



NCD A Washington Report February 1, 2019

Federal Government Operating Under A Continuing Resolution Through February 15; FY19 Funding Update

The longest running federal government shutdown ended last Friday when Congress passed a Continuing Resolution to reopen all federal agencies through February 15, 2019. The President signed the measure with the caveat that another shutdown will happen if Congress does not provide adequate funding for the border wall. Conferees from the House and Senate held their first meeting this week to negotiate the FY19 Homeland Security spending bill and border wall funding. So far, Democrats seem entrenched in their stance to not provide funding for the border wall. President Trump signaled he would use emergency authority to do so, if money is not included in the FY19 Homeland Security bill.

FY 2019 HUD Funding

HUD and eight other federal departments remain unfunded for FY19; however, on January 17, House Appropriations Chair, Nita Lowey (D-NY), released legislation (HR 648) that reflects the conference agreements negotiated by the House and Senate for the FY19 THUD spending bill and five other departments. These numbers represent the FY19 funding levels for HUD's programs but need to be approved by Congress and the President before becoming final which, hopefully, will be done by February 15.

CDBG Program Increase Maintained

The measure maintains the increased funding level for the CDBG program at \$3.3 billion. NCD A and the CDBG Coalition started the year with zero funding provided in the President's FY19 budget for CDBG, but through months of advocacy (and that of our members), were able to maintain the FY18 funding increase for CDBG.

The HOME program is funded at \$1.25 billion, a decrease of \$112 million from the FY18 level of \$1.362 billion. Still, it is a robust funding level given the program was zeroed out in the President's budget. The HOPWA program is funded at \$393 million. The measure provides \$2.636 billion for HUD's homeless assistance grants as follows:

- \$280 million for the Emergency Solutions Grant Program (an increase of \$10 million)
- \$2.219 billion for the Continuum of Care and Rural Housing Stability Assistance programs

- \$50 million for rapid re-housing projects and services for victims of domestic violence
- \$7 million for the national homeless data analysis project
- \$80 million for projects in up to 25 communities (including 8 rural communities) to demonstrate how a comprehensive approach to serving homeless youth can reduce homelessness

The measure provides \$20.3 billion to renew the existing Section 8 Tenant-Based vouchers. The measure also includes \$25 million for a mobility voucher demonstration program to move families to low-poverty areas. The measure provides \$11.347 for project-based rental assistance. The Public Housing Capital Fund is funded at \$2.775 billion. The measure provides \$4.653 billion for the Public Housing Operating Fund.

The Choice Neighborhoods Initiative is funded at \$150 million. At least \$75 million must be made available to public housing agencies. Up to \$5 million will be made available for comprehensive local implementation plans.

The measure provides \$678 million for the Section 202 Program for the Elderly, of which \$51 million is for new project-based assistance and capital advances. The measure provides \$184 million for the Section 811 Program for the Disabled, of which \$30 million is for new project rental assistance awards and capital advances.

The bill provides \$279 million for HUD's lead hazard control and healthy homes programs. Of this amount, \$45 million is provided to the healthy homes initiative. The measure includes \$64 million for projects that demonstrate how intensive, multi-year interventions can reduce lead-based paint in low-income, pre-1940 housing by achieving economies of scale. Seven five-year grants in the amount of \$6 million will be awarded under this demonstration program.

FY2020 Budget and Appropriations Outlook

The annual budget and appropriation process starts with the President releasing his annual budget request to Congress. This normally takes place the first Monday in February. With the five-week partial government shutdown and wrangling over FY19 funding continuing, the Office of Management and Budget (OMB) announced the President's FY2020 budget will be delayed this year. OMB has not provided a release date. This delay will further confine an already tight budget and appropriations schedule.

The President's budget request is developed through a process between the federal agencies and OMB. The budget request lays out the President's funding priorities in the coming year and recommendations for each program. In the past two years, the request has zeroed out funding for CDBG and HOME. We can expect to see that again this year or possibly a proposal to move CDBG to the Department of Commerce. Either one will have dire consequences for communities, if enacted, but NCDCA will work to ensure our core programs remain intact and fully funded.

Budget Control Act

The 2011 Budget Control Act (BCA) put in place annual spending limits (or caps) on discretionary programs (including HUD's programs) that limit the amount of federal funding available for appropriations. In past years, Congressional appropriators and the White House reached agreement on lifting the spending caps and will need to do so for FY20 spending, otherwise the programs will face stark cuts.

Send a Funding Request to Your Congressional Members by March 1

Once the President's budget has been released, the House and Senate Transportation, Housing and Urban Development (THUD) subcommittees will hold hearings with HUD Secretary Ben Carson and begin marking up the FY20 spending bills in March/April. It is crucial that you reach out to your Congressional Members **before February 22** to request that they prioritize funding for CDBG and HOME in the FY20 THUD spending bill. NCD and the CDBG Coalition are seeking \$3.8 billion for CDBG in FY20, an increase of \$500 million from FY19. The HOME Coalition is seeking \$1.5 billion for HOME in FY20, an increase of \$250 million from FY19. Make sure to include these levels in your funding request. Given the tight spending limits and the unknown level that the THUD subcommittees will receive, it is imperative that we make a hard push for increased funding for CDBG and HOME early. Sending a request to your Congressional Members will ensure that CDBG and HOME funding is made a priority in the House and Senate THUD spending bills.

The best way to do this is to send an e-mail to your Congressional Member. Please go to the following links to access your Congressional Members web page. The e-mail link is usually located at the very bottom of the page under Contact or E-mail. Please use the following message.

<https://www.senate.gov>

<https://www.house.gov/representatives/find-your-representative>

Sample E-Mail Message

Topic line: FY20 CDBG/HOME Funding

Message: As your constituent, I am writing to ask you to support \$3.8 billion for the Community Development Block Grant (CDBG) Program and \$1.5 billion for the HOME Investment Partnerships (HOME) Program in your FY 2020 request letter to the Appropriations Committee and the Subcommittee on Transportation, HUD and Independent Agencies. Both programs provide important resources to my community and more funding is needed to improve and provide affordable housing, improve local infrastructure, and provide services to the elderly, youth and other vulnerable populations.

Transportation, Housing and Urban Development (THUD) Subcommittee Assignments Announced

The following Congressional Members will serve on the THUD Subcommittee this year. If your Member is listed, please reach out to them to seek their support for CDBG and HOME and to invite them to visit local projects funded with the grants.

House THUD Members

Democrats

Rep. David Price (NC), Chair

Rep. Mike Quigley (IL)

Rep. Katherine Clark (MA)

Rep. Bonnie Watson Coleman (NJ)

Rep. Brenda Lawrence (MI)

Rep. Norma Torres (CA)

Rep. Pete Aguilar (CA)

Rep. Nita M. Lowey (NY) – Ex Officio

Republicans

Rep. Mario Diaz-Balart (FL), Ranking Member

Rep. Steve Womack (AR)

Rep. John Rutherford (FL)

Rep. Will Hurd (TX)

Senate THUD Members

Republicans

Senator Susan Collins (ME), Chair
Senator Richard Shelby (AL)
Senator Lamar Alexander (TN)
Senator Roy Blunt (MO)
Senator John Boozman (AR)
Senator Shelley Moore Capito (WV)
Senator Lindsey Graham (SC)
Senator John Hoeven (ND)
Senator Steve Daines (MT)

Democrats

Senator Jack Reed (RI), Ranking Member
Senator Patty Murray (WA)
Senator Richard Durbin (IL)
Senator Dianne Feinstein (CA)
Senator Christopher Coons (DE)
Senator Brian Schatz (HI)
Senator Chris Murphy (CT)
Senator Joe Manchin (WV)

The following video created by NCDA provides you with important information and advice for reaching out to your Congressional Members in the coming year, particularly to invite them to participate in National Community Development Week, April 22-26, 2019 and to schedule meetings in their district office to share information on your CDBG and HOME programs to push for increased funding in FY20.

<https://www.dropbox.com/s/pkmfgtu3tyarpe7/NewCongressNCDA.mp4?dl=0>

HUD NEWS

FY18 Funding Agreements

The partial government shutdown delayed the release of some FY18 grant agreements. According to HUD staff, grantees should have received their FY18 grant agreement by now. Once the executed grant agreements have been returned to the HUD field office and posted, grantees will be able to drawdown FY18 funds. Please contact Vicki Watson at vwatson@ncdaonline.org if you have not received your FY18 grant agreement.

LMI Summary Data Notice

The LMI Summary Data notice is in departmental clearance at HUD and is awaiting sign-off from the following offices: Policy Development and Research, Office of Fair Housing and Equal Opportunity, Office of the General Counsel, and Office of the Inspector General. CPD had hoped to publish the notice by March 1, but with the government shutdown that date has been pushed back to at least April 1, if not longer.

Section 3 Rule

HUD is expected to release a Section 3 final rule in the coming weeks. The program has operated under an interim rule for the past 24 years. NCDA will notify members of the rule as soon as it is posted.

CPD Director Positions

HUD has three CPD Director vacancies in Jacksonville, FL, Atlanta, GA and Columbus, GA. We encourage NCDA members to apply for these positions, available at the following link.

<https://www.usajobs.gov/GetJob/ViewDetails/522694400>

NCDA NEWS

NCDA 50th Anniversary

NCDA invites you to help us celebrate our 50th anniversary by joining in the following activities.

- Attend the 50th NCDA Annual Conference in Jacksonville, FL. The conference will be held at the Omni Hotel on June 19-22. Conference registration is now open.

50th Annual Conference Registration Link

<https://ncdaonline.regfox.com/jacksonville-2019-50th-anniversary-ncda-annual-conference>

- Sponsor the conference. For \$50, members can add their names to the conference program. Please see the attached sponsorship form.
- Embed the 50th anniversary logo in your e-mail. The logo is attached. We thank Los Angeles County, CA for creating the logo.

National Community Development Week; Tool Kit

National Community Development Week will be held on April 22-26, 2019. This year's theme is "CDBG and HOME Make Communities Better Places to Live and Work." Please use **#2019CDWeek** in your social media outreach. NCDA developed the attached Tool Kit to help communities plan, implement and market their National Community Development Week events and activities.

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. We will be seeking increased funding for CDBG and HOME in FY 2020 and your participation in National Community Development Week helps in our efforts. 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.

So far NCDA's partners in the 2019 National Community Development Week include:

- U.S. Conference of Mayors
- National Association of Counties
- Council of State Community Development Agencies
- National Association of Regional Councils
- National Association of Local Housing Finance Agencies
- National Association for County Community and Economic Development

The National Association of Counties and NCDA developed a poster and postcard on behalf of the CDBG Coalition to recognize CDBG during National Community Development Week. Please feel free to use the attached items in your marketing efforts and during National CD Week. NCDA will not be selling posters this year, so please use the artwork to produce your posters and postcards locally.

CDBG Coalition

The CDBG Coalition welcomed the following new members this month. Currently, 30 national associations are involved in the CDBG Coalition, which is led by NCDA.

- National Governors Association
- International Code Council
- National Rural Water Association

The CDBG Coalition is seeking \$3.8 billion for CDBG in FY20, an increase of \$500 million. The Coalition will begin its FY20 advocacy work next week by meeting with staff from the offices of Rep. Jim McGovern (D-MA) and Senator Tammy Baldwin (D-WI) to craft the House and Senate CDBG Dear Colleague letters, followed by meetings with members of the House and Senate THUD subcommittees.

The Coalition launched a national CDBG support letter that will be sent to Congressional leaders. We need grantees to sign-on to the letter by **March 1**. Please go to the following link to add your agency to the letter. Please invite your program subrecipients and other local partners to sign-on to the letter, too.

<https://data.ncdaonline.org/cdbgletter.asp>

Upcoming NCDA Training

NCDA is pleased to offer the following training in the coming months. Please go to the following link to obtain course information and to register: <https://ncdaonline.org/training>

HOME Basics

March 4-6

Anaheim, CA

CDBG-DR (Disaster Recovery)

March 28-29

Jacksonville, NC

CDBG Advanced

March 19-21

Columbus, OH

CDBG Basics

April 9-11

Santa Rosa/Sonoma County, CA

Managing CDBG Subrecipients

May 14-16

Boise, ID

Please contact Rita Pribyl at rpribyl@ncdaonline.org with any questions regarding the above training courses or if you are interested in hosting a training course in your community.

NCDA Member Survey Results

NCDA recently conducted a survey of members to obtain their feedback on NCDA member benefits and services and ideas for improving them. The survey is one of NCDA's Strategic Plan action items. Fifty-eight members responded (14.2% of the entire membership). Responses were received from every NCDA region, except for Region 3 (PA, MD, DE, VA). Sixty-two percent of the respondents are relatively

new members, having joined in the last five years. The respondents noted their primary reason for joining NCDA, as follows:

1. Professional Development/Education – 33%
 - Training and conferences
2. Networking – 30%
 - Access to the Online Forum
 - Access to other CDBG grantees
 - Peer-to-peer sharing of information and resources
3. Staying informed – 25%
 - Updates on federal appropriations
 - Updates on matters impacting HUD programs
4. Advocacy – 12%
 - NCDA's advocacy for funding
 - Having a voice in DC

Ninety-five percent of the respondents said they are extremely/very satisfied with the current member benefits and services. The survey asked members how satisfied they were with the following member benefits/services.

E-mail alerts and Washington Report

Fifty-seven people responded; 100% said they are extremely/very satisfied with this member service.

Staff follow-up to e-mails/phone calls

Fifty people responded; 98% said they are extremely/very satisfied with this member service.

Advocacy work on CDBG Funding

Fifty-five people responded; 98% said they are extremely/very satisfied with this member benefit.

Conferences

Fifty-one people responded; 88% said they are extremely/very satisfied with this member service.

NCDA Training

Fifty-four people responded; 87% said they are extremely/very satisfied with this member service.

Suggested improvements include:

- Offer more training topics, such as IDIS, Davis-Bacon, Section 3
- Offer training in all regions

NCDA Online Forum

Fifty-five people responded; 87% said they are extremely/very satisfied with this member service. The respondents suggested one improvement to the Forum:

- Update the Forum to allow members to search by topic

NCDA Website

Fifty-five people responded; 84% said they are extremely/very satisfied with this member service.

Suggested improvements include:

- Update the website
- Make the website more user-friendly and easier to navigate

The survey asked members what other benefits and services NCDA should offer. The most requested item was:

- Offer different training opportunities (Davis-Bacon, Section 3, procurement, economic development)

Members were asked if NCDA's current dues structure is fair and affordable. Ninety-two percent of the respondents said, yes, the dues are fair and affordable. One respondent said that the dues for small grantees should be reduced.

Members were asked if they would be interested in participating in a salary survey. Eight-one percent said yes. NCDA will work on crafting the survey during this quarter.

2019 Audrey Nelson Award Recipients

The following communities were honored with the 2019 Audrey Nelson Community Development Award at last week's Winter Conference.

City of Miami, FL

Project: The Villages Miami

Located in Liberty City, a neighborhood with a poverty rate near 40%, this project features 150 affordable rental units (one, two and three bedroom) along with an educational component known as *The We Rise Educational Village*, which works with students and parents through an extensive network of community volunteers, mentors and resources. Developed by the Urban League of Miami and its affiliate, New Urban Development Group, the \$38.5 million new rental development was made possible with \$2 million in HOME funding from the City of Miami and \$5.4 million in surtax funding from Miami-Dade County.

City of Orlando, FL

Project: Pendana at West Lakes

The project encompasses 200-units of mixed-income rental housing west of downtown Orlando. It is the result of a partnership with residents, business leaders, government officials and agencies to provide affordable housing, education, wellness and economic development to an underserved community. The city provided CDBG funds to assist with the development of the \$40 million project.

City of Corpus Christi, TX

Project: Play-for-All Playground at Salinas Park

Funded fully with local CDBG funds, this \$525,000 project provides the city's first fully accessible playground for youth of all ages and abilities. Developed by ExerPlay, Inc. the project design and construction was done through multiple community meetings and in partnership with Miracle League and the Commission for Persons with Disabilities.

City of Fort Worth, TX

Program: Single Family Infill Development

The Single-Family Infill Development Program is a partnership between the City's Neighborhood Services Department and private developers, non-profits, and local CHDOs. Using CDBG, HOME, tax credits and private financing, the program has transformed several underserved neighborhoods in Fort Worth through the development of single-family residences for low- and moderate-income people. CDBG and HOME funds have been used for infrastructure improvements, down payment and closing cost assistance, and project financing.

City of San Antonio, TX

Project: East Meadows Phase I Development

This project was built on the site of a former deteriorated public housing development which was demolished to make way for this new infusion of affordable housing. The development is part of the Eastside Choice Neighborhood Transformation Plan which ensures one-for-one replacement of the public housing units and long-term affordability. Phase I includes 215 mixed-income rental units. The \$42 million project utilized \$1.2 million in CDBG funds and \$1.4 million in HOME funds.

**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 and Senate Conference Agreement</i>
CDBG Formula Grants	\$3.3 billion	\$0	\$3.3 billion
HOME Formula Grants	\$1.362 billion	\$0	\$1.25 billion
Homeless Assistance Grants	\$2.513 billion	\$2.383 billion	\$2.636 billion
Section 108	\$300 million	\$0	\$300 million
Choice Neighborhoods	\$150 million	\$0	\$150 million
HOPWA	\$375 million	\$330 million	\$393 million
Lead Based Paint Hazard Reduction	\$230 million	\$145 million	\$279 million
Elderly Housing (Section 202)	\$678 million	\$563 million	\$678 million
Housing for Persons with Disabilities (811)	\$229.6 million	\$132 million	\$184 million
Housing Counseling	\$55 million	\$45 million	\$50 million
Housing Choice Vouchers	\$22.015 billion	\$20.550 billion	\$20.3 billion
Project-Based Section 8	\$11.515 billion	\$11.147 billion	\$11.347 billion
Public Housing Operating Fund	\$4.550 billion	\$2.975 billion	\$4.653 billion
Public Housing Capital Fund	\$2.750 billion	\$0	\$2.775 billion

