



November 14, 2022

The Honorable Patrick J. Leahy
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Richard C. Shelby
Vice Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Rosa DeLauro
Chairwoman
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Leahy, Chairwoman DeLauro, Vice Chairman Shelby and Ranking Member Granger:

As your respective Appropriations Committees consider finalizing the fiscal year 2023 (FY23) appropriations legislation for the U.S. Department of Housing and Urban Development (HUD), we are writing on behalf of the Council of Large Public Housing Authorities (CLPHA), MTW Collaborative, National Association of Housing and Redevelopment Officials (NAHRO), and the Public Housing Authorities Directors Association (PHADA) to express our support for, and revision to our earlier funding and authorization requests (see attachment) for certain HUD programs.

According to HUD, housing authorities are experiencing or are at-risk of experiencing significant financial shortfalls in their operating funds. HUD defines a shortfall as housing authorities having less than three months of financial reserves. Since funding to address shortfalls only totaled \$25 million in FY22 and housing authorities across the nation collectively had eligible shortfalls totaling more than \$370 million, the amount for housing authorities to be made whole in their operating fund accounts is more than \$345 million.

We are respectfully asking Congress to provide the additional \$345 million and dedicate it to the Public Housing Operating Fund (PHOF) specifically to address shortfall funding for eligible housing authorities in the FY23 HUD appropriations legislation and to accordingly adjust the overall funding for the PHOF to enable full funding of the account.

We are also asking the committees to accept the Senate-proposed level of \$364 million in set-aside funding for tenant protection vouchers (TPVs). In May 2022, HUD made changes to the TPV issuance policy because of insufficient funding to suspend the allocation of replacement TPVs for vacant units that were occupied within the previous 24 months. HUD's policy change has negative implications for recapitalization and redevelopment initiatives including Rental Assistance Demonstration (RAD) conversion transactions currently underway that rely upon the ability to project-base TPVs for converted

public housing units. HUD recently indicated that the current demand for TPVs has exceeded its initial projections for FY23 and they again anticipate not being able to fund replacement TPVs for vacant units in calendar year 2023 without additional funding.

Additionally, under the Tenant Based Rental Assistance program, renewal of housing assistance payments (HAP) are expected to be affected by recent changes to the calculation of FY23 Fair Market Rents (FMRs), and by the extension of regulatory waivers increasing payment standards up to 120 percent of the FMR in local housing markets. HUD should be directed to determine the impact of increased FMRs and regulatory waivers on the need for additional HAP set-aside funding.

Thank you for your consideration of our recommendations and comments, and we look forward to supporting your efforts as you work to finalize the FY23 HUD funding legislation.

Sincerely,

Council of Large Public Housing Authorities
MTW Collaborative
National Association of Housing and Redevelopment Officials
Public Housing Authorities Directors Association

cc: The Honorable Brian Schatz
The Honorable Susan Collins
The Honorable David Price
The Honorable Mario Diaz-Balart