NCDA
National Community Development Association

NCDA Washington Report

May 31, 2017

Congress Wraps-Up FY17 Funding; CDBG and HOME Level-Funded; Elimination of 24-Month HOME Commitment Deadline Included

Congress managed to wrap-up FY17 spending by passing an Omnibus measure in early May. President Trump signed the measure on May 5. NCDA and its national partners fought hard to ensure our core programs - CDBG and HOME - were protected. President Trump and OMB Director Mick Mulvaney sent a supplemental request to Congress in April seeking a $1.5 billion cut to CDBG in FY17 to help pay for the border wall. We were able to fight back against this proposal. The Omnibus spending measure provides level-funding for both CDBG ($3 billion) and HOME ($950 million) for FY17. Grantees should receive allocations in early July.

One of NCDA's policy priorities is the elimination of the HOME 24-month commitment deadline. The Omnibus bill includes language suspending the 24-month commitment deadline from 2016 through 2019. Under HOME, participating jurisdictions must commit HOME funds within 24 months or face recapture. Unfortunately, the 2-year deadline for CHDO commitments is still in place for all grants. The language in the Omnibus refers to Section 281(g) of the National Affordable Housing Act (the commitment section), the 2-year requirements for CHDO funds is actually located in Section 231(b) and is not covered by the suspension. NCDA has reached out to appropriations staff to alert them of the need to suspend Section 231(b) in future language. Unfortunately, the FY18 THUD spending bill (which is the likely vehicle to include this language) will likely not be finalized for months.

Trump Releases FY18 Budget Proposal; FY18 Congressional Appropriations Process

President Trump released his FY 2018 budget to Congress on May 23. The President's budget would reduce non-defense discretionary spending by $1.4 trillion over ten years. The budget proposes deep cuts to mandatory spending including slashing $616 billion from Medicaid and the Children's Health Insurance Program, two programs that provide medical insurance to the poor. Trump calls for keeping sequestration (budget caps) in place for non-defense programs while lifting the caps to increase defense spending by $469 billion over the next decade. The budget calls for major reforms and cuts in the following areas.

•Repeal and replace the Affordable Care Act
•Reform Medicaid and CHIP

•Reduce non-defense spending ($1.4 trillion cut over a decade)
•Reform the welfare system (SNAPs would be cut by $193 billion over a decade)
•Reform federal student loans
•Reform disability programs
•Limit farm subsidies
•Reform retirement benefits for federal employees

HUD

HUD would be cut by 15% or $7.4 billion in FY 2018. The budget proposal includes the elimination of the CDBG program, HOME program, Choice Neighborhoods Program, Self-Help Homeownership Opportunity Program (SHOP), and the Section 4 Capacity Building Program. Moreover, the budget proposal cuts HUD's homeless assistance programs by $130 million, reduces HOPWA by $26 million, and cuts the Section 811 Housing for People with Disabilities program by $25 million. Further, the budget proposal reduces funding for housing choice vouchers that may put nearly 250,000 low-income people in jeopardy of losing housing. The budget provides $17.6 billion to renew existing Section 8 tenant-based housing contracts, nearly $771 million less than in FY 2017, and $2.3 billion less than what is needed to fully renew all existing vouchers. The budget proposal also slashes capital funding for public housing by 68% and cuts public housing operating funds by $500 million.

Other

The budget eliminates the Low Income Home Energy Assistance Program and the Weatherization Assistance Program, two programs that provide home heating and cooling assistance to the poor. The Community Services Block Grant would be eliminated. The budget proposal would zero out the Community Development Financial Institutions (CDFI) grants administered by Treasury. The National Housing Trust Fund (administered by HUD) and the Capital Magnet Fund (administered by Treasury) are both slated for elimination. Neither program is funded through appropriations but rather through a small fee on Fannie Mae and Freddie Mac. In the budget proposal, these resources would be channeled to the Federal Housing Administration to offset technology upgrades and salaries.

Infrastructure

The President's budget proposal includes $200 billion in federal funds to support $1 trillion in private/public infrastructure investment. No further details are provided on the structure of the infrastructure proposal. While NCDA believes that community development and affordable housing should be important components of any infrastructure package, the one-time infrastructure package must not be used to replace existing programs.

FY 2018 Congressional Appropriations Process

Congressional appropriators will begin to focus on FY 2018 spending when they return next week. The House and Senate will hold hearings with Secretary Carson in the next couple of weeks and the subcommittees will begin drafting their spending bills. It will be difficult, if not impossible, for Congressional appropriators to draft FY 2018 spending bills using the President's budget as a benchmark because of the bi-partisan support of many of the programs proposed for elimination and cuts. Moreover, without an increase in the budget caps, Congressional appropriators will not able to move spending bills. Further, there a very few legislative days remaining for Congress to try to reach agreement on spending. Still, the President is liable to get something and that could mean smaller cuts to programs instead of full elimination. NCDA will work very hard to ensure CDBG and HOME are fully funded; however, your voice will be needed to help in this endeavor. It is imperative that you reach out to your Congressional Members to ask them to support full funding of CDBG and HOME in FY 2018.

NCDA has been fighting against the proposed elimination of CDBG and HOME ever since the President's "skinny" budget was released in March. We partnered with the U.S. Conference of Mayors and the National Association of Counties on a press call in April to draw national media attention to the cuts and to draw attention to National Community Development Week. NCDA led National Community Development Week in which communities across the country brought local, regional and national attention to CDBG and HOME. NCDA has met with all of the Congressional THUD appropriators to advocate for full funding of both programs in FY 2018. We will meet with them again over the next few weeks. Last week, NCDA participated in a Congressional roundtable on CDBG and HOME (see below).

Continue CDBG and HOME Messaging

Congressional Members must continue to hear from you on CDBG and HOME. We must ensure CDBG and HOME are fully funded in FY 2018 and your voice is needed to help in this endeavor. If you have not already done so, please send the attached sample letter to your Congressional Members as soon as possible. The letter should be signed by your local elected official (Mayor or County Executive) or department head. To obtain the contact information for your House Member go to www.house.gov/representatives/find/. Go to www.senate.gov to obtain the contact information for your senators. Please e-mail or fax the letter to both their district office (the one closest to you) and their DC office. Please call to confirm receipt of the letter. Please include the attached sample fact sheets with the letter.

Please also call both their district office and DC office to ask your Congressional Members to (1) oppose elimination or funding cuts to CDBG and HOME in FY 2018; and (2) support full funding of both programs in FY 2018. Most importantly, please meet with your Congressional Members or their staff in their District office or invite them to a site visit. Placement of an op-ed or CDBG/HOME story in your local paper is also encouraged. Many Congressional offices track media mentions and your article is likely to be noticed by the office. Please use the following tweets in your social media messaging.

#Fight4CDBG
#Fight4HOME
#CDBGImpact
#HOMEImpact

NCDA Facebook link: https://m.facebook.com/NCDAonline
LinkedIn: https://www.linkedin.com/groups/3718262
Twitter: @NCDAonline

NCDA Participates in Congressional Roundtable on CDBG and HOME

Rep. Maxine Waters (D-CA), ranking member of the House Financial Services Committee, spearheaded a roundtable discussion on CDBG and HOME on May 24. Bonnie Moore, NCDA's President and the

Community Development Director for the City of Shreveport, LA participated in the roundtable on behalf of NCDA. Rep. Dan Kildee (D-MI), Vice Ranking Member, Committee on Financial Services, and Rep. Emanuel Cleaver (D-MO), Ranking Member, Housing and Insurance Subcommittee, co-led the panel. Other panelists included Mayor Karen Freeman-Wilson (Gary, IN); Renee Price, Commissioner of Orange County, NC; Robin Hughes, President and CEO, Abode Communities, Los Angeles, CA; Mayor Ed Pawlowski (Allentown, PA); Bill Shelton, Director, Virginia Department of Housing and Community Development; Mayor David Helms (Marion, VA); and Schroeder Stribling, Executive Director, N Street Village, Washington, DC.

The roundtable brought together voices from rural, suburban and urban communities and the discussion focused on the importance of CDBG and HOME and how the programs have been effectively used to fund a wide spectrum of projects, from infrastructure development to homelessness assistance to affordable housing development to crucial public services. Panelists also shared local program outcomes and discussed the impact on local communities if the programs are eliminated. The event was attended by Congressional Members and staff and live streamed.

CPD Reduces the Public Comment Period for 2017 Action Plans

Because of the late enactment of the FY17 spending bill, HUD has issued a waiver of the regulatory 30-day citizen participation public comment period for CPD grantees, in favor of a 14-day comment period. To take advantage of the reduced comment period, grantees must: (1) still provide citizens with a public comment period and document such in their FY17 plan submissions; and (2) document in writing the conditions giving rise to the need to utilize this waiver; and must maintain such documentation for HUD's review. The waiver is attached. The waiver supersedes the language in CPD Notice 16-18 regarding the citizen participation comment period. The waiver applies to all CPD grantees, including those only submitting plans for HOME, ESG or HOPWA funding. All grantees must submit their Annual Action Plan to HUD by **August 16, 2017**, the statutory deadline imposed by Congress – or lose FY 2017 CDBG funding.

CPD Releases PR26 Troubleshooting Guide

HUD's Office of CPD has developed a guide to help grantees in developing and submitting their PR26 CDBG Financial Summary Report including how to reconcile reported information and guidance on the impact of grant-based accounting on the PR26 report.

HUD Nominees

President Trump has nominated Pamela Patenaude to be the Deputy Secretary at HUD. She is the President of the J. Ronald Terwilliger Foundation for America's Families. She previously served as the Assistant Secretary for CPD at HUD under the Bush Administration. Her confirmation may take place as early as next week.

Trump has nominated Neal J. Rackleff to be the Assistant Secretary of CPD at HUD. Mr. Rackleff is a partner at Locke Lord, a law firm that specializes in community and economic development, affordable housing, and inner-city revitalization. He previously served as the Director of the City of Houston's

Housing and Community Development Department. A date has not been set for his confirmation hearing.

Interested in Hosting an NCDA Training? Need On-site Training?

NCDA is pleased to assist its members by continuing to provide on-site CDBG and HOME training. On-site training provides convenience and savings for your community and staff. NCDA is in the process of developing its training schedule for the coming year and is soliciting feedback from communities interested in hosting a training course.

Courses offered
Basic CDBG
Basic HOME
Managing Subrecipients *(new course)*
Advanced CDBG
Underwriting CDBG/HOME

The attached RFP provides specifics on the training requirements and cost. Please contact Steve Gartrell, NCDA's Training Manager, at sgartrell@ncdaonline.org with any questions.

Upcoming NCDA Training

CDBG Basics: Training for Practitioners
August 29-31
San Diego, CA

Please go to the following link to register and download the brochure.

ncdaonline.org/cdbg/

2017 John A. Sasso National Community Development Week Winners

NCDA will bestow the John A. Sasso National Community Development Week Award on the following communities for their outstanding efforts in the planning and implementation of the 2017 national community development week campaign.

Florence, AL
Jacksonville, FL
Albany, GA
Columbus, GA
Shreveport, LA
Portland, ME
St. Louis, MO
Manchester, NH
Durham, NC

Greenville, NC
Jacksonville, NC
Columbia, SC
Richland County, SC
College Station, TX
Burlington, VT

The award was created as a means of recognizing community efforts to promote and celebrate the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program during National Community Development Week. This year marks the 31st anniversary of National Community Development Week and the 17th anniversary of the John A. Sasso National Community Development Week Award.

The National Community Development Week Awards are named in honor of John A. Sasso, NCDA's founder and leading force in nationally promoting CDBG, NCDA, and its members. In 1970, John Sasso became the first President of the Model Cities Community Development Directors Association (MCCDDA). MCCDDA eventually became the National Community Development Association after passage of the Housing and Community Development Act of 1974, which created the CDBG program. John began his tenure in the field of community development as a Planner for the City of Pawtucket, RI. He retired from NCDA in 2000. Sadly, John passed away in 2016.

FY18 Membership Invoices; Commitment Forms

Membership invoices covering FY18 (July 1, 2017 – June 30, 2018) dues have been sent out. If you have not received your invoice yet, please contact Mike Lightfield at michael@ncdaonline.org. All members must complete the Membership Commitment Form that was included with your invoice. The form is used to update NCDA's online Membership Directory. For convenience, please complete the form electronically by going to the following link, instead of mailing it.

ncdaonline.org/membership-commitment-form/

Once you complete the form you will have the option to pay for your dues by credit card. Otherwise, you can use the invoice that was sent to you to pay by check. Please send checks to:

NCDA
1775 Eye Street NW Suite 1150
Washington, DC 20006

Annual Conference Sold Out; Cancellations Must Be Received by June 1

We have had an overwhelming response to registration for the 2017 NCDA Annual Conference in Miami, FL to the point that we have sold out the conference. If you are registered for the conference, but need to cancel, please contact Steve Gartrell at sgartrell@ncdaonline.org **by June 1**. Cancellations received after this date will be charged a $100 cancellation fee.

Department of Housing and Urban Development
Budget Chart

Program	FY16 Enacted Funding Level	FY17 Enacted Funding Level	President's FY18 Budget Request
CDBG Formula Grants	$3.0 billion	$3.0 billion	$0
HOME Formula Grants	$950 million	$950 million	$0
Homeless Assistance Grants	$2.25 billion	$2.383 billion	$2.25 billion
Section 108	$300 million	$300 million	$0
Choice Neighborhoods	$125 million	$138 million	$0
HOPWA	$335 million	$356 million	$330 million
Lead Based Paint Hazard Reduction	$110 million	$145 million	$130 million
Elderly Housing (Section 202)	$433 million	$502 million	$510 million
Housing for Persons with Disabilities (811)	$151 million	$146 million	$121 million
Housing Counseling	$47 million	$55 million	$47 million
Housing Choice Vouchers	$19.629 billion	$20.292 billion	$19.318 billion*
Project-Based Section 8	$10.62 billion	$10.816 billion	$10.351 billion
Public Housing Operating Fund	$4.5 billion	$4.4 billion	$3.9 billion

*includes $17.584 billion for contract renewals, $60 million for tenant protection vouchers, $1.550 billion for administrative fees, $107 million for Section 811 Mainstream Vouchers, and $7 million for Tribal Vouchers