



PROTECT | EXPAND | PROVIDE

CLPHA'S 2023 POLICY PRIORITIES





PROTECTING, EXPANDING, AND PROVIDING AFFORDABLE HOUSING HAS NEVER BEEN SO IMPORTANT.

The COVID-19 pandemic has taught us that housing instability and homelessness have disastrous effects on our national economic and public health. Public housing authorities (PHAs) are our nation's most effective affordable housing delivery system, serving over 3.3 million households under the public housing and Housing Choice Voucher programs, with over one million of these households including children. Additionally, over half of public housing and voucher households are headed by a senior or a person with disability.

These policy priorities reflect the challenges facing large PHAs, who manage an undercapitalized and overregulated public housing portfolio facing not only an \$80 billion capital needs backlog, but also housing supply shortages, escalating rents and increasing demand for housing assistance. Despite these burdens, PHAs provide crucial housing assistance in their communities through owning, managing and improving public housing, making the private rental market affordable through housing vouchers, and developing new affordable housing through public and private partnerships. PHAs are lifelines for the households and communities they serve.

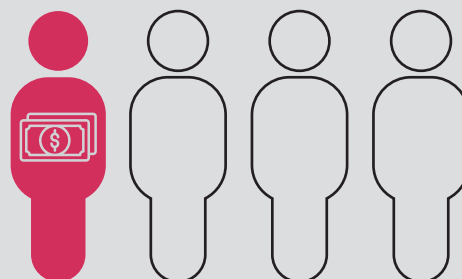
As much-needed COVID funding and waivers expire, PHAs continue to face serious operational challenges due to tight rental markets, high inflation, rising construction and maintenance costs, labor market shortages, and insufficient funding. Compounding these challenges is a divided Congress considering significant reductions in appropriations for FY2024. Evidence emerging from the pandemic experience demonstrates that robust social safety net programs are critical to protecting our most vulnerable individuals — children, seniors and people with disabilities — making deep cuts to these programs indefensible.

To ensure CLPHA's members have the tools and resources to fulfill their missions, CLPHA's 2023 priorities are:

- *Develop and fund a Public Housing Ten-Year Sustainability Plan to recapitalize the aging public housing portfolio*
- *Improve and expand the Housing Choice Voucher program to better serve local markets and special-needs households*
- *Increase affordable housing supply using new incremental vouchers coupled with LIHTC expansion*
- *Expand and incentivize cross-sector collaborations that improve the life outcomes of assisted households and address racial disparities and inequities*

Preserving and protecting affordable housing programs is critical — only 1 in 4 renters who need federal rental assistance receive it.

Source: Center on Budget & Policy Priorities



Public Housing Ten-Year Sustainability Plan

For the past several decades, Congress has failed to provide adequate funding to the Operating Fund and Capital Fund. The Public Housing Operating Fund continues to be the only major source of federal funds available to housing authorities to support public housing operations, and the Public Housing Capital Fund is the principal source of annual funding available to housing authorities for repair, rehabilitation and modernization of public housing. Due to historic and chronic underfunding, housing authorities continue to maintain undercapitalized, aging properties that do not meet basic market standards and face the loss of affordable housing. Additionally, housing authorities faced significant shortfalls due to pandemic-related increases in tenants accounts receivable. Many assisted households were excluded from federal emergency rental assistance programs due to additional state and local requirements. At the same time, housing authorities are expected to implement a number of major systems mandated by HUD, increasing their administrative burden and operations costs.

In order to recapitalize the aging public housing portfolio, CLPHA calls for the development and implementation of a Public Housing Sustainability Ten-Year Plan that will utilize current appropriated funding and potentially new funding streams including, but not limited to: expansion of housing tax credits; health and safety investments; climate and infrastructure upgrades; greening and sustainability investments; and increased opportunities to leverage private capital investment.

LEGISLATIVE PRIORITIES

PUBLIC HOUSING OPERATING FUND

- Provide full funding for the Public Housing Operating Fund in FY24, including sufficient funding to reflect current inflation factors as well as FY2021 and 2022 pandemic-related shortfalls
- Make capital and operating funding fungible and permanent for housing authorities of all sizes

PUBLIC HOUSING CAPITAL FUNDING

- Provide increased funding to meet annual accrual needs for the Public Housing Capital Fund
- Require HUD to develop a ten-year plan for recapitalizing and sustaining the public housing portfolio, including a financing and funding plan to address the current capital backlog estimated conservatively at \$80 billion

PUBLIC HOUSING CAPITAL FUND

\$3.2 BILLION ALLOCATED

\$80 BILLION BACKLOG

Congress allocated \$3.2 billion for the public housing capital fund in their FY23 appropriations bill, but CLPHA estimates that the capital needs backlog is \$80 billion — and growing.

CHOICE NEIGHBORHOODS INITIATIVE

- Increase funding for the Choice Neighborhoods Initiative (CNI)

RENTAL ASSISTANCE DEMONSTRATION (RAD)

- Eliminate the authorized unit cap for the RAD program
- Provide that Faircloth to RAD units receive an allocation of capital funding
- Streamline conversion of Faircloth to RAD units to allow for direct conversion to project-based vouchers (PBVs) or project-based rental assistance (PBRA)
- Ensure that subsidies for RAD PBRA contracts are sufficient to address capital needs and address inflation
- Fund RAD rent adjustments to make high-cost, high-needs properties feasible for conversion

AFFORDABLE HOUSING AND ENERGY TAX CREDITS

- Enact the Affordable Housing Credit Improvement Act to strengthen the Low-Income Housing Tax Credit (LIHTC) program
- Ensure housing tax credits are targeted to families with the greatest rent burdens
- Enact the SAVE Act exempting federal assisted housing from the LIHTC 4% bond cap restriction
- Ensure that PHAs can utilize energy tax credits

REGULATORY PRIORITIES

ANNUAL CONTRIBUTIONS CONTRACT (ACC)

- Protect the ACC as a mutually enforceable contract between HUD and PHAs

NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

- Move implementation of NSPIRE to 2024 or provide PHAs with interim/advisory scores during the first two years of implementation

BUILD AMERICA, BUY AMERICA (BABA)

- Provide additional waivers to PHAs
- Publish guidance and provide technical assistance to PHAs and contractors
- Raise the \$250,000 project-cost threshold above which Buy America requirements will apply to PHAs

Improve and Expand the Housing Choice Voucher Program

The 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 that enable housing authorities to effectively administer the HCV program. During the pandemic, Congress made Emergency 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 welcome but insufficient. Despite renewed attention to landlord recruitment and retention, additional incentives and flexibilities are needed. Additionally, Fair Market Rents (FMRs) and Small Area FMRs (SAFMRs) can determine the success rates for vouchers, so it is critical that PHAs be given discretion to set FMRs and SAFMRs based on local market conditions.

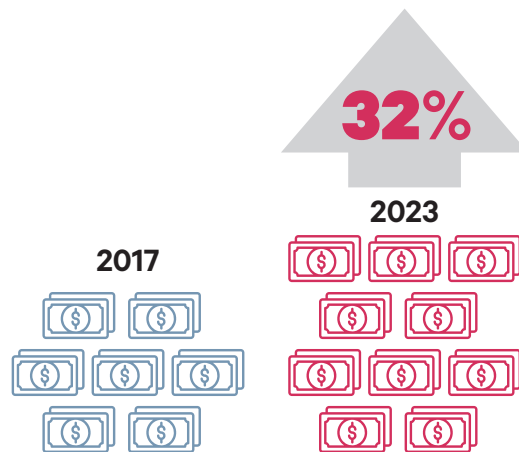
LEGISLATIVE PRIORITIES

HOUSING CHOICE VOUCHER PROGRAM

- Fully fund HCV renewals
- Fund new incremental, renewable HCVs with adequate administrative and supportive services
- Provide dedicated funding for supportive services fees for voucher holders
- Provide robust funding for Tenant Protection Vouchers (TPVs)
- Fund new incremental HUD-VASH vouchers
- Establish and fund landlord incentives to support recruitment and retention of participating landlords, especially in high-cost markets
- Expand the sponsor-based housing model to non-Moving to Work (MTW) PHAs allowing flexible use of federal funding, thereby increasing effective housing models for homeless and other special needs populations
- Allocate new incremental funding for project-based vouchers (PBVs) to develop service-connected and permanent supportive housing for special needs households
- Raise the cap on the number of vouchers PHAs may project-base
- Expand flexibilities on requirements that limit PHAs to certain referral agencies for special purpose vouchers such as Emergency Housing Vouchers (EHVs), Veterans Affairs Supportive Housing (VASH), Mainstream Vouchers (MS), and Foster Youth to Independence (FYI)

Rents have increased 32% since 2017 — underscoring the **importance of letting PHAs establish local payment standards without the need for separate HUD approval.**

Source: Center for Budget & Policy Priorities



REGULATORY PRIORITIES

FAIR MARKET RENTS & PAYMENT STANDARD FLEXIBILITIES


- Provide PHAs the discretion to establish local payment standards for their markets that exceed 120% of the FMR or SAFMR based on local market conditions without the need for additional HUD approval
- Improve FMR accuracy and timeliness by using private sector data and supporting PHA market surveys

RAD PBRA

- Ensure that operating cost adjustment factors (OCAFs) keep pace with inflation and fluctuating economic and market conditions
- Allow PHAs to request a review and adjustment of their individual OCAF

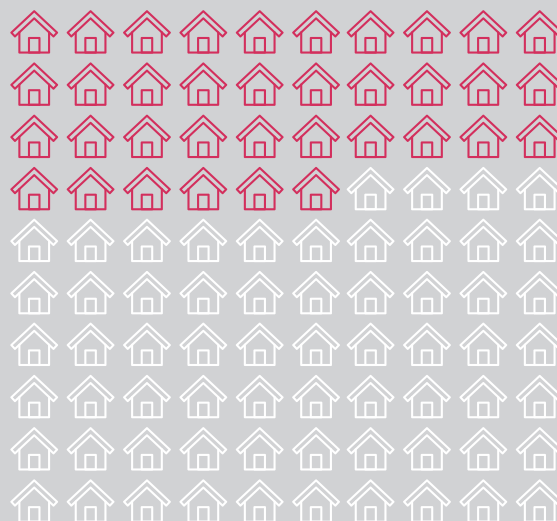
NSPIRE-V

- Move implementation of NSPIRE-V to 2024 or provide PHAs with interim/advisory scores during the first two years of implementation



On a national scale,
**only 36 affordable and
available rental homes exist
for every 100 extremely low-
income renter households —**
which is why it is crucial to increase our
nation's affordable housing supply.

Source: National Low Income Housing Coalition



Preserve and Expand Affordable Housing Supply

Our nation's affordable housing crisis has been amplified by the pandemic. We have the tools and models for significantly increasing affordable housing supply, but the resources do not reflect the demand or need. According to the National Low Income Housing Coalition, on a national scale, only 36 affordable and available rental homes exist for every 100 extremely low-income renter households. The U.S. has a shortage of 7 million rental units affordable and available to extremely low-income households. The affordable housing supply cannot meet the demand of low-income renters in any U.S. state. For decades, PHAs have successfully developed new housing and improved existing housing through mixed-finance strategies and public-private partnerships that revitalized their aging public housing communities and increased the supply of deeply affordable housing. An expansion of the housing tax credit coupled with an increase in new housing vouchers could have a significant impact on the supply of deeply affordable and special needs housing.

LEGISLATIVE PRIORITIES

INCREASE SUPPLY

- Increase new renewable incremental housing vouchers
- Provide robust funding for the Choice Neighborhoods Initiative in FY24
- Enact necessary statutory changes to ensure that PHAs can leverage infrastructure investments, private investment and tax incentives in public-private partnerships
- Expand the LIHTC allocation authority by 50 percent and give states greater ability to direct credits towards public housing recapitalization and increasing deeply affordable housing supply
- Raise the cap on the number of vouchers PHAs may project-base (the PBV cap)

REGULATORY PRIORITIES

NEW CLIMATE & INFRASTRUCTURE FUNDS

- Develop regulatory policies that enable housing authorities to access new funding for climate-related and infrastructure activities authorized under the Inflation Reduction Act
- Require the Department of Energy (DOE) to provide outreach and educational materials to PHAs so that assisted households can benefit from programs such as the Green Retrofit and Resiliency Program, the Home Energy Rebates Program, the Buildings Upgrade Challenge, and the Weatherization Assistance Program

Foster Cross-Sector Collaboration to Improve Life Outcomes

Research has shown that health and education outcomes are directly linked to the availability of stable and affordable housing. We know that stable housing is critical but often not sufficient to support families and individuals in improving their health and economic well-being. Our current systems often serve the same households, but significant gaps and inequities stem from systems that can be too siloed, inflexible, and inefficient. Better aligning the housing, health, education systems' policies, data sharing, and delivery systems is critical to effectively serving low-income and special needs households. Expansion of service-enriched housing, permanent supportive housing, co-located community health clinics, health-based community supports, place-based early education and after school programs, and increased broadband access are examples of effective cross-sector initiatives that address gaps and reduce inequities.

Receiving stable, affordable housing from PHAs allows low-income individuals to access crucial resources and services in their community. PHAs' partnerships help residents improve their education, health, economic, and other life outcomes.



LEGISLATIVE PRIORITIES

HOUSING & MEDICAID ALIGNMENT

- Incentivize PHA/Medicaid partnerships to develop service-connected and permanent supportive housing
- Galvanize State Medicaid programs to utilize the demonstration waivers for housing supports and temporary rent coverage
- Expand Medicaid to include housing support and rent coverage without a needed waiver and authorize and fund integrated health and housing vouchers
- Maintain Medicaid coverage of telehealth services after the end of the COVID-19 pandemic

HOUSING & HEALTH PARTNERSHIPS

- Increase funding for the Health Services for Public Housing Residents program to increase the amount of embedded primary care health centers in housing authority properties
- Mandate all federally qualified health centers (FQHCs) coordinate directly with their local PHAs and build collaborative and coordinated systems

REGULATORY PRIORITIES

DIGITAL EQUITY

- Provide PHAs with technical assistance funding for internet services, devices, and training to allow internet access in public housing units
- Prioritize funding to expand broadband internet networks and associated physical infrastructure in public housing properties
- Ensure that eligible federally assisted households can utilize the Affordable Connectivity Program (ACP)

DATA SHARING

- Accelerate the rollout of information available to PHAs on HUD's Housing Information Portal (HIP)
- Provide technical support and funding for PHAs participating in data collection and sharing with cross-sector partners
- Create safe harbors for PHAs to allow and facilitate data sharing with partners
- Expand and implement federal inter-agency data sharing agreements to facilitate enrollment and recertification in federal programs such as the Supplemental Nutrition Assistance Program (SNAP) and income-based internet access
- Expand and implement federal inter-agency data sharing for the purposes of cross-sector research, evaluation, and program design

HOUSING & EDUCATION

- Fund initiatives to improve educational outcomes for low-income individuals (e.g., Project SOAR)
- Require inter-agency collaboration in determining co-location and delivery services at PHA sites

MENTAL AND BEHAVIORAL HEALTH SUPPORTS

- Expand and fund Mental Health First Aid training to public housing authority staff
- Increase the number of embedded behavioral health professionals with PHAs
- Co-locate Certified Community Behavioral Health Clinics at PHA sites
- Increase and fund Mental Health Response Teams across the country that are outside of a police response

The Council of Large Public Housing Authorities (CLPHA) is a non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education. Our membership includes over 75 of the largest and most innovative public housing authorities across the country. The CLPHA membership collectively owns and manages nearly 40 percent of the nation's public housing stock, administers more than a quarter of the Housing Choice Voucher program, and provides a wide array of other rental assistance. CLPHA members also make vital services available to the more than one million low-income households they serve in federally assisted housing.

In recent years, CLPHA has become a leader in cross systems alignment through its *Housing Is* Initiative. *Housing Is* helps broaden and deepen efforts to align housing, education, and health organizations to produce positive long-term outcomes for those experiencing poverty. Collaboration across systems and sectors—through shared goals, focused resources, and coordinated efforts—strengthens our collective ability to serve the needs of low-income individuals and families effectively and efficiently.



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