

# MOUNTAIN PLAINS NAHRO 2018 LEGISLATIVE AGENDA



Mountain Plains NAHRO (MPNAHRO) is one of eight regional councils of NAHRO (National Association of Housing and Redevelopment Officials) representing over 200 housing authorities and community development agencies working to provide decent, affordable housing to all Americans. It represents federal Region 8 and includes the states of Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming. The following represents our policy and program recommendations for 2018.



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# HOUSING IS A CRITICAL DOMESTIC SPENDING INVESTMENT

MPNAHRO applauds Congress for funding the Omnibus Spending Bill on March 23, 2018. The tireless advocacy of NAHRO, elected officials, and others helped make this happen; now it is time to build upon the Omnibus funding levels.

MPNAHRO promotes increased funding and establishing financing vehicles to preserve existing affordable housing and encourage development of additional affordable housing.



**MPNAHRO advocates that Congress support the remaining portions of the Cantwell-Hatch bill (S 548) that were not included in the Omnibus Spending Bill.**

- Make the 4% tax credit rate permanent
- Structure changes to retain the value of tax credits in a reduced tax rate environment by:
  - » Accelerating depreciation
  - » Shortening the tax credit delivery time frames from the current 10-years
  - » Adding a 50% basis boost for units occupied by households with income at or below 30% AMI (Cantwell: March 2016)

## MPNAHRO Advocates for the Inclusion of Affordable Housing as a Critical Component of our Nation's Infrastructure

- MPNAHRO supports an infrastructure package that includes significant federal investment in the form of direct appropriations, not a package that shifts most of the financial burden of major infrastructure improvements on state or local governments.
- MPNAHRO advocates for an expanded Public Housing Capital Fund to be included in any infrastructure investment made by Congress. The Capital Fund is necessary for housing authorities to rehabilitate and modernize properties, thereby uplifting entire neighborhoods.

Infrastructure is a topic that currently enjoys bipartisan support. Now is the time to implement infrastructure legislation that includes an expansion of the affordable housing portfolio as a cornerstone of our nation's infrastructure investment.

The Public Housing Capital Fund, HOME, and CDBG are the only three sources of funds available to make two key things happen: expand the supply of affordable housing and address the billions of dollars in deferred maintenance that currently threatens housing stock. The three funds did get a much-needed boost with the passage of the Omnibus Spending Bill (\$42.7 billion in funding for HUD, a 10 percent increase over FY 2017) because these tools provide critical gap financing to LIHTC and RAD developments. And additional investment is required to ensure that this nation maintains and develops healthy, quality and affordable housing.

The economic impact of public housing, as reported by Econsult, Inc. in a March 2017 report, *Assessing the Economic Benefits of Public Housing*, illustrates how public housing constitutes an economic and social asset that cannot be created or sustained by the private market with measurable benefits:

- Improvement projects to public housing buildings and the development of new affordable housing units injects \$2.12 back into the local community for every \$1 spent.
- Factoring in related land costs, it would take approximately \$162 billion to replace the existing 1.2 million units of existing public housing.
- Public housing provides an annual effective rent subsidy of \$5,964 (relative to the bottom quartile market rents) to each of more than 1.2 million households.
- HOME/CDBG provides crucial gap funding for affordable housing projects, typically for Low Income Housing Tax Credit projects that targets households with income under 60% of the area median income.



## HOUSING STRATEGIES ARE LOCAL STRATEGIES: EMPOWER LOCAL DECISION MAKING

MPNAHRO supports a national housing policy that affords the maximum level of local decision-making possible. Public housing authorities and local entitlement communities are a reflection of their local market dynamic and their local community values. As such, we need to continue to work to assure that the tools in the housing toolbox are effective and appropriate when applied locally. MPNAHRO supports a number of key legislative actions in this regard.

- MPNAHRO supports the expansion of Moving to Work (MTW) to allow more agencies to utilize this innovative and flexible program and calls upon Congress to direct HUD to implement the expansion that Congress approved in FY2016.
- MPNAHRO looks forward to partnering with HUD to explore evidence-based work requirements. MPNAHRO urges HUD to utilize the expertise of housing practitioners and local workforce agencies who understand what truly works at the local level in order to develop policy that empowers rather than punishes individuals and families.
- MPNAHRO supports an increase in the threshold for Davis-Bacon requirements.
- MPNAHRO supports retention of local control of the Housing Choice Voucher program.
- MPNAHRO urges Congress to adopt the Small Housing Authority Opportunities Act, formerly known as Small Agency Authority Reform Proposal (SHARP)- HR 4816/ S 2292.
- MPNAHRO supports the provisions within the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155) that would remove regulatory barriers for small agencies.

MPNAHRO is home to 177 housing authorities with a population of 11.9 million. Even our smallest housing authorities share an almost identical burden as the largest housing agencies in the country. Small housing authorities have exceptionally limited resources and a very low risk-to-investment ratio, more latitude must be given to them. NAHRO has been working with Congress for eight years to pass small agency reform and now is past time to get it done.

MPNAHRO strongly recommends that HUD conduct a review of all affordable housing-related regulations to roll back any regulation that is not specifically related to resident safety and security and to the efficient operation of both PHAs and HUD's affordable housing programs.



## RESPONSIBLE AND SUSTAINABLE FUNDING

When Congress fails to agree on a budget resolution, housing authorities and local entitlement communities are forced to operate on funds appropriated in a Continuing Resolution context. This kind of short-term thinking and planning is expensive. According to the Peter G. Peterson Foundation, lawmakers have passed a total of 114 continuing resolutions since the beginning of FY 1998.

The reality of working on a Continuing Resolution basis means that housing authorities and entitlement communities cannot plan effectively for their future. The result is the higher cost of poor planning. Agencies typically try to plan their budget several years in advance to allow for better negotiation of contracts and other cost saving measures. Without a solid Federal budget each year, housing authorities are left to estimate the level of support they may receive.

- MPNAHRO advocates for Congress to complete its appropriations work by the end of September each year so a regular FY budget can be passed.
- MPNAHRO supports the full funding of HUD programs and other Federal funding to secure the resources housing authorities need to meet requirements.
- MPNAHRO advocates for including affordable housing in any infrastructure package.

