CRS Issue Brief for Congress

Received through the CRS Web

Community Development Block Grants: Funding and Other Issues in the 106th Congress

Updated September 20, 2000

Eugene Boyd Government and Finance Division

CONTENTS

SUMMARY

MOST RECENT DEVELOPMENTS

BACKGROUND AND ANALYSIS
Community Development Block Grant Appropriations for FY2001 Funding for Capacity Building Initiatives
Related Programs and Proposals
Regional Connections
America's Private Investment Companies (APICs)
Brownfield Redevelopment
Empowerment Zones and Enterprise Communities (EZs/ECs)
H.R. 1776: Reauthorizing and Amending the CDBG Program
Proposed Revision in the Income Targeting of CDBG Funds
Limiting the Use of Set-asides under the CDBG Program
Optional Entitlement Communities (OECs
Community Development Appropriations for FY2000

LEGISLATION

CONGRESSIONAL HEARINGS, REPORTS, AND DOCUMENTS

CHRONOLOGY

FOR ADDITIONAL READING

Community Development Block Grants: Funding and Other Issues in the 106th Congress

SUMMARY

On September 13, 2000, the Senate Appropriations Committee reported its version of H.R. 4635, a bill making appropriations for the Departments of Veteran Affairs, Housing and Urban Development, and Independent Agencies for FY2001. On June 21, 2000, the House of Representatives passed its version of H.R. 4635. The House bill includes \$4.505 billion in funding for Community Development Block Grants, the federal government's largest source of financial assistance to state and local governments for housing, commercial and industrial development and neighborhood revitalization efforts. The Senate Appropriations Committee recommends a \$4.8 billion funding level.

As passed by the House, the bill provides \$295 million less than the \$4.8 billion appropriated in FY2000, and recommended by the Senate Appropriations Committee. The proposed reduction in funding could affect several Administration initiatives and the Economic Development Assistance Program. Under the House version of H.R. 4635, Economic Development Initiative (EDI) grants would be funded at a total of \$10 million for FY2001. This is 96% less than the amount set aside for such grants in FY2000. The Senate version of H.R. 4635 includes \$130 million in funding for the EDI projects with \$123 million earmarked for specific projects identified in report (S.Rept. 106-410) accompanying the bill. Projects identified in the conference report accompanying the VA, HUD, Independent Agencies Appropriations Act for FY2000, accounted for \$275 million in earmarked EDI projects.

In addition, neither the House or Senate versions of H.R. 4635 includes funding for the Administration's Regional Connections proposal, Mississippi Delta Initiative, and Community Empowerment Fund.

On April 6, 2000, the House of Representatives passed H.R. 1776 by a vote of 417-8 (Roll Call Vote No. 110). The bill would reauthorize the CDBG program through FY2005, and would limit set-asides under the program to projects authorized under Sec. 107 and Sec. 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5301).

H.R. 1776 also includes a provision intended to encourage homeownership among municipal workers. For the purpose of promoting home ownership among teachers and uniformed municipal employees (including policemen, firemen, and sanitation and other maintenance workers) the bill would allow local governments to increase to 115 % (150% in high housing costs areas) the income ceiling governing the definition of low- and moderateincome families and persons. Presently lowand moderate-income households are defined as having incomes that do not exceed 80% of the median income of the jurisdiction. The bill would amend the list of eligible activities to include mortgage lending and other activities in support of home ownership.

In the coming months Congress will address a number of community development issues, including reauthorization of the CDBG and revision of the CDBG program definitions of entitlement communities and low- and moderate-income households. Congress also will consider legislation appropriating funds for the program for FY2001, including funding for a number of new initiatives proposed by the Clinton Administration.



MOST RECENT DEVELOPMENTS

On September 13, 2000, the Senate Appropriations Committee reported its version of H.R. 4635, the Departments of Veteran Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act for FY2001. The Senate Appropriations Committee bill recommends \$4.8 billion in funding for the Community Development Block Grant (CDBG) program. On June 12, 2000, the House of Representatives passed H.R. 4635, The House bill includes \$4.5 billion in Community Development Block Grant (CDBG) assistance. This is \$295 million less than appropriated for FY2000 and could mean significant reduction in the funding of CDBG-related set-asides, including Economic Development Initiative grants. On April 6, 2000, the House approved H.R. 1776, The American Homeownership and Economic Opportunity Act of 2000. The bill would reauthorize the Community Development Block Grant for fiscal years 2001 through 2005. In addition, the bill includes provisions that would limit the use of CDBG funds for setasides. Senate action is expected after the August recess.

BACKGROUND AND ANALYSIS

The CDBG program is the largest source of federal financial assistance in support of housing, neighborhood revitalization, and community and economic development efforts of state and local governments. The Administration's CDBG budget request of \$4.9 billion for FY2001 would provide \$250 million more to entitlement communities and states under the formula component of the program than the \$4.236 allocated to entitlement communities and states for FY2000. This proposed increase would be achieved by increasing overall CDBG spending by \$119 million and reducing total CDBG set asides by \$131 million.

Community Development Block Grant Appropriations for FY2001

The Clinton Administration's FY2001 budget proposal for the Community Development Block Grants (CDBG) totals \$4.9 billion, including \$414 million for program set-asides. This is \$100 million more than originally appropriated for FY2000, and \$119 million more after subtracting the mandatory 0.38% cut in discretionary spending as required by, the Consolidated Appropriations Act of 2000, P.L. 106-113.

The Administration is proposing several new initiatives under the CDBG program, the two most notable being \$22 million for a community and economic development initiative in the Mississippi Delta, and \$20 million for a technical assistance and capacity building program for faith-based organizations involved in community and economic development efforts. The Administration's budget also includes increased funding for the Youthbuild program and for capacity building grants to community development corporations and nonprofit housing organizations.

The Administration is requesting \$31.5 million for capacity building, which is an increase of \$7.75 million above the program's FY2000 funding, and \$75 million for Youthbuild activities, which is a \$32.5 million increase. The Youthbuild program, which funds training and apprenticeship programs in construction trades for young adults involved in low income

housing construction and rehabilitation projects, is the second largest set-aside under the CDBG program.

These and other CDBG-based initiatives would be offset by eliminating or reducing funding for a number of other CDBG set-asides, including:

- ! Supportive Services Grants (\$55 million in FY2000);
- ! Neighborhood Initiative Grants (\$30 million for FY2000); and
- ! Economic Development Initiative Grants (\$275 million in FY2000 earmarks).

The largest CDBG set-aside is the Economic Development Initiative (EDI) program. These funds are used in conjunction with Section 108 loan guarantees to fund economic development projects. EDI (Sec. 108(q)) grants have been used in the past by Members of Congress to fund specific projects. In FY2000, Members of Congress earmarked 87% of these grants for specific projects. For FY1999, Congress earmarked 82% (\$185 million) of the \$225 million in EDI appropriations for specific projects identified in the conference report accompanying the FY1999 VA, HUD, and Independent Agencies Appropriations Act.

The Administration and entitlement communities and states have objected to EDI earmarks on the grounds that they are noncompetitive. They have argued that large EDI earmarks reduce the amount of funds available under the core CDBG program for distribution to entitlement communities and states. For FY2000, approximately \$240 million of the \$275 million in EDI assistance is earmarked for specific projects identified in the conference report accompanying the VA-HUD-Independent Agencies Appropriations Act.

		FY2001 Appropriations Request		
Program	FY2000 Actual	Admin.	House	Senate
CDBG Total	\$4,800.0	\$4,900.0	\$4,505.0	\$4,800.0
Entitlement	2,965.2	3,140.2	2,949.8	3,087.9
States	1,270.8	1,345.8	1,264.2	1,323.4
Total Set-asides	545.0	414.0	291.0	388.7
Indian Tribes	67.0	69.0	67.0	67.0
Native Amer. Econ. Dev. Access Center		[2.0]	0.0	0.0
Tribal Colleges and Universities		[5.0]	0.0	3.0
National Amer. Indian Housing Council	2.2	2.2	3.0	2.2
Housing Assistance Counsel	3.0	3.0	3.0	3.0

 Table 1. CDBG Funding: FY2000 Actual and FY2001 Proposed

		FY2001 Appropriations Request			
Program	FY2000 Actual	Admin.	House	Senate	
Sec. 107	41.5	68.5	39.5	41.5	
New Market University Partnership	_	[5.0]	0.0	0.0	
Institutions serving Native Alaskans and Hawaiians	[2.0]	[2.0]	0.0	[3.0]	
Self-help Housing Opportunity Program	24.0	17.5	20.0	0.0	
Mississippi Delta Region Initiative		22.0	0.0	0.0	
Capacity Building for Com. Dev. and Affordable Housing	23.75	31.5ª	23.75	25.0ª	
National Comm. Dev. Initiative	[20.0]	[24.0]	[20.0]	[20.0]	
Rural and tribal areas	[4.0]	[4.0]	[4.0]	[5.0]	
Habitat for Humanities Cap. Building	[3.75]	[7.5]	[3.75]		
Supportive Services	55.0		55.0	55.0	
Neighborhood Initiative	30.0		10.0	0.0	
Earmarked projects	[23.0]		0.0	0.0	
Youthbuild	42.5	75.0	45.0	60.0	
Youthbuild USA for capacity- building	[2.5]	[3.75]	[3.75]	[4.0]	
Youthbuild for underserved and rural areas	_	_	_	[10.0]	
Econ. Dev. Initiative (EDI) Sec. 108(q))	275.0	100.0	10.0	130.0	
EDI earmarks	[240.0]		0.0	[123.0]	
Faith and community-based non- profits capacity-building and technical assistance		20.0	0.0	0.0	
Other	9.75	9.5	15.0	2.0	
Total	\$4,871.0	\$4,900.0	\$4,505.0	\$4,800.0	

 Table 1. CDBG Funding: FY2000 Actual and FY2001 Proposed

		FY2001 Appropriations Request		
Program	FY2000 Actual	Admin.	House	Senate
Sec. 108 Loan Guarantee Subsidy	29.0	28.0	28.0	29.0

Table 1. CDBG Funding: FY2000 Actual and FY2001 Proposed

^a Includes funding for LISC and Enterprise Foundation for activities that supports capacity-building and technical assistance to community development corporations and community housing development organizations.

Note: Totals may not add due to rounding. Brackets indicate amount subsumed under line immediately above.

Funding for Capacity Building Initiatives. For FY2000, Congress set aside \$25 million in CDBG funds for capacity building activities intended to help nonprofit organizations obtain the training necessary to effectively:

- ! compete for grants;
- ! administer federal assistance programs; and
- ! implement neighborhood improvement programs.

Capacity building and technical assistance increasingly have become a focus of the Department of Housing and Urban Development in its efforts to develop partnerships with, and provide nonprofit entities including community development corporations, housing developers, and faith-based institution with greater access to HUD programs. For FY2001, the Administration is requesting a 120% increase in funding for capacity building under the CDBG program. This includes \$20 million to finance a new program in support of faith-based institutions and \$7.75 million increase in funding for capacity building assistance targeted to community development corporations and nonprofit housing entities. Three national intermediaries -- Local Initiative Support Corporation (LISC) at [www.liscnet.org], the Enterprise Foundation at [www.enterprisefoundation.org], and Habitat for Humanity International at [www.habitat.org] -- have annual set asides to carry out capacity building activities.

The House-passed version of H.R. 4635, the VA, HUD, Independent Agencies Appropriations Act for FY2001, includes \$27.5 million in direct CDBG assistance for capacity building and technical assistance activities (See Table 2). This is \$2.25 million more than appropriated for FY2000. The Senate Appropriations Committee recommends slightly higher funding of \$29 million.

Table 2. CDBG Set-asides and Earmarked Funding for Capacity Building Activities

	EX/2000	F	Y2001 Propos	ed	EX70001
Program	FY2000 Actual	Admin.	House	Senate	FY2001 Confer.
Capacity Building for Com. Dev. and Affordable Housing	23.75	31.5	23.75	25.0	

(in millions of dollars)

(III IIIIIIOIIS OF dollars)					
	FX70000	F			
Program	FY2000 Actual	Admin.	House	Senate	FY2001 Confer.
National Comm. Dev. Initiative	[20.0]	[24.0]	[20.0]	[20.0]	
Rural and tribal areas	[4.0]	[4.0]	[4.0]	[4.0]	
Habitat for Humanities Cap. Building	[3.75]	[7.5]	[3.75]		
Youthbuild USA Capacity Building	2.5	3.75	3.75	4.0	
Cap. Building and Tech. Assist. for Faith-based Nonprofits		20.0	0.0	0.0	
Total	\$25.25	\$55.25	\$27.5	\$29.0	

 Table 2. CDBG Set-asides and Earmarked Funding for Capacity Building

 Activities

 (in millions of dollars)

Note: Totals may not add due to rounding. Brackets indicate amount subsumed under line immediately above

Related Programs and Proposals

Regional Connections. The Administration's FY2001 budget includes \$25 million in support of smart growth initiatives intended to mitigate the impacts of suburban sprawl and promote regional strategies for land use development. The grant program, which is a part of the Administration's "livability agenda," would be administered by states or regional organizations such as Councils of Government (COGs) or Metropolitan Planning Organizations (MPOs). According to the Administration, the program's core purpose would be to promote and coordinate regional solutions to infrastructure development, transportation planning, and workforce development. The Administration's FY2000 budget proposal included \$50 million for a Regional Connections Program, which failed to win congressional support. Neither the House nor Senate versions of H.R. 4635, the VA, HUD, Independent Agencies Act for FY2001, includes funding for the Regional Connections Program

America's Private Investment Companies (APICs). The program would be administered by the HUD and Small Business Administration (SBA). Modeled after SBA's Small Business Investment Companies (SBIC) program, the APIC program is intended to encourage equity investment in large scale development projects in economically distressed urban and rural communities. The program is expected to leverage \$278 million in private equity investments. The Administration's FY2001 budget request includes \$37 million in tax credits, which are expected to leverage \$1 billion in private investment. For FY2000 the Congress appropriated \$20 million in credit subsidies to support \$556 million in loan guarantees.

The VA-HUD-Independent Agencies Appropriations Act for FY2000, P.L. 106-74, includes \$20 million for APICs, pending enactment of authorizing legislation by June 30, 2000. If legislation is not enacted, funds would be transferred to the Community Development Financial Institutions program at the Department of Treasury.

Legislators made some progress in meeting the June 30, 2000 deadline for enactment of APIC authorizing legislation. On April 13, 2000, the House Banking and Financial Services Committee reported H.R. 2764, America's Private Investment Companies Act. The bill, which was introduced on September 9, 1999, was discharged from the House Subcommittee on Housing and Community Opportunity on April 12, 2000. It was considered, marked up, and reported out of full committee the next day. During the committee's consideration of the bill, an amendment was added that would limit program authorization to 5 years. During this 5-year period, HUD would license 15 new for-profit APICs annually. After several weeks of negotiations between the Adminstration and the Speaker of the House, the House considered and passed H.R. 4923, the Community Renewal and New Markets Act of 2000. A similar measure, S. 2779, was introduced in the Senate on June 22, 2000. Both bills would authorize the creation of APICs.

The House version of H.R. 4635 – the VA, HUD, Independent Agencies Appropriations bill for FY2001 – does not include funding for the APIC program. H.Rept. 106-674 accompanying H.R. 4635 noted the absence of legislation authorizing the creation of APICs as the reason for not funding the APIC program. The Senate Appropriations Committee version of H.R. 4635 does not include funding for APICs. For additional information on APICs and community renewal and new markets legislation see CRS Report RL30597, *Renewal Communities and New Markets Initiatives (H.R. 4923, S. 2779, S. 2936.*, by Bruce K. Mulock,

Brownfield Redevelopment. Brownfields are contaminated industrial and commercial facilities. Developers of designated brownfield sites may receive federal funds, including Environmental Protection Agency funds, to remove or mitigate the effects of the environmental contaminants. Other funds, including brownfield funds administered by HUD, may be used to assist in redeveloping the site or facility for new commercial or industrial uses.

HUD is requesting \$50 million in funding for brownfield redevelopment projects. This is \$25 million more than appropriated in FY2000. HUD funds would be used to finance job creation activities that benefit low and moderate income persons. Administration estimates place the number of eligible brownfield sites at 450,000 nationwide. HUD funds are used in conjunction with Section 108 loan guarantees, and are expected to leverage \$200 million in Section 108 commitments, which could support the creation of 20,000 to 25,000 jobs, according to administration estimates.

The House-passed version of H.R. 4635, the VA, HUD, Independent Agencies Appropriations Act for FY2001, includes \$20 million in funding for brownfield redevelopment projects. Such projects would fund EDI grants and could leverage additional funds through the use of Sec. 108 loan guarantees. The Senate Appropriations Committee approved bill includes \$25 million for brownfield redevelopment. For additional information on EPA's funding of brownfield redevelopment, see CRS Report 97-731, *Superfund and the Brownfields Issue*, by Mark Reisch.

Empowerment Zones and Enterprise Communities (EZs/ECs). The EZ/EC program provides targeted tax incentives and grants to selected urban and rural cities and counties. Federal assistance is used to encourage private sector economic activity in economically distressed urban neighborhoods and rural areas leading to job opportunities for residents of the area, particularly low- and moderate-income residents. In 1994, HUD and U.S. Department of Agriculture (USDA) created 104 EZs/ECS in urban and rural areas. In 1999, a second group (Round II) of communities (15 urban/5 rural) received the EZ designation. For FY2000, Congress appropriated \$55 million for the 20 EZs designated in 1999. The Administration is requesting an additional \$55 million in FY2001 for these Round II EZs. Neither the House nor Senate version of H.R. 4635, the VA, HUD, Independent Agencies Act for FY2001, includes funding for EZ/ECs. For additional discussion of EZ/EC proposals during the 106th Congress, see CRS Report 97-257, *Empowerment Zones/Enterprise Communities Program: Implementation and Developments*, by Bruce K. Mulock.

	EX /0000	Proposed Appropriations			
Program	FY2000 Approp.	Adm.	House	Senate	Conference
Regional Connections		25.0	0.0	0.0	
Empowerment Zones	55.0	55.0	0.0	0.0	
Brownfield Redevelopment	25.0	50.0	20.0	25.0	
America's Private Investment Companies	20.0	37.0	0.0	0.0	
Total	\$100.0	\$167.0	20.0	25.0	

Table 3. CDBG-Related Programs (in millions of dollars)

H.R. 1776: Reauthorizing and Amending the CDBG Program

On April 12, 2000, the House passed H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000. The bill includes CDBG-related provisions that would:

- ! authorize the program for 5 years, from FY2001 through FY2005;
- ! modify the income targeting requirements of the program; and
- ! limit the number of the CDBG-linked set-asides.

Proposed Revision in the Income Targeting of CDBG Funds. The CDBG program requires that 70% of the allocation awarded to each entitlement community or state be used to fund activities that benefit low-and moderate-income persons.¹² The bill includes a provision intended to encourage home ownership among municipal workers. For the purpose of

¹ Low- and moderate-income families and individual are those whose income does not exceed 80% of the median income of the area involved. 42 U.S.C. 5302(a)(20)(A).

 $^{^{2}}$ Low- and moderate-income families and individual are those whose income does not exceed 80% of the median income of the area involved. 42 U.S.C. 5302(a)(20)(A).

promoting home ownership among teachers and uniformed municipal employees (including policemen, firemen, and sanitation and other maintenance workers), the bill would allow local governments to increase to 115% (150% in high housing costs areas) the income ceiling governing the definition of low- and moderate-income families and persons. The bill would amend the list of eligible activities to include:

- ! mortgage downpayments;
- ! reasonable closing costs normally associated with the purchase of a residence;
- ! pre- or post-purchase counseling on the financial and other obligations of home ownership; ormortgage interest rates subsidy.

Supporters of the amendment argue that a home ownership program for first time homebuyers, would encourage eligible municipal employees to consider residing within the jurisdiction where they are employed. This incentive is a means of combating the flight of civic leadership and middle-class tax dollars to adjacent jurisdictions. Opponents of the provision argue that it reduces the funds available for the truly needy. In addition, the program, which would be limited to uniformed municipal employees and teachers, would result in unequal treatment of other non-uniformed municipal employees.

Limiting the Use of Set-asides under the CDBG Program. The bill, H.R. 1776, would prohibit the use of set-asides, except for Indian tribes, and special purpose grants authorized under 42 U.S.C. 5307. These include grants:

- ! To Guam, Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands;to historically black colleges and universities;
- ! to community development work study program;
- ! to colleges and universities in partnership with states and local governments;
- ! for community adjustment and economic diversification activities stemming from military base closures; and for technical assistance to state and local governments.

The bill would allocate the remaining funds by formula to states and entitlement communities. It would also require that any amendment or appropriation language that would violate the provision limiting the use of set-asides must specifically:

! refer to subsection 408(b) of the Housing and Economic Opportunity Act of 2000, H.R. 1776, currently under consideration in the House; and state that the amendment or appropriation provision modifies or supersedes subsection 408(b).

The bill would exclude Sec. 108 financed projects from the requirements of Sec. 4078(b). (See Table 4)

		FY2001 Proposed			
	FY2000 Actual	Adm.	House	Sen.	
Total Set-asides	545.0	414.0	291.0	387.9	
Indian Tribes	67.0	69.0	67.0	67.0	
Sec. 107	41.5	68.5	39.5	41.5	
Subtotal	108.5	137.5	106.5	108.5	
Set-asides that would be in non	compliance with S	ubsection 408(b) of H.R. 17	76	
Self-Help Housing Opportunity Program	20.0	17.5	20.0	0.0	
Mississippi Delta Region Initiative		22.0	0.0	0.0	
Capacity Building for Com. Dev. and Affordable Housing	23.7	31.5ª	23.4	25.0	
Supportive Services	55.0		55.0	55.0	
Neighborhood Initiative	30.0		10.0	0.0	
Youthbuild	42.5	75.0	45.0	60.0	
Faith-based non-profits capacity- building and technical assistance ¹	_	20.0	0.0	0.0	
Other	9.7	9.5	21.0	9.4	
Subtotal	161.5	176.5	174.4	149.4	
Set-asides not sub	ject to subsection 4	408(b) prohibiti	on		
Econ. Dev. Initiative (EDI) Sec. 108(q))	35.0	100.0	10.0	7.0	
EDI earmarks (sec108 q) ^a	240.0		0.0	123.0	

Table 4. CDBG Set-Asides (in millions of dollars)

^a Does not include \$20 million for brownfield redevelopment activities.

Subsection 408(b) would not cover CDBG set-asides under Section 108, the provision governing loan guarantees and Economic Development Initiative grants. As presently structured, the provision would allow Members to request earmarks under subsection 108(q) of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5308(q). In FY2000, EDIs comprised 50.4% of total CDBG set-asides, specific EDI earmarks actually accounted for 44% of total CDBG set-asides. The remaining 6.4% of funds were allocated for competitively awarded EDI funds (See Chart 1). Proponents of set-asides contend that such projects serve as demonstration and models that test the applicability of certain activities and approaches. Critics of set-asides argue that:

- ! they siphon funds from the core program CDBG's formula-based block grants:
- ! they are narrowly focused categorical programs hidden within a block grant; and they are awarded noncompetitively to specific projects.



Optional Entitlement Communities (OECs)

Late in the first session of the 106th Congress, HUD unveiled a proposal that would create a new category of entitlement community eligible for a direct formula-based allocation of funds. The new category, called optional entitlement communities (OECs), would include:

- ! cities with population of 25,000 to 49,999; and
- ! counties with populations between 100,000 and 200,000.

Communities meeting these thresholds – 263 cities and 159 counties according 1998 Census estimates – would receive formula-based allocations directly from HUD. Funding for an OEC in a state would result in a corresponding reduction in that state's CDBG allocation. States that have no OECs would experience no change in their formula allocation. OECs in each state would receive a formula allocation equal to the OEC's share of the state's formula allocation. For example, if an OEC's formula factors account for 5% of a state's formula allocation, the OEC would receive a direct allocation of 5% of the state's nonentitlement allocation. The state's nonentitlement allocation would be reduced by a corresponding amount.

Supporters contend that the proposal would provide a predictable stream of funds, increase local control over the distribution of funds, and improve the long-range community planning function. Detractors counter that the proposal would reduce the amount of funds available to smaller and poorer communities whose populations do not meet the OEC thresholds, reduce the role of the state in community planning, and further fragment HUD's

delivery of services. In addition, critics contend that the OECs would further strain HUD's ability to manage and oversee the entitlement communities program.

Community Development Appropriations for FY2000

On October 20, 1999, the President signed the VA-HUD-Independent Agencies Appropriations Act for FY2000 into law as P.L. 106-74. The act included \$4.8 million in funding for CDBG activities. On December 23, 1999, the President signed the Consolidated Appropriations Act for FY2000, P.L. 106-113. This act included a mandatory 0.38% across-the-board cut in discretionary spending, as a result the CDBG appropriation was \$4.781 billion. Approximately 11.4% of total CDBG funds are allocated to set-asides. Of the \$545 million allocated for set-asides in FY2000, nearly 45% (\$240 million) is allocated to Section 108(q) EDI earmarks. These are for specific projects identified in the conference report (H.Rept. 106-379), which must be funded under the Section 108(q) provision.

LEGISLATION

H.R. 1776 (Lazio)

American Homeownership and Economic Opportunity Act of 2000. A bill to expand home ownership in the United States and for other purposes. Passed House April 6, 2000 (Roll Call Vote 110: Yea and Nays: 417-8).

H.R. 2764 (LaFalce)

A bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes. House Committee on Banking and Financial Services ordered the bill to be reported (amended) April 13, 2000.

H.R. 4635 (Walsh)

A bill to provide appropriations for activities of the Departments of Veteran Affairs, Housing and Urban Development, and Independent Agencies for FY2001. House Committee on Appropriations reported an original measure, H.R. 4635 (H.Rept. 106-67) June 12, 2000.

CONGRESSIONAL HEARINGS, REPORTS, AND DOCUMENTS

- U.S. Congress. House. Committee on Appropriations. H.Rept. 106-674 to accompany H.R. 4635, Departments of Veteran Affairs, Housing and Urban Development Appropriations Act for FY2001. June 12, 2000.
- U.S. Congress. House. Committee on Banking and Financial Services, H.Rept. 106-553 to accompany H.R. 1776, American Homeownership and Economic Opportunity Act of 2000. April 5, 2000.
- —— H.Rept 106-638 to accompany H.R. 2764, America's Private Investment Companies Act of 2000. May 23, 2000.

CHRONOLOGY

- **09/13/2000** H.R. 4635 reported by the Senate Appropriations Committee (S.Rept. 106-410)
- 06/21/2000 H.R. 4635 passed by the House. Measure agreed to by recorded vote: 256-169 (Roll Call Vote 309).
- **06/12/2000** House Committee on Appropriations reported an original measure, H.R. 4635 (H.Rept. 106-674).
- **05/23/2000** H.R. 2764 reported (amended) by Committee on Banking and Financial Services (H.Rept. 106-638).
- 04/13/2000 H.R. 2764 ordered reported (amended) by the Yeas and Nays: 33-14.
- 04/06/2000 H.R. 1776 passed by House. House agreed to by recorded vote: 417-8 (Roll Call Vote 110).
- **03/29/2000** H.R. 1776 reported (amended) by Committee on Banking and Financial Services (H.Rept. 106-553). Ordered reported by voice vote.
- **08/05/1999** H.R. 2764 introduced and referred to House Committee on Banking and Financial Services.
- **05/12/1999** H.R. 1776 introduced and referred to House Committee on Banking and Financial Services.

FOR ADDITIONAL READING

- CRS Report 96-503 GOV. Community Development Block Grants: An Overview, by Eugene Boyd.
- CRS Report RS20381. Empowerment Zone/Enterprise Communities Program: Information on Round II & III, by Bruce K. Mulock.
- CRS Report RL30504. *Appropriations for FY2001: VA, HUD, and Independent Agencies,* coordinated by Dennis W. Snook and E. Richard Bourdon.
- CRS Report RS20597. *Renewal Communities and New Markets Initiative*, by Bruce K. Mulock.

CRS Report 97-731. Superfund and the Brownfields Issue, by Mark Reisch.