NCDA Washington Report

November 30, 2017

Appropriations Update

On December 8, the current short-term Continuing Resolution (CR) that has been funding the government at FY 2017 levels is set to expire. Congress is looking at a two-pronged approach to wrap-up FY18. First, Congress hopes to avert a government shutdown by passing another short-term CR that will run through December 22. Congress will use this time to hash out a deal to hopefully lift the budget caps. According to sources on the Hill, GOP leaders had offered Democratic leaders a $37 billion increase in non-defense spending as part of the deal, but it was rejected because it was not on par with the $54 billion being considered for defense programs. Congress plans to approve a second short term CR that will run from December 23 through early to mid-January to provide adequate time for appropriators to re-write the spending bills based on the new budget caps. Once the bills are re-written, the plan is to combine them into a large omnibus spending bill for passage by both chambers.

The House and Senate wrote budget resolutions at extremely different levels; the House proposed an increase to defense spending by $72 billion and decrease to non-defense discretionary programs (such as HUD) by $5 billion. The Senate proposed to maintain FY 2017 levels into the next fiscal year. Despite the difference in overall spending levels, the House and Senate Transportation, Housing and Urban Development (THUD) spending bills did not differ dramatically, though there are key differences. The House THUD bill includes $3.01 billion for CDBG and $850 million for HOME. The Senate bill includes $3 billion for CDBG and $950 million for HOME. If Congress does not reach agreement on the budget caps, then a full-year CR would need to be enacted to keep programs operating at their current levels --- $3 billion for CDBG and $950 million for HOME.

Sign the CDBG Coalition Letter

With the possibility of increased funding for HUD and other federal agencies (if a budget deal is reached), the CDBG Coalition is circulating a letter seeking an increase for CDBG to $3.3 billion in FY18. If you have not done so, please sign the letter by **COB, Friday, December 1**. We need as many grantees and organizations to sign the letter as possible to show strong support for CDBG. NCDA will take the letter to the Hill next week. Please go to the following link to sign the letter. Please have your subrecipients sign the letter, too.

http://data.ncdaonline.org/cdbgletter.asp

Tax Reform

The House tax plan (Tax Cuts and Jobs Act – H.R. 1) makes sweeping changes to the nation's tax system. While the bill does retain the 9 percent Low-Income Housing Tax Credit (LIHTC), it eliminates the New Markets Tax Credit (NMTC), Historic Tax Credit (HTC) and Private Activity Bonds (PABs), including multifamily housing bonds that are required components of 4 percent LIHTC deals. These tools play an important role in the development of affordable housing. NCDA joined with other members of the Public Finance Network in letters to House and Senate leaders earlier this month opposing the elimination of the PABs. Rep. Randy Hultgren (R-IL) and twenty House Republican colleagues sent a letter to House and Senate leadership opposing the elimination of the PABs. Further, Rep. Lloyd Smucker (R-GA) is circulating a letter to House and Senate leadership urging them to maintain and make permanent the Historic Tax Credit and the New Markets Tax Credit.

The National Housing Conference has developed state fact sheets that provide information on single-family and multifamily mortgage revenue private activity bonds from 2013 to 2015.

Unlike the House tax plan, the Senate plan maintains the LIHTC (renamed Affordable Housing Tax Credit in the Senate tax reform bill), NMTC, HTC and PABs. The Senate began debating its tax reform bill yesterday and approval by the full Senate could come as early as this evening. The Senate only needs a simple 50 vote majority to pass the bill. It's unclear if both chambers will have a formal conference committee to iron out the differences between the two bills or if the House will accept the Senate's version to expedite the approval process. More than likely, some sort of conference discussions will take place.

The window to weigh-in on the conference report of tax reform legislation is open, but only for a brief period. Contact your members of Congress immediately about the impact that eliminating Private Activity Bonds and the New Markets Tax Credit will have on your community and urge your Senators to include these important programs in the Senate's final tax reform legislation. Please send the attached letter to your Senators.

Disaster Recovery

The Trump Administration sent its third disaster supplemental request to Congress earlier this month seeking an additional $44 billion in disaster aid for Texas, Puerto Rico, the U.S. Virgin Islands, and Florida. The package did not include disaster aid for California, but the Administration is expected to put together another disaster relief package in the coming weeks that will include aid for California and further aid for Puerto Rico and the U.S. Virgin Islands once the damage assessments are fully completed. Of the $44 billion, $25.2 billion would go to FEMA, $12 billion to CDBG-DR, and $4.6 billion to the Small Business Administration. The Trump Administration has requested that this aid package and future aid requests be offset by spending cuts elsewhere, but Congress is not intent on doing so.

On November 17, HUD announced the award of $5.024 billion of CDBG-R funds to the state of Texas from the $7.4 billion pot appropriated by Congress in September. The governor of Puerto Rico sent a request to President Trump on November 20 seeking $46 billion in CDBG-DR funds. More than 472,000 housing units in Puerto Rico were destroyed or severely damaged by Hurricanes Irma and Maria and most of the decades-old electrical grid was damaged along with most of the island's infrastructure.

Yesterday, HUD awarded $616 million in CDBG-R funds to help Florida recover from Hurricane Irma. The funds will be administered by the state and funneled to local governments. The funds are part of the $7.4 billion in CDBG-R funds approved by Congress in September. According to HUD, administrative guidelines will be released soon for the use of the funds that will increase grantees' flexibility in addressing their long-term recovery efforts.

House Reauthorizes National Flood Insurance Program

The House passed the 21st Century Flood Reform Act (H.R. 2874) earlier this month to reauthorize the National Flood Insurance Program (NFIP) for five years. The program provides affordable flood insurance to property owners. It is currently saddled with $24 billion in debt from property claims made in the wake of the recent natural disasters.

Senate Financial Regulatory Relief Bill

Senate Banking Committee Chairman Mike Crapo (R-ID) and other members of the Banking Committee introduced last week a bi-partisan financial regulatory relief bill (S. 2155 – Economic Growth, Regulatory Relief, and Consumer Protection Act). The committee is expected to mark-up the bill next week. Two notable provisions include the following.

Restoration of the Protecting Tenants at Foreclosure Act of 2009

Permanently restores the Protecting Tenants at Foreclosure Act, which was repealed as a result of a sunset provision that took effect on December 31, 2014.

Remediating Lead and Asbestos Hazards

Authorizes the Department of Treasury to use loan guarantees and credit enhancements as part of the Hardest Hit Fund to remediate lead and asbestos hazards in residential properties.

Start Planning for National Community Development Week, April 2-6, 2018

National Community Development Week is designed to focus local as well as national attention on the CDBG and HOME programs. It provides an ideal opportunity to educate members of Congress and your community on CDBG and HOME and the importance of both programs to the community. This year's theme is "Celebrating the Impact of CDBG and HOME." The CDBG Coalition is working on a CD Week poster that will be available in early February.

Although spending for the current fiscal year is not yet set, preparations for FY 2019 are well underway. In 2018, National Community Development Week will occur during a critical time when Congress is making decisions about spending levels, so ensure you're a part of the conversation by hosting a National Community Development Week activity.

On Tuesday, January 30th, the President will begin the conversation of FY 2019 with his State of the Union Address that will set the tone for his policy agenda in the upcoming year. This agenda will be further detailed in his budget proposal, which will be released in February. When his budget proposal is released, Congress will begin holding hearings with Department Secretaries and start the process of drafting and reviewing appropriations bills.

This year, National Community Development Week is being held on April 2-6. Lawmakers will return to their states and districts for the week, giving you an opportunity to showcase the good work you do in your community using CDBG and HOME dollars. A few early actions can increase the possibility that your member of Congress will attend your event.

- First, before the end of the year, decide what type of event you'd like to hold. You don't need a fully planned event, but figure out who will participate, what is the size of the event, where and when is the event, what is the focus, will the Senator/Representative be asked to make remarks, and will there be media? If the date and time of your event is flexible, you may be able to work with staff to better fit in the Senator's or Representative's schedule.

- Second, contact offices in early January. You'll need to identify who handles scheduling for your legislator and what is required by the office to submit a formal invitation. Start by calling your most local district office - phone numbers for district offices are available on the legislators' web sites. Some offices schedule exclusively through their DC office, so you may need to make several calls before you get in contact with the appropriate staffer.

- Third, follow-up frequently. Schedulers are extremely busy and are constantly inundated with requests. Make sure yours gets the proper attention by contacting the scheduler frequently- initially twice a week, but increase that to daily in the two weeks leading up to the event if you still have not received an answer. Make sure you ask the staffer handling your request what the best way to get in touch with him/her is and use those communication methods. If you are having trouble getting in touch with the person handling your request, leave messages with the office receptionist, too.

- Finally, don't get discouraged if members of Congress or their staff cannot attend your event. Midterm elections are in November, which places extra pressure on legislators' schedules while they are at home. Work with the office on alternative ways they can participate - ask if can they issue a press release about your event, promote it on social media, or begin a scheduling request for a district work period later in the year. They may have other ideas on how they can participate, so be flexible.

NCDA Winter Conference; Call for Presenters; Hotel Registration Deadline

The 2018 NCDA Winter Conference will be held in Washington, DC on January 23-26. The conference agenda is designed based solely on member input from a survey issued a few weeks ago. The respondents indicated they wanted to hear and learn directly from their peers, so we are issuing a call for presenters to solicit your participation in the conference. Please review the attached agenda and contact Vicki Watson at vwatons@ncdaonline.org if you would like to participate as panelist or moderator in one or more of the sessions.

We have now entered the general registration period and the conference fee is $500 for members and $550 for non-members. To register for the conference, please go to the following link. https://ncdaonline.regfox.com/ncda-winter-legislative-meeting

NCDA has reserved a block of rooms at the Holiday Inn Capitol, where the conference will be held, at the rate of $199 per night plus tax. The cut-off date for room reservations is **December 27**. Reservations received after this date will be subject to availability at the prevailing rate. To make your hotel reservation, please call 1-877-572-6951 and reference booking code NC8. Please contact Steve Gartrell at sgartrell@ncdaonline.org or Gail Lewis at glewis@ncdaonline.org with any questions concerning hotel or conference registration.

Plan to Meet with Your Congressional Delegation During the NCDA Winter Conference

We encourage NCDA members to meet with their Congressional Members during the 2018 NCDA Winter Conference to educate them on the use of CDBG and HOME funds in their communities. Please see the attached conference agenda for specific times for Hill visits. Please reach out to other grantees in your state to coordinate the visits. To arrange a meeting, please contact your Congressional Member's scheduler. To locate your Congressional Member's contact information, please go to the following links.

House of Representatives: https://www.house/gov/representatives/find-your-representative
U.S. Senate: https://www.senate/gov/senators

NCDA 2018 Audrey Nelson Awards Application

We encourage members to apply for this prestigious award which recognizes outstanding CDBG-funded projects and programs from across the country. NCDA created the award 31 years ago in honor of NCDA's first Deputy Executive Secretary, Audrey Nelson, whose life was cut short by cancer at the age of 29. Audrey grew up in a low-income neighborhood in south Chicago that was a target area for the Model Cities Program, the precursor to the CDBG Program. NCDA is proud continue these awards in honor of Audrey. The awards application is available at the link below. The application deadline is **December 8**. NCDA's Planning and Professional Development Subcommittee will select the five winners. Winners will be recognized during a special awards luncheon at the Winter Conference on January 26. Please contact Vicki Watson at vwatson@ncdaoline.org with any questions.

https://www.surveymonkey.com/r/2018AudreyNelson

NCDA Training

NCDA will hold the following training next week. Please contact Steve Gartrell at sgartrell@ncdaonline.org with any questions.

HOME Basics

Farmingville (Town of Brookhaven), NY
December 4-6, 2017
Register Online
Brochure

NCDA Training RFP

We are seeking communities to host our training courses in the coming year. Hosting a training allows you and your staff to save on travel costs. NCDA currently offers the following courses:

Basic CDBG
Advanced CDBG
Basic HOME
Advanced HOME (coming in 2018)
Underwriting
Managing CDBG Subrecipients
Basic Disaster Recovery (CDBG-DR) (coming in 2018)
Advanced Disaster Recovery (CDBG-DR) (coming in 2018)

Please see the attached RFP for further information. Please contact Steve Gartrell at sgartrell@ncdaonline.org with any questions.

Department of Housing and Urban Development
Budget Chart

Program	*FY17 Funding*	*President's FY18 Budget Proposal*	*FY18 House Approved Level*	*FY18 Senate Appropriations Committee Recommendation*
CDBG Formula Grants	$3.0 billion	$0	$3.01 billion	$3.0 billion
HOME Formula Grants	$950 million	$0	$850 million	$950 million
Homeless Assistance Grants	$2.383 billion	$2.25 billion	$2.383 billion	$2.456 billion
Section 108	$300 million	$0	$0	$300 million
Choice Neighborhoods	$138 million	$0	$20 million	$50 million
HOPWA	$356 million	$330 million	$375 million	$330 million
Lead Based Paint Hazard Reduction	$145 million	$130 million	$130 million	$160 million
Elderly Housing (Section 202)	$502 million	$510 million	$575.5 million	$573 million
Housing for Persons with Disabilities (811)	$146 million	$121 million	$147 million	$147 million
Housing Counseling	$55 million	$47 million	$50 million	$47 million
Housing Choice Vouchers	$20.292 billion	$19.318 billion	$20.486 billion*	$21.365 billion**
Project-Based Section 8	$10.816 billion	$10.351 billion	$11.082 billion	$11.507 billion
Public Housing Operating Fund	$4.4 billion	$3.9 billion	$4.4 billion	$4.5 billion

Public Housing Capital Fund	$1.941 billion	$628 million	$1.852 billion	$1.945 billion
Rental Assistance Demonstration (RAD)	$0	$0	$0	$4 million***

*Includes $18.709 billion for contract renewals, $60 million for tenant protection vouchers, $1.550 billion for administrative fees, $7 million for Tribal Vouchers, $150 million for Section 811 mainstream vouchers, and $10 million for PHA modernization of information technology systems.

**Includes $19.370 for contract renewals, $75 million for PHA allocation adjustments, $40 million for VASH vouchers, $1.725 billion for administrative fees, $5 million for Tribal Vouchers, $130 million for Section 811 mainstream vouchers, and $20 million for Family Unification Program vouchers.

***The funding is limited to providing additional rental subsidy for Section 202 PRAC properties converting to Section 8 contracts that will not be able to successfully convert at the current subsidy amounts.