

CLPHA's 2018 Legislative Priorities

The legislative priorities for the Council of Large Public Housing Authorities (CLPHA) are:

1. Secure Adequate Funding

Public Housing Operating Fund: The Public Housing Operating Fund is the only major source of federal funds available to housing authorities, aside from tenant income, to support public housing operations. For too many years, Congress has not appropriated the Operating Fund formula at its full funding level. The Operating Fund has only been fully funded to meet the need in four of the last 18 years. In addition, success of the Rental Assistance Demonstration (RAD) program depends on an adequate Operating Fund and Capital Fund which have already leveraged over \$5 billion in construction financing.

Public Housing Capital Fund: The Public Housing Capital Fund is the dedicated source of annual funding for housing authorities to make rehabilitation and modernization improvements to public housing. In recent years, capital fund appropriations have steeply declined, and ongoing needs continue to be unmet. Since 2010, ongoing needs are estimated at a minimum of \$3.4 billion annually, and the capital needs backlog—estimated eight years ago by HUD at \$26 billion—continues to grow. The growing backlog has led to a substantial loss for over a decade of approximately ten thousand public housing units across the country each year.

Housing Choice Voucher Program: The Housing Choice Voucher (HCV) Program is an essential component of the affordable housing continuum and continues to be an important, cost-effective delivery system for providing much-needed rental assistance to the country's lowest-income residents. Demand for HCV far exceeds the supply of available vouchers. Additionally, HCV Administrative Fees are critical and necessary funds to enable housing authorities to effectively administer the HCV Program.

2. Preserve and Expand Public and Affordable Housing

Transforming and Preserving Public Housing: Over the years, public housing has suffered deep appropriations cuts, with funding for maintenance and operations at only a fraction of what HUD's own formulas says is required. Every year, congressional appropriations fall far short of the amount necessary to meet ongoing needs, much less address the accumulated backlog of repair, improvement, and replacement requirements. Yet, portions of this vital resource have already been transformed into viable affordable housing assets. Using the Rental Assistance Demonstration (RAD), which transitions public housing to a Section 8 funding and regulatory platform, housing authorities have been able to leverage local public-private partnerships that preserve or replace projects and stabilize operations.

Building upon the transformative process begun by RAD, 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 long-term affordability. These changes could help foster deregulation, local control, and more flexible use of federal, state, and local resources; enabling public housing providers to better connect residents to jobs, health care, and educational opportunities and improve life outcomes for them and their families.

Rental Assistance Demonstration: RAD is a preservation program focused on protecting and improving the nation's at-risk public housing stock. RAD allows housing authorities to leverage private capital through a variety of proven financing tools as a key solution in tackling over \$30 billion in unmet capital backlog needs in the Public Housing Program. Since its start, RAD has already spurred over \$5.0 billion in construction financing and successfully converted more than 88,000 units through public-private financing partnerships. Another 17,000 units are in the final stages of conversion, and more than 86,000 units are on the waiting list to convert.

Infrastructure: As one of the nation's largest sources of affordable housing, public housing plays a central role in the nation's infrastructure. Similar to roads, bridges and waterways, affordable

housing is a long-term infrastructure asset that helps communities and families thrive. Public housing represents a significant investment on the part of the federal government. However, like roads, bridges and waterways that lack adequate resources to be properly maintained, HUD estimates over 300,000 units of affordable public housing were lost since 1990 due to chronic underfunding. A significant federal investment in housing infrastructure should be a top priority.

Low Income Housing Tax Credit (LIHTC): Generating over three million housing units since its authorization in the 1986 tax reform bill, LIHTC is the federal government's primary vehicle for producing affordable rental housing. It provides budget authority to state and local housing agencies as an incentive to private developers and investors to help produce new and rehabilitated rental housing for low-income households. LIHTC is also a primary financing tool for RAD, which enables public-private partnerships to preserve at-risk public housing. Utilizing LIHTC, PHAs have leveraged nearly \$3.8 billion in private financing to help convert over 33,000 units through RAD, more than any other single source of financing for the RAD program. The recently enacted tax reform bill, while preserving the LIHTC program, lowered the corporate tax rate from 35% to 20% percent reducing the value of losses from LIHTC investments, thereby reducing LIHTC prices by about 15 percent. This will diminish the amount of equity capital invested, resulting in fewer public housing units preserved and affordable housing constructed.

3. Ensure Program and Funding Flexibility

Moving to Work Flexibility for Large Housing Authorities: For over 20 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. Many of the innovations developed through MTW have been adopted into legislative and regulatory reforms for all public housing. Recently the first comprehensive evaluation of the MTW program found that MTW agencies do better than comparison agencies on most performance measures, particularly those related to the MTW program goals of self-sufficiency and housing choice, while also meeting the standard PHA requirements for serving extremely low-income households. The Consolidated Appropriations Act of 2016 allows expansion of the MTW demonstration to an additional 100 housing authorities over 7 years and extends the existing contracts of current MTW agencies to the year 2028. While the expansion and extension were welcomed, 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.

4. Reduce Siloed Isolation of Programs and Services

Choice Neighborhoods Initiative: The Choice Neighborhoods Initiative (CNI) is a broad, place-based solution that helps address the housing, transportation, energy, education, workforce, environmental, health, business and development needs of neighborhoods and communities. CNI is built upon the success of the HOPE VI program, whose purpose was to transform the most severely distressed public housing developments into revitalized neighborhoods. While much has been accomplished, there is still considerable need for revitalization in public housing developments across the country.

Promoting Cross-Sector Collaboration / Housing Is Education, Health, etc.: The *Housing Is* Initiative, led by CLPHA, is based on the premise that fragmented service delivery systems and siloed policymaking often fail to address the needs of low-income individuals and families holistically, resulting in stagnant outcomes and costly inefficiencies. In order to solve challenges associated with poverty and other social and societal determining factors, we must break down silos and create opportunities for different systems and sectors (public, private, and nonprofit) to collaborate and better meet these needs and improve life outcomes. Legislative actions should be initiated to improve policies and practices that directly impact low-income residents and those experiencing housing instability. For example, the Affordable Housing for Educational Achievement Demonstration (AHEAD) Act encourages PHAs, school districts, and community partners to address housing and educational needs. We also believe interagency-funded pilot programs can help establish and foster cross-system collaboration by organizing sectors around shared goals.