NCDA Washington Report

October 31, 2016

FY 2017 CDBG Spending Still in Limbo - Contact Your Lawmakers Today to Support a Full-Year Spending Bill

Congress will return the week of November 14 to continue work on finalizing FY 2017 funding for all federal agencies. Prior to adjourning for the election recess, Congress approved a continuing resolution (CR) that maintains federal programs at FY 2016 funding levels through December 9. This ensured that Congress will have to address spending decisions before it adjourns for the final time in December. There are several ways Congress could deal with FY 2017 appropriations, but regardless of the method, it is critical that a full-year Transportation, Housing and Urban Development (THUD) bill be approved before the end of the lame duck session. Please send the letter below to your lawmakers explaining the importance of passing a full year spending bill to your community.

Before the fiscal year ended on September 30, Congress failed to approve all but one of its 12 regular appropriations bills. As a result, the Department of Housing and Urban Development (HUD) is currently operating under a CR. This is problematic for communities that rely on Community Development Block Grant (CDBG) dollars because HUD does not traditionally award funding until a full-year bill is in place, leaving communities to wonder what their CDBG grant level will be for the year and when they'll receive it.

When Congress returns to Washington in mid-November, it has several options to address the expiring CR. First, it could simply pass a full-year CR that would carry FY 2016 spending levels forward throughout the entire FY 2017. This would provide level funding for CDBG at $3 billion and HOME at $950 million for all of FY 2017. Second, it could assemble the remaining 11 appropriations bills, including THUD, into a series of small spending packages, referred to as "mini-buses." Third, Congress could package all the remaining spending bills into one "omnibus" bill, as has been done in recent years. Finally, Congress could pass a short-term CR that would delay final spending decisions until the new Congress takes office in January. Irrespective of how Congress chooses to address FY 2017 spending, the passage of another short-term CR should be avoided and full-year spending decisions should be made before Congress adjourns. Your voice is critical to ensuring that Congress knows the importance of finalizing FY 2017 spending and not punting the decision to the next Congress. Below is a sample letter to send to your legislators. Please edit the letter to include local examples of the impact of delaying spending decisions and the good work that CDBG dollars do in your community. To contact your House Member, please go to www.house.gov/representatives/find/. To contact your Senators, please go to www.senate.gov/senators/contact/.

Letter to Congressional Members; Please Send Before November 14

Dear Representative/Senator,

As a member of the National Community Development Association, I urge you to finalize FY 2017 Transportation, Housing and Urban Development (THUD) spending during the lame duck session and avoid funding the government through a series of short-term continuing resolutions (CRs) that would leave our community in budgetary limbo. The repeated failure of the appropriations process in recent years has demonstrated the burdens inflicted on communities by funding the government through a series of short-term CRs. Many grant programs, like the Community Development Block Grant (CDBG) program, do not award grants until a final spending bill is in place, leaving many communities wondering what funding will be available to them and severely hampering project planning. This is unnecessary and entirely avoidable. Postponing spending decisions until the 115th Congress takes office will have a huge negative impact on our community; I rely on consistent, predictable CDBG dollars to do my job and our community relies on CDBG for a wide variety of purposes. CDBG enhances communities across the country, not just ours. CDBG is arguably one of the federal government's most successful domestic programs, providing communities with flexible dollars to address a myriad of local needs, such as affordable housing, anti-poverty programs, and infrastructure development. Every $1.00 of CDBG funding leverages another $3.65 in private and public dollars. A study by HIS Global Insights found that the $3.9 billion invested in CDBG in FY 2010 generated 120,000 jobs and contributed $10.7 billion in gross domestic product to our nation. However, this work is contingent on the reliability and consistency of CDBG funding. Please help ensure that our community will be able to utilize its FY 2017 CDBG dollars as soon as possible by finalizing THUD spending before the 114th Congress adjourns for the final time.

Thank you,

Implementation of HOTMA

On July 29, 2016, President Obama signed into law the Housing Opportunity Through Modernization Act (HOTMA). HOTMA makes important reforms to the Public Housing Program and Section 8, but also includes a few changes to CPD programs, such as:

(1) PHAs are now eligible sub-recipients of Emergency Solutions Grants (ESG) funding. HOTMA authorizes local governments to sub-award ESG funds to local PHAs and local redevelopment agencies. HUD intends to issue guidance explaining the conditions and requirements that apply to sub-awarding ESG funding to these entities.

(2) The bill includes language to revise the current HOPWA allocation formula. The measure promises long overdue updates to the formula used to distribute HOPWA funding so that they are no longer based on cumulative AIDS cases but rather a combination of HIV cases, local rental costs, and community poverty levels. HOPWA has been operating under the same formula since 1992 when the program was created. According to HUD, the formula gave funding to each

jurisdiction based on cumulative AIDS cases and did not account for how many people with HIV/AIDS currently live in the jurisdiction. According to the CDC, almost 55% of the people counted in the cumulative AIDS calculations were deceased individuals, meaning the old formula had to account for deceased persons due to the terminology used.

HUD is preparing regulations to implement the formula changes and more detailed guidance to explain how these changes will affect FY 2017 funding. The legislation provides that the HOPWA formula modernization will begin in FY 2017 and will be phased in over 5 years to avoid volatile shifts in funding. Jurisdictions will not gain more than 5% or lose more than 10% than their prior year funding during the 5 year phase-in period. HUD is planning a series of seminars to educate grantees on the formula changes once the FY 2017 formula allocations are announced. This cannot be done until Congress passes a spending bill for HUD.

NCDA and other national organizations have collectively signed on to a letter to Congress urging an increase in FY 2017 HOPWA funding to ensure that all local HOPWA programs have adequate funding to continue to house people served by the program. According to HUD, without an additional $21 million in program funds more than 3,000 households stand to lose housing support through HOPWA.

(3) HOTMA includes a provision requiring HUD to issue a notice defining "geographic area" for the Continuum of Care program. HUD is supposed to release the guidance shortly.

HUD Extends Fair Housing Assessment Tool Deadline for Small CDBG Grantees; NCDA and NAHRO Form Small CDBG Working Group

At the request of NCDA and other national interest groups, HUD has delayed the deadline for submission of the Assessment of Fair Housing for small CDBG grantees (those grantees receiving $500,000 or less in annual CDBG funds). The one-year implementation delay also applies to HOME consortium that collectively receive $500,000 or less in CDBG funding.

NCDA and the National Association of Housing and Redevelopment Officials (NAHRO) are working together with several small CDBG grantees to develop an appropriate Assessment of Fair Housing Tool for these entities. The HUD data tables and maps are particularly problematic for small CDBG grantees as the national data provided by HUD doesn't drill down far enough within these small jurisdictions to provide a reliable data source. We are also proposing that HUD increase the threshold definition for small CDBG grantees from $500,000 to $1 million in annual CDBG funding. The group held its first conference call on October 18 and is now in the process of drafting the Tool. The following communities are participating in the working group: Barnstable, MA; Yarmouth, MA; Burlington, VT; Oak Ridge, TN; Florence, AL; Arvada, CO; and Lawrence, KS.

HUD Designates Difficult Development Areas and Qualified Census Tracts for 2017

On October 17, HUD published in the Federal Register a list of the 2017 Difficult Development Areas (DDAs) and Qualified Census Tracts (QCTs). Low Income Housing Tax Credit (LIHTC) properties developed in DDAs or QCTs can receive a 30% basis boost, increasing tax credits and project equity.

DDAs are areas with high development costs and QCTs are census tracts with a poverty rate of at least 25% or in which 50% of the households have incomes below 60% of AMI.

CDBG Coalition Developing National Report on CDBG

The CDBG Coalition is working on a national report on the CDBG program to provide to the new Administration and Congress in February. The report will focus on the need for more CDBG funding and provide a snapshot on how the program works to help low- and moderate-income families, spur job creation and economic development, and leverage other funding. The report will also provide a brief history and overview of the program for those Congressional Members not familiar with the program. The report will be divided into the following chapters.

- What is CDBG?
- The need for more funding
- CDBG is a jobs generator
- CDBG leverages other funds
- CDBG provides critical infrastructure
- CDBG provides decent, safe, affordable housing
- CDBG provides crucial public improvements
- CDBG provides needed public services
- Using CDBG for economic development
- Using CDBG to assist communities hit by natural disasters
- CDBG program impact by state

Local CDBG Project Examples Needed
We are seeking local project examples to insert into the report. If you have an exceptional CDBG-funded project that you would like to share, please send it to vwatson@ncdaonline.org by November 30. Please use the project template below when submitting your project.

<u>Project Template</u>
- Project name
- Location
- Project year
- Project description
- Use of CDBG funds
- Target population (e.g., youth, elderly, families, veterans, homeless, special needs, etc.)
- Amount of CDBG funds
- Other project funds; leveraging
- Jobs created (temporary and permanent)
- Project impact
- High resolution project photo
- Quote from a beneficiary (e.g. how the project assisted them, impacted their lives)
- Contact information

CDBG National Support Letter; Please Sign-On

The CDBG Coalition is continuing to collect signatures on its FY 2018 CDBG Support Letter, which seeks at least $3.3 billion for the program, an increase of $300 million above FY 2017 program funding levels. The letter is open to all local CDBG grantees and their sub recipients and program partners. Please sign-on to the letter and ask your sub recipients and program partners to add their support by signing on, too.

The letter is intended to garner grassroots support for CDBG – in every State and Congressional District served by the program.

Start Thinking Now About National Community Development Week

National Community Development Week might be six months away, but the time to start planning is now. During the week of April 17-22, 2017, NCDA and other community development partners nation-wide will celebrate National Community Development Week. This NCDA-led effort showcases the impact of the Community Development Block Grant program across the country. To celebrate, NCDA asks members to publicly highlight the work they've done in their communities that has been assisted by CDBG funding. Projects can be showcased in a variety of different ways, for example: invite your local media and/or your Congressional delegation for a site visit, take a video or photos of your project and send them to your local media and Congressional delegation, write a letter to the editor of your local newspaper describing your project and the role CDBG played in developing it, schedule a meeting with your Congressional delegation to tell them about how important CDBG is, or write a letter to your legislators about your project.

Take the first step toward planning a National Community Development Month activity this month by identifying a project you'd like to highlight that will best display the important role of CDBG dollars in your community. As April approaches, NCDA will provide you with the tools and materials you need to launch your successful event. Your participation in National Community Development Week is particularly critical in 2017; at least 11 percent of the House of Representatives, a significant portion of the Senate, and the entire Presidential administration will be new to Washington, DC in January and may not be familiar with the role CDBG plays in communities. These newcomers will be making decisions about CDBG and its funding levels early next year. Highlighting the work you do with CDBG dollars in your community creates a tangible connection for lawmakers between the funding they appropriate for CDBG and improvements to their states and districts. Events like National Community Development Week attract positive attention and publicity for CDBG, which when shared with your lawmakers, is instrumental in creating the next generation of CDBG champions on Capitol Hill.

NCDAonline Forum

As a reminder, please check the NCDAonline Forum to see if you can provide assistance to your fellow NCDA members with their questions. Thank you for taking the time to do so. You can access the Forum at the following link:

http://ncdaonline.org/access-members-only-information/

If you need to establish a password, go to the following link.

http://ncdaonline.org/member-credentials/

RFP for the 2018 and 2019 Annual Conferences

NCDA is seeking proposals from its members to host the 2018 and 2019 annual conference. NCDA is dedicated to providing professional development, best practices, and networking opportunities to its members through the delivery of top notch annual conferences. We are seeking hosts for the 2018 and 2019 (50th annual conference). The conference brings together the innovative, the informative, and the inquisitive to network, share, learn, and recognize excellence. Grantees from across the country attend the annual conference.

Conference Schedule
2018 – The preferred conference date is June 20-23, 2018
2019 – The preferred conference date is June 19-22, 2019

Please review the attached RFP requirements and "Things to Consider When Hosting a Conference" documents. Please submit completed proposals to Vicki Watson at vwatson@ncdaonline.org and to Steve Gartrell at sgartrell@ncdaonline.org by December 6, 2016. Selection of the host is based on: quality of the proposal; responsiveness to NCDA's conference requirements, including costs; ability to raise conference sponsorship funds; and ability to deliver specified items in the proposal.

2017 NCDA Winter Conference

The 2017 NCDA Winter Conference will be held February 15-17 in Washington, DC at the Holiday Inn Capitol Hill. Early registration ends today.

While the conference will provide legislative and policy updates, it is primarily focused on professional development. The agenda was developed based on member feedback and will focus on eight areas: community development, housing, planning, financial, technology/systems development, compliance, homelessness, and management.

Why You Should Attend. Why You Should Bring Staff.
•Professional development
•Learn the latest trends, best practices, and program regulations
•Hear directly from HUD and Congressional staff
•Network with peers

NCDA has reserved a block of rooms at the Holiday Inn Capitol Hill, 550 C Street, SW, Washington, DC at the rate of $199 per night plus tax **through January 13**. Reservations received after this date will be based on availability at the best available rate offered by the hotel. Book early! To make your reservation call 877-572-6951 and reference booking code N9D.

NCDA is Seeking Sponsors for the 2017 Winter Conference

NCDA is seeking sponsors for the 2017 Winter Conference in Washington, DC. Our success depends on partnerships and this conference is no different. The sponsorships help defray conference expenses and make the event a valuable experience for all who attend. If your region or jurisdiction is interested in sponsoring the 2017 Winter Conference, please contact Vicki Watson at vwatson@ncdaonline.org. NCDA can work with you on a sponsorship level that is budget friendly. We appreciate your support.

Save the Date for the NCDA Annual Conference: June 14-17 in Miami, FL

Join us in Miami for the 2017 Annual Conference. The NCDA 48th Annual Conference will be held in Miami, FL; a city known for South Beach, cultural diversity, festivals and a vibrant art scene. But did you know it's also a city that is known for transforming distressed neighborhoods, partnering with the private sector, and creating economic opportunities? Miami has a lot to offer and showcase and we hope you will join us to experience this vibrant city.

2017 NCDA 48th Annual Conference
Miami, FL
June 14-17, 2017
Hyatt Regency Miami

NCDA Has a New Mailing Address

NCDA has moved. Our new address is 1775 Eye Street, NW, Suite 1500, Washington, DC 20006. Please update your records and send all correspondence to this address. We have attached an updated W-9 for your records.

Need Onsite CDBG and HOME Training?

If you would like NCDA to provide on-site CDBG and HOME training to your staff, please contact Steve Gartrell at sgartrell@ncdaonline.org. A minimum of 25 people is required. The host is also required to provide the training space and a/v (screen, projector, mic).

Freddie Mac Homeownership Workshops

Freddie Mac will hold two free homeownership workshops in Texas and Ohio. The workshops, delivered by the Nickerson Group, are intended for local housing and community development providers at cities, counties, and in the nonprofit sector. The workshops will provide information on becoming more adept and knowledgeable concerning the current mortgage lending market, innovations in homeownership products and subsidies, and how to leverage improved lender engagement. All participants will receive a completion of certificate of training completion and a Homeownership Program Resource Toolkit.

The one-day workshops will be held in the following locations.

University of Texas Austin

AT&T Conference Center
November 30, 2017
8:00 am to 5:00 pm

University of Cincinnati
December 5, 2017
8:00 am to 5:00 pm

Please see the attached flyers for more information. To register go to www.nickersontraining.com. Please contact the Nickerson Group at 800-494-1283 with any questions.

Department of Housing and Urban Development
Budget Chart

Program	FY16 Enacted Funding Level	President's FY17 Budget Request	Senate FY17 Request	House Appropriations Committee FY17 Request
CDBG Formula Grants	$3.0 billion	$2.8 billion	$3.0 billion	$3.0 billion
HOME Formula Grants	$950 million	$950 million	$950 million	$950 million
Homeless Assistance Grants	$2.25 billion	$2.664 million	$2.330 billion	$2.487 billion
Section 108	$300 million	$300 million	$300 million	$300 million
Choice Neighborhoods	$125 million	$200 million	$80 million	$100 million
HOPWA	$335 million	$335 million	$335 million	$335 million
Lead Based Paint Hazard Reduction	$110 million	$110 million	$135 million	$130 million
Elderly Housing (Section 202)	$433 million	$505 million	$505 million	$505 million
Housing for Persons with Disabilities (811)	$151 million	$154 million	$154 million	$154 million
Housing Counseling	$47 million	$47 million	$47 million	$55 million
Housing Choice Vouchers	$19.629 billion	$20.854 billion*	$20.432 billion**	$20.189 billion***
Project-Based Section 8	$10.62 billion	$10.816 billion	$10.901 billion	$10.901 billion
Public Housing Capital Fund	$1.9 billion	$1.865 billion	$1.925 billion	$1.900 billion
Public Housing Operating Fund	$4.5 billion	$4.569 billion	$4.675 billion	$4.500 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

***Includes $18.312 billion for voucher renewals, $110 million for tenant-protection vouchers, $1.650 billion for administrative fees, $7 million for new Tribal HUD-VASH vouchers, and $110 million for Section 811 Mainstream Vouchers.