

*Keeping America's Promise*



# 2016

## LEGISLATIVE AND REGULATORY AGENDA



National Association of Housing and Redevelopment Officials



## TABLE OF CONTENTS

About NAHRO . . . . .	Inside Front Cover
Foreword . . . . .	1
Focusing on What Matters . . . . .	2
NAHRO's Funding Recommendations for Selected HUD Programs . . . . .	4
<b>PRIORITY PAGE</b>	
Preserve & Revitalize the Public Housing Inventory . . . . .	5
<b>PRIORITY PAGE</b>	
Reform & Strengthen the Section 8 Programs . . . . .	7
<b>PRIORITY PAGE</b>	
Strengthen America's Neighborhoods . . . . .	9
<b>PRIORITY PAGE</b>	
Expand Affordable Housing Production Resources . . . . .	11
NAHRO's Priorities . . . . .	13
NAHRO Congressional Relations and Public Policy Staff . . . . .	Back Cover

## ABOUT NAHRO

The National Association of Housing and Redevelopment Officials (NAHRO) is a professional membership organization comprising more than 20,000 housing and community development agencies and officials throughout the United States that collectively administer a variety of affordable housing and community development programs at the local level.

## NAHRO MISSION STATEMENT

Inspire and engage professionals in housing, community development, finance, government, and social services in collaboration with residents to create attainable and sustainable housing and communities for vulnerable families and individuals.

## NAHRO VISION STATEMENT

To be the leading resource for affordable and subsidized housing and community development through innovative research, analysis, advocacy, professional development, and ethics.

## NAHRO'S VALUES

- Knowledge
- Leadership
- Professionalism
- Collaboration
- Equality
- Fairness
- Opportunity for All
- Integrity
- Sustainability
- Adaptability
- Innovation
- Diversity

## NAHRO Leadership, 2015–2017

**STEPHEN W. MERRITT, PHM**  
President

**CARL S. RICHIE, JR., NCC, NAHRO Fellow**  
Senior Vice President

**RICHARD LECO, PHM**  
Vice President–Commissioners

**DONOVAN DUNCAN**  
Vice President–Community  
Revitalization and Development

**REGINA MITCHELL, SPHM, PHM**  
Vice President–Housing

**JULIE J. BREWEN, PHM**  
Vice President–International Research  
and Global Exchange

**DONNA BROWN-REGO, PHM**  
Vice President–Member Services

**DUANE HOPKINS**  
Vice President–Professional Development

**DEEANNA PETERSON, PHM**  
Chair–Budget and Administration  
Committee

**SHARON L. CARLSON, CME, SPHM, PHM, SHM**  
Chair–Small Agencies Task Force

**DONALD MAY**  
Chair–Legislative Network

**DAN TROZZI, PHM, CMPO**  
Chair–Board of Ethics and Credentialing  
Trustees

**MICHAEL GERBER**  
Chair–Strategic Planning Advisory Group

**CLIF MARTIN, CME, CMPO, SPHM, SHM**  
Chair–Housing America Task Force

**PRESTON PRINCE, CME**  
Chair–Housing and Education Task Force

**SAUL N. RAMIREZ, JR.**  
Chief Executive Officer



# Foreword

**THE BEGINNING OF 2016** marks the midway point in the 114<sup>th</sup> Congress and the end of President Obama's final term in office. This year will be one of contemplation and change. What will the future of America look like, and what values will our leaders hold? Will the future be brighter for those who continue to struggle, and will our leaders strive to help those who haven't benefitted from an uneven economic recovery? As the nation considers the future and votes to make changes, public housing authorities and redevelopment agencies will continue to make real, lasting impacts on the local level to ensure that all Americans have decent, safe, and affordable homes.

One year ago, we wrote that 2015 and the new 114<sup>th</sup> Congress marked the beginning of a new era in Washington. In 2015, we knew that our ability to make progress on Capitol Hill on housing and community development (HCD) issues affecting the most vulnerable was dependent on a willingness to find common ground and operate under regular order. Three notable examples of progress have been made, including the passage of the Housing Opportunity Through Modernization Act (H.R. 3700) by the House of Representatives, an agreement on a new two-year budget deal, and the permanent authorization of the 9 percent Low Income Housing Tax Credit (LIHTC). NAHRO thanks the 114<sup>th</sup> Congress for their efforts in passing this important piece of legislation. Although this is tangible progress, much more needs to be done.

In 2016, we will be challenged once again to find ways to do more with less. We will also face both foreign and domestic challenges that may crowd out any further ability to act on long-overdue housing and community development (HCD) needs. We must act now. We cannot wait until next year to address long-fester concerns, such as the need to provide responsible funding to address the capital needs of our public housing inventory. One in five children in this country live in poverty. Homeless veterans, seniors, single-parent households, and disabled individuals should not be denied a basic fundamental need: housing. Unfortunately, housing authorities have been forced to reduce their voucher programs because funding does not match the cost to administer the program. Small housing authorities in rural communities are strained by the weight of government regulations. Local redevelopment authorities (LRAs) struggle to prioritize needed activities in their communities due to reduced Community Development Block Grant (CDBG) and HOME Investment Partnerships dollars. A robust and modern national housing policy is critical to begin addressing these challenges. Continued advocacy for such a policy is imperative.

This agenda includes recommendations that NAHRO members feel are necessary, but it is not intended to catalogue all of the efforts and policies NAHRO will pursue in 2016. In making these recommendations, NAHRO members know that it is incumbent upon them in 2016 to act ethically and responsibly each day in carrying out their mission, especially with diminishing resources at the federal level.

We look forward to working on a bipartisan basis with all those in government and in elected positions of authority to make progress towards a comprehensive national housing policy that can better serve our entire country. Let's build upon what can and must be done.



## A NOTE TO USERS

As you may have noticed, NAHRO's 2016 Legislative and Regulatory Agenda includes some features we debuted in 2015. Our aim is to create a resource that will not only effectively communicate NAHRO's key priorities for this year, but will also serve as a valuable tool for NAHRO members as they seek to educate policymakers on the importance of HCD programs in their communities. To that end, we've included tear-out Priority Pages providing an introduction to Public Housing, the Section 8 programs, Community Development programs and affordable housing programs. In addition to summarizing NAHRO's goals and recommendations, these pages also incorporate information about the programs and the people they serve, connecting the dots between our Legislative and Regulatory Agenda and our communities. Electronic copies can be found at [www.nahro.org/2016agenda](http://www.nahro.org/2016agenda).

For more information about the recommendations in NAHRO's 2016 Legislative and Regulatory Agenda, please visit [www.nahro.org/2016agenda](http://www.nahro.org/2016agenda).



## 1. Responsible Funding

The ability of HCD agencies to meet the needs of their communities is dependent on robust federal investments. NAHRO will continue to be unwavering in our efforts to secure programmatic and administrative funding to fully renew all existing commitments, including Public Housing, Section 8 programs, and Homeless Assistance Grants, as well as to maintain broader community investments in flexible programs like HOME and CDBG.

- Although a budget was approved that sets federal spending in FY 2017, NAHRO will work to ensure that this agreement is upheld, to maintain the balance between non-defense discretionary and discretionary spending, and to achieve the highest possible funding for housing and community development programs.



## 2. Incentives for Affordable Housing Production

The Low Income Housing Tax Credit (LIHTC) is the largest source of capital supporting the nation's affordable housing inventory. Since it was established in 1986, the LIHTC has financed the development of nearly 2.8 million rental homes throughout the nation. Without the LIHTC, there would be virtually no affordable housing production. A huge victory was scored in 2015 with the authorization of the 9 percent LIHTC, but there is more work to be done.



- In 2016, NAHRO will continue to work for a permanent 4 percent credit rate for allocated acquisition credits, and raising the overall annual housing credit allocation to states.

## 3. Regulatory Streamlining

In a climate characterized by fiscal constraints, it is more important than ever for HUD to function efficiently and effectively by helping its partners to maximize use of federal resources. The time is right for reform of the burdensome, outdated administrative landscape that has piled up around HCD programs. Fortunately, many in Congress concur, and much progress was made in 2015 toward the reduction of unnecessary burdens, barriers, and obstacles to effective program implementation, but there is still work to do in 2016.

- NAHRO will urge the Senate to consider H.R. 3700, the Housing Opportunity Through Modernization Act, legislation that provides a number of direly-needed reforms.
- NAHRO will seek full funding for implementation of regulations to ensure that all housing authorities have the resources needed to meet the requirements.
- NAHRO will urge HUD to reevaluate its full complement of information collections to remove duplicative reporting requirements and focus on local solutions to allow PHAs to best meet the needs of their communities.



#### 4. *Small Housing Authority Reform*

Small housing authority reform is a joint initiative of NAHRO and the Public Housing Authority Directors Association. Introduced by Sen. Jon Tester (D-Mont.) and Sen. Deb Fischer (R-Neb.) in the Senate, and by Representatives Steven Palazzo (R-Miss.), Sanford Bishop (D-Ga.) and Brad Ashford (D-Neb.) in the House, S. 2292 and H.R. 4816 (currently known as the Small Public Housing Agency Opportunity Act) would significantly ease administrative burdens and increase program flexibility for agencies with 550 or fewer public housing units and/or voucher units. This legislation would liberate small PHAs from unnecessary and unproductive red tape and provide those agencies with new flexibility to administer assisted housing programs effectively, efficiently and in the interests of low-income residents, program applicants and taxpayers.

- NAHRO will continue to advocate for the advancement of S. 2292 in the Senate and H.R. 4816 in the House. For more information on the common sense reforms contained in these bills, see [www.nahro.org/SHARP](http://www.nahro.org/SHARP).



#### 5. *Barriers to Eligibility*

NAHRO will work to remove statutory and regulatory barriers to PHA and local redevelopment authority (LRA) participation in various federal programs, often because these agencies do not enjoy nonprofit status under the Internal Revenue Code. For example, PHAs and LRAs are prohibited from acting as subrecipients under the Emergency Solutions Grant (ESG) program, even though many local government grantees would like PHAs to fill that role without having to go through a time-consuming and costly procurement process. H.R. 3700 would address the barrier to eligibility through a measure that permits PHAs to act as ESG subrecipients. Similarly, PHAs and LRAs are barred from collecting developer fees under the CDBG program, even though these agencies often engage in the same development work as for-profit and private nonprofit developers of affordable housing — all while risking their own non-federal funding, generated through entrepreneurial activity.

- In 2016, NAHRO will work to promote existing legislation that addresses these barriers, including H.R. 3700, and will continue to work to identify other opportunities to eliminate barriers that prevent otherwise qualified PHAs and LRAs from accessing federal housing and community development programs.

# NAHRO's Funding Recommendations for Selected HUD PROGRAMS

[Brackets] and *italicized text* indicate set-asides/sub-accounts

Discretionary Programs (\$ Millions)	FY 2015 Enacted <sup>a</sup>	FY 2016 Enacted <sup>b</sup>	FY 2017 Proposed <sup>c</sup>	FY 2017 NAHRO
Public Housing Operating Fund	\$4,440	\$4,500	\$4,569	\$5,464 <sup>d</sup>
Public Housing Capital Fund	\$1,875	\$1,900	\$1,865	\$5,000
<i>Resident Opportunities and Self-Sufficiency</i>	[\$45]	[\$35]	--	\$35
<i>Emergency Capital Needs</i>	[\$23]	[\$22]	[\$20]	\$20
<i>Jobs Plus Pilot</i>	[\$15]	[\$15]	[\$35]	\$15
<i>ConnectHome Initiative</i>	--	--	[\$5]	--
<i>PH Financial and Physical Assessment Activities</i>	[\$5]	[\$3]	[\$10]	\$3 <sup>e</sup>
Rental Assistance Demonstration	--	--	\$50	--
Choice Neighborhoods Initiative	\$80	\$125	\$200	\$200 <sup>f</sup>
Tenant-Based Rental Assistance	\$19,304	\$19,629	\$20,854	--
<i>Section 8 Housing Assistance Payment Renewals</i>	[\$17,486]	[\$17,681]	[\$18,447]	\$18,447 <sup>g</sup>
<i>Ongoing Administrative Fees</i>	[\$1,520]	[\$1,640]	[\$2,067]	\$2,122
<i>Special and Ongoing Administrative Fees</i>	[\$10]	[\$10]	[\$10]	\$20
<i>Tenant Protection Vouchers</i>	[\$130]	[\$130]	[\$110]	Fully Fund
<i>Restoration Vouchers</i>	[\$75] <sup>h</sup>	[\$60] <sup>h</sup>	[\$88] <sup>i</sup>	\$424
<i>Administrative Fee for Restoration Vouchers</i>	--	--	--	\$52
<i>Mobility Demonstration</i>	--	--	[\$15]	\$15
Family Self-Sufficiency (FSS)	\$75	\$75	\$75	\$85
Section 8 Project-Based Rental Assistance	\$9,730	\$10,620	\$10,816	\$10,839 <sup>j</sup>
Community Development Block Grant	\$3,000	\$3,000	\$2,800	\$3,300
HOME Investment Partnerships Program	\$900	\$950	\$950	\$1,200
Housing Opportunities for Persons with AIDS	\$330	\$335	\$335	\$375
Homeless Assistance Grants	\$2,135	\$2,250 <sup>k</sup>	\$2,664 <sup>l</sup>	\$2,664

a. Enacted levels from the Consolidated and Further Continuing Appropriations Act, 2015.

b. Enacted levels from the Consolidated Appropriations Act, 2016.

c. Proposed levels from the President's FY 2017 budget request.

d. Does not assume the Administration's proposed change to the medical/disability expense deduction threshold for elderly and disabled households. Assumes HUD will not transfer money from program accounts into the Research and Technology account. Keeps total resident contributions at the same level as estimated for FY 2016.

e. NAHRO is opposed to HUD's increase for REAC for "on-site implementation support of UPICS-V at PHAs nationwide" before Congress is provided with a future evaluation of the UPICS-V demonstration from FY 2016.

f. NAHRO recommends including a provision that reserves two-thirds of the CNI funds for applications in which a PHA is the lead or co-applicant.

g. NAHRO supports adequate funding to ensure that all assisted-households will be able to continue to be served in the upcoming year.

h. "Restoration Vouchers" are actually HUD-VASH incremental vouchers.

i. Incremental Vouchers for Families with Children Experiencing Homelessness.

j. NAHRO supports fully funding this account by providing for 12 months of funding for all contracts from January through December 2017.

k. The FY 2016 Act makes not less than \$1.918 billion available for the Continuum of Care (CoC) and Rural Housing Stability Assistance programs.

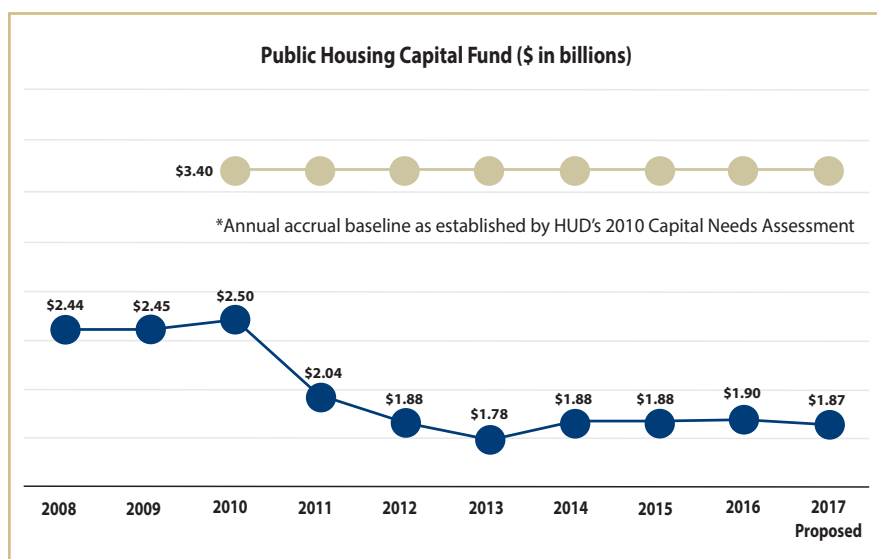
l. The President's FY 2017 budget proposes \$11 billion in new mandatory spending over 10 years to achieve and sustain an end to family homelessness.



**PUBLIC HOUSING AGENCIES (PHAs)** own and operate over 1.1 million units of federally subsidized public housing, providing affordable housing to families, the elderly, disabled persons, and veterans. Although the public housing inventory is an integral component of our nation's infrastructure, chronic underfunding of the Public Housing Capital and Operating Funds, coupled with burdensome over-regulation, has placed the inventory at risk.

The public housing inventory faces a mounting capital needs backlog, but Capital Fund appropriations continue to lag dangerously behind accruing modernization needs. At the same time, funding for operations has endured deep cuts, forcing PHAs to forego critical maintenance functions and further jeopardizing the long term sustainability of many properties.

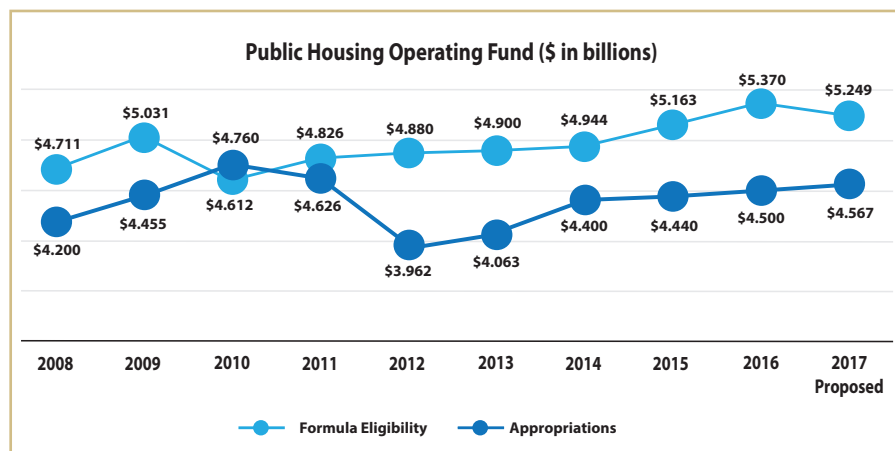
It is imperative that policymakers renew their commitment to adequate funding for the program. In addition to providing resources, policymakers must also expand the suite of tools available to PHAs to manage and preserve their portfolios. This includes the need for the Senate to pass critical provisions found in H.R. 3700, the Housing Opportunity Through Modernization Act (HOTMA), which was unanimously passed by the House of Representatives. Congress must also pass S. 2292 and H.R. 4816, also known as the Small Housing Agency Opportunity Act. PHAs must have broad access to tools that will allow them to streamline their operations, better serve their residents and tap into the value of their assets and leverage private capital.



## Capital Fund

The Capital Fund provides annual grants to PHAs for the development and modernization of public housing. Each year, PHAs receive enough funding to address only about half of their newly occurring physical needs.

**Operating Fund**  
The Operating Fund supports the day-to-day management of 1.1 million units of public housing. Of the families served by the program, approximately 60 percent are elderly or disabled households on a fixed income.







## PUBLIC HOUSING: Heads of Household



### NAHRO's Public Housing Priorities

- NAHRO will advocate to restore full funding for the operating costs and annual capital accrual needs of public housing.
  - Federal funding cuts in recent years have forced PHAs to make difficult decisions, forgoing preventative maintenance and putting off repairs in order to continue to manage properties. Recent unfunded regulations from HUD have increased PHAs' challenges in meeting the needs of their residents and properties.
- NAHRO will continue to support effective tools and mechanisms to improve the operation of the public housing program, including provisions found within H.R. 3700, the Housing Opportunity Through Modernization Act, and both S. 2292 and H.R. 4816, the Small Public Housing Agency Opportunity Act, that would allow PHAs to operate their programs efficiently and responsibly.
  - NAHRO-supported language in H.R. 3700 permits capital replacement reserves, subsidy flexibility, and income review safe harbors that would decrease administrative burden for PHAs.
  - Policies that provide responsible oversight for over-income tenants that do not disincentive low-income families from achieving self-sufficiency would limit rare, yet egregious abuses of high-income individuals in public housing.
  - S. 2292 and H.R. 4816 would provide increased flexibilities for small PHAs to better manage their properties in times of historically low federal funding.
- Allowing for the subordination of the Declaration of Trust would unlock the value of public housing properties so that PHAs could raise capital necessary for modernization projects.
- NAHRO will promote measures to streamline the operating environment in which PHAs operate.
  - Congress and HUD should adjust the administrative burdens placed on PHAs to align with the resources provided. Action by the Senate is critical for PHAs to access the provisions found in HOTMA that would offer much-needed administrative relief.
  - More administrative capacity is required from HUD to ensure successful, streamlined RAD transactions. Standardizing the transaction and closing processes would remove many uncertainties faced by PHAs undergoing RAD transfers. Strengthening and preserving the Low-Income Housing Tax Credit (LIHTC) program is also critical for successful RAD transactions.
  - Public Housing Assessment System (PHAS) scores should be advisory until funding is restored.

### THE PUBLIC HOUSING PROGRAM



1.1 Million Households



2.3 Million Americans





**HUD'S SECTION 8 PROGRAMS** help to form the backbone of HUD's housing assistance programs. They are an essential component in helping to provide low-income American families with access to affordable housing. The Housing Choice Voucher (HCV) program, the largest program in the Section 8 family of programs, provides rental assistance to nearly 2.2 million low-income families to rent privately-owned units in the location of their choosing. In addition to the large number of people served, the HCV program also serves a wide variety of program participants including families, seniors, persons with disabilities, households displaced by disasters, homeless veterans and children aging out of the foster care system. Both the size of the program and the diverse populations that the program serves make it critical that Congress highly prioritize the HCV program when making funding decisions.

Funding for the HCV program is appropriated through two accounts. In addition to the pass-through grants that PHAs send to landlords on behalf of program participants (known as Housing Assistance Payments), Congress also funds an account for administrative fees to support the operations of the program. Essentially, HUD reimburses PHAs for the costs of administering the program for each family under lease. While Congress has provided adequate funding for the vouchers themselves in recent years (in FY 2016, Congress fully funded this Housing Assistance Payments Account), the administrative fee funding to reimburse PHAs for the costs they have incurred has fallen to dangerously inadequate levels.

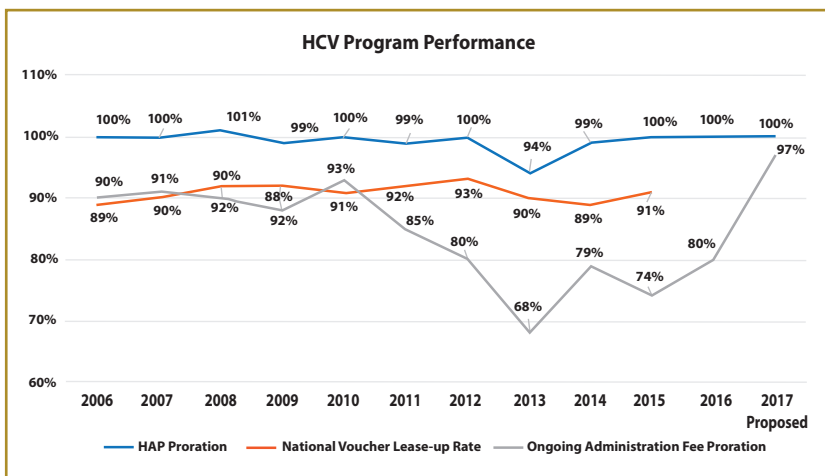
### Administrative Fee

Empirical evidence shows that the administrative fee is funded at much too low a level. In the summer of 2015, HUD published the Housing Choice Voucher Program Administrative Fee Study. The study measured the costs of running an efficient HCV program and proposed a new administrative fee formula. NAHRO believes that flaws in the study led to a formula that undervalues the true cost of running a HCV program. That said, even this study found that Congress underfunded the administrative fee and that 92

percent of PHAs were underfunded during the study period (July 1, 2013 through June 30, 2014).

If a flawed formula from a study that did not consider all potential costs found that the overwhelming majority of PHAs were underfunded, then clearly the current levels of administrative fee funding are not acceptable. These low levels of funding have forced PHAs to lay off staff, enact hiring freezes and impose furloughs, resulting in increased caseload sizes and straining PHAs' ability to remain in compliance with the myriad HUD regulations. These low funding levels

also have consequences for the low-income families the voucher program serves, including a reduction in the level of services provided to participants. That is why NAHRO supports the \$2.122 billion administrative funding fee level. Before implementing any changes in the administrative fee formula, however, NAHRO believes that any proposed formula should accurately capture all the costs associated with running a HCV program.





### **NAHRO's Housing Choice Voucher Priorities**

- NAHRO will seek to restore the vouchers lost due to sequestration.
- As a result of deep cuts to Housing Assistance Payments (HAP) in 2013, approximately 62,000 fewer families are currently being served by the program. NAHRO will continue to seek the restoration of those vouchers to the communities from which they were lost.
- NAHRO will support provisions in H.R. 3700, the Housing Opportunities Through Modernization Act, that enable PHAs to project-base an additional 10 percent of their authorized vouchers if those vouchers support the elderly, the disabled, veterans, homeless individuals, or homeless families or units are in areas where vouchers are difficult to use.
- NAHRO will recommend that HUD employ a methodology that accurately captures current rental markets when calculating Fair Market Rents (FMRs).
- NAHRO will insist upon the restoration of a responsible level of administrative fee funding for voucher programs.
- Consecutive years of inadequate funding have forced PHAs to reduce staff, deeply eroding capacity to administer the program. In fact, a growing number of PHAs can no longer afford to administer the program at all. Since FY 2003 — the last year that PHAs received 100 percent of their administrative fee eligibility — many PHAs administering voucher programs have “handed back” their programs to HUD or transferred those programs to other PHAs.
- NAHRO will work to make sure that Congress understands how any potential changes to the administrative fee formula by HUD will impact our membership before Congress gives HUD the authority to unilaterally change the administrative fee formula.
- If adequate administrative fee funding is not appropriated, NAHRO will advocate innovative approaches to allow PHAs to maximize the efficiency and efficacy of their available resources, including allowing PHAs to utilize a portion of their HAP reserves to cover unmet administrative expenses related to leasing and retaining leased households.
- NAHRO will promote measures to streamline the operating environment in which PHAs operate.
- Until such time as adequate funding is restored, PHAs should not be held to an unattainable standard. Section Eight Management Assessment Program (SEMAP) scores should be made advisory to reflect the imbalance between resources and requirements.
- NAHRO will support provisions in H.R. 3700 and the President's FY 2017 budget proposal that would simplify the cap calculation for Project-Based Vouchers by moving away from calculating caps based on the budget authority to a unit-based calculation.
- NAHRO will work to improve voucher programs targeted to special populations, including veterans, ensuring the financial sustainability of their operations and the ongoing ability of PHAs to effectively steward these resources.
- NAHRO will work to expand the eligibility pool for Family Unification Program (FUP) vouchers by supporting separate provisions in both H.R. 3700 and the President's FY 2017 budget proposal that do this.

### **Section 8 Project-Based Rental Assistance Priorities**

- NAHRO will continue to advocate for a responsible level of funding for the renewal of Section 8 multi-family project-based rental assistance (PBRA) contracts like the amount proposed in the President's FY 2017 budget proposal.





## Community Development Block Grant (CDBG)

**FOR OVER 40 YEARS**, CDBG has helped over 1,200 state and local governments to rebuild their local economies, strengthen public infrastructure, recover from disasters, and improve the quality of life for millions of low- and moderate-income Americans. This flexible program emphasizes local decision-making and prioritization of needs and ensures accountability through citizen participation and rigorous performance measurement.

Funding for CDBG is critical to ensuring our nation's economic recovery continues, creating jobs and providing public services in states and localities across the nation. However, in spite of the program's proven track record, CDBG formula funding has declined by 25 percent from FY 2010 to FY 2016, even before adjusting for inflation.



### LEVERAGING CDBG FUNDS

\$1.00 of CDBG Funds Leverages  
\$3.65 in Non-CDBG Funds



### SUPPORTING HOME OWNERSHIP

\$1.3 Million Households (5 years)



### PROVIDING LOCAL INVESTMENT

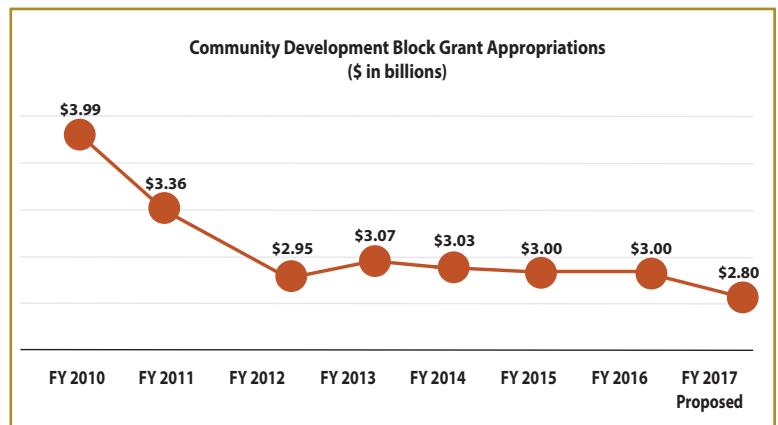
\$149 Billion in Local Economies

## NAHRO's Priorities:

- NAHRO is committed to restoring funding for CDBG to ensure the success of state and local efforts to spur job creation and retention, provide vital public services, and expand affordable housing opportunities for low- and moderate-income families and individuals.
- NAHRO will collaborate with a broad national coalition to measure CDBG's impact on local communities and demonstrate the importance of maintaining our national investment in the program.
- NAHRO will continue to oppose any efforts to change program eligibility thresholds that would reduce existing grantees' ability to access these critical resources.
- NAHRO will work to secure additional resources needed in order for grantees to fulfill their Affirmatively Furthering Fair Housing (AFFH) Assessment of Fair Housing (AFH) requirements, and continue to advocate for methods that reduce administrative burden, such as a streamlined AFH tool for small grantees.

## CDBG Strengthens Communities through Activities that Support:

- private businesses
- housing rehab
- home buyer assistance
- lead-based paint abatement
- senior centers
- homes for the disabled
- homeless shelters
- health clinics
- street repairs
- water and sewer facilities
- employment training
- homeless operations
- senior services
- child care
- domestic abuse services
- food banks

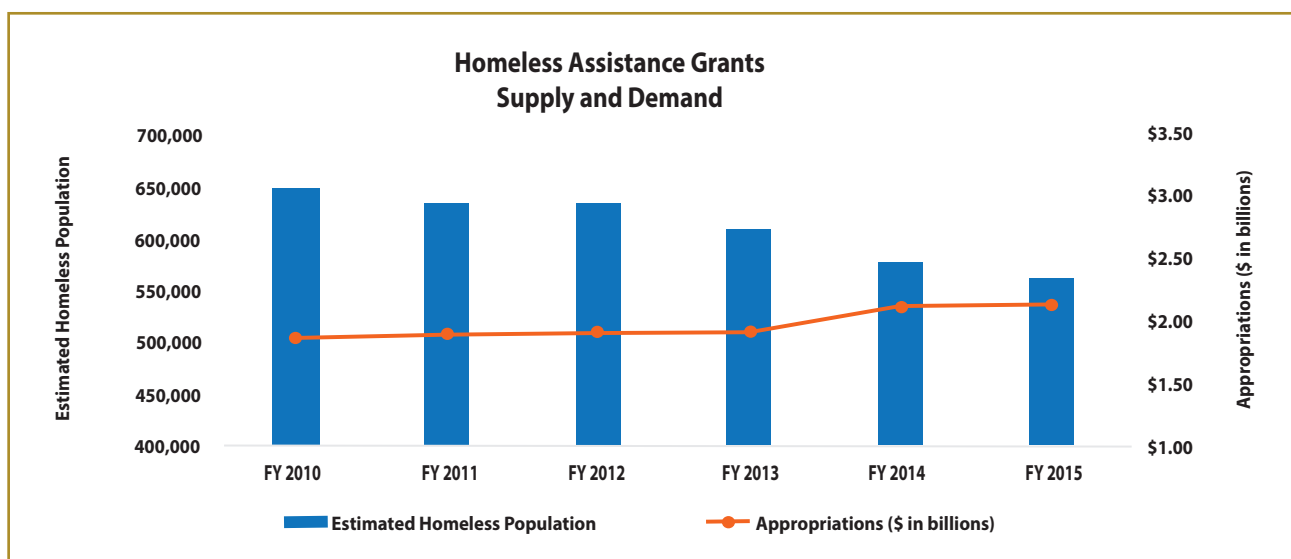




## Homeless Assistance Grants

**IN THE PAST DECADE**, the federal government has made addressing homelessness a top priority. Congress enacted and the President signed the Homeless Emergency and Rapid Transition to Housing Act (HEARTH) in 2009, resulting in a major overhaul of HUD's McKinney-Vento homeless assistance programs. The Obama administration recently solidified its commitment by setting goals to end veteran homelessness by 2015, chronic homelessness by 2017, family homelessness by 2020, and to set a path to end all homelessness.

NAHRO strongly supported many of HEARTH's important reforms, including new flexibility to prevent at-risk families from falling into homelessness and an expanded HUD definition of homelessness that is better aligned with other agency definitions. However, HEARTH mandated programmatic reforms has been hamstrung by inadequate funding, and the not-too-distant economic crisis has revealed the importance of adequate program funding.



### NAHRO's Homeless Assistance Grants Priorities:

- NAHRO supports full funding for HUD's homeless assistance programs and recognizes the need for program funding to keep pace with the rising costs associated with renewing expiring contracts and implementing new initiatives that address special populations, such as homeless youth.
- NAHRO will continue to monitor the implementation of the HEARTH Act to ensure that new regulations are sensitive to local community needs.
- NAHRO will work to improve access to HUD's homeless assistance programs in order to better position PHAs and local redevelopment authorities as full partners.
- H.R. 3700, the Housing Opportunities Through Modernization Act, includes an important measure, first advocated for by NAHRO, that would permit any state or local government receiving Emergency Solutions Grants (ESG) allocations to distribute all or a portion of its grant funds to PHAs (alongside private nonprofit organizations).





## Low-Income Housing Tax Credit (LIHTC)

**CONGRESS CREATED THE LIHTC** 30 years ago to provide the private market with an incentive to invest in affordable rental housing. Today, the LIHTC is the largest source of capital supporting the nation's affordable housing inventory. In addition to producing new units of affordable housing, developers can also use the equity raised through the sale of tax credits to support modernization of existing units. Many PHAs have leveraged the value of the LIHTC to create and preserve affordable housing in their communities. NAHRO remains committed to working with our industry partners to preserve and strengthen the LIHTC program.

## In 2014, the Number of Housing Cost-Burdened Renters Reached a Record High



### NAHRO's LIHTC Priorities:

- Last year, NAHRO won a significant victory when Congress approved a minimum 9 percent LIHTC rate for new construction and substantial rehabilitation projects.
- NAHRO will now focus on the important goal of establishing a minimum 4 percent credit rate for allocated acquisition credits, and raising the overall annual housing credit allocation to states. Given the competitive nature of obtaining tax credits and the well documented lack of affordable housing throughout the nation, these priorities are necessary.
- The President's budget proposal allows states to trade up to 18 percent of their Private Activity Bond volume cap in for additional tax credit allocation authority. NAHRO is deeply supportive of this effort to augment the availability of credits.

### LIHTC is an Indispensable Finance Tool

- LIHTCs provide a critical source of equity for about 90 percent of new affordable housing developments.
- LIHTCs have been used to develop 2.8 million affordable rental units for low-income families. They generate 96,000 jobs a year and have leveraged nearly \$100 billion in private investment.
- To create, acquire and rehabilitate public housing and other affordable housing, LIHTCs can be an important financing component to many of our existing federal programs:
  - » Rental Assistance Demonstration
  - » Choice Neighborhoods
  - » HOME Investment Partnerships Program
  - » Community Development Block Grant



## HOME Investment Partnerships Program (HOME)

**FOR 20 YEARS**, the proven and effective HOME program empowers hundreds of states and localities to design and implement affordable housing strategies to respond to locally determined need. HOME funds can be used for new construction, rehabilitation of existing housing, down payment assistance, and tenant-based rental assistance. Over 600 state and local participating jurisdictions receive funding for new construction and rehabilitation of rental and homebuyer units, down payment assistance to creditworthy homebuyers, and tenant-based rental assistance. In a recent report by Harvard's Joint Center for Housing Studies, researchers found that demographic trends alone would raise the number of households spending more than 50 percent of their income on rent by 11 percent (1.3 million households) over the next decade. Given our nation's affordable housing shortage, the HOME program is critical.



### AFFORDABLE HOUSING

1.2 Million Affordable Units  
230,000 Owner-Occupied Units  
495,00 New Homebuyer Units  
465,000 Rental Units



### LEVERAGING HOME FUNDS

\$1.00 of HOME Funds Leverages  
\$3.95 in Non-HOME Funds

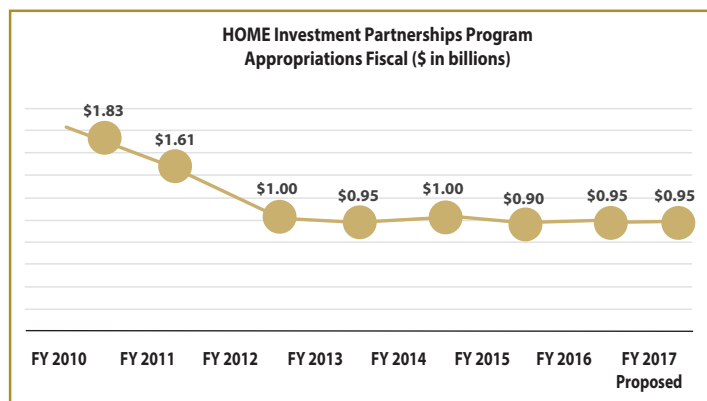


### PROVIDING LOCAL INVESTMENT

\$94.2 Billion in Income  
Nearly 1.5 Million in Local Jobs

## NAHRO's HOME Investment Partnerships Priorities:

- NAHRO will seek to reverse the devastating funding reductions that have occurred in recent years, restoring funding levels to their former levels.
- NAHRO will continue to oppose any efforts to change program eligibility thresholds that would reduce existing grantees' ability to access these critical resources.
- NAHRO will work to address the negative impact recent HOME regulatory reforms have had on the ability of PHAs and local redevelopment authorities and their instrumentalities to fully engage in the program.



## National Housing Trust Fund (HTF)

Under the Housing and Economic Recovery Act of 2008, the National Housing Trust Fund was implemented by Congress with the purpose of generating a dedicated funding source, not subject to annual appropriations, to create and preserve affordable housing. It was not until last year that Fannie Mae and Freddie Mac began setting aside funds for both the HTF and the Capital Management Fund. State HTF allocations is set to begin in 2016. Last year, NAHRO successfully argued for the inclusion of PHA as eligible grantees and the HTF interim rule permits program resources to be combined with Low-Income Housing Tax Credits or Choice Neighborhoods grants to rehabilitate or develop new public housing.

- NAHRO will seek to protect the newly operational HTF by ensuring that funding distributions will begin in a timely fashion. This important program has already been threatened by legislation seeking to cancel or transfer its contributions and NAHRO will work to fully support capitalization of this important funding source.



## Public Housing

- NAHRO will advocate to restore full funding for the operating costs and annual capital accrual needs of public housing.
- NAHRO will continue to support effective tools and mechanisms to improve the operation of the public housing program, including provisions found within H.R. 3700, the Housing Opportunities Through Modernization Act, and both S. 2292 and H.R. 4816, the Small Public Housing Agency Opportunity Act, that will allow PHAs to operate their programs efficiently and responsibly.
- NAHRO will promote measures to streamline the operating environment in which PHAs operate.

## Housing Choice Vouchers

- NAHRO will insist upon the restoration of a responsible level of administrative fee funding for voucher programs.
- NAHRO will promote measures to streamline the operating environment in which PHAs operate.
- NAHRO will work to improve voucher programs targeted to special populations, including expanding the pool of eligible applicants for Family Unification Program (FUP) vouchers.
- NAHRO will seek to restore the vouchers lost due to sequestration.

## Project-Based Rental Assistance

- NAHRO will continue to advocate for a responsible level of funding for the renewal of Section 8 multi-family project-based rental assistance (PBRA) contracts.

## Community Development Block Grant

- NAHRO will seek to reverse the devastating funding cuts that have occurred in recent years.
- NAHRO will continue to oppose any efforts to change program eligibility thresholds that would reduce existing grantees' ability to access these critical resources.

- NAHRO will work to secure the additional resources needed to fulfill the new Assessment of Fair Housing requirements and advocate for methods that will reduce its administrative burden.

## Homeless Assistance Grants

- NAHRO will support full funding for HUD's homeless assistance programs.
- NAHRO will monitor regulations implemented through the HEARTH Act to ensure they are sensitive to local community needs.
- NAHRO will work to improve PHA and LRA access to homeless assistance resources, such as the Emergency Solutions Grants program.

## Low-Income Housing Tax Credit

- NAHRO will focus on establishing a permanent minimum 4 percent Housing Credit rate.
- NAHRO will advocate for raising the overall annual Housing Credit allocation to states.
- NAHRO will continue to support the Administration's proposal to allow states to trade a percent of their Private Activity Bond volume cap for additional credit allocation authority.

## HOME Investment Partnerships Program

- NAHRO will seek to reverse the devastating funding cuts that have occurred in recent years.
- NAHRO will continue to oppose any efforts to change program eligibility thresholds that would reduce existing grantees' ability to access these critical resources.
- NAHRO will work to address the negative impact recent regulatory reforms have had on the ability of PHAs and LRAs and their instrumentalities to fully engage with the program.

## Housing Trust Fund

- NAHRO will seek to protect the newly operational HTF by ensuring that funding distributions begin in a timely fashion.

## NAHRO Congressional Relations and Public Policy Staff

SAUL N. RAMIREZ, JR.  
Chief Executive Officer

JOHN F. BOHM  
Senior Director–Congressional Relations,  
Public Affairs and Field Operations

GEORGI BANNA, ESQ.  
Director–Policy and Program Development

TESS HEMBREE  
Advocacy Coordinator/  
Legislative Liaison

ERIC OBERDORFER  
Policy Advisor–Public Housing

JENNY HSU  
Policy Analyst–Community Development

SYLVIA GIMENEZ  
Managing Editor


TUSHAR GURJAL  
Policy Analyst–Section 8

CARMEN SMITH  
Assistant Editor/Public Affairs Coordinator

JEFF FALCUSAN  
Chief Program Officer



**National Association of Housing and Redevelopment Officials**

630 Eye Street, NW, Washington, DC 20001 | 202-289-3500 | [www.nahro.org](http://www.nahro.org)  @nahronational