



STEERING COMMITTEE TELECONFERENCE: MAY 20, 2016

President Steve Merritt called the meeting to order. LaTonya Rajah called the roll; a quorum was established.

ACTION ITEM: HR 5137 - MOVING TO WORK REFORM AND EXPANSION ACT OF 2016

On May 10, House Majority Leader Kevin McCarthy (R-Calif.), publicly released a Moving to Work (MTW) expansion bill ("Moving to Work Reform and Expansion Act of 2016" - [H.R. 5137](#)) that would remove the cap on the number of agencies that would be allowed to participate in the program. The bill would allow not less than 25 agencies to become MTW each year, ten of which would have 6,000 or less combined voucher and public housing units. PHAs participating in the expanded MTW program would be required to submit publicly reviewed annual reports and annual budget plans to be approved by HUD. Existing MTW agencies and MTW agencies that begin the program through the 2016 Omnibus expansion would maintain current MTW contracts until their expiration, at which point the agencies would be subject to requirements set forth in HR 5137.

John thanked Preston for bringing this item to staff's attention and for putting staff in touch with Representative McCarthy and his staff on this issue. Preston thanked the Policy staff for responding quickly to Representative McCarthy's office. He felt McCarthy's staff listened and incorporated changes into the bill.

Eric Oberdorfer, Housing Policy Advisor, noted bill language include annual reports and plans that would have to be submitted if a PHA opted to join the MTW Program. The bill highlights some of the specific things that House Majority Leader, Representative Kevin McCarthy, want them to observe and allows HUD to determine relevant factors that have to be examined. Additionally, for existing MTW agencies, those contracts will remain the same until 2028 and then those agencies would enter into the new legislation if it were to move forward.

Tushar Gurjal, Housing Policy Advisor, advised agencies have the option of entering into this sooner, however, if they do not, they will have the 2028 expiration date on the current contract. The Housing Committee noted in addition to the reports, HUD is allowed to add factors they think are appropriate to report on. There are several metrics in the bill and HUD can add additions. Housing committee Chair, Regina Mitchell, confirmed the Housing Committee's endorsement of the bill noting their concern regarding HUD's discretionary ability to determine relevant factors that need to be examined.

Committee Discussion:

Preston Prince noted the California Association of Housing Agencies (CAHA) supports the bill and he will begin to talk to his CA delegation to support the bill. Preston also talk to McCarthy's staff about supporting SHARP and linking it to MTW. Mr. Prince felt that McCarthy's staff understood that those two items were not exclusive, are beneficial and they should examine reform for all agencies. CAHA made one modification to include support of protecting existing MTW agency contracts. Preston advised he was told that McCarthy will be pulling the language from the bill that existing agencies would convert to the new contract.

Betsey does not have concerns about the agencies with existing contracts but is concerned about how NAHRO will support a bigger network with agencies being able to come in. She felt that HUD does not have the ability to support the expansion to additional 100 agencies. She would like to see something in the bill supporting a strong financial investment in this new landscape.

John advised the concern was noted to McCarthy's staff. Dianne Hovdestad noted there have been questions in MPRC regarding whether this would be expanded to Section 8 only agencies and it was noted that it would be.

Preston felt that if we do not include protections of the existing agencies at the beginning we will create a debate with our friends publicly that should be held internally. Betsey felt if there is any concern among the existing MTW agencies, she doesn't want to look like those agencies are attempting to protect what they have and not allow anyone else in. She noted the amount of resources it takes to be a MTW agency has to be exposed. In her small agency, it takes them 1.5 if not 2 FTE to run the program. Preston noted that is why he has concerns about HR 3700 and the expansion because the vast majority of the expansion goes to agencies with less than 1,000 units and only three out of the 100 go to agencies with more than 6,000 units. He believed there is a misunderstanding of the work it takes to administer MTW. Betsey noted this was a big topic of discussion at the MTW conference, mostly from existing agencies that asked if HUD can't do it, how can they develop the technical assistance and infrastructure for those will come in. Perhaps it would be okay for the first two years but it is a large, ongoing investment.

Preston asked for a friendly amendment to include language supporting the protection of existing MTW contracts. Having received no opposition from the original movant and second below to accept the friendly amendment, the following action was taken:

Motion by Dianne Hovdestad and second by Donovan Duncan, Whereas, NAHRO has continually supported expanding the Moving to Work (MTW) Demonstration; *Whereas, NAHRO strongly supports the protection of the existing MTW agency contracts; Be it Resolved that NAHRO supports H.R. 5137, the Moving to Work Reform and Expansion Act of 2016. Motion carried.*

ACTION ITEM: ADEQUATE FUNDING OF USDA RURAL DEVELOPMENT PROGRAMS

In rural areas throughout the country there is an overwhelming need for both affordable and decent housing. With high poverty rates in rural America, United States Department of Agriculture (USDA) Rural Development (RD) programs are essential for many family and elderly households. Properties developed and funded through the RD program are aging and in need of modernization and with funding shortfalls, RD properties have suffered.

In March 2016, Minnesota NAHRO passed a board resolution to support The Council for Affordable and Rural Housing (CARH), a national trade organization serving housing authorities with USDA housing programs, [FY 2017 funding proposal](#) for the USDA Rural Development Programs. The resolution requested that the agenda be passed onto NAHRO NCRC and then to NAHRO Housing Committee for support.

Committee Discussion:

DeeAnna Peterson also added that NCRC brought this item to its Housing Committee a few years back in terms of keeping rural development (RD) on the radar. The concern was for RD properties in Minnesota and other parts of the region to keep this issue in the forefront due to property maintenance challenges. Many housing authorities are looking to take on those properties that are almost bankrupt and have been bled of any profit or capital improvement.

Preston has been involved with rural development properties and feels rural developers should get out of housing because they are not equipped to manage their programs. Additionally, as long as that is the structure, we should support full funding of the program and feels NAHRO should be more involved and well-versed in the programs and perhaps advocate for repositioning of the RD properties or maybe as the next RAD program.

DeeAnna advised that NCRC agreed with that assessment and intend to have that conversation. The NCRC board recently discussed the issue of RD programs should be under HUD, which is more functional than the USDA program.

Preston noted for members who don't have experience with RD, he is pleased to hear that NCRC agreed with him and feels the RD staff leaves much to be desired. He is confident that both NCRC and the Housing Committee will continue full evaluation of the programs.

Housing Committee Chair, Regina Mitchell advised this item will be placed on the Housing Committee's agenda for the Summer Conference meeting in hopes of securing a better understanding of the program.

Motion by Preston Prince and second by DeeAnna Peterson to support the Council of Affordable Rural Housing's FY 2017 USDA Rural Development funding levels. Motion carried.

ACTION ITEM: HDLI's AMICUS BRIEF SUPPORTING HACLA – NOZZI vs. HACLA

On Tuesday May 17, NAHRO staff heard from HDLI that they were poised to issue an Amicus Brief in the case of Nozzi, Pelaez, et al... vs the Housing Authority of the City of Los Angeles. This case was initially ruled in favor of the Defendant, (HACLA), then overturned for the Plaintiffs. The judges wrote that the housing authority issued a poorly worded notification to Section 8 Housing Choice Voucher recipients regarding a decrease in the Payment Standard that would take place the following year. The U. S. Dept. of HUD had the notice and approved it. The amicus brief will support HACLA in this dispute. We understand that both PHADA and CLPHA have signed on and issued a similar brief. John advised this has been a discussion item with NAHRO staff and Saul since March; thus, staff has a solid background on this item.

Georgi Banna, Director, Policy and Program Development, advised our main concern about this case is at one point HUD advised the initial notice was acceptable. If the housing authority is meeting the requirements of the regulation, that should be enough. The courts now say that is not the standard that should be used. We feel that for regulatory clarity, it is important that HUD has the regulations. That clarity becomes muddied by the courts, particularly because of inconsistency from one part of the country to another, and is a major concern. In addition, there are some constitutional matters and due process and state matters from California that accompany the regulatory ones.

Committee Discussion:

Clif Martin advised he is attending the Maryland state conference and heard of a similar case pending with the Prince George's County Maryland Housing Authority over the same issue and they are examining the HACLA case as well. He feels this case has received notoriety and advocacy organizations, like the legal aid bureaus, are on to this. Clif feels this is an important case that will spur other cases and hear of members getting into similar trouble with this.

Nola Popoola commended the NAHRO staff for working with HDLI on this issue.

Motion by Akinola Popoola and second by DeeAnna Peterson for NAHRO to sign on to HDLI's amicus brief in support of HACLA' appeal of Nozzi vs. HACLA. Motion carried

Preston thanked John for stepping up in a big way and doing a great job working with the Housing and Education Task Force, with HDLI and in the role of Interim CEO. John assured the Steering Committee that the transition is working quite well. He is confident that during this transition period we will be taking constructive steps so that the platform that is provided to the next leader is solid with a priority plan between now and the end of the year to ensure concrete results.

John briefly commented that Senator Maria Cantwell (D-WA) introduced legislation to increase the volume cap on LIHTC, has committed to legislation to make the focus on credit permanent and has stepped up on a number of areas that are important to us. Thanks to Jenny Hsu, there are a number of items that CR&D committee has examined that is in the bill and we have policy on them. Senator Cantwell has a bi-partisan bill with Senators Hatch (R-UT) and Schumer (D-NY). John recently attended an Action Campaign Steering Committee meeting regarding active work on LIHTC. Indications were that Senator Cantwell was going to introduce the bill this week; yet it was not made known to the group. Thursday the bill was introduced. The Action Committee had a draft copy of the bill that is now a formal Senate bill. This week Georgi and John met with Gustavo F. Velasquez, HUD Assistant Secretary for Fair Housing and Equal Opportunity, and with Kevin Solarte, HUD Secretary's Liaison for Housing and Education, to reaffirm some of their issues and concerns with respect to AFFH and noted NAHRO's involvement and support for launching efforts respect to housing and education respectively.

Finally, at time of call, John travelled to Portland to meet with Michael Buonocore, Executive Director of Homeforward, to discuss the Summer Conference in Portland and to attend the PNRC meeting May 22-24 in Seattle, WA and to meet with PNRC President Sunny Shaw. John feels Sunny has done a great job with Senator Crapo (R-ID) on HR 3700 and offers kudos to Sharon Carlson who has done a ton of work on SHARP.

Betsey offered congratulations to John for his internal and external efforts to step in quickly and effectively. President Merritt echoed Preston's and Betsey's comments. John has tenaciously taken on this responsibility and feels NAHRO is very well-served. Steve looks forward to working with him more in the future.

ACTION ITEM: 2016 CEO SEARCH COMMITTEE APPOINTMENT

A list was distributed to the Steering Committee consisting of 15 individuals whom President Merritt has recommended for appointment to the 2016 CEO Search Committee. Additionally, a \$20,000 cap was noted in the original motion to secure a search firm. Ed Mayer made a friendly amendment to the motion that authorized the CEO Search Committee to establish a reasonable budget in consultation with B&A Chair, DeeAnna Peterson.

Motion by Ed Mayer and second by Dianne Hovdestad to approve the members of the 2016 CEO Search Committee, to eliminate the \$20,000 contract cap, and to leave the amount of funds necessary to complete the search at the discretion of the CEO Search Committee in consultation with B&A Chair, DeeAnna Peterson. Motion carried.

Preston applauded President Merritt for the diverse makeup of the search committee. As noted in the agenda, a session will be scheduled during the Summer Conference in Portland to ascertain feedback from the NAHRO membership on the CEO search. Steve advised if there are any questions regarding the CEO search to forward them to him.

Betsey asked if the search firm could conduct a 360 of NAHRO to get feedback from Washington and national partners about NAHRO's leadership requirements and the CEO evaluation process/structure. She also thought the CEO Search Committee would be better served in terms of scope with more past president voices to include discussion of the CEO evaluation process structure and how it could be changed.

Steve agreed those areas will be addressed as we move this process forward.

Preston thinks B&A has to be involved in the process of establishing CEO characteristics. President Merritt has advised he will be speaking with DeeAnna and the committee. The current charge of the B&A committee is to advise the President. The President felt that the B&A will have to be restructured as a budget committee with some recommendation/approval powers. The B&A chair and several of the B&A members have created a blueprint that needs to be discussed and brought to the BOG for approval at the Summer Conference in Portland for action.

Motion to adjourn moved by Carl Richie and second by Regina Mitchell. Motion carried.

TELECONFERENCE PARTICIPANTS

Steve Merritt, Carl Richie, Julie Brewen, Donovan Duncan, Rick Leco, Regina Mitchell, Duane Hopkins Donna Brown Rego, Preston Prince, Akinola Popoola, Betsey Martens, Joseph D'Ascoli, DeeAnna Peterson, Sunny Shaw, Ed Mayer, Dianne Hovdestad, Dan Trozzi, Sharon Carlson, Don May, Joseph Lamagna and Clif Martin. **Absent:** Mike Gerber, David Allen Brown, David Baldwin and Darrin Taylor. **Staff:** John Bohm, Eric Oberdorfer, Tushar Gurjal and LaTonya Rajah.