



NCD A Washington Report September 13, 2019

Appropriations Update

The Senate FY20 Transportation-HUD and Independent Agencies (THUD) spending bill is expected to be marked-up in subcommittee next Tuesday, September 17. The Senate proposed FY20 spending levels for the CDBG, HOME and other HUD programs will be unveiled just prior to the mark-up. The House approved \$3.6 billion for CDBG (an increase of \$300 million from last year) and \$1.750 billion for HOME (\$500 million increase) and increases to other HUD programs in June.

Because the House completed its 12 spending bills prior to the enactment of the two-year budget deal that was negotiated in late July, spending levels within the 12 bills need to be revised to comply with the new budget caps. The House-passed appropriations bills were marked up to a non-defense level of \$631 billion, which is \$15 billion higher than the amount available within the new spending caps. This means the House will have to make spending cuts in some domestic programs.

The Senate has not passed any of its spending bills. The last time the Senate didn't advance any appropriations bills to the floor until September was 1987. With the end of the federal fiscal year fast approaching, Congress will have a limited timeframe to consider each of the 12 spending bills and reconcile differences in the House and Senate measures by September 30. A stopgap funding measure is being prepared to keep the government operating through late November or early December. The House plans to vote on the measure next week.

Treasury and HUD Release Housing Finance Reform Plans

Last week, [HUD](#) and the [Department of Treasury](#), in coordination, released separate proposals to reform the housing finance system. The proposals are in response to an executive memorandum issued by President Trump in March. Treasury's proposal focuses on reforming the government-sponsored enterprises (GSEs) while HUD's proposal focuses on changes to the Federal Housing Administration (FHA) and Ginnie Mae. The two plans include a mix of regulatory and statutory proposals.

Treasury's Proposal – Highlights

- Remove the GSEs – Fannie Mae and Freddie Mac - from conservatorship and make them mortgage guarantors in the private market.

- Charter new guarantors to compete with the GSEs.
- Require Ginnie Mae to provide insurance for conventional mortgages that are securitized by the GSEs and other guarantors.
- The Federal Housing Finance Agency (FHFA) would be charged with regulating the guarantors.
- Remove the GSEs' current affordable housing goals and replace them with "more efficient, transparent, and accountable programs."
- Require the GSEs to pay an assessment that would then be funneled through the Congressional appropriations process to support HUD-administered multifamily and single-family affordable housing programs.
- The proposal does not propose any changes to the GSE's contributions to the Housing Trust Fund or the Capital Magnet Fund.

HUD's Proposal – Highlights

- Strengthen FHA programs for single-family borrowers.
- Establish FHA as an autonomous corporation within HUD.
- Guarantee fee setting flexibility for Ginnie Mae.
- Create a new Office of Rental Subsidy and Asset Oversight to administer HUD's major rental assistance programs including public housing, project-based rental assistance, and rental vouchers.
- Eliminate the cap on the number of public housing units that convert under the Rental Assistance Demonstration (RAD) which allows public housing units to convert to Section 8 rental assistance contracts. The current statutory cap on RAD is 455,000 units.

It is highly unlikely that Congress will move comprehensive housing reform legislation in this session, so the Administration will likely attempt to make tweaks to the existing system via executive order and other policy changes.

Census Bureau Releases 2020 Census Toolkit for State and Local Officials

The U.S. Census Bureau has released the [2020 Census Toolkit for State and Local Officials](#). The toolkit provides information and tips to create public advertising campaigns, access hard to count communities and help increase response rates to the Census.

It is extremely important for local governments to ensure an accurate and complete population count within their jurisdiction to ensure the full benefit of federal resources, like the CDBG and HOME programs.

National Flood Insurance Program Reauthorization

The National Flood Insurance Program (NFIP) was created in 1968 to provide insurance coverage to property owners for losses and damages due to catastrophic flooding. The program has operated under a series of short-term extensions since 2017.

Legislation has been introduced in both chambers of Congress to reauthorize and modernize the program. The bills, S. 2187, introduced by Senator Robert Menendez (D-NJ) and H.R. 3872, introduced

by Rep. Frank Pallone, Jr. (D-NJ), would reauthorize the program for five years and make the following reforms to the program.

- Create a five-year pilot program to provide means-tested assistance for low-income policy holders.
- Cap annual rate increases to 9 percent (currently, annual rates can increase by up to 25 percent).
- Authorize monthly premium payments to assist low-income policy holders in paying for the insurance.
- Require FEMA to conduct a study on its ability to offer business interruption coverage to cover loss of income and assets a business may experience as a result of a flood.
- Set-aside 10 percent of disaster assistance allocated to FEMA's Disaster Relief Fund for buyouts, elevation and other mitigation techniques for high risk properties covered under NFIP.
- Require FEMA, through the NFIP, to develop strategies to help urban communities mitigate flood risk in places where elevation is not feasible and offer premium credits for taking advantage of these strategies.
- Establish a mitigation revolving loan fund with a priority provided to high-flood risk states.
- Authorize nearly \$400 million annually for improvements to the National Flood Mapping Program to increase accuracy of flood mapping.
- Provide communities with the ability to appeal flood maps.
- Require FEMA to process all flood claims within 60 days of the policy holder filing with an extension of 30 days under extraordinary circumstances.
- Requiring the disclosure of flood risk and prior flood damage to lessors and homebuyers prior to transfer.

Congress still needs to reconcile the differences in the two bills and will need to enact another short-term extension past September 30 in order to finalize a long-term reauthorization bill.

HUD NEWS

Staff Changes

Ginny Sardone has been named Acting Deputy Assistant Secretary for Grant Programs at HUD. Ginny formerly managed the Office of Affordable Housing Programs which oversees the HOME program. Ginny replaces Stan Gimont who retired in late July.

Jesse Handforth Kome has been named the Acting Director of the Office of Block Grant Assistance which oversees the CDBG program. Jesse replaces Claudette Fernandez who accepted a position with USDA. Steve Johnson will continue to manage the Entitlements Division within the Office of Block Grant Assistance. Steve is planning to retire in January 2020 after nearly 35 years with HUD.

HOPWA Modernization Webinar

HUD's Office of HIV/AIDS Housing will hold a webinar on HOPWA's formula modernization on Thursday, November 7, at 1 pm ET. The webinar will provide updates on the impact and status of the program's formula modernization, including future funding projections. The registration link will be made available soon.

New IDIS FAQs Available

HUD has published a new set of [IDIS FAQs](#) that address the following areas:

- Log into the User Acceptance Testing (UAT) environment
- Request a status update regarding an IDIS User Access Request
- Identify which users receive automatic mail notifications for flagged CDBG activities
- Acquire IDIS access for more than one grantee profile
- Update the grantee's address in IDIS
- Update a grantee's HUD representative listed in IDIS

If you have a question that is not answered by the existing FAQs, you can submit a question through the [HUD Exchange portal](#).

HUD Publishes FY20 Fair Market Rents

HUD has posted the [FY20 Fair Market Rents \(FMRs\)](#). The FMRs are used in various HUD programs to calculate payment standard amounts, determine renewal rents, determine initial rents, and in the case of the HOME and ESG programs to establish rent ceilings for rental units. Further, FMRs are used in the calculation of maximum award amounts for the Continuum of Care recipients and the maximum amount of rent a recipient may pay for property leased with Continuum of Care funds.

The FMRs are based on the most recent American Community Survey (ACS) data, trended to 2020. To better reflect regional differences, HUD incorporated local and regional trend factors into its methodology this year rather than rely on one national trend factor.

HUD Publishes Notice Implementing Section 202 Conversions

Last week, HUD published a [notice](#) making Section 202 Supportive Housing for the Elderly project rental assistance contracts (PRACs) eligible for RAD conversion. Congress included a statutory provision in the FY18 appropriations act that allowed the conversion of Section 202 properties to Project Based Vouchers or Project Based Rental Assistance contracts through RAD.

NCDA NEWS

Upcoming NCDA Training

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

Advanced HOME/Underwriting

September 18-20, 2019
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

October 15-17, 2019

Horry County (Myrtle Beach), SC

Advanced HOME/Underwriting

October 16-18, 2019

Skagit, WA

CDBG Basics

October 29-31, 2019

Durham, NC

CDBG Basics

November 5-7, 2019

Dubuque, IA

Advanced CDBG/Underwriting

February 17-19, 2020

Deerfield Beach, FL

Please contact Heather Johnson at hjohnson@ncdaonline.org regarding the above training courses or If your community is interested in hosting a training course(s).

2020 Winter Conference Registration is Now Open!

NCDA will hold its 2020 Winter Legislative, Policy, and Professional Development Meeting in Washington, DC on January 29-31. The conference registration fee is \$450 for members/\$550 for non-members through **November 30, 2019**. The rates will increase to \$550 for members/\$650 for non-members after this date, so register early. The conference will be held at the Holiday Inn Capitol, 550 C Street, SW, Washington, DC within proximity to the Hill and HUD headquarters. The hotel rate is \$165.00 per night plus tax. The deadline for making your hotel reservation is **Friday, January 3, 2020**. You can make your reservations by calling 877-572-6951 and referencing group name and booking code NC4. Please go to the following link to register for the conference and the pre-conference training. The draft agenda will be posted to the NCDA website (ncdaonline.org) next week.

<https://ncdaonline.regfox.com/2020-winter-meeting>

Pre-Conference Training

As part of the conference registration fee, the following free one-day training will be provided to conference registrants on Tuesday, January 27.

- IDIS Primer (new course)
- Advanced HOME Program Primer
- Advanced CDBG Primer

Upcoming Regional Conferences

The following regional conferences are open to all grantees regardless of whether you are located within the regions.

NCDCA Region IV (Southeast) Conference

October 2-4, 2019

Knoxville, TN

[Draft Agenda](#)

[Registration Form](#) (includes hotel information)

NCDCA Region I (New England) Conference

October 17-18, 2019

Springfield/Holyoke, MA

[Draft Agenda](#)

[Registration Form](#) (includes hotel information)

Region VI (Southwest) Conference

October 30-November 1, 2019

Fort Worth, TX

Draft Agenda (coming soon)

[Registration Form](#) (includes hotel information)

**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

