



NEW YORK STATE ASSOCIATION OF RENEWAL AND HOUSING OFFICIALS

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To: Jeff McTiernan, President & Membership  
From: Pam Ray, Federal Liaison  
Re: Federal Legislative Updates / Proposed Freeze / JOBS Legislation / NHTF  
Date: February 3, 2010

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**JOBS---JOBS---JOBS: The Focus of Congressional Action in 2010**  
**Economic Impact of Federal Capital Funds is Critical Message**

**FY 2011 DIRECT FUNDING for PHAs/CDAs:**

In addition to what you've received from your national advocacy groups on the **President's FY 2011 budget**, I'd like to highlight the following:

- Provisions in the President's FY 11 budget are "proposed" – **what you see is not what you (necessarily) get.**
  - 100% funding of PH Operating program, renewal of existing housing choice vouchers and project-based contracts, increased funding for homeless programs as well as maintaining the FY 10 increase in the CDBG program are all welcome. However, the reduction in the capital program is a concern as is the 5% reduction in the overall FY 11 President's HUD budget proposal.
  - Whether you like or dislike provisions in the President's budget, it is the industry's responsibility (that is you) to advocate for housing and community development programs. Promoting and justifying funding with your individual U.S. Congressman and U.S. Senators is essential because it is the **U.S. Congress that determines the level of federal funding** for their favored programs. And, you want your favored programs to be their favored programs.
  - Your active participation in national and NYSAHRO advocacy efforts will be very important this year as the national economic picture will put massive pressure on both current and future federal spending choices. Remember the big picture: *trillions now trumps billions in terms of deficit and debt.*
- Reduction in the PH Capital program is a concern despite the flow of stimulus dollars into that program. **THE CASE MUST BE MADE FOR THE POSITIVE "ECONOMIC IMPACT" OF CAPITAL FUNDS TO YOUR LOCAL COMMUNITY.**
  - **Homework:** *Justify Congressional Decision-Making in Favor of Additional PH Capital Funds.* Create one paragraph that tells your story and use it in all your advocacy (federal, state and local). Remember, the overriding focus is on jobs, jobs, jobs. Use the following formula to determine your local economic impact.



Homework (con't)

**Economic Benefits-Tell Your Story**

- Job creation
      - Spending by vendors and suppliers
      - Purchases of goods and services
      - Increased consumer demand.
- The President's **proposed domestic discretionary freeze (on non-security related programs)** is not good news for housing programs because they are part of the domestic discretionary spending. **I call it the "chopping block"**. Of the total federal budget, this "freeze" applies to less than 20% of all federal programs. Housing and community development will compete with other politically favored domestic programs such as education, environment and energy programs. Housing program advocates MUST make their case for housing and community development funding more than ever under the "freeze" scenario.

**JOBS Bill – PH Capital Fund Status**

Under the President's "domestic discretionary freeze" proposal, the JOBS bill is also exempt (as are security related programs) from the FY 11 budget limits. As you are aware, the House JOBS bill passed in December (\$154 billion) and includes \$1 billion for the PH Capital Fund to be distributed to FY 2009 competitive grant applicants. NYSARHO is lobbying for the Senate to include in their JOBS bill at least \$1 billion for the PH Capital Grant program and to distribute it on a formula basis in order to reach the maximum number of PHAs in NYS. As of today, the Senate is preparing its own JOBS bills-planning for a series of smaller JOBS related spending bills in order to avoid the anticipated failure of one huge, costly JOBS initiative (driven by the recent Massachusetts US Senate election). We will bring you updates on the Senate legislation and the status of the PH Capital Grant funding as it happens.

**FY 2011 INDIRECT FUNDING Resources for PHAs/CDAs ("Follow the Money"™ Strategy)**

The National Housing Trust Fund established in July 2008 (HERA) is moving forward on two tracks. On the funding track, the President's FY 11 budget and congressional advocates continue to propose \$1 billion in funding to implement the Trust Fund. On the regulatory track, HUD is nearing completion of program regulations (even before the program is funded) and the comment period for regulations governing the formula for distributing the NHTF funds just closed (2/2/10). The estimate of Federal Housing Trust Fund allocation to NYS is:

<u>Geography</u>	<u>Amount</u>	<u>Percent of total</u>	<u>Construction Jobs Created</u>	<u>Ongoing Jobs Created</u>
New York	\$111,600,000	11.16%	1685	424