

NNA, NCLT, Shared Equity Coalition Meeting Notes with HUD Staff 11/09/09

Participants

HUD: Mark Linton, Director of Faith-based and Neighborhood Partnerships, Yolanda Chavez, Deputy Assistant Secretary for Grant Programs, Ana Marie Argilagos, Deputy Chief of Staff to the Secretary

NNA: Dave Brown, Executive Director, NNA, Eddie Latimer, President, NNA and CEO, Affordable Housing Resources, Nashville, TN, Seila Mosquera-Bruno, NeighborWorks New Horizons, New Haven, CT

NCLT: Roger Lewis, Executive Director, NCLT, Connie Chavez, NCLT – President NCLT, Sawmill Community Land Trust, Albuquerque, NM

Shared Equity Coalition: Jim Gray, NCB Capital – Shared Equity Coalition, Washington, DC, Arthur Sullivan, ARCH – Shared Equity Coalition, Bellevue, WA

Specific issues discussed

1. Unified Practitioner-Based Advocacy Group

In the meeting there are groups from NNA and NCLT, but the group is working on developing a broad consortium of housing and community development practitioners. HUD is interested in working with this consortium of practitioners. This consortium is committed to providing HUD and the Administration and Capitol Hill with access to and information from practitioners. The group can provide feedback to policy and communicate issue and opportunities.

FOLLOW UP: Dave/Eddie to follow up with Ana Marie for further discussion.

2. Technical Assistance Funding

TA funding for NSP is available – HUD has been working on the TA funding delivery. It would help if the admin fee for these funds could be used by the non-profits to support their operations and to support shared equity stewardship. The Network is developing a national TA program for CLTs and would like to work with HUD access TA CHDO funding for CLTs. NCB Capital is a designated NSP II TA provider for shared equity. HUD did mention that they are moving towards project-specific TA, rather than general TA (for all programs).

3. NSP funding

HUD is working with PJs to move this funding as quickly as possible. The program income issue requires that the funds are returned to the PJ before they are recycled. Use of the funds has been challenging. NWOs will be meeting at the December NTI to discuss their experience. There is a shared equity training at the NTI to help HUD staff to better understand the shared equity model. The Shared Equity Coalition and CLT Network are hosting webinars in December to help groups better understand how this is working and for practitioners to share their experience. HUD was invited to participate/attend these sessions.

FOLLOW UP:

- Dave to work with Yolanda on getting a HUD staff person to attend the meeting at the NTI.
- Follow up on the shared equity and CLT webinars scheduled for early/mid December.

4. HOME

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There will be new HOME rules issued. We asked Yolanda to notify HUD offices that the CLT and other Shared Equity programs are eligible for HUD funding. Some HUD offices have questioned CLT eligibility for block grant funding.

FOLLOW UP:

- Yolanda will send a notice to HUD offices informing them that Shared Equity (CLT, deed and coop programs are eligible for HUD funding) is allowed with NSP, HOME and CDBG funding.
- Review the new HOME rules?

The environmental requirements and Davis-Bacon rules can increase project costs and delay the completion of projects. These requirements are important, but there is a need to address the environmental and labor concerns in a more effective manner. For example, if the PJs provide information about prevailing wages annually that documents that the typical wages in an area are greater than the Davis Bacon requirements, then the non-profit developers would not be required to provide further documentation.

FOLLOW UP: Need to follow up with Yolanda (not clear if there is interest in addressing these issues).

There is some inconsistency within HUD offices for support of CLT use of HOME funding for inclusionary zoning developments. Outside of Portland, the CLT works in partnership with the PJ and developers to develop permanently affordable homeownership. The CLT applied for HOME funds while working with applicants to find qualified buyers for these homes. The PJ will not fund the CLT with HOMEs. The PJ required that the funds be applied to down payment assistance instead of the applied to the purchase price (through the CLT). For most CLTs, these funds are used by the CLTs to reduce the sales price, not as down payment assistance thus locking in permanent affordability.

FOLLOW UP: Yolanda to follow up with HUD offices to review the situation.

5. Five Year Rule

In challenging economy, even high performing non profits may need more time to complete projects. There is an opportunity right now for non profits to purchase land for future projects. The 5 yr rule makes this difficult as partners will require firm take out at year 5.

FOLLOW UP:

- Work with Yolanda to address the issues with the 5 yr rule.
- Work with Yolanda to develop resources for land banking.

6. Comprehensive Plans

HUD is working to improve the comprehensive plans to assure that CDBG are better targeted to address key community issues, not just spread across the planning areas pandering to the local political agendas. There is room for improvement. Areas like King County have been working on more effective regional and local planning.

FOLLOW UP: Arthur with follow up with Yolanda to support the planning reforms.

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7. Disaster Relief/Recovery

HUD has planning sessions scheduled for November all over the country. The consortium, PLACE could be an effective resource for HUD/FEMA: with a central contact with accomplished practitioners the consortium could help mobile qualified practitioners to help not only to address immediate needs, but to help re-build local capacity. Current CLT work in New Orleans is an example of an effective recovery tool for some areas.

FOLLOW UP: Need to get the schedule of planning sessions from HUD and notify NWOs, CLTs and Cities of this opportunity.

8. Neighborhood of Choice Neighborhoods Initiative (HOPE VI)

HUD has a planning session on the 12th regarding this program (tomorrow). Yolanda invited a representative from each group to attend. Many of the attendees are leaving, but we agreed that there will be some one from the group in attendance.

FOLLOW UP: Dave and Eddie to attend/follow up with Yolanda.