NATIONAL COMMUNITY DEVELOPMENT ASSOCIATION

NCDA Washington Report
June 4, 2019

Appropriations Update; House Appropriations Committee Approves FY20 THUD Bill

Today, the House Appropriations Committee approved the FY20 Transportation-HUD (THUD) spending bill on a vote of 29 to 1. The Committee moved forward with the funding recommendations approved by the THUD Subcommittee. This includes funding CDBG at $3.6 billion (an increase of $300 million) and funding HOME at $1.750 million (an increase of $500 million). The measure includes the following language related to CDBG and HOME.

- The Committee encourages CDBG grantees to use their funds to develop resilient projects that can withstand severe weather and other natural hazards. The Committee directs HUD to develop broadband and resiliency requirements to incorporate into the Consolidated Plan and directs CDBG grantees to report on these broadband and resiliency components in their individual Con Plans.
- The bill includes language encouraging HUD to provide technical assistance to assist coal communities emerging from economic downturns and assist in the use of CDBG funds to revitalize these areas. This provision pertains to State CDBG grantees.
- The measure includes language that encourages CDBG grantees to provide funding to organizations that offer transitional housing opportunities to those in recovery from substance use disorders (including opioid addiction).
- The Committee urges HUD to conduct trainings on best development practices gleaned from success stories from urban areas to use in providing technical assistance to other struggling urban areas on how best to invest and leverage CDBG grants.
- The Committee directs HUD to provide TA and training opportunities to its regional staff and grantees on utilizing HOME funds in conjunction with weatherization funds from LIHEAP and the Department of Energy.
- The Committee encourages HUD to examine HOME's rental unit requirements which may inhibit opportunities for homeownership for income eligible homebuyers.
- The Committee directs HUD to complete a report on best practices to promote the production of new housing stock in high-cost metropolitan areas.

The measure provides $2.8 billion for HUD's homeless assistance grants including $2.344 billion for the Continuum of Care program, an increase of $22.4 million from last year and $290 million for the Emergency Solutions Grant (ESG), an increase of $20 million from last year. The measure includes $50 million for rapid re-housing and services for domestic violence survivors and $100 million for youth homelessness. The measure also includes level funding of $7 million for HUD's homeless data analysis project and includes the following language regarding HUD's homeless assistance programs.

- The Committee directs HUD to prioritize Continuum of Care funding to grantees that reallocate funding from lower performing projects to higher performing projects.
- The Committee creates a HUD Homeless Assistance Grants (HAG) Fund to recapture unused HAG funding and allow HUD to use those funds in the Continuum of Care and ESG programs. Up to 10 percent of the funds may be used for a new program to assist people experiencing homelessness in areas that were impacted by a major natural disaster. The Committee estimates the HUD HAG Fund will provide approximately $90 million in additional homelessness resources annually.
- The Committee directs HUD to issue a report on the legislative and programmatic changes needed to utilize "tiny homes" to house homeless persons through the Continuum of Care program.
- The Committee encourages the Office of Community Planning and Development and the Federal Transit Authority to collaborate with local transit agencies and homelessness stakeholders to develop strategies and models to address the needs of transit systems and homeless populations using transit for shelter.

The bill now moves to the House floor for a vote. The Senate has not yet begun mark-up of its spending bills because the White House and Congressional leaders have not reached a deal on increasing the FY20 budget caps. Without action on a deal to lift these caps, the Senate will have to make $126 billion in discretionary spending cuts for FY20. The House approved increased spending caps in order to write its FY20 spending bills.

Congress Approves Disaster Aid Package

After months of stops and stalls, Congress finally approved a disaster aid package today. The President is expected to sign the measure. The package provides $19.1 billion for communities impacted by natural disasters in 2017, 2018 and 2019. This amount includes $2.43 billion for CDBG-DR.

In addition, the bill directs HUD to publish guidelines within 90 days for the $16 billion in CDBG-DR mitigation funding approved by Congress last year.

HUD NEWS

FY2019 CDBG Low Mod Income Summary Data Available

On May 20, HUD released new FY2019 Low Mod Income Summary Data for CDBG. The data is used to qualify LMI activities. The new data reflects the assignment of block groups to each CDBG grantee based on the current fiscal year program participations.

Region V Environmental Review Training

HUD will hold a three-day Part 58 Environmental Review Training in Indianapolis, IN on August 6-8, 2019 for Region V grantees only. Participants are required to complete HUD's Web-Based

Instructional System for Environmental Reviews (WISER) module on "Getting Started: Part 58" prior to the training. To register for the training, please contact Michael Wurl at michael.e.wurl@hud.gov.

HUD Awards Disaster Funding

On May 21, HUD awarded nearly $1.5 billion in CDBG-DR funding to the following states. The funds will be used to address damaged housing, infrastructure and businesses.

California -	$491,816,000 for wildfire and high wind damage
Florida -	$448,023,000 for damage caused by Hurricane Michael
Georgia -	$34, 884,000 for damage caused by Hurricane Michael
Hawaii -	$66,890,000 for severe flooding, landsides, mudslides, volcanic eruptions
North Carolina -	$336,521,000 for damage caused by Hurricane Florence
South Texas -	$47,775,000 for damage caused by Hurricane Florence
Texas -	$46,400,000 for severe storms and flooding

IDIS Training for CDBG Grantees

HUD has developed the following new on-line IDIS training modules for CDBG grantees.

- **Introduction to Low Mod Area Activities** – provides information on the eligible uses of CDBG for LMA areas
- **Adding LMA Activities** – provides instructions for adding new LMA activities
- **Reporting on LMA Accomplishments** – provides instructions on the data entry process for reporting accomplishment data for an LMA activity

NCDA NEWS

NCDA Provides Comments to HUD on the Section 3 Proposed Rule

NCDA sent a letter to HUD yesterday in response to a Federal Register proposed regulation published by HUD on April 4 requesting comments on proposed changes to Section 3. HUD's Section 3 regulations have not been updated since 1994.

Highlights of HUD's Proposed Changes to Section 3
The proposed rule would eliminate the $100,000 grantee threshold. NCDA supports this change and recommends that HUD exempt small CDBG and HOME grantees (communities that receive less than $1 million in CDBG or HOME funds) from the Section 3 requirements.

The proposed rule would maintain the $200,000 project threshold that triggers Section 3. NCDA recommends HUD increase the proposed project threshold from $200,000 to $500,000.

The proposed rule would count the proportion of total hours worked rather than counting the number of new hires. NCDA supports this change and the rule language that allows grantees to accept a "good faith assessment" of the tracking of labor hours by contractors.

The proposed rule would create two tiers of workers: Section 3 Worker and Section 3 Targeted Worker. NCDA opposes this change and recommends that only one tier (Section 3 Worker) be used.

The proposed rule would move the Section 3 regulations from the Office of Fair Housing and Equal Opportunity to the Office of Community Planning and Development. NCDA supports this change.

NCDA also recommended to HUD that the Section 3 reporting requirements be moved from the Section 3 – Performance Evaluation and Registry System to IDIS.

The U.S. Conference of Mayors supported NCDA's recommendations by signing on to our letter to HUD. NCDA thanks the following members for serving on the Section 3 working group: Bob Gehret (Boston, MA), Alan Trunnell (Beaverton, OR), Gloria Woo (San Francisco, CA), Carolyn Thurman (Columbus, OH), Tomika Hedrington (Hamilton, OH), and John Niffenegger (Raleigh, NC).

HOME Program Working Group

NCDA is participating in a national working group to make recommendations to HUD on regulatory changes to the HOME program. Besides NCDA, the working group includes the National Council of State Housing Agencies, Council of State Community Development Agencies, Habitat for Humanity, Grounded Solutions, Enterprise Community Partners, and the National Association for County Community and Economic Development. The working group will hold its first meeting on June 12. In advance of the meeting, NCDA is seeking comments from members on regulatory changes to HOME. Please send your suggested to vwatson@ncdaonline.org.

Proposed Slate of 2019/2020 Officers

Pursuant to Section 3.06 of the NCDA By-Laws, the Nominations and Elections Committee met recently and is recommending that the membership adopt the following slate of officers for 2019/2020:

President – Dale E. Cook, Jr. (Palm Springs, FL)
Vice-President – Sheryl Kenny (Arlington, TX)
Secretary – Anne Marie Belrose (Boston, MA)
Treasurer – Keith Lampkin (Clarksville, TN)

The slate will be voted on during the annual business meeting on June 22, 2019.

FY19 Membership Invoices and Commitment Forms

Membership invoices covering FY20 (July 1, 2019 – June 30, 2020) have been sent out. Please complete the Membership Commitment Form included with your invoice and return it to vwatson@ncdaonline.org. The form is used to update NCDA's online Membership Directory.

Please contact Mike Lightfield at michael@ncdaonline.org with any questions regarding your membership invoice.

2019 Annual Conference Update

The 2019 NCDA Annual Conference is officially sold out and registration has closed. We have 270 people registered – a record. For those of you registered for the conference, the updated agenda is attached.

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

Managing CDBG Subrecipients
July 9-11, 2019
Las Vegas, NV

Advanced HOME/Underwriting
July 16-18, 2019
Columbus, GA

Managing CDBG Subrecipients
August 6-8, 2019
Santa Rosa/Sonoma County, CA

HOME Basics
August 6-8, 2019
Deerfield Beach (Broward County), FL

CDBG Disaster Recovery
September 10-11, 2019
Baytown, TX

Advanced HOME/Underwriting (coming soon)
September 18-20
Fort Worth, TX

Advanced CDBG/Underwriting (coming soon)
September 25-27, 2019
Coeur d'Alene, ID

HOME Basics
October 8-10, 2019
St. Paul, MN

Please contact Heather Johnson at austaus@aol.com regarding the above training courses or If you are interested in hosting a training course in your community.

Department of Housing and Urban Development
Budget Chart

Program	***FY18 Omnibus Spending Measure***	***FY19 Omnibus Spending Measure***	***President's FY20 Budget Proposal***	***House Appropriations Committee***
CDBG Formula Grants	$3.3 billion	$3.3 billion	$0	$3.6 billion
HOME Formula Grants	$1.362 billion	$1.25 billion	$0	$1.750 billion
Homeless Assistance Grants	$2.513 billion	$2.636 billion	$2.599 billion	$2.8 billion
Section 108	$300 million	$300 million	$0	$300 million
Choice Neighborhoods	$150 million	$150 million	$0	$300 million
HOPWA	$375 million	$393 million	$330 million	$410 million
Lead Based Paint Hazard Reduction	$230 million	$279 million	$290 million	$290 million
Elderly Housing (Section 202)	$678 million	$678 million	$644 million	$803 million
Housing for Persons with Disabilities (811)	$229.6 million	$184 million	$157 million	$259 million
Housing Choice Vouchers	$22.015 billion	$20.3 billion	$22.24 billion	$23.8 billion
Project-Based Section 8	$11.515 billion	$11.347 billion	$12.021 billion	$12.590 billion
Public Housing Operating Fund	$4.550 billion	$4.653 billion	$2.86 billion	$4.753 billion

Public Housing Capital Fund	$2.750 billion	$2.775 billion	$0	$2.855 billion