



NCD A Washington Report

July 10, 2019

Appropriations Update

The House passed a five-bill “mini-bus” spending package late last month that includes robust funding for HUD’s programs in FY20, including the CDBG and HOME programs. As reported in the May newsletter, the House Transportation-HUD Subcommittee approved \$3.6 billion for CDBG in FY20 – an increase of \$300 million – and \$1.750 billion for the HOME program in FY20 – an increase of \$500 million. Before this spending package can be enacted, the Administration and Congress must reach agreement on lifting the spending caps imposed by the Budget Control Act of 2001; otherwise, all federal programs are at risk of across the board cuts.

Negotiations between House and Senate leaders and the White House to lift the spending caps have stalled in the last couple of weeks. White House negotiators are opposed to increased spending and are pushing for current funding levels to remain in place. House and Senate leaders want a two-year budget deal to ensure increased funding for the military and non-defense programs. Senate leaders are holding off moving forward with their spending bills until there is a bipartisan deal with Democrats and the President. Fourteen GOP senators sent a letter to the White House negotiators last week arguing against level funding and pushing for a budget deal.

The end of the federal fiscal year, September 30, is fast approaching and the House is expected to recess on July 26 and not return until September 9. The Senate is expected to recess the first week in August and return on September 9. This leaves little time to negotiate a final budget deal; however, Congressional leaders will have more negotiating leverage in September when the federal government is expected to hit its debt limit. The White House will need Congressional approval to raise the debt limit and Congressional leaders will use this as a bargaining chip in the budget negotiations.

President Trump Establishes Council Focusing on Regulatory Barriers to Affordable Housing

President Trump has established the White House Council on Eliminating Barriers to Affordable Housing Development. HUD Secretary Ben Carson will lead the Council. The Council will engage with local and state government leaders and private sector leaders to address, reduce, and remove overly restrictive regulatory barriers that raise the cost of housing development.

Rising land prices and regulatory constraints on development, imposed largely at the local level, raise housing costs and limit the number and types of homes that can be built, particularly in places where demand is highest. According to experts, much of the new housing that is currently being built is targeted towards the higher end of the market.

HUD will likely release a notice in the Federal Register in the coming weeks to obtain suggestions for reducing regulatory barriers to affordable housing development.

CDBG-DR Authoring Bill Expected to be Introduced Soon

Rep. Maxine Waters (D-CA), Chair of the House Financial Services Committee, is expected to introduce legislation in the next week or so to permanently authorize the CDBG-DR program. The current CDBG-DR process is confusing and time-consuming for most grantees. In a 2018 report to Congress, the General Accountability Office (GAO) recommended the CDBG-DR program be authorized and program regulations developed in order to provide concrete guidance to grantees. Currently, HUD uses notices published in the Federal Register to customize the grant requirements for each disaster. According to GAO, as of July 2018, HUD used 61 separate Federal Register notices to oversee 112 CDBG-DR grantees. Permanent authorization of CDBG-DR would streamline the application process and provide for quicker distribution of funding. NCDH is part of the Disaster Housing Recovery Coalition which is led by the National Low-Income Housing Coalition and consists of more than 800 local, state and national organizations supporting the permanent authorization of the CDBG-DR program. The Coalition helped shape the forthcoming CDBG-DR legislation. The following provisions are expected to be key components of the bill.

- HUD will disburse the CDBG-DR funds more quickly with a portion of the funding disbursed within 60 days of Congressional appropriation of the funds.
- HUD, FEMA and the Small Business Administration will work together to improve data sharing and reduce duplication of benefits among the agencies.
- CDBG-DR funding will be balanced equitably between rebuilding infrastructure and housing.
- The one-for-one replacement of damaged or destroyed public or federally subsidized rental housing will be a priority.
- Structures and infrastructure located in flood areas must be rebuilt to a minimum standard of protection from floods and storm waters.

Neighborhood Homes Investment Act Introduced

Representatives Brian Higgins (D-NY) and Mike Kelly (R-PA) have introduced the Neighborhood Homes Investment Act (HR 3316), legislation that would create a new federal income tax for investment in the construction and rehabilitation of owner-occupied homes for low and moderate-income buyers and homeowners. Like the Low Income Housing Tax Credit, this new tax credit, if passed by Congress, would be administered and allocated by states. The credits would be allocated on a competitive basis to projects within census tracts with low- or moderate-incomes, high poverty, and low home prices. Project sponsors include developers, lenders, and local governments. For new construction, the tax credit would cover the gap between the development cost and the sales price of the home. For

rehabilitation, the tax credit would cover the gap between the rehab cost and the homeowner's contribution to rehabilitation. See the attached fact sheet for more information.

Census News

In a 5-4 decision led by Chief Justice John Roberts, the U.S. Supreme Court rejected an attempt by the Commerce Department to add a citizenship question to the 2020 Census. In the case of *U.S. Department of Commerce v State of New York*, the court ruled against the Commerce Department's position that the question was necessary to enforce the Voting Rights Act. The Trump Administration is still seeking ways to add the question to the census and may issue a directive to the Department of Commerce to do so.

In further news, Senator Jack Reed (D-RI) sent a letter to the Census Bureau seeking additional details about the Census Bureau's plan for Questionnaire Assistance Centers in the 2020 Census; particularly, the Bureau's plans to make them operational and effective in promoting a complete count. Senator Reed further urges the Bureau to place the Questionnaire Assistance Centers in trusted locations such as libraries, schools and community centers to reach hard-to-count populations.

HUD NEWS

CAPER Webinar

HUD will hold a webinar on best practices for setting up and completing the CAPER. The webinar will be held on July 30, 2019 at 1:00 pm EDT. Please go to the following link to register for the webinar.

<https://www.hudexchange.info/news/2019-best-practices-for-setting-up-and-completing-the-caper/>

IDIS Training for CDBG Grantees

As previously reported, HUD has developed the following 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

Please go to the following link for more information.

<https://www.hudexchange.info/news/hud-releases-new-idis-training-for-cdbg-grantees/>

CPD Income Eligibility Calculator Updated with FY 2019 Income Limits

HUD's Office of Community Planning and Development has updated its income calculator to incorporate the FY 2019 income limits. The calculator is available at the following link. The FY 2019 income limits are effective as of June 28, 2019. The income eligibility calculator is used to determine the eligibility and assistance amounts for beneficiaries of CPD programs.

<https://www.hudexchange.info/incomecalculator/>

HUD Publishes FY 2019 Rent Limits for HOME and the Housing Trust Fund

The new rent limits for HOME and the Housing Trust Fund are now available at the following link.

<https://www.hudexchange.info/news/hud-publishes-rent-limits-for-home-and-htf/>

HUD Publishes Duplication of Benefits Notice for CDBG-DR Grantees

HUD has published a notice which describes the requirements needed to prevent duplication of benefits in the CDBG-DR program. The notice, available at the link below, updates existing duplication of benefits requirements to reflect recent CDBG-DR supplemental appropriations language and amendments to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

<https://www.govinfo.gov/content/pkg/FR-2019-06-20/pdf/2019-13147.pdf>

NCDA NEWS

NCDA and the CDBG Coalition will hold Congressional Briefing on CDBG

NCDA and the CDBG Coalition will hold a briefing on the Hill on July 23, 2019 to unveil its national report on CDBG. Besides providing an overview of the CDBG program for Congressional members and their staff, the report examines the need for more CDBG funding and the impact of CDBG as a powerful investment tool. Vicki Watson, NCDA's Executive Director, will provide an overview of the report at the briefing. In addition, the following people will provide commentary on the importance of CDBG and the need for more program funding.

- The Honorable Jim McGovern (D-MA)
- The Honorable Patrick Wojahn (Mayor, College Park, MD)
- The Honorable Larry Nelson (Waukesha County, WI Commissioner)
- Erik Johnston, Director, Virginia Department of Housing and Community Development

NCDA Elects New President and Executive Officers

The National Community Development Association (NCDA) is pleased to announce the selection of Dale E. Cook, Jr. as its new President and the following members as executive officers for 2019/2020. The selection of officers was made at the NCDA 50th annual business meeting on June 22, 2019 in Jacksonville, FL.

2019/2020 NCDA Executive Committee

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

The executive officers are recommended through the NCDA Nominations and Elections Committee, a council of their peers, and approved by the NCDA membership. It is quite an honor to serve on the Executive Committee. The Executive Committee is the leadership arm of the Board of Directors and monitors the activities and financial functions of the Association.

Dale E. Cook, Jr., NCDA's newly elected President, is the Community Development Administrator at the City of Palm Springs, CA. He has been involved in NCDA during his 19-year tenure with Palm Springs, and prior to that, represented East St. Louis, IL as well as served on the 2000-2001 NCDA Board of Directors for Region 5. Dale has nearly forty-five years of community and economic development professional experience in both the public and private sectors at the urban county, metropolitan city and small city entitlement level. "Having just commemorated the 50th Anniversary of NCDA, one of the most positive developments in NCDA's evolution has been its growing footprint in the federal policy arena and its increasing involvement in the development of community development, affordable housing and economic development programs in local communities for its low and moderate income residents across the nation," Cook said.

NCDA 50th Anniversary Video

NCDA celebrated its 50th anniversary during the 2019 Annual Conference in Jacksonville, FL on June 19-22. Part of the celebration included the unveiling of the video below that provides commentary from members and partners on the history of NCDA and its importance to the community development field. We encourage members to share the video on social media and post it on your local websites.

<https://www.dropbox.com/s/osc4xy0yyq9s39i/NCDA%2050th.mp4?dl=0>

NCDA Annual Conference Presentations Available Online

For those of you unable to attend the 2019 Annual Conference, the presentations are available at the following link.

<https://ncdaonline.org/2019-annual-meeting-presentations/>

FY20 NCDA Membership Dues

Membership invoices covering FY20 (July 1, 2019 – June 30, 2020) were sent out in early June. If you have not received your invoice, please contact Mike Lightfield at michael@ncdaonline.org. As a reminder, payment of NCDA's membership dues are an allowable program cost under 2 CFR 200.454 – Membership, Subscriptions and Professional Activity Costs.

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>

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

September 18-20

Fort Worth, TX

CDBG Basics

September 24-26, 2019

Deerfield Beach, FL

Advanced CDBG/Underwriting

September 25-27, 2019

Coeur d'Alene, ID

HOME Basics

October 8-10, 2019

St. Paul, MN

Managing CDBG Subrecipients (coming soon)

October 15-17, 2019

Horry County, SC

Advanced HOME/Underwriting (coming soon)

October 16-18, 2019

Skagit, WA

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**

<i>Program</i>	<i>FY18 Omnibus Spending Measure</i>	<i>FY19 Omnibus Spending Measure</i>	<i>President's FY20 Budget Proposal</i>	<i>House Approved Levels</i>
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	\$804 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	\$21.4 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

