



LEGISLATIVE PRIORITIES – 2022

April 2022

Council of Large Public Housing Authorities Legislative Priorities At-a-Glance

The legislative priorities of CLPHA are to: 1) secure adequate federal funding; 2) preserve and expand public and affordable housing; 3) ensure program and funding flexibility; and 4) expand cross sector collaboration of programs and services. CLPHA will pursue legislative policies and strategies to accomplish these objectives.

I. Secure Adequate Funding

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A. Public Housing Operating Fund

The Public Housing Operating Fund is the only major source of federal funds available to housing authorities, to support public housing operations. This shortfall in funding has had a deleterious effect on public housing operations with housing authorities struggling each fiscal year to do more with less. Congress has not appropriated the Operating Fund formula at its full funding level, and instead has appropriated an operating subsidy that is deeply prorated. The Operating Fund has suffered with prorations year after year for decades. According to HUD data, the Operating Fund has only been fully funded to meet the need in five and a half of the last 21 years (which includes a brief six-month period during the pandemic). Additionally, HUD's operating fund formula uses an unrealistic inflation factor and is based on rents charged, not collected. PHAs have been unable to collect rents at pre-COVID levels and this has greatly affected their ability to operate effectively.

- *CLPHA urges Congress to provide funding of at least \$5.039 billion for the Public Housing Operating Fund in FY23, recognizing that this amount will need to be enhanced to reflect current inflation factors as well as rents collected rather than rents charged*
- *CLPHA urges Congress to adequately fund the operating fund to better meet the challenges posed by the COVID pandemic on public housing operations, and to continue the successful conversion of public housing units under RAD which is aided by the recapitalization of properties with private sector debt and equity.*

B. Public Housing Capital Fund

The Public Housing Capital Fund is the principal source of annual funding available to housing authorities for rehabilitation and modernization improvements to public housing. Since 2010 ongoing accrual needs are estimated at a minimum of \$4 billion annually, and the capital needs backlog—estimated at \$80 billion or more—continues to grow.

- *CLPHA urges Congress to provide funding of at least \$5.0 billion for the Public Housing Capital Fund in FY23.*
- *CLPHA urges Congress to continue to recognize that chronic underfunding of the Capital Fund contributes to a deteriorating housing stock; greatly diminished, and even tragic health and other life outcomes for public housing residents, especially children and seniors; and the loss of thousands of public housing units per year.*
- *CLPHA urges Congress to address the growing capital backlog; meet the annual accrual needs that continue to be underfunded; and fund the successful conversion of public housing units under RAD that are jeopardized without a robust Capital Fund.*
- *CLPHA urges Congress in FY23 to retain the legislative priority for safety and security measures to address crime and drug-related activity in housing authority communities.*

C. Housing Choice Voucher Program

The Housing Choice Voucher (HCV) Program continues to be one of the most important, cost-effective delivery systems providing much-needed rental assistance to the country's lowest-income residents. HCV Administrative Fees are critical and necessary funds to enable housing authorities to effectively administer the HCV Program. Due to the pandemic, Congress has made short-term housing vouchers available to persons in need. However, the demand for permanent, renewable HCVs far exceeds the supply of available vouchers; and incremental increases in the program have been meager. Despite renewed attention to landlord recruitment and retention, additional incentives and flexibilities are needed. Additionally, it has been twenty years since HUD conducted a study on the success rate of persons utilizing a housing voucher.

- *CLPHA urges Congress to provide funding of at least \$26.234 billion for HCV renewals in FY23.*
- *CLPHA urges Congress to provide for a substantial increase in permanent, renewable HCVs with funding of at least \$1.352 billion in FY23.*
- *CLPHA urges Congress to rename Administrative Fees to the Voucher Operations Fund to convey the significance and extent of its essential importance to the operation and administration of the HCV program and provide funding of at least \$3.046 billion in FY23.*
- *CLPHA urges Congress to provide funding of at least \$473 million for incremental voucher supportive services fees and \$149 million for incremental voucher administrative fees in FY23.*
- *CLPHA urges Congress to provide funding of at least \$445 million for mobility-related services and incentives in FY23.*
- *CLPHA supports funding of at least \$150 million for tenant protection vouchers (TPV) in FY23, enabling housing authorities sufficient TPV funds to meet emergency rental assistance needs of residents, and to use in conjunction with RAD and other redevelopment strategies thereby making more conversions feasible.*
- *CLPHA urges Congress to once again reject any Administration proposal that would eliminate the provision in the statute concerning MTW agencies which states, "excluding amounts subject to the single fund budget authority provisions of their MTW agreements."*

- *CLPHA urges Congress to continue funding MTW agencies according to their contracts; both adjustments to their funding for savings, and offsets of reserves are violations of their agreements.*
- *CLPHA strongly opposes the authorization of offset authority to reduce any downward proration or to prevent terminations due to insufficient funding.*
- *CLPHA urges Congress to direct PD&R to conduct a study on success rates for the HCV Program.*
- *CLPHA supports \$50 million in funding for HUD-VASH vouchers in FY23. HUD-VASH has been successful in reducing veterans' homelessness and is a practical example of cross-sector cabinet-level inter-departmental partnerships.*
- *CLPHA supports a sponsor-based program modeled after successful and innovative Moving to Work initiatives to serve special needs populations.*

D. Self Sufficiency Programs

Recognizing the importance of housing programs that go beyond simply housing vulnerable families, and the need to help low-income families and individuals live more fulfilling lives, Congress established a separate funding account for self-sufficiency programs to enable persons to help reach their full potential with greater dignity.

- *CLPHA supports funding of at least \$200 million for the Family Self Sufficiency Fund, \$35 million for the Resident Opportunity and Self-Sufficiency (ROSS) program, and \$20 million for the Jobs Plus Initiative in FY23.*

II. Preserve and Expand Public and Affordable Housing

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While it is widely known among stakeholders, the pandemic has brought to the forefront the crisis in affordable housing unfolding across the nation. Embodied within this crisis is the dearth of housing supply, escalating rents, crumbling infrastructure, housing insecurity and homelessness. Policymakers and stakeholders have begun to address the lack of affordable housing supply by proposing bold solutions, such as building new public housing, expanding the housing tax credit program, recommending massive infusions of federal funding, incentivizing landlords to accept housing vouchers, revisiting local zoning impediments, and more.

Over the past several years, differing housing assistance and corrective housing infrastructure proposals originating in the House, Senate, and White House—totaling in the billions and trillions of dollars—have emerged that would expand, rebuild, and improve the nation's infrastructure, including the recent Build Back Better legislative package that included a massive infusion of funds for housing assistance.

- *CLPHA urges Congress to provide at least the level of funding proposed in the previous Build Back Better legislative package for public and affordable housing assistance, including \$70 billion for the Public Housing Capital Fund.*
- *CLPHA urges Congress to provide funding of at least \$500 million for the Choice Neighborhoods Initiative in FY23.*

- *CLPHA urges Congress to enact necessary statutory changes and infrastructure investments, along with tax incentives and public-private partnerships, to promote and enable private investment and sustainable operations in support of the long-term affordability of this portfolio.*
- *CLPHA is strongly supportive of efforts to transition public housing to a more sustainable funding platform, a position we have long advocated.*
- *CLPHA urges Congress to eliminate the Faircloth amendment, an artificial restriction and limitation, which prohibits the construction of new public housing units.*

A. Rental Assistance Demonstration

The Rental Assistance Demonstration (RAD) allows housing authorities to leverage private capital through a variety of proven financing tools as a key solution in tackling \$70 billion note \$80b above or more in unmet capital backlog needs in the Public Housing Program. Since FY12, public housing authorities have converted 195,083 housing units under the RAD program. This consists of 157,434 RAD Section 8 units, 20,524 non-RAD Section 8 units, 13,234 Low Income Housing Tax Credit units and 3,891 market units. RAD has already spurred \$.49 in non-federal, state, or local financing for every public dollar invested through public-private financing partnerships. Under RAD, over \$14 billion in construction investment has been secured for these transactions.

- *CLPHA strongly urges Congress to permanently eliminate the authorized unit cap for the RAD program in FY23.*
- *CLPHA urges Congress to fund the RAD program in FY23 at \$50 million to enable housing authorities with high-cost, high-needs properties the opportunity to participate in RAD more fully, and \$50 million in funding for RAD in the project based rental assistance program.*

B. Low-Income Housing Tax Credit (LIHTC)

LIHTC, a primary financing tool for RAD as well as other redevelopment initiatives, enables public-private partnerships to preserve at-risk public housing. Utilizing LIHTC, RAD has leveraged almost \$9 billion in private financing to help convert public housing units, more than any other single source of public-private financing for public housing units in the RAD program.

- *CLPHA urges Congress to enact the Affordable Housing Credit Improvement Act, to make changes to strengthen the Low-Income Housing Tax Credit program.*
- *CLPHA urges Congress to expand the LIHTC allocation authority by 50 percent and give states greater ability to direct credits towards public housing recapitalization as well as many other competing needs.*
- *CLPHA urges Congress to enact a 50 percent boost for housing developments designated to serve extremely low-income households; remove the population limit on qualified census tracts; increase the population limits to 30 percent for difficult to develop areas; and establish a minimum 4 percent rate for LIHTCs and housing bond financing. These changes will make additional 4 percent developments feasible and allow LIHTC properties to be built in higher cost areas.*

III. Ensure Program and Funding Flexibility

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A. Moving to Work and Flexibility for Large Housing Authorities

For more than twenty-five years, Moving to Work (MTW) has served as a public housing laboratory for innovation and flexibility in program administration and utilization of program funding to meet local needs. While the expansion and extension of MTW were welcome and supported by CLPHA, the expansion severely limits the number of large housing authorities who can participate in the program. There remain a significant number of large housing authorities interested in attaining the type of flexibilities that MTW status offers.

- *CLPHA urges Congress to increase the number of large, high-performing housing authorities, or housing authorities who have otherwise demonstrated high-capacity, as agencies designated with MTW-flexibility.*
- *CLPHA urges Congress to explore new statutory pathways to increase housing authority flexibilities short of full MTW status.*

IV. Reduce Siloed Isolation of Programs and Services

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A. Interagency-Funded Pilot Programs

Housing is foundational to helping families improve their life outcomes in the areas of education, health and health services, workforce development, transportation arrangements and more. Consequently, there is a need to reach across federal departments and agencies to more effectively and efficiently serve and deliver services to residents.

- *CLPHA urges Congress to initiate a series of pilot programs aimed at breaking down the silos between housing and health; housing and education; housing and transportation; and housing and workforce systems to help improve life outcomes and enable residents to achieve housing stability, self-sufficiency, and economic independence. Examples could include initiatives on inter-agency cross-collaboration point system in awarding federal grants; enhanced service coordinators and wellness nursing services for public housing residents; data-sharing agreements with housing and health systems, housing and education systems, and others.*

ABOUT CLPHA

The Council of Large Public Housing Authorities is a national non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis and public education. CLPHA's 70 members represent virtually every major metropolitan area in the country. Together they manage 40 percent of the nation's public housing program; administer more than a quarter of the Housing Choice Voucher program; and operate a wide array of other housing programs. Learn more at clpha.org and on Twitter [@CLPHA](https://twitter.com/CLPHA).