CLPHA

Strengthening Neighborhoods. Improving Lives.

June 2017

THE FY18 HUD BUDGET PROPOSAL: ANALYSIS & VIEWS

The Trump Administration released its full budget proposal for fiscal year 2018 (FY18) on May 23, 2017—after providing a preview of the budget proposal ("skinny budget") in March. If the skinny budget was a sour-tasting appetizer, the full budget is a bitter, acidic and hard-to-swallow main course with the promise of a long-lasting aftertaste. As U.S. Representative Katherine M. Clark (D-MA) said during a budget hearing, "This budget as a whole is a recipe for killing our economy."

Overall, there is little logic to the budget except it proposes to eliminate and eviscerate programs for the poor while cost-shifting the burden onto the poor, or the persons least able to afford and carry that burden. The budget targets America's most vulnerable citizens with drastic cuts to Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF), while also slashing disability benefits and student loan and education programs, thereby crippling essential support systems affecting many of the residents we serve in low-income housing.

The budget proposal provides the U.S. Department of Housing and Urban Development (HUD) with $40.68 billion in gross discretionary funding for FY18—$7.3 billion, equal to 15 percent, less than the amount enacted in FY17. This devastating decrease is realized primarily through elimination of certain programs and reductions in the rental assistance programs, including $2 billion in cuts to public housing and related programs. These dramatic HUD reductions come at a time when the federal government should actually be investing in public housing as part of the nation's infrastructure, as such investment generates economic growth, creates jobs, bolsters productivity, and generates tax revenue for cash-strapped localities. It also comes at a time of increasing research evidence showing a link between stable housing and social determinants of health, education and employment outcomes.

If realized, the draconian cuts included in the HUD budget would have severe and cumulative effects on public and affordable housing programs across the country, while shredding the safety net on which many low-income Americans rely. The magnitude of these proposed cuts is alarming –the Public Housing Capital Fund alone sustains a cut of over 67 percent. The bitter irony of this particular cut is that it not only undermines basic health and safety improvements, it is also counter-intuitive to promoting public-private partnerships, a goal of the Administration. This cut will make it virtually impossible to leverage private investment for the Rental Assistance Demonstration (RAD) program, which HUD claims is a major policy priority. Since RAD relies on the Capital Fund and Public Housing Operating Fund in order to convert to the housing voucher platform, cuts to these programs is self-defeating for RAD.

Similarly, the Housing Choice Voucher program, which provides housing vouchers to needy families, would receive a $771 million reduction. These budget reductions, coupled with rising rents and inflation, will result in the loss of hundreds of thousands of vouchers—estimated at more than 250,000 low-income households—and threaten currently-housed families with homelessness.

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Rental Reform

In FY18, HUD proposes a set of policy proposals that will serve as an initial step toward a comprehensive rental reform initiative and legislative package for the following year of FY19. According to HUD's Congressional Justifications (CJ) the changes are designed *"to reduce costs while at the same time continuing to assist current residents, encouraging work, and promoting self-sufficiency. They also seek to provide administrative flexibilities and to streamline the complex and administratively burdensome calculation of income and rent.*

Policy reforms for FY18 include establishing minimum tenant rental payments of $50 per month; eliminating utility reimbursement payments to tenants; and increasing the tenant rent contribution from 30 percent of adjusted income to 35 percent of gross income. However, while HUD will implement the 35 percent income reform in other rental assistance programs, it does not plan to implement this change in the Public Housing or Housing Choice Voucher programs in 2018. Each of the above three reforms will have HUD-defined hardship exemptions available for tenants. (Sec. 226, 227 and 228 below)

HUD will also seek broad authority to *waive statutory and regulatory requirements to provide PHAs [public housing agencies] with the flexibility to tailor and apply policies that address their individual needs and are acceptable within their local communities. Such waivers would encourage increased local discretion and flexibility in terms of how PHAs operate their public housing programs within each jurisdiction …Specifically, HUD seeks to waive statutory and regulatory provisions related to PHA administrative, planning, and reporting requirements; energy audits; income recertifications; and program assessments."* (Sec. 230 below)

The CJ further notes, *"the requested broad waiver authority described above will help PHAs better manage their programs within their available resources and provide PHAs with a variety of options for temporary regulatory and statutory relief while HUD seeks permanent statutory reform. In addition, HUD will work with PHAs to manage the proposed changes using a full menu of options, including adjustments to existing PHA discretionary policies, new flexibilities, and voucher attrition (i.e., not reissuing vouchers when families exist the program), as needed to avoid resident displacement. This approach will empower local communities to manage the cost savings proposals in a fiscally responsible manner and help to avoid the displacement of currently assisted households, by giving PHAs the flexibility to employ those relief measures that make the most sense in relation to their own needs, priorities, and rental markets."*

> ***CLPHA Position: CLPHA remains deeply skeptical of certain Trump Administration rent reform proposals as they appear designed to simply generate additional rent payments from the very tenants that are least likely to afford higher payments, all in an effort to disguise or offset the proposed cuts in rental assistance funding. CLPHA is dubious of the Administration's assertion that the reforms are intended to assist residents, encourage work, and promote self-sufficiency, particularly when over half the public housing population is elderly and disabled. Also, while the 35 percent income reform does not yet apply to public housing or housing choice vouchers, its future application seems inevitable as the other***

reforms do apply. The Administration makes the claim that without significant reform, cost increases in the rental assistance programs may be unsustainable, would not only pose challenges to the future viability of the rental assistance programs, but could also threaten other HUD initiatives. There is no evidence to support this speculative Administration argument.

Public Housing Operating Fund

HUD proposes $3.9 billion in FY18. This is $500 million less than the $4.4 billion enacted in FY17, and $1.449 billion less than the CLPHA request of $5.349 billion. According to the CJ, the proposed funding level represents an estimated 80.7 percent proration against the formula eligibility. The proration continues a deliberate trend of disinvestment in the on-site management and operations of the public housing program since the account has only been fully funded in 4 of the last 17 years, the last time in 2011.

According to the CJ, the budget also proposes to *"extend the flexibility available to most small PHAs to utilize the Capital and Operating Funds interchangeably to all PHAs, regardless of troubled status and the condition of a PHA's public housing portfolio."* This proposal would extend full flexibility to all PHAs using FY18 and previous years' funding, *"including the use of existing Operating Reserves for capital improvements. This flexibility would enable PHAs to focus scarce resources on local priorities without being constrained by the statutory limitations of each fund."* (see Sec. 233 below)

The CJ also notes, *"while the 2018 Operating Fund level may slow the pace of [RAD] conversions, many existing awardees will still be able to convert and undertake property improvements. Interested PHAs will need to evaluate the effect of conversions in a reduced funding environment on any remaining public housing stock."*

CLPHA Position: We are dismayed the Administration request continues the previous trend of disinvestment in public housing operations at less than 100 percent, despite the fact that prorating operating funds jeopardizes housing authorities' ability to increase occupancy, reduce waiting lists, and maintain decent and safe housing. CLPHA appreciates the Administration proposal recommending full fungibility between the Operating and Capital accounts to all housing authorities—a position we have long advocated. However, we do not regard full fungibility in lieu of reduced funding as a quid pro quo. Additionally, successful conversion of public housing units under RAD are jeopardized. The success of RAD is dependent upon stable funding levels for the Operating Fund and Capital Fund in order to capitalize properties with private sector debt and equity.

CLPHA will continue to advocate with Congress for full funding of $5.349 billion for the Operating Fund in FY18.

Public Housing Capital Fund

HUD proposes $628 million in FY18. This is $1.314 billion less than the $1.942 billion enacted in FY17, and $4.372 billion less than the CLPHA request of $5.0 billion. HUD proposes approximately $600 million will fund capital grants to public housing agencies; a $10 million set-aside under the Capital Fund for the Jobs Plus Initiative, which is $5 million less than the FY17 enacted level; $20 million for emergency capital needs; and up to $8.3 million for financial and physical assessments of public housing and other HUD-assisted properties. HUD also proposes to *"provide bonus awards in fiscal year 2018 to public housing agencies that are designated high performers."* HUD is once again proposing no funding for Resident Opportunity and Supportive Services (ROSS) in FY18.

According to HUD's budget appendix, *"the Budget proposes a set of policies to reduce costs while continuing to assist current residents. These policies serve as a starting point as the Administration works towards a more comprehensive package of rental assistance reforms."* The CJ further states, *"this budget proposal recognizes that public housing is a partnership between Federal, State, and local governments. The Capital Fund remains essential to improving and sustaining the quality of the public housing stock, but PHAs must leverage outside public and private investment in addition to federal funds to meet the capital repair and modernization needs of the properties. This proposal intends to make public housing more sustainable in the long term and provide flexibilities to HUD's partners allowing them to use funds in a way best suited to address local needs."*

> ***CLPHA Position: CLPHA is alarmed by the deep and massive cut to the Capital Fund program representing a two-thirds reduction in program funding. Slashing the program to this extent, which can ill-afford any further reductions, demonstrates a callous disregard for the condition of the nation's public housing. We have repeatedly decried chronic underfunding of the Capital Fund contributes to a deteriorating housing stock, greatly diminished health and other life outcomes for public housing residents, especially children and seniors, and the loss of approximately 10,000 public housing units per year. The capital backlog of more than $26 billion continues to grow; annual accrual needs continue to be underfunded; and successful conversion of public housing units under RAD are jeopardized. The success of RAD is dependent upon stable funding levels for the Operating Fund and Capital Fund in order to capitalize properties with private sector debt and equity.***
>
> ***CLPHA will advocate with Congress for an adequate funding level of $5 billion for the Capital Fund in FY18.***

Rental Assistance Demonstration (RAD)

HUD proposes no funding in FY18. This is equal to the enacted amount in FY17, and $50 million less than the CLPHA request of $50 million. The budget also proposes elimination of the unit cap, and would extend conversion authority to enable owners with Section 202 Housing for the Elderly the option to convert to Section 8 contracts. According to HUD's budget appendix, *"the Budget supports preservation of Section 202 properties through the expansion of the Rental Assistance Demonstration program to include elderly properties developed through the Capital Advance program*.

In addition, the budget eliminates the September 30, 2018 deadline for submission of RAD applications; standardizes ownership and control requirements for converted Public Housing properties in situations where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs; and protects tenants' right to continue occupancy under second component conversions. (Sec. 219 below)

According to the Congressional Justifications, *"as of May 2017, PHAs have converted more than 61,000 public housing units and have leveraged $4 billion in construction investments to improve, replace, and preserve these properties."* An additional 23,000 units have also been preserved through conversion under the Moderate Rehabilitation (MR), Rent Supplement (RS), and Rental Assistance Payment (RAP) programs—the second component of RAD.

> ***CLPHA Position: CLPHA was a key stakeholder in the coalition that developed and advocated for creation of the Rental Assistance Demonstration, a leader in the coalition to lift the unit cap, and a convener of the RAD Collaborative with other public-private stakeholders to provide support to housing authorities and their partners to preserve and revitalize their public housing properties. CLPHA strongly supports the Administration's proposal to eliminate the unit cap, though RAD is severely undermined by cuts to the Operating and Capital Fund. CLPHA strongly supports the Administration's proposal to repeal the sunset date; and CLPHA will continue to advocate for $50 million in funding for the program.***

Housing Choice Voucher (HCV) Program

HUD proposes $17.584 billion in FY18 for HCV renewals. This is $771 million less than the $18.355 billion enacted in FY17, and $1.806 billion less than the CLPHA request of $19.39 billion. In a replay of previous budget cycles, HUD has retained language providing authority to offset FY18 allocations by *"the excess amount of public housing agencies' net restricted assets accounts, including HUD held programmatic reserves,"* and, once again, proposes to delete the language providing for exclusion of funds subject to MTW single fund budget authority provisions. The offset would be used to prevent the termination of rental assistance as a result of insufficient funding and to avoid or reduce the proration of renewal funding allocations.

HUD proposes a set-aside adjustment fund of up to $75 million, for increases due to unforeseen circumstances or portability; for vouchers not in use during the previous 12 months due to a project-basing commitment; for costs associated with HUD-VASH; and for agencies that, despite taking reasonable cost savings measures, would otherwise be required to terminate assistance due to insufficient funding.

> ***CLPHA Position: CLPHA is alarmed at the reduction in funding for HCV***

renewals, thereby placing more families at risk of homelessness. CLPHA continues to strongly oppose the authorization of offset authority to reduce any downward proration or to prevent terminations due to insufficient funding. Housing authorities have continually faced tremendous uncertainty about their funding, including sequestration cuts, offsets and lack of reserves. Housing authorities who have managed the issuance of vouchers to prevent termination of current voucher holders, should not be penalized. Additionally, MTW agencies must be funded according to their contracts; both adjustments to their funding for savings, and offsets of reserves are violations of their agreements.

CLPHA will advocate with Congress for full funding of $19.39 billion to renew all housing choice voucher contracts.

HCV Administrative Fees – HUD proposes $1.55 billion in FY18. This is $100 million less than the $1.65 billion enacted in FY17, and $734 million less than the CLPHA request of $2.284 billion. The CJ calls administrative fees *"a vital component of the HCV program, providing PHAs with the resources necessary to administer the requested rental assistance for over 2.2 million families"* yet does not provide any further mention or justification for administrative fees and their $100 million reduction in funding for FY18.

CLPHA Position: CLPHA is frustrated with the Administration's failure to explain the significant reduction in funding request for administrative fees, an aspect of the HCV program considered vital to fulfill the purpose of the program. However, CLPHA is pleased the budget does not call for implementation of the new administrative fee formula as we continue to oppose it, and have raised strong objections to the study and the methodology on which the formula is based. Despite our objections, it should be noted that the recent study shows administrative fees are significantly underfunded.

Tenant Protection Vouchers (TPVs) – HUD proposes $60 million in FY18. This is $50 million less than the $110 million enacted in FY17, and $105 million less than the CLPHA request of $165 million. According to the CJ, *"the HCV program will no longer provide higher payments for enhanced vouchers. This change will apply the same cost limitation on the maximum subsidy that may be paid under the voucher program to enhanced vouchers in order to control program costs; however, the tenant rent limitation will be waived so that families will not be required to relocate as a result of this change."* Tenant protection vouchers (TPVs) are essential to PHAs' ability to demolish or dispose of deteriorated or outdated public housing that cannot or should not remain in the portfolio. Without an adequate supply of TPVs, PHAs are unable to relocate or provide replacement housing for tenants, who must remain in those existing public housing units. CLPHA has been urging the Administration to loosen up its approval process on public housing demolition and disposition applications. Additional TPVs for relocation and replacement go hand in hand with that request.

CLPHA Position: CLPHA supports a funding level of $165 million in FY18 for tenant protection vouchers. We are concerned that HUD is currently

proposing to impose limitations on the maximum subsidy that may be paid under the guise of presenting more comprehensive rent reform in a forthcoming legislative proposal. CLPHA strongly urges the Administration to loosen up its approval process on public housing demolition and disposition applications.

HUD-VASH Vouchers – HUD proposes no new funding for HUD-VASH vouchers in FY18. This is $40 million less than the amount enacted in FY17, and $75 million less than the CLPHA request of $75 million.

CLPHA Position: CLPHA supports a funding level of $75 million for HUD-VASH vouchers in FY18. HUD-VASH has been enormously successful and is a good example of cross-sector inter-agency partnerships.

Project-Based Rental Assistance (PBRA)

HUD proposes $10.751 billion for PBRA in FY18. This is $65 million less than the enacted level in FY17 and $649 million less than the CLPHA request of $11.4 billion. Of the amounts made available in FY18, no more than $285 million shall be made available for HUD agreements with performance-based contract administrators.

According to the CJ, the proposal will provide over 16,000 Section 8 contracts with 12 months of renewal funding. Since a small portion of contracts will receive less than 12 months funding in FY17 to conform to the calendar year model, in FY18 HUD "*will return to a full 12-month funding baseline for all contracts, representing a significant increase in baseline renewal needs.*" However, HUD asserts that their savings initiatives "*will allow for annual funding of all renewal contracts and the continuation of rental assistance for same number of units currently served, with only a modest increase over 2017 CR levels.*"

"*The PBRA request includes renewal funding for public housing properties that converted to PBRA in 2013 through 2016 through the Rental Assistance Demonstration (RAD). HUD will continue the conversion of some Public Housing to long-term Section 8 contracts in 2018 under the RAD program. The request also includes renewal funding for Rent Supplement (RS) and Rental Assistance Payment (RAP) properties converting to PBRA in 2017 under the second component of RAD (under authority provided in the 2015 Appropriations Act).*"

CLPHA Position: CLPHA supports a funding level of $11.4 billion for Project-Based Rental Assistance in FY18.

Family Self Sufficiency (FSS) Program

HUD proposes $75 million to fund the consolidated HCV, Public Housing, and PBRA FSS Program in FY18. This is equal to the enacted amount in FY17, and $20 million less than the CLPHA request of $95 million. The budget request would allow HUD to fund approximately 1,300 FSS Program Coordinators that will serve approximately 72,000 families.

CLPHA Position: CLPHA supports a funding level of $95 million for FSS

vouchers in FY18. FSS is a part of the arsenal of programs helping families achieve self-sufficiency. Since the Administration places a high-value on lower-income families attaining self-sufficiency, it is puzzling that HUD did not ask for more funding to help families achieve this goal and Administration priority.

Choice Neighborhoods Initiative (CNI)

HUD proposes no funding in FY18. This is $137.5 million less than the amount enacted in FY17, and $200 million less than the CLPHA request of $200 million. According to the budget appendix, *"the 2018 Budget does not request funding for Choice Neighborhoods in recognition of a greater role for State and local governments and the private sector to address community revitalization needs, and redirects constrained Federal resources to higher priority activities. The Department will continue to monitor and provide assistance for existing HOPE VI and Choice Neighborhood projects."* In addition, the budget proposes that all recaptured funds in CNI and HOPE VI be redirected to the Public Housing Capital Fund.

CLPHA Position: CLPHA strongly supports $200 million in funding for CNI in FY18, and urges Congress to reject the Administration proposal to eliminate funding for the program. CNI is a comprehensive neighborhood-based redevelopment strategy that relies on leveraging public-private partnerships to encourage mixed-financed, mixed-income and mixed-use communities.

CLPHA continues to support the CNI requirement from previously enacted appropriations that directs a significant portion of the funding to public housing. Since public housing revitalization and capital repair continue to be underfunded, evidenced by the more than $26 billion in capital backlog, specific funding targeted to public housing under CNI remain necessary.

Housing Trust Fund

The FY18 budget proposes to eliminate assessments and discontinue funding for the Housing Trust Fund (HTF). Prior statute directed that HTF be funded from assessments on Fannie Mae and Freddie Mac.

CLPHA Position: CLPHA supports assessment allocations from Fannie Mae and Freddie Mac to continue to fund the Housing Trust Fund in FY18, and supports full access to the Trust Fund by housing authorities.

Research and Technology

HUD proposes $85 million in FY18. Per the Budget Appendix, *"the request consists of $50 million for core research support, surveys, data infrastructure, and knowledge management (i.e., research dissemination); $10 million for research, evaluations, and demonstrations; and $25 million for tech-*

nical assistance." Also, included in the request is funding for research priorities, including a long-term commitment to evaluate Moving to Work (MTW) policy initiatives and expansion.

> ***CLPHA Position: CLPHA supports the Administration funding proposal for Research and Technology in FY18, particularly funding to support the evaluation of MTW.***

General Provisions

The general provisions of the budget proposal include several policy changes. Some changes were in previous years' budget proposals and some changes are new. The section on General Provisions includes the following numbered sections of interest to CLPHA.

Sec. 201. Amends the McKinney Homeless Act to allow up to 15 percent or recaptured or cancelled amounts to be used to provide project owners with incentives to refinance their project at a lower interest rate.

Sec. 202. Prohibits FY18 funds to investigate or prosecute lawful activity under the Fair Housing Act, including the filing or maintaining of nonfrivolous legal action *"that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction."*

Sec. 207. Limits eligibility for students to receive Section 8 assistance.

Sec. 211. Requires the Secretary to notify the public of the issuance of a notice of the availability of assistance or NOFA for any program or discretionary fund that is to be competitively awarded.

Sec. 213. Requires HUD to take action against owners of multifamily housing projects with a Section 8 contract, or contract for similar project-based assistance, when those properties do not meet minimum REAC standards. Public housing properties are exempt from this requirement.

Sec. 214. PHA COMPENSATION – Restricts the amount of Section 8 (under the tenant based rental assistance program) and Section 9 funding that public housing agencies can use to pay officials or employees above the annual rate of basic pay for a position at level IV of the Executive Schedule in FY18.

CLPHA Position: CLPHA continues to remain opposed to the Administration's proposal to cap housing authority executive compensation. CLPHA is opposed to the federal government's intrusion into local decisions that are more properly made by the housing authority governing body—the appointed board of commissioners who are responsible for determining executive director responsibilities, evaluating performance and setting reasonable compensation policies.

Sec. 215. Allows HUD, through notice, to elect to require or enforce the Physical Needs Assessment (PNA).

CLPHA Position: CLPHA strongly opposes allowing HUD to determine whether to enforce the PNA. CLPHA long-advocated previous statutory language that prohibits HUD from using funds to require or enforce the PNA. In light of the proposed 67 percent cut to the Capital Fund, and the high Administration priority for regulatory relief, the HUD position on PNA is bewildering, contradictory and regressive.

Sec. 217. Allows unexpended funds which are either appropriated, allocated, advanced on a reimbursable basis, or transferred to HUD's Office of Policy Development and Research for research, evaluation, or statistical purposes may be reobligated and immediately become available for research, evaluation, or statistical purposes.

Sec. 219. RAD Amendments – Permanently extends the application deadline by replacing the statutory language *"until September 30, 2018"* with *"for fiscal year 2012 and thereafter"*. Also, provides several perfecting amendments concerning First Component, Second Component, nonprofits, and others. eliminates the deadline of September 30, 2018 for submission of RAD applications; standardizes ownership and control requirements for converted public housing properties in situations where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs; protects tenants' right to continue occupancy under second component conversions; grants authority to Section 202 properties to convert to Section 8.

CLPHA Position: CLPHA supports the Administration proposals for the RAD program in FY18; however, the proposal granting conversion authority to Section 202 properties should only be granted if the cap is fully lifted, and should be amended to allow housing authorities to acquire Section 202 properties for conversion, particularly since the proposed funding cuts to the Operating and Capital Fund will seriously undermine the current progress of RAD.

Sec. 226. Tenant Rent Contribution – For FY18, HUD may raise the minimum rent up to

35 percent of monthly income for families residing in Section 202 and Section 811 units, unless hardship exemptions apply.

SEC. 227. Minimum Rents – For FY18, the monthly minimum rent under public housing, Section 202, Section 811, and housing choice vouchers programs is $50, unless hardship exemptions apply. This provision begins on the tenant's first annual or interim recertification following enactment.

SEC. 228. Prohibition on Utility Reimbursements – For FY18, no family may receive utility reimbursements, unless that family would otherwise experience a hardship as defined by HUD.

CLPHA Position: CLPHA believes the reforms enumerated in Sections 226, 227 and 228 are principally about shifting the cost-burden onto tenants. The cost-shifting to tenants is not a substitute or solution for the deep cuts to the rental assistance programs. CLPHA is assessing the impact of these proposed changes on its member housing authorities and their residents.

SEC. 230. Public Housing Flexibilities – Allows HUD, through federal register notice, to establish full fungibility and flexibility between the Public Housing Capital Fund and Public Housing Operating Fund through waivers or alternative requirements.

CLPHA Position: CLPHA strongly supports the Administration proposal to allow full fungibility and flexibility between the Public Housing Capital Fund and Public Housing Operating Fund accounts. CLPHA has long-advocated for this flexibility.

SEC. 231. Tenant-Based Rental Assistance Flexibilities – Allows HUD, through federal register notice, to establish flexibility under the Tenant-Based Rental Assistance program through waivers or alternative requirements if necessary to reduce costs or for the effective delivery and administration of funds.

CLPHA Position: CLPHA strongly supports the Administration proposal to allow flexibility under the Tenant-Based Rental Assistance program through waivers and has long-advocated for this flexibility.

SEC. 232. Enhanced Voucher Payment Standards – Eliminates enhanced vouchers under the Section 8 program.

CLPHA Position: CLPHA strongly opposes the elimination of enhanced vouchers, which for many years have permitted residents to remain in their homes when an assisted housing owner opts out or otherwise leaves certain HUD subsidy programs.

SEC. 233. Capital and Operating Fund Flexibility – Allows housing authorities to use any amount of funds between the Public Housing Capital Fund and Public Housing Operating Fund for any eligible activities.

CLPHA Position: CLPHA strongly supports the Administration proposal to allow full fungibility between the Public Housing Capital Fund and Public Housing Operating Fund accounts. CLPHA has long-advocated for this flexibility.

SEC. 236. Allows unobligated amounts, including recaptures and carryover, from prior appropriations acts for HOPE VI and Choice Neighborhoods Initiatives to be used for purposes under the Public Housing Capital Fund, regardless of the purposes for which the funds were appropriated.

CLPHA Position: CLPHA opposes the transference of funds from HOPE VI and CNI to the Public Housing Capital Fund. CLPHA prefers the funds remain with the CNI program.