



NCDCA Washington Report August 31, 2018

Appropriations Update

Congress returns to work next week with only a limited number of legislative days to finish the FY19 spending bills. With elections looming for all House Members and some Senators, final action on the spending bills will likely be delayed until after the mid-term elections in November. We can expect to see Congress pass a short-term Continuing Resolution to keep federal departments operating through November or early December.

The Senate has managed to approve nine of its twelve spending bills, including the Transportation-HUD (THUD) spending bill. The Senate THUD bill recommends \$3.3 billion for CDBG in FY19 (retaining the \$300 million increase made to the program in FY18) and \$1.362 billion for HOME (retaining the \$412 million increase made to the program in FY18). The House has not passed its FY19 THUD spending bill but managed to obtain both subcommittee and full committee approval of the bill in June and July. The House THUD bill provides \$3.3 billion for CDBG and \$1.2 billion for HOME (a decrease of \$162 million from last year). To work toward final agreement of the THUD bill (and other pending spending bills) House and Senate Congressional appropriation leaders and staff are negotiating final numbers behind the scenes; essentially pre-conferencing the bill by ironing out differences in the two versions. The THUD bill could possibly make it to President's Trump desk before September 30th, the end of the federal fiscal year, if Congressional leaders agree to attach it to the CR (that is if all of the differences in the House and Senate versions have been settled). Stay tuned.

HUD Seeks Comments on the AFFH Regulations

HUD is beginning the process of developing a proposed rule to amend the existing Affirmatively Furthering Fair Housing (AFFH) regulations that were put in place during the Obama Administration via a final rule issued on July 16, 2015.

On August 16, HUD issued an advanced notice of its intent to alter the regulations through an upcoming proposed rule. HUD is seeking public comments on changes to the regulations that will:

- Minimize regulatory burden
- Create a process that is focused on results rather than a prolonged analysis of community characteristics
- Provide for greater local control and innovation

- Encourage actions that increase housing choice, including through greater housing supply
- More efficiently utilize HUD resources

NCDCA has prepared a survey based on the questions posed in the advanced notice. Your response is needed. Please go to the following link to answer the questions which should take no more than 10 minutes to do. NCDCA will use the survey as the basis for its comment letter to HUD.

<https://www.surveymonkey.com/r/ZZXQJ78>

HUD Develops Online IDIS Training for CDBG Grantees

With little money to provide direct training to grantees, HUD has managed to develop an online IDIS training for CDBG grantees. The training provides a quick overview of IDIS, how to use IDIS Online to make draw requests against CDBG grants, and how to accurately report on each national objective.

Currently, the online training includes four tutorials:

- Introductory tutorial on the IDIS Online system, including instructions on accessing the system.
- Housing Activities Module – This module covers eligible uses of CDBG for housing activities, the Low Mod Housing national objective, and common mistakes to avoid when reporting on housing activities.
- Add Housing Activities Module – This module provides step-by-step instructions on adding a new housing activity.
- Reporting Housing Accomplishments Module – This module provides instructions on reporting accomplishment data for housing activities.

HUD is working on the following IDIS modules: L/M Income Area Benefit, Limited Clientele, Job Creation/Retention, Prevention/Elimination of Slums or Blight, Urgent Need, and Financial Functions of IDIS.

Please go to <https://www.hudexchange.info/trainings/idis-cdbg/> to access the tutorials.

Options for CDBG Grantees Who Exceed the Administrative/Planning Expenditure Test for 2015 and Subsequent Grants

According to HUD, some CDBG grantees inadvertently violated the origin year grant expenditure test under 24 CFR 570.200(g)(1) due to a lack of understanding of the requirements. HUD will allow grantees to use the following options to cover the amount expended over the 20% admin/planning cap after the grantee reimburses its line of credit for the amount in excess of the 20% cap.

- The grantee can use program income to cover the amount expended over the 20% cap.

- If 2014 or earlier funds are available, the grantee can use these funds to cover the amount expended over the cap; however, grantees may need to amend their action plan to reflect the change of use, according to HUD.
- In limited circumstances, the grantee may swap funds between administration/planning and other activities that were included in the same-year action plan. Grantees will need field office approval in order to do so. For technical assistance questions on swapping funds, please send a request to <https://www.hudexchange.info/program-support/my-question/>.

HUD Releases Notice on the Suspension of the HOME 24-Month Commitment Requirement

HUD released a notice this week informing HOME participating jurisdictions that the 24-month commitment requirement for HOME funds has been suspended. NCDA and other organizations pushed Congress for the suspension. The FY2017 Consolidated Appropriations Act (Omnibus spending bill) included language suspending the commitment requirement for HOME funds with deadlines occurring in 2016, 2017, 2018, 2019 and 2020. Because of this suspension, HUD will not enforce commitment deadlines required at 92.500(d)(2)iii and 92.503(d).

HOME Regulations at 92.500(d)(1)(ii)

Further, HUD Assistant Secretary for CPD, Neal Rackleff, issued a memorandum waiving the requirement that HOME funds committed to a State recipient or subrecipient be committed to a specific local project within 36 months after the last day of the month in which HUD notifies the PJ of HUD's execution of the HOME agreement for the specific fiscal year allocation. This waiver is applicable to all fiscal year HOME grants for which Congress suspends the 24-month commitment deadline (2016, 2017, 2018, 2019 and 2020).

The following deadlines remain in place.

- CHDO reservation requirement that 15 percent of each HOME allocation be reserved for CHDOs within 24 months after HOME funds have been made available to the PJ. Funds are reserved when a PJ enters into a written agreement with a CHDO committing funds to a specific local project. Please view HUD's monthly [HOME Deadline Compliance Status Report](#) to determine if you meet this requirement.
- HOME expenditure deadline requirement. PJs must expend all funds from **FY14 and prior year allocations** in its HOME Investment Trust Fund Treasury Account within 5 years after the last day of the month in which HUD notifies the PJ of HUD's execution of the HOME Investment Partnership Agreement for that specific fiscal year allocation.

The HOME interim rule published on December 2, 2016 eliminated the 5-year expenditure requirement for FY15 and subsequent year's HOME funds.

- Expiration of HOME Grant - FY 2014 and Earlier HOME Allocations
HOME appropriations from FY 2002 to FY 2014 have 9 fiscal years until expiration. This includes 3 fiscal years in which HUD may obligate the funds to the PJ plus 5 years.
- Expiration of HOME Grants - FY 2015 and Later HOME Allocations

FY 2015 and subsequent HOME allocations have a period of 9 fiscal years until expiration. This includes 4 fiscal years in which HUD may obligate the funds to the PJ plus 5 years.

HUD Establishes Landlord Task Force

HUD Secretary Ben Carson announced last week the establishment of a task force to examine ways of improving landlord participation in the Housing Choice Voucher Program. In addition to the task force, Carson will hold several forums with landlords across the country to get their ideas for improving private landlord participation in the program. According to HUD, these listening forums are intended to reveal how HUD might make the Housing Choice Voucher Program more accessible and acceptable, particularly in higher income neighborhoods where landlord participation is lowest.

Next month, HUD will release an internal study of landlord voucher participation in five cities: Philadelphia, PA; Los Angeles, CA; Fort Worth, TX; Newark, NJ; and Washington, DC.

OCC Seeks Comments on the Community Reinvestment Act

The Office of the Comptroller of the Currency (OCC) issued an [advanced notice](#) of proposed rulemaking this week seeking comments on possible changes to the Community Reinvestment Act (CRA). The OCC oversees roughly 20 percent of banks, representing about 70 percent of total bank assets.

The CRA plays an important role in ensuring banks meet the credit and deposit needs of communities, including low- and moderate-income neighborhoods. The OCC is seeking recommendations for modernizing the CRA regulations, particularly in the following areas.

- Increasing lending and services to people in areas that need it most
- Clarifying and expanding the types of activities eligible for CRA credit consideration
- Revisiting how assessment areas are defined and used
- Making bank CRA performance more transparent
- Reducing the cost and burden related to evaluating performance under the CRA

NCDA will develop a comment letter to the OCC on the modernization of the CRA. Please share your comments with NCDA by e-mailing them to vwatson@ncdaonline.org.

NCDA NEWS

NCDA Establishes John A. Sasso Memorial Scholarship Program

NCDA has established a [memorial scholarship fund](#) in honor of our founder and fervent advocate, John A. Sasso, who passed away on August 2, 2016. The program will offer scholarships for NCDA members who have less than five years work experience and who wish to attend an NCDA conference or training course. The maximum award available is \$500. A total of four scholarships will be awarded each year (two conference scholarships and two training scholarships). Each scholarship will be reimbursed to the payee upon completion of the

conference or training. Members are limited to two scholarships in total. Please go [here](#) to complete the application.

NCDA Winter Conference Survey

NCDA is seeking comments from members on the 2019 Winter Conference agenda. The conference will be held in Washington, DC on January 23-25. The short survey is available at the following link and should take no more than 7 minutes to complete. Your responses will help staff craft the winter conference agenda.

<https://www.surveymonkey.com/r/Z6NPZDH>

NCDA Training Schedule

NCDA is offering the following CDBG-related courses in the coming months. Please go [here](#) to obtain the brochure and registration information on each of the courses.

CDBG Basics: Training for Practitioners

Jersey City, NJ

September 4-6, 2018

Advanced CDBG: Managing an Effective Program/CDBG Underwriting (3 Days)

Las Vegas, NV

September 10-12, 2018

CDBG Basics: Training for Practitioners

Aurora, CO

September 19-21, 2018

CDBG Basics: Training for Practitioners

Caldwell, ID

September 26-28, 2018

CDBG Subrecipient Management

Aurora, CO

October 3-5, 2018

Advanced CDBG: Managing an Effective Program/CDBG Underwriting (3 Days)

Duluth, MN

October 17-19, 2018

CDBG Subrecipient Management

Corpus Christi, TX

October 23-23, 2018

(held in conjunction with the NCDA Region VI Conference)

CDBG Basics: Training for Practitioners

Anaheim, CA

November 5-7, 2018

CDBG Basics: Training for Practitioners

Framingham, MA

November 7-9, 2018

Please contact Steve Gartrell at sgartrell@ncdaonline.org with any questions regarding the above training courses or if you would like to host a course in your community.

Save the Dates

NCDCA Region I Fall Conference

Burlington, VT

October 11-12, 2018

[Agenda and Registration](#)

NCDCA Region VI Conference

Corpus Christi, TX

October 22-26, 2018

[Agenda](#)

[Conference Registration Form](#)

[Pre-Conference Training Registration](#)

NCDCA Region IV Conference

Birmingham, AL

November 6-9, 2018

[Agenda](#)

[Registration Form](#)

NCDCA's Winter Legislative Meeting

Washington, DC

January 23-25, 2019

National Community Development Week

April 22-25, 2019

NCDCA's 50th Annual Conference

Jacksonville, FL

June 19-22, 2019

**Department of Housing and Urban Development
Budget Chart**

<i>Program</i>	<i>FY18 Omnibus Spending Measure</i>	<i>President's FY19 Budget Proposal</i>	<i>House Appropriations Committee Approved FY19 Bill</i>	<i>Senate Appropriations Committee Approved FY19 Bill</i>
CDBG Formula Grants	\$3.3 billion	\$0	\$3.3 billion	\$3.3 billion
HOME Formula Grants	\$1.362 billion	\$0	\$1.2 billion	\$1.362 billion
Homeless Assistance Grants	\$2.513 billion	\$2.383 billion	\$2.571 billion	\$2.612 billion
Section 108	\$300 million	\$0	\$300 million	\$300 million
Choice Neighborhoods	\$150 million	\$0	\$150 million	\$100 million
HOPWA	\$375 million	\$330 million	\$393 million	\$375 million
Lead Based Paint Hazard Reduction	\$230 million	\$145 million	\$230 million	\$260 million
Elderly Housing (Section 202)	\$678 million	\$563 million	\$632 million	\$678 million
Housing for Persons with Disabilities (811)	\$229.6 million	\$132 million	\$154 million	\$154 million
Housing Counseling	\$55 million	\$45 million	\$55 million	\$45 million
Housing Choice Vouchers	\$22.015 billion	\$20.550 billion	\$22.476 billion	\$22.781 billion
Project-Based Section 8	\$11.515 billion	\$11.147 billion	\$11.347 billion	\$11.747 billion
Public Housing Operating Fund	\$4.550 billion	\$2.975 billion	\$4.550 billion	\$4.756 billion

Public Housing Capital Fund	\$2.750 billion	\$0	\$2.750 billion	\$2.775 billion
Rental Assistance Demonstration (RAD)	\$0**	\$100 million	\$0	\$0