

*Moderate income and elderly housing*

The nonprofit housing sponsor is increasingly recognized as an important means of attaining a more adequate supply of housing for low- and moderate-income families. The chief sources of Federal assistance for these groups are: Section 221(d)(3) (moderate income housing); section 202 (direct loan program for the elderly); rent supplements in connection with the foregoing programs; and assistance under moderate-income housing programs used in combination with the public housing program.

Nonprofit groups associated with NAHRO have indicated that there are a number of things which would be desirable in assisting nonprofit groups to assume their new responsibilities. Some of the recommendations require changes in the law, while others are matters of administration. They include in general, needs for more uniformity between the requirements and provisions of section 221(d)(3) and section 202 and more technical assistance geared to the needs of the nonprofit sponsor to enable him to qualify for assistance and carry through with long-term management responsibilities. We would like to cite the following:

(1) Organizational and planning fee: Section 221(d)(3) provides for such a fee while section 202 does not. On the other hand, section 202 will authorize a loan consultant fee but will not permit such fee to be given to the staff of the nonprofit agency performing such work.

(2) Payment for equipment: Offices and community space: Section 221(d)(3) permits such equipment to be included as cost items under the mortgage; under section 202, the nonprofit sponsor must purchase such equipment.

(3) Working capital: Under section 202, a nonprofit sponsor must put in escrow one-quarter of the first year's operating costs, unless he can show 75 percent occupancy at project opening. Under section 221(d)(3) such working capital can be a mortgage item.

(4) Adaptability to elderly occupancy: Under section 202, requirements permit occupancy of an efficiency unit by two persons. Under section 221(d)(3) no more than 10 percent of all units can be efficiency, thus making it less useful as housing for elderly. This last requirement makes rehabilitation difficult in many instances since many structures available for rehabilitation contain small units.

(5) Section 221(d)(3) requires certification of the city's workable program; section 202 does not.

(6) It is not clear whether costs for training management employees is an eligible cost under either or both programs.

In general, NAHRO would recommend that administrators of the agencies of the Department of HUD responsible for the administration of section 202 and 221(d)(3) be encouraged by the Congress to work together and with nonprofit sponsors to make sponsor requirements as uniform as possible, as well as provide additional technical assistance to enable nonprofit groups more effectively to meet their responsibilities. After careful examination by these groups, we suggest that a listing of any technical amendments necessary be submitted for the consideration of the Congress.

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1965-67 POLICY RESOLUTION OF THE NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS

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PREAMBLE

The United States is staggering under the burdens of the urban age. An immense job lies ahead in adjusting institutions, attitudes, and living patterns to a new, overwhelming, rapidly changing America. Nowhere is the magnitude of the job more evident than in the field of housing and urban development.

NAHRO believes it is fortunate that, at this critical juncture in the evolution of urbanism in the United States, a Cabinet-rank Department of Housing and Urban Development is now a reality. This Department can provide the framework and focus to bring together all the diverse, complex facets of urban life in a meaningful alliance. It is fortunate, also, that many of the basic legislative authorizations necessary to move housing and urban development programs more effectively are now part of national law: the Housing Act of 1964 and the Housing and Community Development Act of 1965 reflect a broadened vision of urban development and give new life to many older programs.