



NCDCA Washington Report

March 31, 2021

Administration's FY22 Budget Outline Expected This Week

President Biden is expected to release an outline of his FY22 federal budget this week. The budget will provide an outline of the President's discretionary funding priorities. The Administration's full budget, which will provide more detail, is expected to be released in May. The lack of a full-time Director for the Office of Management and Budget (OMB) has been the primary reason attributed to the slow release of the Administration's FY22 budget. Biden's first choice to head OMB, Neera Tanden, withdrew her name after facing bipartisan Senate opposition.

Biden Releases Infrastructure Plan

President Biden released the [American Jobs Plan](#) today. The plan will invest trillions of dollars in major infrastructure projects and spur job creation in the clean energy industry. Part of the Plan will invest \$213 billion to construct, preserve, and retrofit more than two million units of affordable housing, as follows:

- Produce, preserve, and retrofit more than a million affordable housing units through targeted tax credits, formula funding, grants, and project-based rental assistance.
- Build and rehabilitate more than 500,000 homes for low- and moderate-income homebuyers.
- Tackle exclusionary zoning and land use policies through a new competitive grant program that awards funding to jurisdictions to take steps to eliminate barriers to affordable housing production.
- Invest \$40 billion to repair public housing.

Congress will need to advance legislation to enact the Plan. Congressional Democrats are working on infrastructure legislation and hope to advance a bill as early as this summer.

American Rescue Plan

On March 11, 2021, President Biden signed the American Rescue Plan Act into law. The measure provides \$1.9 trillion in comprehensive coronavirus relief and stimulus funding to continue to address the coronavirus pandemic, mitigate the economic impact of COVID-19 and boost economic growth. The bill includes significant affordable housing resources and aid for state and local governments.

- \$25 billion for the Emergency Rental Assistance Program to be administered by the Treasury Department.
- \$10 billion state homeowner assistance program administered by the Treasury Department.
- \$5 billion for the HOME Program for homeless assistance and support.
- \$5 billion for new housing vouchers through 2030.
- \$360 billion in state and local government funding for coronavirus-related expenses through 2024.

The measure includes the following funding for economic stimulus.

- \$300 week in federal pandemic unemployment compensation through September 6, 2021.
- \$1,400 stimulus payments for qualified households.
- \$7.25 billion in additional funds for the Paycheck Protection Program.
- \$28.6 billion for a Restaurant Revitalization Fund to be administered by the Small Business Administration (SBA).
- \$10 billion for the State Small Business Credit Initiative administered by the SBA.

National Eviction Moratorium Extended

The Centers for Disease Control and Prevention (CDC) has extended the national eviction moratorium, which bans rental evictions, through June 30, 2021. The moratorium was set to expire on March 31, 2021. Last month U.S. District Judge John Barker ruled that the national eviction moratorium was unconstitutional after many landlords in Texas filed a lawsuit against the CDC and the U.S. Department of Health and Human Services. The Justice Department has appealed the Judge’s decision. Renters are still protected under the national eviction moratorium while the appeal makes its way through the court system.

Treasury Department Updates Emergency Rental Assistance Program FAQs

On March 26, 2021, the Treasury Department posted updated [FAQs](#) for the Emergency Rental Assistance (ERA) Program that was approved as part of the Consolidated Appropriations Act in December 2020. The revised FAQs include the following new guidance.

- Rental security deposits are an eligible expense under “other expense related to housing.”
- ERA program funds can be used to assist renters living in manufactured housing. ERA funds can be used to pay the lot rental and cover the rent on the manufactured home.
- Rental assistance may be provided to temporarily displaced households living in hotels and motels.
- Rental assistance may be provided to households renting their home under a “rent to own” agreement.

GSE Affordable Housing Allocations Increase for 2020

The Federal Housing Finance Agency will disburse \$1.09 billion this year for Freddie Mac and Fannie Mae’s (the GSEs) affordable housing allocations for 2020. Of the \$1.09 billion, \$711 million will go to HUD for the Housing Trust Fund and \$383 billion will go to the Treasury Department for the Capital Magnet Fund. This is the largest amount ever disbursed and more than doubles the amounts disbursed last year. The funding will help states and their local partners produce and preserve affordable housing

throughout the country. The Housing Trust Fund is allocated to states and state-designated entities for affordable housing production and preservation through the acquisition, new construction, reconstruction, and rehabilitation of affordable housing. The Capital Magnet Fund, overseen by the Treasury Department, provides competitive grants to finance affordable housing and economic development activities.

Emergency Capital Investment Program

The Treasury Department has opened applications for the Emergency Capital Investment Program that was established by the Consolidated Appropriations Act of 2021 enacted in December 2020. The \$9 billion program provides direct capital to CDFIs and minority depository institutions (MDIs) to provide loans, grants and forbearance for small businesses, minority-owned businesses, and consumers – particularly in low-income and underserved communities – that may be disproportionately impacted by the economic effects of COVID-19. Up to \$2 billion is reserved for small CDFIs and MDIs with less than \$500 million in assets and an additional \$2 billion for CDFIs and MDIs with less than \$2 billion in assets. Please go [here](#) for more information.

Earmarks Are Back

Congressional members can submit requests for earmarks (now known as community project funding) for the FY22 federal spending year. Each Congressional member can submit up to 10 requests for state or local government grantees and for nonprofit organizations. Evidence of community support must be included and there will be a searchable database of earmarks for public viewing. Members of Congress have until mid-April to submit requests for FY22. The Appropriations Committee chairpersons will decide how many projects will be funded. Please contact your Congressional offices for more information.

302(b) Sign-on Letter

Congress will soon begin working on the FY22 spending bills. One of the first decisions that will be made is how much overall federal funding (302b) will be disbursed to each of the 12 appropriations subcommittees. We urge you and your partner organizations to sign-on to the [letter](#) from the Campaign for Housing and Community Development Funding (of which NCDA is a member) to Congressional appropriators seeking the largest possible allocation for the Transportation, Housing and Urban Development (THUD) subcommittees.

HUD NEWS

2014 CDBG Funds Lapsing in September 2021

According to HUD, nearly \$256 million in undisbursed CDBG FY 2014 grants funds are set to be returned to the U.S. Treasury if not disbursed by grantees by September 11, 2021. HUD does not have the authority to waive the CDBG statutory disbursement deadline which is five years from the obligation date (grantees have three years to obligate CDBG funds). The 2014 CDBG grants are the last funds to be treated in a cumulative fashion under the first-in, first-out (FIFO) accounting method. The FIFO method applies any draw to the oldest account.

If you are one of the 522 CDBG grantees with undisbursed 2014 grants, you will be contacted by your HUD field office to determine how to spend those funds by September 11, 2021. Please see [Attachment B](#) for HUD guidance on expending the 2014 CDBG funds by September 11, 2021.

Community Violence Intervention Activities Quick Guide

HUD is working on a Community Violence Intervention Activity quick guide and is collecting successful program examples from grantees on the use of CDBG or CDBG-CV funds to assist victims of violence during the pandemic. Please send your program activities to James Hoemann, Director, CDBG Entitlements Division, HUD, at james.e.hoemann@hud.gov.

HUD Publishes Updated FY 2020 HOME Match Reductions

HUD recently published a [list](#) of HOME program match reductions granted for FY 2020 due to fiscal distress, Presidential disaster declarations, and reductions requested by PJs because of the COVID-19 pandemic.

HOME Monitoring Webinar Series

HUD's Office of Affordable Housing Programs is hosting a HOME monitoring webinar series for PJs. The webinar series will take place in April and May and will cover the HOME monitoring exhibits discussed in the CPD Monitoring Handbook. You can register [here](#).

NCDA NEWS

Upcoming Training

IDIS Basics

Mondays and Wednesdays (2:00 pm – 4:30 pm ET)

April 5 – April 28, 2021

Cost: \$350 for members

Register [here](#)

Subrecipient Management

Mondays and Wednesdays (2:00 pm – 4:30 pm ET)

May 3 – May 26, 2021

Cost: \$300 for members through April 19, 2021

Register [here](#)

Please contact Heather Johnson at hjohnson@ncdaonline.org with any questions regarding the courses.

NCDA and COSCDA Seek Extension of the ESG-CV, ESG, and CDBG Spending Deadlines

NCDA and the Council of State Community Development Agencies sent a letter to [HUD](#) and Congressional [appropriation leaders](#) this week seeking an extension of the September 30, 2022 ESG-CV program expenditure deadline. The letter requests an extension of the ESG-CV expenditure deadline to the later of September 30, 2023 or two years after the end of the nationally declared coronavirus state of emergency. With the onslaught of large amounts of other federal resources and the national eviction moratorium which makes the use of ESG-CV funds for rental assistance an ineligible use while the moratorium remains in place, grantees are unable to spend their ESG-CV funds by the current

expenditure deadline. The letter also asks HUD to allow grantees to request up to six additional months to meet the annual timeliness requirement for their regular 2019 and 2020 CDBG allocations and the two-year expenditure for their regular ESG allocations subject to showing that the failure to meet the existing deadlines was due to COVID-related causes.

NCDA Sends Letter to OMB Opposing Proposed MSA Change

NCDA sent a letter to the Office of Management and Budget (OMB) opposing the recommendation from the Metropolitan and Micropolitan Statistical Area Standards Review Committee to change the Metropolitan Statistical Area population threshold from 50,000 to 100,000. If the Committee's recommendation takes effect, cities with a population between 50,000 and 100,000 that have been designated as a CDBG entitlement grantee in the last two years would lose their entitlement status and their CDBG funding. Further, cities that see a future increase in population above 50,000 (but below 100,000) after the change, would not be eligible for CDBG entitlement status. Moreover, according to the National Community Reinvestment Coalition, the redesignation of smaller metropolitan areas as micropolitan areas would impact both CRA and HMDA, as follows:

- 498 census tracts would no longer be considered low/moderate income and would lose CRA eligibility; and
- 99 banks would be exempt from reporting HMDA data

Plan to Participate in National Community Development Week, April 5-9

National Community Development Week will be held April 5-9, 2021. This is a critical time for appropriations; work on the upcoming FY 2022 HUD funding bill will be in the initial stages. Over 13 percent of Congress is new to Washington and there are some new appropriations committee members. National Community Development Week provides a perfect forum to cement the importance of CDBG and HOME in the minds of those in Washington.

With the pandemic in place, we are focusing this year's effort on promoting the CDBG and HOME programs through social media. Our goal is to achieve the largest reach ever online. The following national organizations have joined NCDA in this year's campaign: U.S. Conference of Mayors, National Association of Counties, Council of State Community Development Agencies, National Association of Housing and Redevelopment Officials, American Planning Association, National Association for County Community and Economic Development, and the National Association of Regional Councils.

What do you need to do? Please take the following actions:

- Post the daily social media messages (page 4 of the attached 2021 National CD Week Took Kit). These are suggested messages. Please feel free to develop your own CDBG and HOME program messages.
- Be sure to use #CDWeek2021 and #CDBGworks and #HOMEworks in your posts so that we can track our collective efforts. If you are solely a CDBG grantee you do not need to post the HOME program messages or use the #HOMEworks hashtag.

- Tag your Congressional members in your posts. This is important. Elected officials have some of the largest followings on social media. Start by tagging their official Twitter or Facebook handles found on their websites (House members [here](#); Senators [here](#)). Include CDBG and HOME project photos or a link to program information to help your message stand out. Be sure to include your location so that they know you are a constituent.
- Please ask your elected officials to retweet your daily National Community Development Week posts with their followers. This is important to driving the National CD Week messaging campaign.

Our goal is to see #CDWeek2021 trending on Twitter this year. With your participation and the participation of our national partners all gears are in motion for the best National CD Week online campaign ever. Thank you for your participation!

Please contact Vicki Watson at vwatson@ncdaonline.org for questions or assistance related to National Community Development Week.

NCDA 2021 Virtual Annual Conference: June 16-18; Complete the Quick Conference Agenda Survey

Join NCDA for its 52nd Annual Conference which will be held virtually, June 16-18. The conference will offer the latest program and policy news from HUD and Congressional leaders. Explore new program strategies and design ideas. Learn best practices from the field. Network virtually with your peers.

The agenda will be developed based on your input. Please go to the following link to provide your feedback on sessions for the conference agenda.

<https://www.surveymonkey.com/r/T8YMQ95>

Registration is [open](#). The registration fee is \$150 for members/\$250 for non-members. Register yourself and four other staff to receive a 15% discount.

Please contact Heather Johnson at hjohnson@ncdaonline.org with any questions regarding registration.

