National Community Development Association
Minutes of the January 27, 2000 Housing Committee Meeting
Washington, D.C.

Committee Co-Chair: Paul Hilgers, Austin, TX
Committee Co-Chair: Barbara Richardson, Rockford, IL

The meeting was called to order at 1:30 p.m.

I. HUD Briefing – HUD staff provided an update to the committee on the HOME program and HUD's homeless assistance programs.

Mimi Kolesar, Director of the Office of Affordable Housing Programs, provided the committee with the latest data on the HOME program. To date, 55% of HOME funds have been committed to rental housing, the single largest expenditure of program funds. Targeting in the program remains good with about 61% of the funds spent on rental housing and tenant assistance going to families below 30% of median income and almost 90% going to families below 50% of median income. Approximately 70% of new homebuyers assisted through the HOME program have income levels at or below 50% of median income. Mimi spoke to the committee regarding HOME commitment and expenditure levels and urged members to commit and expend their HOME funds in a timely manner. As of September 30, 1999, 48% of FY 1998 HOME funds have been committed and only 12% of FY 1999 HOME funds. Mimi encouraged members to consider moving funds from slow performers to good performers.

Mimi also informed the committee on HUD's emphasis this year in the areas of rental production and monitoring. HUD just re-issued its guide on using HOME for rental housing to reflect current rules and policies.

HUD will develop the following HOME TA and training products this year: (1) a self-monitoring guide for grantees to use in evaluating their HOME programs; (2) a report on employer-assisted housing using HOME funds; (3) a construction management course, which will focus on the basics of spending Federal dollars for rehabilitation and construction; and (4) a property and asset management course for state and local officials.

Mimi also reminded members to respond to the IDIS clean-up effort. So far, about 60% of Pjs have responded to HUD. HUD's Technical Assistance Unit is available at 1-800-273-2573 to assist Pjs in this effort.

John Garrity, Director of the Office of Special Needs Assistance Programs, provided the committee with an update of HUD's homeless assistance programs. HUD announced its FY 1999 Continuum of Care awards in late December. A total of 3,000 applications were received and 1,875 were funded by HUD. This translated into $1.3 billion in requests and a total of $750 million in funds awarded through the FY 1999 process. John informed the committee that the FY 2000 Continuum of Care NOFA will be released within the next month. The NOFA will contain legislative provisions from the FY 2000 HUD appropriations bill that requires HUD to use 30% of its homeless assistance funding to fund projects that provide permanent housing solutions to the homeless, and a requirement that applicants provide a 25% match for supportive services activities. HUD is aiming for an October awards announcement for the FY 2000 Continuum of

Care awards.

John also informed the committee that HUD is recommending to Congress that the Shelter Plus Care renewals be funded into the Section 8 line item in order to free up funding for new homeless projects in the ongoing Continuum of Care application process. In addition, HUD is recommending to Congress that the Shelter Plus Care renewals have flexible contract terms, instead of a static 5-year term.

II. National Housing Trust Fund

Jonathan Miller, professional staff person to Senator John Kerry (D-MA), provided the committee with an overview of Kerry's proposed National Housing Trust Fund proposal. Kerry is proposing the creation of a National Housing Trust Fund to produce more affordable rental housing across the country. The Fund would be paid for with approximately $2 billion in annual earnings from FHA and Ginnie Mae. Key tenets of the Fund are (1) long-term affordability of the rental housing that is produced through the Fund; (2) the development of mixed-income housing; and (3) leveraging of State, local and private resources. Senator Kerry intends to introduce legislation this year to create the Fund. Senator Kerry and his staff are still in the process of fully developing the Fund and welcome any comments from committee members on the Fund's design.

III. Lead-Based Paint Roundtable Discussion

The committee spent much of the remainder of the meeting discussing HUD's Lead-Based Paint final rule. The primary issues that surfaced included: (1) The rule will add to the cost of a rehab project, therefore, many localities will end up doing less projects; (2) There are not enough trained lead-based paint inspectors, abaters and testers available to assist communities. In addition, there are not enough certified laboratories to test the paint; (3) It will be labor intensive and time consuming to undertake inspections of properties; (4) How will this rule affect down payment assistance programs?; (5) Will it be difficult for certified inspectors to get liability insurance?; (6) HUD needs to open the registration process to everyone and not make it dependent upon the Priority Enrollment Form; and (7) HUD's Lead Hazard Control Grant Program needs to be formula-allocated, instead of competitive, and funding for the program needs to be increased.

NCDA will work with HUD and Congress in the coming year to work on these issues.

IV. Housing Committee Legislative Priorities

Vicki Watson will send a short survey to committee members to garner feedback on the committee's housing priorities in the coming year. The survey will be mailed to the committee before the end of February.

V. McKinney Reauthorization Subcommittee

The following committee members agreed to serve on a McKinney Reauthorization Subcommittee to assist Vicki in providing feedback on any upcoming McKinney Reauthorization legislation during this congressional session: Barbara Richardson, Rockford, IL; Johnny Beatty, Beaumont, TX; Bob Gehret, Boston, MA; Karen Bradford, Dallas, TX; and Vicki Covey, Amarillo, TX.

Prior to the close of the meeting, the committee approved the minutes of the June 3, 1999 Housing Committee meeting by voice vote.

There being no further business, the meeting adjourned at 3:15 p.m.