



CLPHA'S 2024 POLICY PRIORITIES

CHARTING A TEN-YEAR ROADMAP FOR
PUBLIC HOUSING SUSTAINABILITY





Preserving and protecting affordable housing programs is critical —
3 in 4 renters who need federal rental assistance do not receive it
due to budget limitations.

Source: Center on Budget & Policy Priorities



The convergence of a global pandemic, a worldwide climate crisis, and growing economic inequality will have a lasting impact on the actions we take to protect lives, reduce disparities, meet energy needs, and prepare for disasters. These events have catalyzed a rethinking of how we manage, improve, and expand housing supply, strengthen neighborhood infrastructure, and invest in communities to improve life outcomes. In this post-pandemic era, it is widely accepted that housing stability is foundational to the health and well-being of the nation.

At the same time, we are faced with rising rents and alarming housing supply deficits. We have a rare opportunity to establish a sustainable future for the public housing portfolio, an essential component of our national affordable housing supply.

CLPHA is calling for a ten-year roadmap for public housing sustainability to marshal the necessary policies, resources, services, and political support to recapitalize the portfolio by leveraging increased and targeted public and private investments through preservation, redevelopment, mixed-used transformations, transfer of assistance, and other innovative strategies. The tools, methods and mechanisms needed to bring leveraged public and private investments to public housing have been developed over the years. We need a strategic framework for committing resources and developing policies to scale that make buildings and neighborhoods sustainable platforms for improving life outcomes for residents.

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 a \$100 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.

With most COVID funding and waivers expired, PHAs face serious operational challenges due to tight rental markets, high inflation, rising construction and maintenance costs, labor market shortages, and insufficient funding. 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 2024 priorities are:

- Develop and fund the 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

INVEST IN PUBLIC HOUSING

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 tenant 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.

CLPHA's 10-year Roadmap for Public Housing Sustainability 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 FY25, including sufficient funding to reflect current inflation factors as well as previous pandemic-related shortfalls
- Make capital and operating funding fungible and permanent for housing authorities of all sizes

PUBLIC HOUSING CAPITAL FUND

- Provide increased funding to meet annual accrual needs for the Public Housing Capital Fund
- Develop a ten-year plan for recapitalizing and sustaining the public housing portfolio, to include a reinvestment plan to address the current capital backlog estimated conservatively at \$100 billion

CHOICE NEIGHBORHOODS INITIATIVE

- Increase funding for the Choice Neighborhoods Initiative (CNI) and require HUD to simplify the application and selection process

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
- Simplify and streamline the application and approval processes for Faircloth to RAD conversions
- 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
- Enact the LIHTC provisions included in the "Tax Relief for American Families and Workers Act of 2024"
- Ensure housing tax credits are targeted to families with the greatest rent burdens
- Enact the Supporting Allowing Volume Exception for Federally-Assisted Housing (SAVE) Act to exempt federal assisted housing from the LIHTC 4% and tax-exempt bond volume cap restrictions
- 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)

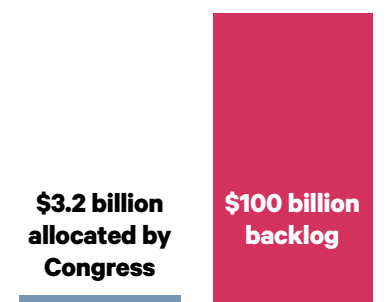
- Provide clear and readily available guidance documents, FAQs, and training materials on NSPIRE for both PHAs and inspectors
- Allocate dedicated funding to PHAs for NSPIRE implementation costs, including hiring additional inspectors, purchasing equipment, and training staff
- Establish mechanisms for regularly reviewing and updating NSPIRE standards and processes to ensure ongoing effectiveness and adaptability
- Explore options to help PHAs manage rising insurance costs, such as grant programs or risk-sharing mechanisms

BUILD AMERICA, BUY AMERICA (BABA)

- Expand waiver eligibility for PHAs to account for limited domestic product availability, cost-effectiveness concerns, and administrative burdens associated with BABA compliance
- Publish guidance and provide technical assistance to PHAs and contractors on sourcing American-made materials and components
- Raise the \$250,000 project-cost threshold above which Buy America requirements will apply to PHAs



The House and Senate have allocated \$3.2 billion for the public housing and capital fund in their FY24 appropriations bill, but CLPHA estimates that the capital needs backlog is \$100 billion — and growing.



IMPROVE AND EXPAND THE HOUSING CHOICE VOUCHER PROGRAM

Essential to the 10-year Roadmap for Public Housing Sustainability is an expansion of the Housing Choice Voucher (HCV) program. It 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 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
- Establish a tenant-based direct cash payment demonstration program

- 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
- Extend funding for initial Emergency Housing Vouchers (EHVs) allocated to PHAs beyond 2025
- Expand flexibilities on requirements that limit PHAs to certain referral agencies for special purpose vouchers such as EHVs, Veterans Affairs Supportive Housing (VASH), Mainstream Vouchers (MS), and Foster Youth to Independence (FYI)

REGULATORY PRIORITIES

FAIR MARKET RENTS & PAYMENT STANDARD FLEXIBILITIES

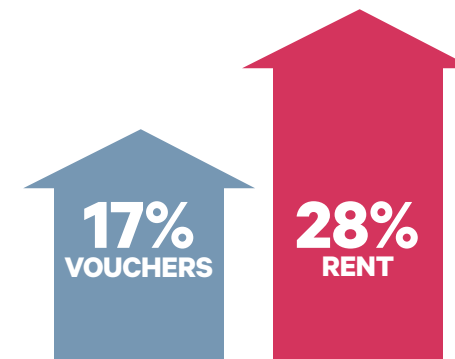
- Provide PHAs the discretion to establish local payment standards for their markets that exceed 120% of the FMR or SAFMR based on local market conditions without the need for additional HUD approval
- Improve FMR accuracy and timeliness by using private sector data and supporting PHA market surveys
- Conduct longitudinal study to observe efficacy of FMR calculation methodology
- Provide additional funding to conduct rental market studies when FMRs are not sufficient to meet rental market conditions

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 2025 or provide PHAs with interim/advisory scores during the first two years of implementation



Rents increased by 28 percent from June 2020 to June 2023, but the average cost of a voucher increased by only 17 percent during the same period.

When voucher payment standards don't keep pace with the market, low-income renters struggle to find stable, affordable housing.

Source: Center on Budget & Policy Priorities



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. On a national scale, only 33 affordable and available rental homes exist for every 100 extremely low-income renter households. The U.S. has a shortage of 7.3 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
- Remove barriers, such as the Faircloth Amendment, to increase the supply of public housing
- 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

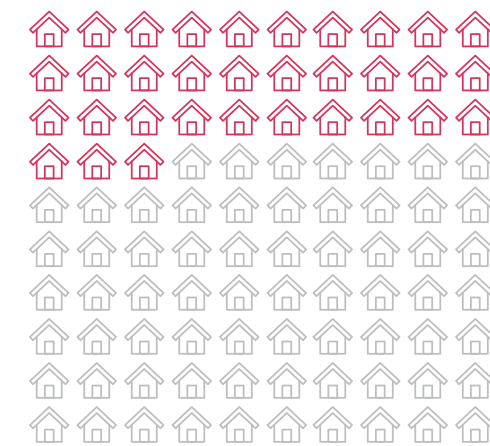
NEW CLIMATE & INFRASTRUCTURE FUNDS

- Develop regulatory policies that explicitly enable housing authorities to access funding for climate-related and clean energy retrofit activities from new programs, such as those authorized under the Inflation Reduction Act and any future legislation
- 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 Home Energy Rebates Program and the Weatherization Assistance Program
- Require the DOE to provide PHAs with materials to assist PHAs in fostering connections with State Energy Offices, which will better enable PHAs to access funding from their states for clean energy retrofit projects
- Streamline application processes and provide robust technical assistance and capacity building programs to help PHAs leverage environmental programs like weatherization and energy efficiency rebates

- Require the Environmental Protection Agency (EPA) to provide outreach and educational materials to PHAs so that assisted households can benefit from the Greenhouse Gas Reduction Fund and Environmental Justice programs
- Require the Department of the Treasury and HUD to jointly provide information and materials tailored to PHAs on utilizing the Elective Pay (Direct Pay) of Tax Credits and the Low-Income Communities Bonus Credits
- Require the U.S. Department of Transportation (DOT) to conduct outreach to PHAs on accessing funding programs for wraparound infrastructure at transit-oriented development (TOD) projects

PROGRAM RESERVES

- Prioritize the protection of adequate program reserves for all PHAs to ensure program stability, financial resilience, and effective service delivery to voucher holders
- Maintain the language that protects MTW agency reserves from offset. MTW reserves are a critical tool for agencies to increase the supply of affordable housing to new families



On a national scale, only 33 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



FOSTER CROSS-SECTOR COLLABORATION TO IMPROVE LIFE OUTCOMES

The 10-year Roadmap for Public Housing Sustainability must be expanded beyond infrastructure and the built environment — it must also invest in residents directly. 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

siloes, 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.

LEGISLATIVE PRIORITIES

HOUSING & MEDICAID ALIGNMENT

- Increase funding for the Housing and Services Partnership Accelerator jointly launched by HHS and HUD to provide Medicaid and Housing Coordination technical assistance to more states
- Incentivize State Medicaid programs to utilize the demonstration waivers for housing supports, temporary rent coverage, and community-based services
- Fund integrated health and special purpose housing vouchers to be paired with Medicaid Health-Related Social Needs waiver services to ensure continuity of care and success of these programs

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
- Joint funding or joint effort from HUD & HHS for Narcan training for PHAs

HOUSING & EDUCATION PARTNERSHIPS

- Incentivize PHA/school district partnerships to ensure coordination of services for low-income students
- Enact the Tax Relief for American Families and Workers Act of 2024 (H.R. 7024) which includes \$33 billion to expand the Child Tax Credit for the next three years
- Fund flexible spending for jurisdictions to use on supplemental housing and service resources for families involved with the child welfare system, such as was seen with ARPA funds

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
- Enact the Affordable Connectivity Program Extension Act of 2024 (S. 3565/H.R. 6929), which will provide an additional \$7 billion to continue the Affordable Connectivity Program (ACP) to ensure that eligible federally assisted households can continue to utilize the program

DATA SHARING

- Accelerate the rollout of information available to PHAs on HUD's Housing Information Portal (HIP)
- Provide technical support and funding for systems infrastructure 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 with administrative housing or health system data 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

- Increase coordinator funding and add funding for services for FSS and Section 3 for PHAs assisting residents with workforce development and postsecondary opportunities so more residents can participate

MENTAL AND BEHAVIORAL HEALTH SUPPORTS

- Expand and fund Mental Health First Aid training to public housing authority staff
- Fund and support PHAs to implement Trauma-Informed Housing practices
- Increase the number of embedded behavioral health professionals with PHAs
- Co-locate Certified Community Behavioral Health Clinics at PHA sites
- Increase and fund community-based Mental Health Response Teams that are outside of a police response to respond to mental health crisis events at PHAs



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



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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