



# NADO NEWS

★ A Timely and Trusted News Source for the Nation's Regional Planning and Development Organizations

## NADO NEWS: September 23, 2011

*A Publication of the National Association of Development Organizations*

### Countdown to Miami: NADO Annual Training Conference in Two Weeks!



NADO's 2011 Annual Training Conference (ATC) in Miami, FL is just around the corner! As you prepare for the conference,

visit [www.nado.org/training](http://www.nado.org/training) for the most current conference agenda as well as to register online.

**Mobile workshops are filling up fast!** Two of the mobile workshops—the walking tours of Little Havana and South Beach—are closed. The tour to the Coral Reef, which will include lunch at a great local restaurant and a presentation about the region's tourism-based economy, has a few seats left. The mobile workshops to the Everglades, the Port of Miami and the City of Doral still have room. If you have already registered for the conference but want to add a mobile workshop, contact Tawanna Harley at 202.624.7841 or [tharley@nado.org](mailto:tharley@nado.org).

#### Guest Rooms Needed!

If you are in need of a room, or you no longer need a room (or rooms) that you have reserved, please contact NADO Director of Meetings and Membership Vicki Glass (202.624.8574 or [vglass@nado.org](mailto:vglass@nado.org)) as soon as possible. **Please**

**do not cancel any room reservations with the hotel; please contact Vicki who will release them to those on the waiting list.**

### LEGISLATIVE NEWS

#### NADO Issues Action Alert on EDA

So far in the FY2012 funding process, House and Senate appropriators have cut EDA by approximately \$25 million to \$258 million. This is down from \$283 million in FY2011 and \$293 million in FY2010. Although the Senate appears to be proposing an increase for EDA at \$392 million, \$135 million of that is for separate disaster assistance funding.

**ACTION NEEDED: As negotiations continue over FY2012 funding for EDA, urge your Senators and Representatives that serve on the House and Senate Commerce-Justice-Science (CJS) Appropriations Subcommittees, to increase FY2012 EDA funding to the President's proposed level of \$324.94 million.**

A legislative fact sheet and draft letter is attached to this edition of *NADO News*. If you have questions or need assistance, contact Deborah Cox at 202.624.8590.

#### First FY2012 Continuing Resolution Passes House, Heads to the Senate

Uncertainty continues to build as Congressional leaders, scheduled to recess on September 23, struggle with how to proceed on a short-term

funding extension and avoid a potential government shutdown on October 1.

Earlier this week, the House rejected the first FY2012 continuing resolution (CR) (HR 2608), which would set the total annual spending level for the first seven weeks of FY2012 (through November 18) at \$1.043 trillion. Forty-eight Republicans, hoping to hold spending to the lower \$1.019 trillion level set by the House-adopted budget resolution (H Con Res 34), rejected the measure. House Democrats also rejected the measure, contending that the bill's \$3.7 billion in disaster relief is insufficient and should not be offset.

Then, in the early morning hours of September 23, the House passed a second version of the CR. The measure is similar to the first except for a new offset that would raise about \$100 million by rescinding money for the loan program that supported the solar panel maker Solyndra. The bill includes \$3.65 billion in disaster funding, including \$1 billion for the current fiscal year.

So what is next? The House victory could be short-lived as the bill now goes to the Senate where Majority Leader Harry Reid (D-NV) has already publicly stated that the Senate will reject the measure. Leader Reid would like the CR to include \$6.9 billion in disaster funding with no offsets.

With no easy solution in sight, the start of the next congressional recess will most likely be delayed into the weekend or beyond.

#### **Senate Moves FY2012 Transportation-HUD Spending Bill; Funds TIGER Program and Essential Air Service**

On September 21, the Senate Appropriations Committee advanced a draft spending bill that would provide FY2012 funding for the U.S. Department of Transportation (DOT). Key bill highlights include:

- **TIGER Program:** The Senate bill would provide \$550 million for national competitive grants to support significant transportation projects in a wide variety of modes including highways and bridges, public transportation, passenger and freight railroads, and port infrastructure. *The bill requires the U.S. DOT to allocate no less than \$120 million for projects in rural communities.* The funding level included in the bill is \$23 million higher than the FY2011 level. In comparison, the House version provided no funding for the TIGER program and the Administration requested \$2 billion for FY2012.
- **Disaster Aid Funding:** The Senate bill would provide \$1.9 billion in disaster aid funding for DOT's Emergency Relief Program.
- **Highway Investments:** The Senate bill would provide \$41.1 billion for the Federal-aid Highway program to support essential investments in roads and bridges. This funding is level with the FY2011 enacted level. The bill does not include any rescission of budgetary resources from the highway program, as proposed by the House bill which provides \$27 billion for FY2012.
- **Transit Investments:** The Senate bill provides an additional \$358 million above the FY2011 enacted level for the transit "New Starts" program. This funding supports projects that will provide new or expanded public transportation services.
- **FAA Airport Grants:** The Senate bill would provide \$3.5 billion for capital investments at airports across the country, level with FY2011. The House bill would provide \$3.35 billion.
- **Essential Air Service:** The Senate bill would provide \$143 million in discretionary funding for the program (down from \$150

million in FY2011) and \$50 million in mandatory funding (level with FY2011).

- High Speed Rail:** The committee approved an amendment that would provide \$100 million for high speed rail. The House bill provided no funding for this program, similar to the final FY2011 CR.

|   | FY11 Enacted | FY12 President's Request | FY12 House | FY12 Senate |
|---|--------------|--------------------------|------------|-------------|
| Federal-aid Highways (Ob Limit)         | \$41.10 B    | \$69.67 B                | \$27.00 B  | \$41.10 B   |
| Federal-aid Highways (Emergency Relief) | 0            | 0                        | 0          | \$1.90 B    |
| FTA Formula/Bus Grants (Ob Limit)       | \$8.34 B     | \$18.55 B                | \$5.20 B   | \$8.33 B    |
| FTA Capital Investment Grants           | \$1.59 B     | \$3.23 B                 | \$1.55 B   | \$1.95 B    |
| TIGER II/NII Discretionary Grants       | \$527 M      | \$2.00 B                 | 0          | \$550 M     |
| National Infrastructure Bank            | 0            | \$5.00 B                 | 0          | 0           |
| Amtrak Operating Subsidies              | \$562 M      | n/a                      | \$227 M    | \$544 M     |
| Amtrak Capital/Debt Service Grants      | \$922 M      | n/a                      | \$899 M    | \$937 M     |
| High-Speed and Intercity Pass. Rail     | 0            | n/a                      | 0          | \$100 M     |
| Combined Amtrak and HSIPR               | \$1.50 B     | \$8.04 B                 | \$1.14 B   | \$1.60 B    |
| FAA Operations                          | \$9.51 B     | \$9.82 B                 | \$9.67 B   | \$9.63 B    |
| FAA Facilities & Equipment              | \$2.73 B     | \$3.12 B                 | \$2.79 B   | \$2.63 B    |
| FAA Airport Grants (Ob Limit)           | \$3.51 B     | \$6.61 B                 | \$3.35 B   | \$3.51 B    |
| Essential Air Service (discretionary)   | \$150 M      | \$123 M                  | \$100 M    | \$143 M     |
| Essential Air Service (mandatory)       | \$50 M       | \$50 M                   | \$50 M     | \$50 M      |

**Senate Advances Funding Bill: Substantial Cuts to CDBG; Funds Regional and Community Challenge Planning Grants**

On September 21, the Senate Appropriations Committee passed a bill to fund the U.S. Department of Housing and Urban Development in FY2012. Highlights in the bill include:

- Community Development Block Grant (CDBG):** The bill would provide \$2.85 billion for CDBG, a cut of nearly \$500 million or 15 percent from the current level of \$3.3 billion for FY2011. While overall funding for CDBG was cut, the bill did provide an additional \$400 million for CDBG disaster funding to assist communities impacted by major disasters in 2011 with long-term recovery. The funding, which would be provided directly to states and local governments who submit a plan for the funds, may be used by communities to address recovery needs including those related to infrastructure, housing and economic development. The House bill

provided \$3.5 billion for CDBG, \$100 million above the final FY2011 CR.

- Sustainable Communities Initiative (SCI):** The Senate bill would provide \$90 million within HUD's Community Development Fund to provide grants for integrated housing and transportation planning efforts on both the regional and local level. The resources provided include: \$63 million for Regional Integrated Planning grants and \$27 million for Community Challenge Planning grants. *The bill also includes a set-aside of \$15.75 million within the Regional Integrated Planning Grants funding for smaller communities (with a population of less than 200,000) to ensure that planning assistance will be provided to all types of communities.* The Administration requested \$150 million in FY2012, while the House bill eliminated the SCI program. The final FY2011 CR provided \$100 million for the SCI.
- HOME Investment Partnership Program:** The Senate bill would provide \$1 billion for

the HOME Investment Partnership program, which is \$200 million below the House version and \$607 million (or 38 percent) less than the FY2011 enacted level.

- **Choice Neighborhoods:** The bill would provide \$120 million for HUD's Choice Neighborhoods Initiative. This initiative will replace the HOPE VI program. Last year, \$65 million was included for Choice Neighborhoods while the Administration has requested \$250 million for FY2012.
- **Housing Counseling:** The bill would provide \$125 million for housing counseling efforts. This includes \$60 million for HUD's housing counseling activities, including Home Equity Conversion Mortgage (HECM) counseling and pre-purchase counseling. In addition, \$65 million is included to continue the National Foreclosure Mitigation Counseling program.

#### **Senate Moves FY2012 Labor-HHS-Education Spending Bill**

On September 21, the Senate Appropriations Committee approved a draft FY2012 Labor-HHS-Education spending bill that would provide nearly \$726 billion in total budget authority, including \$158 billion in discretionary funding. The bill's discretionary total is \$308 million less than the FY2011 level and eliminates 15 programs totaling \$263.4 million. The House has not yet moved a Labor-HHS-Education spending bill.

Although the Senate appropriations committee has not yet released legislative text, key highlights from the bill include:

- **Workforce Innovation Fund (WIF):** The Senate bill would provide \$100 million for the Department of Labor's Workforce Innovation Fund to help reform and improve the workforce investment system and the delivery of training programs to workers. Created in FY2011, WIF supports innovative, systemic and evidence-based

reforms and help determine which strategies are cost-effective and have the greatest impact.

- **Community Transformation Grants:** The Senate bill would provide \$280 million of the Prevention and Public Health Fund, an increase of \$135 million over the FY2011 level.
- **Head Start:** The Senate bill includes a \$340 million increase for Head Start, maintaining the recent expansion of 61,000 Head Start slots funded with American Reinvestment and Recovery Act funding in fiscal years 2009 and 2010.
- **Promise Neighborhoods:** The Senate bill would provide \$60 million, doubling the FY2011 level.
- **Low Income Home Energy Assistance Program:** The Senate bill includes \$3.6 billion for the Low Income Home Energy Assistance Program, down from \$4.7 billion in FY2011.
- **Community Services Block Grant:** The Senate bill includes \$678.6 million, level with FY2011 funding.

#### **Super Committee Holds Hearing on Revenue Options and the Tax Code**

On September 21, the Joint Deficit Reduction Committee members held a hearing to examine revenue options and the tax code.

Throughout the hearing, which lasted nearly four hours, the 12 lawmakers expressed almost undivided support for overhauling the tax code, although they have significantly different ideas over how to make those revisions. Most members expressed hope that a tax overhaul would stimulate the economy and promote job creation. Democrats on the panel are weighing tax changes as one of their primary options for coming up with their mandated \$1.2 trillion in savings over the next decade, while Republicans

have said that the committee could lay the groundwork for a tax overhaul in the mold of the deficit-neutral Tax Reform Act of 1986 (PL 99-614), which lowered tax rates and eliminated tax breaks.

### **Hearing Held on Proposed Move of Rural Housing Service to HUD**

On September 8, the Subcommittee on Insurance, Housing and Community Opportunity of the House Committee on Financial Services held a second hearing on a draft bill, the “FHA-Rural Regulatory Improvement Act of 2011.” The first hearing was held on May 25. The draft bill proposes to transfer all Rural Housing Service (RHS) programs from the U.S. Department of Agriculture to the U.S. Department of Housing and Urban Development. It also proposes revisions to the Federal Housing Administration’s (FHA) mortgage regulations, and recommends new fees for the Section 538 Guaranteed Rural Rental Housing program. The full text of the draft bill is available at [http://financialservices.house.gov/UploadedFiles/fha\\_rural.pdf](http://financialservices.house.gov/UploadedFiles/fha_rural.pdf). An archived webcast of the hearing is available at <http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=257901>.

## **FEDERAL NEWS AND NOTES**

### **RHS Announces Availability of \$13 million in Section 515 Rural Rental Housing Funds**

The U.S. Department of Agriculture’s Rural Housing Service (RHS) announced the availability of \$13 million in FY2011 Section 515 Rural Rental Housing prepayment prevention incentives. Three million dollars are available for rental assistance and \$10 million is available for equity loans. Additional information is available in the August 8 Unnumbered Letter (UL) available at <http://www.rurdev.usda.gov/SupportDocuments/ulaugust11.pdf>. Questions may be directed to Cynthia Johnson, Finance and Loan Analyst, Multi-Family Housing Preservation and Direct

Loan Division (MPDL) at 202.720.1940 or [cynthial.johnson@wdc.usda.gov](mailto:cynthial.johnson@wdc.usda.gov).

### **Jobs and Innovation Accelerator Challenge Winners Announced**

On September 22, the Obama Administration announced the winners of the Jobs and Innovation Accelerator Challenge. The competition, launched in May 2011, is a multi-agency initiative which includes the U.S. Department of Commerce’s Economic Development Administration (EDA), the U.S. Department of Labor’s Employment and Training Administration (ETA), the Small Business Administration (SBA), and 13 other agencies intended to “accelerate innovation-fueled job creation and economic prosperity through public-private partnerships.” Winners include 20 urban and rural regional industry clusters in 21 states across the country. The awards total \$37 million, and it is anticipated that the projects will create more than 4,800 jobs and 300 businesses. For more information on the Challenge, and for the list of winners, visit <http://www.eda.gov/InvestmentsGrants/jobсандinnovationchallenge>.

### **HUD Awards \$28 million in Rural Innovation Fund Grants**

Last month, the U.S. Department of Housing and Urban Development announced the recipients of \$28 million in Rural Innovation Fund grants to rural and tribal communities across the country. The Rural Innovation Fund, which promotes “an entrepreneurial approach to affordable housing and economic development in rural areas,” awarded 46 grants in three categories—comprehensive grants, single purpose grants, and economic development and entrepreneurship for federally-recognized tribes grants—in 19 states across the country. In total, the funded projects are anticipated to create 789 low-income housing units and 655 jobs and leverage \$18 million in other funds. For a full listing of grant recipients, visit <http://portal.hud.gov/hudportal/HUD?src=/pre>

[ss/press\\_releases\\_media\\_advisories/2011/HUDNo.11-173](http://www.nado.org/ss/press_releases_media_advisories/2011/HUDNo.11-173).

### **FEMA Releases New National Disaster Recovery Framework**

On September 22, the Department of Homeland Security's Federal Emergency Management Agency (FEMA) and other agency partners announced the release of the National Disaster Recovery Framework. The Framework was created to provide an overall process to enable unified and collaborative disaster recovery at the federal, state, and local levels. It defines core principles, roles and responsibilities of key government, private sector, volunteer, and faith-based players, and promotes coordination, communication and planning. More information on the National Disaster Recovery Framework is available at <http://www.fema.gov/recoveryframework/>.

## **NADO NEWS AND NOTES**

### **Mobilize Maine: Asset-Based Regional Economic Development**

The NADO Research Foundation has released a new report, [Mobilize Maine: Asset-Based Regional Economic Development](#). Led by the state's Economic Development Districts, *Mobilize Maine* is a proactive approach to revitalizing the state economy by drawing on regional assets. This report highlights the efforts of the Northern Maine Development Commission and the Eastern Maine Development Corporation to collaborate with public- and private-sector stakeholders to leverage and align their resources to shape regional economic development. This report was produced in partnership with the EDA [Know Your Region](#) project. [View the report here](#) (PDF).

### **NADO Welcomes New Executive Director at Waccamaw Regional COG**

Join us in welcoming Sarah Penick Smith, the new Executive Director of Waccamaw Regional Council of Governments (Georgetown, SC). Ms. Smith is replacing David Essex who has served the COG for more than 30 years. For more information, visit [www.wrcog.org](http://www.wrcog.org).

## NADO CALENDAR OF EVENTS

### 2011 Annual Training Conference

**October 8 – 11, 2011**

Loews Hotel Miami Beach • Miami Beach, Florida

### 2012 NADO Washington Policy Conference

**March 19 – 21, 2012**

Marriott Crystal Gateway • Arlington, Virginia

### Economic Development Finance Service Annual Conference

**April 24 – 26, 2012**

Hilton Burlington Hotel • Burlington, Vermont

### National Rural Transportation Peer Learning Conference

**April 25 – 27, 2012**

Hilton Burlington Hotel • Burlington, Vermont

### NADO 2012 Annual Training Conference

**October 13 – 16, 2012**

The Mirage • Las Vegas, Nevada

To subscribe to *NADO News*, go to

<https://connect.comptulity.com/form/index.php?id=1570eab7779f006a0624c936353f7bb8>