NCDA Washington Report

June 30, 2017

CDBG Coalition Sends National Letter of Support for CDBG to the Hill

On June 6, NCDA, on behalf of the CDBG Coalition, sent a letter to all members of the House and Senate Transportation-HUD (THUD) subcommittees calling for $3.3 billion for CDBG in FY18. The letter (attached) was signed by 1,862 national, state, and local organizations from across the country. The letter was purposefully sent just prior to HUD Secretary Ben Carson's appearance before the THUD subcommittees to amplify to appropriators the importance of CDBG nationally and the need to support program funding in FY18. A second iteration of the letter will be sent to Congressional appropriators in the fall, so if you did not have a chance to sign on to the letter previously, please do so by going here. Please urge your subrecipients and other program partners to sign on to the letter, too.

Budget/Appropriations Update; Take Local Action

Republican members of the House Budget Committee are working on a FY18 budget resolution that will provide a framework for tax and appropriations bills. The budget resolution will provide guidance for House appropriators to follow in doling out FY18 funding. GOP members of the Budget Committee are pressing for an even larger increase in defense spending than proposed by Trump in his FY18 budget request while seeking to cut funding for non-defense discretionary programs in FY18. The House budget resolution is anticipated to recommend a top line number of $621.5 billion for defense spending, an increase of $72 billion from the FY18 $549 billion sequestration cap. The anticipated top line spending number for non-defense discretionary is expected to be $511 billion, $5 billion below the FY18 sequestration cap of $516 billion.

With only a few legislative weeks to work on spending bills, Congressional appropriators have started drafting their FY18 spending bills. It is anticipated that House appropriators will use the $511 billion topline number expected to be recommended by the House Budget Committee to move forward in crafting their bills. NCDA will meet with House and Senate THUD offices next week to continue our campaign to protect FY18 CDBG and HOME funding.

Congress needs to negotiate a deal to lift the spending caps or risk failure of movement of all 12 spending bills. While some of the bills may advance out of committee before August, most will not, and with time running out to advance all of the bills, Congress will likely turn to a short-term Continuing Resolution to fund the federal government through the fall until agreement can be reached on all of the spending bills.

This week, Senate Democrats made the first move in seeking a budget deal by sending a letter to Senators Mitch McConnell (R-KY), Senate Majority Leader, and Thad Cochran (R-MS), Senate Appropriations Committee Chair, seeking the following for FY18 spending:

- A budget deal that provides sequester relief (lifts the spending caps) and maintains parity between non-defense and defense spending (equal increases in spending)
- A clean funding bill, free of riders
- Bills for all 12 subcommittees
- No funding for a border wall or increased "deportation force"

Local Action Needed

Congress will be on recess the entire month of August. This is the perfect time to visit with your Congressional Members at their district office and invite them to tour CDBG and HOME funded projects. The pressure is intense on FY18 federal spending. Talk to your members of Congress and let them know how the programs are making a difference in the community and why more funding is needed. Please go to the member only section of the NCDA website for sample letters, op-eds, proclamations and other documents to use in engaging your Congressional Members, local press, and other stakeholders. 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

Carson Testifies Before the House and Senate

HUD Secretary Ben Carson appeared before the Senate Subcommittee on THUD on June 7th and the House Subcommittee on THUD the following day to provide testimony on the FY18 HUD budget which he characterized as "compassionate, yet wise," even though it eliminates funding for CDBG and HOME and cuts most other HUD program areas.

Both hearings focused a lot of time on the elimination of CDBG which Carson defended as necessary to fund the Department's "priorities." In a written statement to the Senate Appropriations Committee Carson defended the elimination of CDBG because, in his words, the program "is not well-targeted to the poorest populations and has not demonstrated a measurable impact on communities." However, according to CDBG data collected by HUD from 2005 to 2013, the program created or retained 330,546 jobs, assisted over 1 million people with homeownership and housing improvements, benefitted more than 33 million people nationwide through public improvements, and provided public services to over 105 million people. Given these results, CDBG is, perhaps, the most impactful of all the HUD programs.

Carson further told both subcommittees that “over the course of time there has been significant mission creep” in the CDBG program, saying that only about 25 percent of CDBG is spent on housing. While the program’s authorizing statute sets forth decent housing as one of the program’s national objectives, a suitable living environment and expanding economic opportunities are also national objectives that Carson somehow forgot to mention. Republicans and Democrats defended the program throughout both hearings. In her opening statement, Senate THUD Subcommittee Chair, Susan Collins (R-ME) voiced her concern with the elimination of CDBG and told Carson that she was “deeply troubled” by the recommendation.

Appearing before the House THUD subcommittee on June 8th, Carson again faced tough questioning by members over the elimination of CDBG. House Appropriations Committee ranking member, Rep. Nita Lowey (D-NY) called the FY18 HUD budget “inadequate at best and unconscionable at worst” and said there was no sound justification for eliminating CDBG and HOME and underfunding other program areas. Representatives Mario Diaz-Balart (R-FL), Chair of the House THUD subcommittee, and David Price (D-NC), ranking member, both voiced their concern over the elimination of CDBG and HOME.

Congress Works to Reauthorize the National Flood Insurance Program

The National Flood Insurance Program (NFIP) is set to expire on September 30, 2017. Created in 1968, the program provides flood insurance to property owners located in flood-prone areas where flood insurance is federally mandated.

On June 7th, Senators Kristin Gillibrand (D-NY) and Bill Cassidy (R-LA), introduced S. 1313, the Flood Insurance Affordability and Sustainability Act of 2017, to extend the program’s authorization through 2027. Solvency of the program, which is $24 billion in debt, has long been a concern of Congress. S. 1313 would give FEMA the option to yield a portion of the program’s risk to private insurance markets to help with the program’s solvency. The Senate bill would also place an emphasis on greater investment in flood mitigation and resiliency and require FEMA to better allocate funds to finance pre-disaster mitigation and flood mitigation programs. The bill would increase existing coverage limits from $250,000 to $500,000 for residential structures and from $500,000 to $1 million for multifamily and business structures. The legislation would also provide financial assistance to low-income residents to help pay their flood insurance premiums if their premiums result in their housing cost exceeding 40 percent of their household income. Senators Robert Menendez (D-NJ) and Cory Booker (D-NJ) have introduced similar legislation and Senate Banking Committee Chairman, Mike Crapo (R-ID) is expected to offer his own bill.

On June 21, the House Financial Services Committee reported out six separate pieces of legislation to reauthorize the NFIP. The bills focus on several key areas including affordability, consumer choice, flood mitigation, updating federal flood mapping, and ensuring the program remains solvent.

The House and Senate will have to approve legislation and conference their respective bills before the September 30 deadline.

NCDA Requests AFH Relief for Small Grantees

NCDA sent a letter to HUD in late May requesting that small HOME Consortia and small CDBG grantees receiving $1 million or less in annual CDBG funds be exempt from developing the Assessment of Fair Housing (AFH) Tool. The letter recommends that these entities fulfill their obligations to affirmatively further fair housing by completing an Analysis of Impediments (AI) to fair housing choice to coincide with the development of their consolidated plan.

Small CDBG grantees and HOME consortia have limited capacity and the staff needed to complete the AFH Tool. Further, the HUD data does not drill down far enough to provide usable information for small communities.

Reminder: Submit Your Con Plans and Annual Action Plans to HUD by August 16

Grantees must submit their FY17 con plan and annual action plans to HUD no later than August 16. Failure to submit the plan by this date will automatically result in the loss of your FY17 CDBG funds. This is a statutory requirement and HUD cannot provide a waiver.

Reporting Timely and Accurate CDBG Data in IDIS

The information reported in IDIS is used to provide important information to Congress and the Administration on the program. It is imperative that grantees provide accurate and timely reporting of CDBG data in IDIS. NCDA uses the national CDBG accomplishment data in Hill visits to educate Congressional Members on the program's impact. HUD has developed the attached presentation which provides tips for grantee to use in reporting CDBG data in IDIS.

HUD Embarks on IDIS Clean-Up

HUD's Office of Block Grant Assistance has hired Cloudburst Group to review activities in IDIS assigned either a 03 matrix code (general public facilities) or a 05 matrix code (general public services) to determine if a more specific matrix code could be used. In the next few weeks, grantees will receive a spreadsheet from Cloudburst that will recommend matrix code changes. Notified grantees will be required to make the requested changes in IDIS as soon as possible. The use of more specific matrix codes will allow HUD to more accurately report program information to Congress and the Office of Management and Budget (OMB).

Acquisition, Demolition and Disposition with CDBG Funds

The attached information, developed by HUD, provides CDBG grantees with information on how CDBG funds can be correctly used for acquisition, demolition and disposition. The materials also discuss the consequences of a failed activity and how change of use requirements can be a tool for program compliance.

Con Plan and Action Plan Certifications

HUD has updated the required certifications for CPD consolidated plan and annual action plan submissions, available here.

HUD Environmental Review Training

In a post to the HUD Exchange, HUD is advising grantee staff involved in environmental reviews to be trained by HUD. Grantees can request training from the local HUD office or use the Web-Based Instructional System for Environmental Review (WISER) online training.

CPD Funding Reports

CPD funding reports are now available on the HUD Exchange. The reports provide the amount of CPD funding allocated to grantees and the amount of available funding. HUD is working on including the timeliness ratio for each grantee into the report. Stay tuned.

HUD Releases Notice on Using CPD Funds for Disaster Planning and Response

Issued on June 1, CPD Notice 17-06 provides guidance to grantees in updating their consolidated plans and action plans to address the possibility of a natural disaster in order to facilitate the easy use of CPD funds if an event occurs. HUD also advises grantees to revise their citizen participation requirements to streamline local citizen participation processes to efficiently address needs in case of a disaster. The notice also walks grantees through the eligible uses of CPD funds for disaster recovery and relief and provides information on program waivers.

Update on CPD Personnel

The Senate Banking Committee approved Pam Patenaude as the next HUD Deputy Secretary. The nomination will now go to the Senate for a final confirmation vote. No date has been scheduled for the vote. Patenaude served as Assistant Secretary for CPD under President Bush.

Ralph Gaines has been appointed by Secretary Carson to serve as the Principal Deputy Assistant Secretary pending confirmation of Neal Rackleff as the Assistant Secretary of the Office of Community Planning and Development. The Senate Banking Committee has not scheduled a confirmation hearing for Mr. Rackleff yet.

NCDA Elects New Officers

The membership voted to approve the following slate of officers during the NCDA business meeting on June 17. The officers bring a wealth of knowledge on community development programs to NCDA.

Executive Committee
Patrick Sullivan, Sr., New Bedford, MA (President)
George Mensah, Miami, FL (Vice-President)
Dale Cook, Jr., Palm Springs, CA (Secretary)
Sheryl Kenny, Arlington, TX (Treasurer)

NCDA extends its thanks to Bonnie Moore, Director of Community Development, City of Shreveport, LA for serving on NCDA's Executive Committee for the past four years, most recently as President.

NCDA Training

NCDA will hold the following CDBG and HOME training courses this summer and fall. Please go to ncdaonline.org/training for more information and to register. Please contact Steve Gartrell at sgartrell@ncdaonline.org with any questions.

HOME Basics Course
Orlando, FL – August 9-11
Fort Worth, TX – September 18-20

CDBG Basics Course
San Diego, CA – August 29-31
Dayton, OH – October 2-4

Advanced CDBG/Underwriting
Madison, WI – October 10-11
Laredo, TX – October 23-24 (in conjunction with the NCDA Region VI Conference)
Arlington, MA – October 25-26
Naples, FL (Collier County) – November 14-15

Managing Subrecipients (*new course*)
San Diego, CA – November 1-2

Membership Dues

NCDA member invoices for the FY18 dues year (July 1, 2017 – June 30, 2018) were mailed out in May. If you have not received your invoice yet, please contact Mike Lightfield at michael@ncdaonline.org. NCDA dues are a good value and have not increased in the last twelve years to ensure continued affordability for member communities. 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

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