



February 10, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Charles Schumer  
Democratic Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Republican Leader  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader Schumer, Republican Leader McCarthy, Minority Leader McConnell,

Public housing and Section 8 Housing Choice Vouchers play a critical role in our nation's infrastructure and social safety net, providing families with a stable home and assisting them in opportunities for upward mobility. Across the United States, public housing provides almost 1 million units of housing to over 1.8 million people, including 800,000 children, and more than half the population in public housing is elderly and disabled. The 2.3 million Section 8 housing choice vouchers house an additional 5.2 million people including 2.2 million children. In many cities and towns across the nation, seniors, veterans, persons with disabilities and families with children rely on public housing, now perhaps more than ever before. In some instances, no other source of housing could take its place more readily or affordably.

For the past year, COVID-19 has posed a major threat to Public Housing communities which house vulnerable at-risk populations, and the crisis is far from over. Public Housing Authorities ("PHAs") stretched Operating funds and Housing Assistance Payment ("HAP") budgets to cover costs of sanitization, Personal Protective Equipment, and other needs to protect residents and staff during the crisis, while also facing rent shortfalls. At the same time, PHAs are facing mounting capital repair needs as they have experienced significant disinvestment over the last several decades and are now redeploying limited operating funds to cover emergency expenses. The rate of deterioration outpaces the rate of investment, and the amount needed to address annual accrual needs has far exceeded yearly federal appropriations. The total Capital Fund backlog today is estimated to be about \$70 billion, yet Congressional funding fails to meet annual accrual needs, estimated to be over \$3.4 billion.

An investment in Public Housing capital needs will spur local economic growth as part of any economic recovery package as occurred with funding from the American Recovery and Reinvestment Act of 2009

(ARRA). The Government Accountability Office found that 99.9% of all public housing ARRA capital funds were obligated and expended under accelerated time frames. With \$4 billion in capital funds, researchers found that agencies invested in over 245,000 affordable units, created 26 jobs for every \$1 million spent on capital projects, and generated nearly \$12.5 billion in national economic activity.<sup>1</sup>

To enable housing authorities to properly care for their residents and staff while maintaining their mission of providing safe and affordable housing, Congress and HUD must provide substantial resources and flexibilities to housing authorities as quickly as possible, as part of any COVID relief or COVID economic recovery/infrastructure package.

### COVID Relief for Public Housing Authorities

#### **An additional infusion of \$4 billion in Operating and Housing Assistance Payment (“HAP”) funds**

Public Housing Authorities are working to keep families safe and stably housed throughout the COVID-19 crisis. As such, PHAs have been building healthcare partnerships to facilitate testing and vaccination efforts, increasing daily disinfection of high-touch surfaces, purchasing PPE for residents and staff, providing enhanced resident services as their daily needs change, and working to provide families with internet services, all while facing the realities of lost revenue due to tenant loss of income. Any COVID relief package should include \$1 billion for additional Public Housing Operating Fund expenses. Additionally, PHAs will face shortfalls for the foreseeable future in the Section 8 Housing Choice Voucher program. Virtually all of the funds Congress appropriated in the CARES Act for increased housing assistance payments were expended, illustrating the need for additional funding in 2021. We estimate as much as \$3 billion in supplemental appropriations may be needed due to lost tenant income that will increase voucher program payment obligations directly to landlords under existing rental contracts. Voucher householders are particularly vulnerable to job loss; 26% of them are without high school diplomas, while 58% of them graduated high school but have no further academic credentials.<sup>2</sup> The unemployment rate for individuals with those levels of education are 9.1% and 7.1%, respectively.<sup>3</sup> Furthermore, six million Americans are working part-time jobs because their hours were reduced, or they are unable to find full-time work.<sup>4</sup> Assisted renters are more likely to be in the most unstable employment situations: unemployed, underemployed, or given up searching for work.

Any relief proposal should also provide PHAs Section 8 budget authority and increased administrative fees. Section 8 vouchers provide housing stability to some of the lowest income and most vulnerable Americans, an urgent need in immediate and long-term recovery efforts. These vouchers also provide reliable income to landlords, and project-based vouchers help support the creation and preservation of affordable housing developments, creating jobs and economic activity. A voucher allocation with associated administrative fees funding should be immediately appropriated. Administrative fees can also help Public Housing Authorities support a temporary work force as needed to cover needs, paid

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<sup>1</sup> Public Housing Stimulus Funding: A Report on the Economic Impact of Recovery Act Capital Improvements, Commissioned by PHADA, CLPHA and NAHRO with funding from the Housing Authority Insurance (HAI) Group, 2011

<sup>2</sup> 2019 American Housing Survey

<sup>3</sup> U.S. Bureau of Labor Statistics, Employment Situation Summary: Unemployment rates for persons 25 years and older by educational attainment, January 2021

<sup>4</sup> U.S. Bureau of Labor Statistics, Employment Situation Summary: Employed persons by class of worker and part-time status, January 2021

sick time, contracting out HQS inspections, and expediting digitization to continue to modernize remote operations. The administrative funds provided through the CARES Act proved indispensable, helping tenants and landlords weather the economic storm while providing PHAs with the ability to increase landlord outreach and support activities.

### Economic Recovery and Infrastructure Investments for Public Housing Authorities

#### **1. Increase Housing Choice Vouchers including \$2.0 billion for 150,000 new Tenant Protection Vouchers (TPVs) and a \$50 billion for emergency vouchers**

Like traditional Section 8 vouchers, TPVs provide housing stability to low-income and vulnerable populations and reliable income for landlords recovering from lost rent payments. TPVs serve a variety of needs, including supporting the rehabilitation and repositioning of public housing, spurring private investment, and creating jobs. With enough TPV capacity, PHAs can advance and accelerate their conversion and preservation pipelines.

Additionally, also needed is a robust increase in Section 8 emergency vouchers to account for the many workers whose jobs have disappeared and jobs that may never return, more local flexibility for voucher programs directed to a post-COVID market and use of voucher funding to secure continued participation by landlords especially those that are small businesses. Only one in four households eligible for federal housing assistance receives it. This situation is sure to grow worse as the COVID-19 crisis continues, under which over 30 million Americans have filed for unemployment and many have remained out of the workforce even as the economy has improved. There is a continuing need for flexibility in using the vouchers to connect or support programs designed to assist people who may lose housing as a result of COVID, preserving existing housing options for families at risk of losing housing, and flexibility to create stronger connections to programs that provide economic recovery for families that lose work as a result of COVID-19. Flexibility should be provided for PHAs to use vouchers to leverage resources and support long term public housing preservation.

#### **2. A \$70 billion investment in Public Housing infrastructure**

Public Housing is infrastructure, and as such, capital investment spurs job creation and generates economic growth. For every \$1 spent on capital funding, an additional \$2.12 is generated in regional economic activity. As discussed above, the last substantial infusion of capital grants sparked tremendous economic activity and another infusion would jumpstart the economic recovery in communities across the country.<sup>5</sup> Nationally, Public Housing faces an estimated \$70 billion in capital repair needs, including repairs and replacements in critical building infrastructure like heating systems, plumbing, roofs and facades. Public Housing Authorities' needs have continued to grow, and labor, construction and material costs have increased greatly during 2020. There has been increased support for a massive infusion of Capital funds for Public Housing Authorities nationally as evidenced by the Public Housing

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<sup>5</sup> CLPHA "Public Housing Is Infrastructure"

[https://clpha.org/sites/default/files/documents/PublicHousingInfrastructureFINAL\\_0.pdf](https://clpha.org/sites/default/files/documents/PublicHousingInfrastructureFINAL_0.pdf)

Emergency Response Act (H.R. 235). Preserving public housing units and returning to occupancy those units that have deteriorated and are currently uninhabitable could allow housing authorities to quickly address the health and safety needs of many lower income families. These resources will be critical through a protracted economic recovery period even after the pandemic ends.<sup>6</sup> Investments in capital repairs and jobs to maintain the housing stock will be felt for generations to come.

We have no doubt that these resources will be critical for to enable Public Housing Authorities and local communities to recover from the COVID-19 crisis and preserve their portfolios for years to come while serving as a catalyst for local economic growth. Thank you for your attention to the millions of Americans who call public housing home.

Sincerely,

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<sup>6</sup> PHADA Position Paper “Funding for Public Housing Through an infrastructure Bill: Why It Makes Sense and How It Addresses Key Priorities of the Biden Administration”  
[https://www.phada.org/Portals/21/pdf/publications/Infrastructure\\_FINAL.pdf](https://www.phada.org/Portals/21/pdf/publications/Infrastructure_FINAL.pdf)