $500
Non-Members: $550

Late Registration (registrations received after June 3)
Members: $600
Non-Members: $650

Cancellations made after June 1, 2016 will be charged a $250 fee. Cancellations must be made via e-mail to sgartrell@ncdaonline.org.

The conference hotel has sold out of rooms for June 21. There are still rooms available for June 20, June 22, and June 23. Call the hotel (888-421-1442) to make your reservation or go here. The deadline for making your hotel reservation is May 21. For the night of June 21, please try the Intercontinental or Aloft; both are near the conference hotel.

NCDA HOME and CDBG Training Available
Please see below NCDA's CDBG and HOME training schedule. Both the CDBG and HOME basics courses provide a comprehensive overview of the programs through lecture and in-class exercises. The courses are filling up quickly, so we advise you to register immediately. Go here to register for a HOME course and go here to register for a CDBG course.

CDBG Basics: Training for Practitioners (spaces available)
May 4-6
Nashville, TN

CDBG Basics: Training for Practitioners (Full)
May 23-25
Seattle, WA

HOME Basics Course (Spaces Available)
May 25-27
Jefferson Parish, LA

CDBG Basics: Training for Practitioners (Full)
July 27-29
Austin, TX

HOME Basics Course (Spaces Available)
August 24-26
Santa Rosa, CA (Host: Sonoma County)

CDBG Basics: Training for Practitioners (New)
September 21-23
Santa Rosa, CA (Host: Sonoma County)

CDBG Basics: Training for Practitioners (New)
September 28-30
Philadelphia, PA

CDBG Basics: Training for Practitioners (Spaces Available)
November 1-3
Lexington, SC (Host: Lexington County)

Please contact Steve Gartrell at sgartrell@ncdaonline.org with any questions.

NCDA is on Facebook and Twitter
Thanks to the efforts of Melissa Horr Pond (Quincy, MA) NCDA is now on Facebook and Twitter.

https://www.facebook.com/NCDAonline/

Twitter: @NCDAonline

We are seeking content to add to the Facebook page, such as photos (with captions) and videos. Please feel free to e-mail those items to Melissa at mhorr@quincyma.gov. Please review NCDA's Social Media Policy (attached) before posting items.

Department of Housing and Urban Development
Budget Chart

Program	FY15 Enacted Funding Level	FY16 Enacted Funding Level	President's FY17 Budget Request	Senate Appropriations Committee FY17 Request
CDBG Formula Grants	$3.0 billion	$3.0 billion	$2.8 billion	$3.0 billion
HOME Formula Grants	$900 million	$950 million	$950 million	$950 million
Homeless Assistance Grants	$2.135 billion	$2.25 billion	$2.664 million	$2.330 billion
Section 108	$500 million	$300 million	$300 million	$300 million
Choice Neighborhoods	$80 million	$125 million	$200 million	$80 million
HOPWA	$330 million	$335 million	$335 million	$335 million
Lead Based Paint Hazard Reduction	$110 million	$110 million	$110 million	$135 million
Elderly Housing (Section 202)	$420 million	$433 million	$505 million	$505 million
Housing for Persons with Disabilities (811)	$135 million	$151 million	$154 million	$154 million
Housing Counseling	$47 million	$47 million	$47 million	$45 million
Housing Choice Vouchers	$19.304 billion	$19.629 billion	$20.854 billion*	$20.432 billion**
Project-Based Section 8	$9.730 billion	$10.62 billion	$10.816 billion	$10.901 billion
Public Housing Capital Fund	$1.875 billion	$1.9 billion	$1.865 billion	$1.925 billion
Public Housing Operating Fund	$4.440 billion	$4.5 billion	$4.569 billion	$4.675 billion

*includes $18.447 billion for voucher renewals, $110 million for tenant protection vouchers, $2 billion for administrative fees, $88 million for new/restored vouchers, and $110 million for Section 811 Mainstream Vouchers

**includes $18.355 billion for voucher renewals, $110 million for tenant-protection vouchers, $1.769 billion for administrative fees, $20 million for new/restored vouchers, and $110 million for Section 811 Mainstream Vouchers