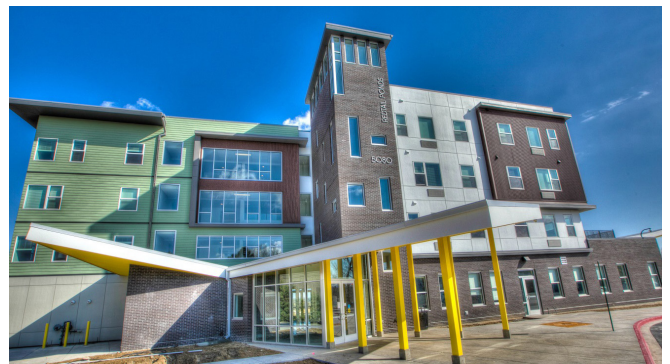
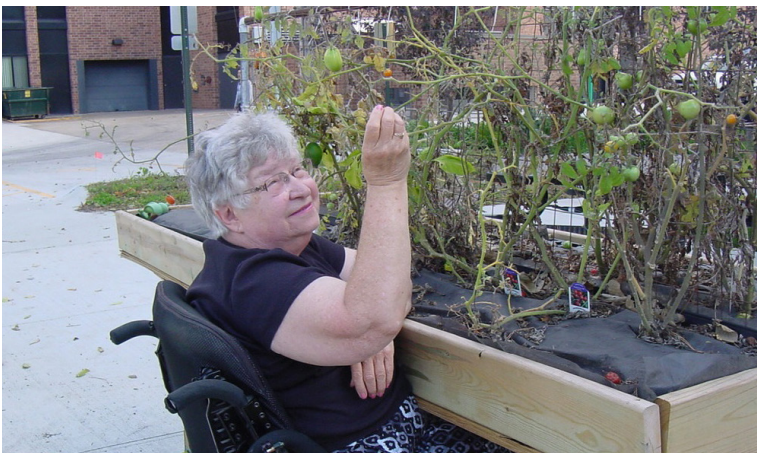


# Regulatory and Legislative Year in Review



2016

# Looking Back, Moving Forward!

As we begin 2017, the NAHRO Policy and Congressional teams take a look back at the regulations and legislation that shaped the 2016 affordable housing landscape. 2017 brings a new Congress, a new administration and new opportunities to provide affordable housing and poverty solutions to not only the families we currently serve but also to other families facing housing insecurity.

The Department of Housing and Urban Development (HUD) was very busy in 2016 setting forth new rules and regulations and providing updated notices and guidances on many of the HUD administered affordable housing programs. From new final rules on Smoke-Free Public Housing and Housing Choice Voucher Small Area Fair Market Rents to updated notices on the Rental Assistance Demonstration (RAD) to the implementation and funding of the Housing Trust Fund (HTF), 2016 provided many positive changes along with some areas to be concerned with.

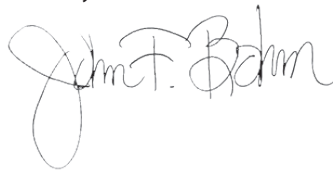
The year has been marked by many legislative victories, including the signing into law of the first housing reform bill since 1998, the Housing Opportunity Through Modernization Act (H.R. 3700). We also made significant progress with reforming regulations for small agencies; a hearing on the Small Public Housing Agency Opportunity Act of 2016 was held in the house and the legislation got 10 Senate co-sponsors and 42 in the House. And while a full-year FY 2017 Transportation, Housing, and Urban Development spending bill has yet to be signed into law, the Senate approved a bill that contained additional funding for health and safety concerns with lead in public housing and the House Appropriations Committee approved its bill.

This *Regulatory and Legislative Year in Review - 2016* provides a primer of the topics on the forefront of the affordable housing industry. It can also provide you, your public housing agencies (PHAs) and local redevelopment agencies (LRAs) and your stakeholders current information on many of the programs used and administered by HUD and the affordable housing community.

The full *Regulatory and Legislative Year in Review - 2016* along with the individual topic one-pagers, is available on the NAHRO website at [www.nahro.org/resource-center](http://www.nahro.org/resource-center). At the time of release, the information contained in the *Regulatory and Legislative Year in Review - 2016* is current to December 31, 2016. The NAHRO Policy and Congressional teams will be updating both the full *Regulatory and Legislative Year in Review - 2016* and the individual topic one-pagers as needed, based new information. New pages will added throughout 2017 as new regulatory and legislative initiatives and programs are introduced. For the most up-to-date versions and information, visit the NAHRO website at [www.nahro.org/resource-center](http://www.nahro.org/resource-center) and the NAHRO blog at [www.nahroblog.org](http://www.nahroblog.org).

Being informed and prepared will be key to the new and changing landscape of Congress and HUD and the *Regulatory and Legislative Year in Review - 2016* can be a piece of the puzzle to active and substantive advocacy in 2017.

Sincerely,



John F. Bohm, Acting CEO



2016 Awards of Merit winner  
City of Omaha Planning Department  
Prospect Village Initiative

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# Housing Opportunity Through Modernization Act (HOTMA)

The first major housing reform legislation to be signed into law since 1998, the Housing Opportunity Through Modernization Act (H.R. 3700) was approved unanimously by both chambers of Congress. This critical legislation provides

public housing authorities and local development authorities with a wide range of regulatory relief advocated for by NAHRO for many years. Now that the legislation has been approved, it must be implemented by HUD.

## NAHRO-supported provisions within HOTMA include:

- **Capital Replacement Reserves** - Using NAHRO language also included in the Senate FY16 Appropriations Bill, H.R. 3700 would allow PHAs to voluntarily establish Capital Fund replacement reserves.
- **Subsidy Flexibility** - H.R. 3700 would allow for PHAs to transfer 20 percent of their Operating Funds to their Capital Fund, language NAHRO has advocated for strongly over many years.
- **Income Review Safe Harbors** - H.R. 3700 would allow PHAs to use other federal data to determine income including TANF, Medicaid, and SNAP.
- **Project-Based Voucher Program** - PHAs would be able to change the amount they may project-base from 20 percent of their voucher funding to 20 percent of their authorized voucher allocation, allowing most PHAs to project-base additional units. Additionally, those PHAs that have units targeting homeless individuals and families, veterans, elderly households, disabled households, or units in areas where vouchers are difficult to use, would be permitted to project-base up to 30 percent of those targeted units. In other instances, PHA project-based voucher assistance may not exceed 25 percent of the units in a project or 25 units, whichever is greater. In areas where vouchers are difficult to use and in census tracts with a poverty rate of equal to or less than 20 percent, PHAs may provide project-based voucher assistance for up to 40 percent of the units in a project. H.R. 3700 allows PBV contracts and extensions of up to 20 years; allows PHAs to permit site-specific waiting lists managed by owners; and clarifies that PHAs may project-base HUD-VASH and Family Unification Project (FUP) vouchers.
- **Extended Family Unification Vouchers** - H.R. 3700 would increase the age of eligibility for FUP vouchers from 21 to 24 and make youth who will leave foster care within 90 days and are homeless or at risk of homelessness eligible. The substitute legislation contains the original H.R. 3700 provisions that would also expand FUP vouchers by allowing eligible youth “who have attained 16 or 17 years” and who have left foster care to remain in the program for up to 36 months.
- **PHA and Local Development Authorities as ESG Subrecipients for Solutions Grants** - H.R. 3700 includes statutory language, supported by NAHRO, that would permit any state or local government receiving ESG allocations to distribute all or a portion of its grant funds to PHAs and local redevelopment authorities (alongside private nonprofit organizations).
- **Special Assistant for Veterans Affairs and an Annual Supplemental Report** - H.R. 3700 would create a new position of Special Assistant for Veterans Affairs that reports directly to the Secretary of HUD and would be responsible for, among other things, ensuring veterans have access to housing programs and homeless assistance, coordinating veteran-related programs at HUD, and serving as a liaison between HUD, the VA, USICH, and officials from state, local, regional, and nongovernmental organizations.



### ADDITIONAL RESOURCES:

For up-to-date information on this issue and other affordable housing issues go to [www.nahro.org/resource-center](http://www.nahro.org/resource-center) and follow the NAHRO blog at [www.nahroblog.org](http://www.nahroblog.org)

# Rental Assistance Demonstration (RAD)

The President's budget requested \$50 million for the Rental Assistance Demonstration (RAD) and would eliminate the cap on conversions as well as the September 30, 2018 deadline for submission of RAD applications under the first component. Although the Senate bill would not fund the President's request for \$50 million for the RAD program, the Senate bill would expand the current 185,000 unit cap on Public Housing conversions to 250,000 units and would eliminate the September 30, 2018 deadline for submission of RAD Applications under the first component. The Senate bill would also provide \$4 million in incremental funding and would expand the second component of RAD to include the conversion of Section 202 PRAC properties. Unlike the Senate bill, the House bill would make no changes to RAD.

NAHRO is continuing to monitor the progress of the demonstration and to analyze the impact of the transfers of Operating and Capital Funds to the Project-Based and Tenant-Based Rental Assistance accounts. In addition, NAHRO is concerned about HUD's capacity to complete successful and streamlined RAD transactions. There were 15,000 units on HUD's RAD wait list at the end of 2016. If the cap were raised to 250,000 unit, that number would further increase. HUD has noted that if the cap were lifted, HUD could remove RAD capstones, allowing PHAs to move forward with the demonstration at a more manageable pace, potentially relieving some

capacity concerns.

On November 10, HUD released PIH Notice 2016-17 (HA), which covered RAD Fair Housing and Civil Rights requirements and relocation requirements applicable to public housing conversions. The notice explains HUD's front-end civil rights review process, strengthens tenant rights and protections in the areas of resident notification and increases relocation housing options. According to NAHRO conversations with HUD, the intent of the notice is to bring transparency and clarity to the RAD conversion process while simultaneously strengthening tenants' rights and protections.

The notice makes certain changes to the RAD timeline which should increase usability of the program. HUD will now begin approving front-end Civil Rights reviews before financial reviews are submitted so that any potential Civil Rights concerns are addressed before funding is secured. The notice also provides clarity to the circumstances in which HUD will perform a deep-dive analysis of an agency's front-end review or not. This information is included to clarify certain requirements set forth in PIH 2012-32 (HA) REV-2, issued June 15, 2015. The notice also stresses that "meeting HUD's process and review requirements never constitutes compliance with such laws. The obligation to comply with applicable Fair Housing, other Civil Rights, and relocation laws remains with the PHA and project owner."



## \$50M

President's request for RAD programs



## 250K

Senate bill expansion in Public Housing conversions from the 185,000 unit cap



## 15K

units on the waitlist



### ADDITIONAL RESOURCES:

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# MTW Expansion

In its FY 2016 Appropriations bill, Congress directed HUD to expand the Moving to Work (MTW) Demonstration to include one-hundred additional high-performing public housing agencies (PHAs) over the next seven years. Congress also called on HUD to establish a federal research advisory committee that includes program and research experts from HUD agencies with an MTW designation, and independent subject matter experts in housing policy research. NAHRO has long called for meaningful expansion of the MTW demonstration and is deeply supportive of the Congress's efforts.

In the Spring, HUD published a request for specific policy proposals and methods of research and evaluation for the MTW expansion from the public. NAHRO provided policy proposals that relied on feedback and input from current MTW agencies to propose policies that have proven to be effective. NAHRO cautioned HUD about including policy proposals that limit PHA flexibility and fungibility, as these components are what

make MTW so successful for currently participating agencies.

**Additional cohorts of MTW PHAs will be added through separate notices through 2020 or until a total of 100 new MTW PHAs have been added.**

Over the course of 2016, HUD met with the MTW Research Advisory Committee. The committee discussed potential policy proposals for each of the three statutory MTW objectives. The Advisory Committee also discussed methods that could properly

NAHRO also cautioned that the research and evaluation component of the MTW expansion must minimize additional burdensome reporting requirements on MTW agencies and that HUD not only evaluate new data provided by MTW agencies, but also pre-existing data already provided by current MTW agencies that demonstrate the impacts of the policy changes they have implemented.

evaluate policy interventions while simultaneously maintaining the flexibilities and local discretion that are inherent to the MTW program. The need to ensure that small PHAs have enough capacity to carry out any required evaluation was discussed as well. The Advisory Committee focused on research evaluation



methods for a variety of policy interventions that included general MTW flexibilities, rent reform, project-based voucher caps, sponsor-based housing, landlord incentives, and place-based models. Ultimately, HUD will decide how to move forward and the policy interventions discussed may not necessarily be the ones that HUD ultimately chooses.

Through the meetings, NAHRO learned that HUD plans to provide each cohort with standard MTW flexibilities, except where those flexibilities may conflict with a policy intervention being tested.

According to HUD, a PIH notice should be published in the winter/spring of 2017 soliciting applications for the initial cohort of new MTW PHAs. Additional cohorts of MTW PHAs will be added through separate notices through 2020 or until a total of 100 new MTW PHAs have been added. HUD has yet to determine the number of cohorts that will be included in the expansion, nor specific policies to be tested through the expansion. Specific policy proposals and methods of research and evaluation will be described in the PIH notice to be published in the winter/spring of 2017 for each new cohort of the MTW Expansion.



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## SHARP - Small Agency Reforms

The Small Public Housing Agency Opportunity Act of 2016 was introduced in both the House and the Senate in the 114th Congress. The bill was drafted based upon recommendations made by NAHRO and PHADA. The original SHARP proposal is premised on the need to reform the regulatory regime applicable to small housing authorities and includes suggestions first made in an IBM Business Consulting Service report for HUD.

In the House, the bill was introduced by Mississippi Congressman Steven Palazzo and attracted 42 co-sponsors. The House Financial Services also considered the bill in a hearing on September 21, 2016, a major milestone for the legislation that has been introduced several times. In the Senate, the bipartisan bill was introduced by Sen. Jon Tester (D-Mont.) and Sen. Deb Fischer (R-Neb.) and attracted 10 co-sponsors.

When he introduced the bill, Rep. Palazzo said, "There is a huge difference between housing needs in small town Mississippi, Georgia, or Nebraska, and places such as New York. This bipartisan legislation removes that one-size fits all approach and gives small housing authorities the flexibility to operate more effectively and efficiently to better serve the needs of their residents."

Among other reforms contained in the bill, H.R. 4816 would simplify inspection and compliance requirements as well as eliminate excessive paperwork for public housing authorities (PHAs) supporting fewer than 550 households. Specifically, the bill limits the U.S. Department of Housing and Urban Development (HUD) inspections of housing and voucher units to once every three years, unless the PHA is classified "troubled" by HUD.

It also eliminates certain paperwork, including the submission of reports not required of owners and operators of Section 8 private properties, as well as unnecessary environmental reviews for agencies not undergoing new construction.



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# Affirmatively Furthering Fair Housing

**A**ffirmatively Furthering Fair Housing (AFFH) is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. This obligation to affirmatively further fair housing has been in the Fair Housing Act since 1968.



HUD's AFFH Final Rule requires a comprehensive planning approach to help program participants take actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. This includes analyzing the local fair housing landscape and setting fair housing priorities and goals through the Assessment of Fair Housing (AFH) process, which replaces the Analysis of Impediments (AI). HUD is currently in different stages of drafting the four AFH tools (States and Insular Areas/Local Government/PHA Only/Qualified PHA Only). The rule identifies four fair housing issues that program participants will assess using local data and data provided by HUD:

- Patterns of integration and segregation;
- Racially or ethnically concentrated areas of poverty;
- Disparities in access to opportunity; and
- Disproportionate housing needs.

The AFH process begins with program participants identifying fair housing issues and related contributing factors in their jurisdiction and region. Program participants are required to set goals to overcome fair housing issues and related contributing factors. Those goals must inform subsequent housing and community development planning processes.

Although NAHRO fully supports the principles that animate federal efforts to combat discrimination and affirmatively further fair housing for all people, this highly procedural rule adds significant administrative burden for PHAs and other HUD grantees while doing very little to actually promote fair housing outcomes. AFH tools do not take into account critical factors like resource availability and other program priorities. Instead, the AFH tools require program participants to set fair housing goals based on a limited, and sometimes irrelevant, set of pre-determined factors, many of which are outside of the control of the program participants. This requires PHAs and community development organizations to set goals they must achieve with incomplete information and personal perceptions.

NAHRO is concerned that the tools and the AFFH final rule inappropriately prioritize planning priorities, increase administrative burden, force PHAs and community development groups to perform analyses on issues outside the scope of their authority and expertise, and force PHAs and community development groups to use complex and unwieldy data and processes.

Due to the staggered submission cycle of AFHs, there are only 22 local governments that are required to submit an AFH in 2016. NAHRO expects over 100 local governments will be required to submit an AFH in 2017.



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# Community Development Block Grant and HOME Investment Partnerships Program

**H**UD's Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs directly and indirectly helps thousands of state and local governments rebuild their local economies, strengthen public infrastructure, provide needed services, recover from disasters, and design and implement affordable housing strategies benefiting low- and moderate-income (LMI) households. CDBG

published a survey report that found that out of all the CDBG entitlements surveyed, over 60 percent projected that only half of the project funding requests they receive for their FY 2015 CDBG allocations will be funded.

Furthermore, the Obama Administration continued to propose legislative changes that would "target" funds by revising program eligibility thresholds, which would result in funding



being stripped away from hundreds of program grantees that receive small formula allocations. NAHRO opposes stripping or denying access to critical Federal resources that small communities depend on. Instead, legislative changes that provide greater local flexibility for how program funds administered would be more commonsense. For example, a provision in the Senate FY 2017 Transportation Housing and Urban Development (T-HUD) bill that passed last April would support the accountability and effectiveness of HOME by allowing grantees to retain funds that are set to expire due to the program's statutory 24-month commitment of funds requirement -- a requirement that has become a problematic and unnecessary interim step for grantees as they work towards completing their HOME-funded projects by the

and HOME are two flexible programs that emphasize local decision-making and the prioritization of local needs. The robust funding for both CPD programs is critical to ensuring our nation's economic recovery and supporting the affordable housing stock. Overall, NAHRO's membership brings in over \$1.5 billion a year in CDBG and HOME formula funding to their communities, and housing authorities often utilize their community's CDBG and HOME dollars to support their affordable housing and community service efforts.

statutory 4-year completion deadline.

Despite the programs' proven track records, Congress continues to appropriate CDBG and HOME funding at levels that reflect a 25 percent and a 48 percent decrease from FY 2010, respectively. Meanwhile, the number of program eligible communities have grown, demonstrating program need, but resulting in less funding to go around. In February 2016, NAHRO

NAHRO also believes there are many for HUD to provide administrative relief to grantees, who must operate under strict administration and planning funding caps. The Department should provide a streamlined and simplified Affirmatively Furthering Fair Housing (AFFH) Assessment of Fair Housing (AFH) Tool for use by small local governments, since the Local Government Tool (which is currently undergoing revisions by HUD) is still far too burdensome to for small localities to complete. The Department should also abstain from implementing unfunded mandates, such as the recent final rule published in December requiring states and local governments, as part of Consolidated Planning, to analyze the broadband needs and the vulnerability to increased natural hazard risks of housing units occupied by LMI households.



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# Low-Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) has been a critical source of equity for almost 3 million affordable housing units over the last 30 years, providing affordable homes to 6.7 million low-income families and supporting 3.25 million jobs. Moreover, LIHTCs have become vital financing component for many of the federal housing programs that NAHRO members are engaged in, including: RAD, Choice Neighborhoods, HOME and CDBG.

In 2015, affordable housing advocates won a significant victory when Congress approved a minimum 9 percent LIHTC rate for new construction and substantial rehabilitations. However, given the competitive nature of obtaining tax credits and the well documented lack of affordable housing throughout the nation, additional program improvements must be made.

In May 2016, Senators Maria Cantwell (D-WA) and Orrin Hatch (R-UT) introduced the Affordable Housing Credit Improvement Act of 2016 (S. 2962), a comprehensive bill that would expand and strengthen LIHTC. Many of the bill's provisions are supported by NAHRO, including:

- **Expand the overall LIHTC allocation authority by 50 percent:** Despite LIHTC's success, it has been over 16 years since Congress last increased the program's overall allocation authority. The expansion in LIHTCs would be phased-in through 2020, constituting the largest change to the program's allocation authority since 2001 and allowing housing authorities more access to Housing Credits.
- **Establish a minimum 4 percent credit rate:** Housing authorities often turn to the non-competitive 4 percent credit to preserve their distressed housing stock and the current floating rate is an impediment to LIHTC projects. A permanent rate would enable stakeholders to more efficiently finance affordable housing projects.
- **Enable income averaging in LIHTC developments:** This new income averaging election would allow projects maintain financial feasibility by allowing the 60 percent area median income (AMI) ceiling to apply to the average of all apartments in the property instead of every individual LIHTC apartment. This provision would allow renters earning up to 80 percent AMI to offset the cost of the units with lower affordable rents.

Over the last decade the U.S. experienced the largest gain in renter households compared to any 10-year period on record. An unprecedented 9 million renter households were added to the overall housing share. Currently, one in four renter households spends over 50 percent of their income on housing, and there is no state in the U.S. where a worker earning full-time minimum wage can afford a modest, one-bedroom apartment. The growing housing needs of low-income families is an imminent reality that Congress and policymakers cannot ignore, and NAHRO will continue to work with the ACTION Campaign (a national coalition of roughly 1,300 organizations and businesses) to call on Congress to expand and improve LIHTC.

# 3M

affordable housing units produced over the last 30 years



## ADDITIONAL RESOURCES:

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# National Housing Trust Fund

In May 2016, HUD announced the first-ever National Housing Trust Fund (HTF) allocations to states, amounting to nearly \$174 million in available funds for FY 2016. The HTF is a new, non-appropriated affordable housing production program that will complement existing federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for low-income families, including homeless families. The HTF interim rule went into effect March 31, 2015 and the rule will reopen for public comment once the program has been fully operational for at least one year.

The HTF allocation formula is derived from “needs factors” relative to each state, based on a combinations of the relative shortage of rental housing available to extremely low-income (ELI) and very low-income (VLI) families and the relative number of ELI and VLI renter households living in substandard, overcrowded or unaffordable units. HTF funds may be used for the production or preservation of affordable housing through real property acquisition, site improvements and development hard costs, related soft costs, demolition, financing costs, relocation assistance, and operating cost assistance for rental housing. At least 80 percent of a state’s HTF allocation must be used towards rental housing, up to 10 percent for homeownership, and no more than 10 percent for administration and planning

States may elect to act as the HTF grantee or designate a qualified instrumentality of the state. Grantees may distribute funds, in accordance with the state’s priority housing needs, through subgrantees (a unit of general local government or State agency), or directly fund projects by eligible recipients (which may include public housing authorities), or a combination of both. By the close of 2016, all states will have already executed their grant agreements with HUD.

The HTF interim rule requires grantees to integrate their HTF allocation plan and citizen participation requirements into its consolidated plan and annual action plan. One of the best ways that stakeholders for affordable housing can become involved in how the next annual round of HTF funds are spent in their state is to be involved in their state’s HTF allocation plans public participation process.

HOUSING TRUST FUND FY 2016 ALLOCATIONS	
California	\$10,128,143
New York	\$7,013,963
Texas	\$4,778,364
Florida	\$4,598,821
Illinois	\$4,302,012
Pennsylvania	\$3,862,285
Ohio	\$3,740,578
New Jersey	\$3,733,566
Michigan	\$3,522,622
Massachusetts	\$3,419,569
Georgia	\$3,314,612
North Carolina	\$3,280,235
Washington	\$3,243,721
Virginia	\$3,139,830
Wisconsin	\$3,004,558
All Other States <sup>1</sup>	\$3,000,000 ( <i>Required State Minimum</i> )
Puerto Rico	\$326,054
Guam	\$77,609
Virgin Islands	\$56,562
N. Mariana Islands	\$35,735
American Samoa	\$12,321
<b>TOTAL</b>	<b>\$173,591,160</b>

<sup>1</sup> Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, West Virginia, Wyoming.



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# McKinney-Vento Homeless Assistance Programs

In the past decade, the federal government has made addressing homelessness a top priority. In 2009, Congress enacted the Homeless Emergency and Rapid Transition to Housing Act (HEARTH), resulting in a major overhaul of HUD's McKinney-Vento homeless assistance programs. NAHRO members have long been on the front lines of preventing and ending homelessness, and PHAs now use their local community expertise to take on new roles and access new programs and funding sources through partnerships and collaborations.



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. In 2016, HUD made additional headway in the codification of HEARTH:

- In January 2016, HUD's new definition of "chronically homelessness" to be used in the Continuum of Care (CoC) program went into effect. "Chronically homeless" is now defined as a person who must have a disability and have been living in a place not meant for human habitation, emergency shelter, or safe haven for the last 12 months continuously or on at least four occasions in the last three years. The period between homeless occasions ("breaks") must consist of seven or more consecutive nights where the individual is not living in a homeless situation. This rule also establishes clearer recordkeeping requirements for program recipients and subrecipients. NAHRO expects that CoCs may experience difficulties in documenting and verifying chronically homeless status under the new definition, especially for CoCs without an established Homeless Management Information System (HMIS) or a comprehensive coordinated entry system.

- Effective in July 2016, HUD issued an interim final rule that applies two amendments to CoC regulations that support fair housing choice and protect victims of domestic violence. First, the rule will permit program participants to retain their tenant-based rental assistance if the individual or family moves outside of their CoC's geographic area. Second, the rule will exempt CoC recipients and subrecipients from complying with all non-statutory program regulations when a program participant moves in order to flee domestic violence, dating violence, sexual assault, or stalking.

NAHRO continues to work to improve access to HUD's homeless assistance programs in order to better position PHAs and local redevelopment authorities (LRA) as full partners. The passage of HOTMA was a step in the right direction. HOMTA included statutory language, first supported by NAHRO, that permits any state or local government receiving ESG allocations to sub-award all or a portion of its grant funds to PHAs and LRAs, saving communities from a costly and time consuming procurement process.



## ADDITIONAL RESOURCES:

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# Community Development Briefs

## Equal Access in CPD Programs

In September 2016, HUD published a final rule that would amend HUD program regulations to require CPD-funded programs and shelters to provide transgender persons and other persons who do not identify with the sex they were assigned at birth with access to program benefits, services, and accommodations in accordance with gender identity. The rule revises the definition of “gender identity” as it clearly reflects the difference between actual and perceived gender identity, and eliminates a previous prohibition on inquiries related to sexual orientation or gender identity. After an individual has been admitted to shelter, building, or facility with shared sleeping or bathing facilities, the rule also requires providers to take “nondiscriminatory steps that may be necessary and appropriate to address privacy concerns raised by all residents or occupants [regardless of gender identity], and, as needed, update its admissions, occupancy, and operating policies and procedures.”

## VAWA 2013: Implementation into HUD Housing Programs

In November 2016, HUD published a long-awaited final rule that provides expanded housing protections for victims of domestic violence, dating violence, sexual assault, and stalking regardless of sex, gender identity, sexual orientation, or age; and fully codifies the provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013) into HUD’s regulations. At its core, VAWA 2013 prohibits housing providers from denying or terminating housing assistance on the basis that an applicant or tenant is a survivor of violence. The final rule expands the universe of HUD rental assistance programs subject to the statute beyond Public Housing and Section 8 programs to also include CPD programs. The rule also requires housing providers to complete an emergency transfer plan and provide emergency transfers, and to provide tenants and applicants with HUD’s Notice of Occupancy Rights and a new certification form for documenting incidents of violence.

## Requiring Broadband Infrastructure in Multifamily Rental Housing

In December 2016, HUD published a final rule that will require the installation of broadband infrastructure at the time of new construction or substantial rehabilitation for multifamily rental housing, with four or more units, that is funded or supported by HUD. If the installation of broadband infrastructure may not be feasible for all new construction or substantial rehabilitation, the rule allows limited exceptions to the new broadband installation requirements.

## Modernizing the Consolidated Planning Process

In December 2016, HUD published a final rule that “modernizes” the consolidated planning process for HUD CPD annual formula grantees by adding two new concepts to the plan’s existing housing market analysis requirements. States and local governments must now analyze the broadband needs of housing occupied by low- and moderate-income (LMI) households, including housing in rural areas and assess the vulnerability of housing units occupied by LMI households to increased natural hazard risks, particularly risks associated with climate change.



### ADDITIONAL RESOURCES:

For up-to-date information on this issue and other affordable housing issues go to [www.nahro.org/resource-center](http://www.nahro.org/resource-center) and follow the NAHRO blog at [www.nahroblog.org](http://www.nahroblog.org)



# Fair Market Rents

Fair Market Rents (FMRs) are used, among other things, to determine payment standard amounts for the Housing Choice Voucher (HCV) program. FMRs are gross rent estimates that include shelter plus utilities (though they exclude tenant-paid utilities like telephone service). Normally, they are set at the 40th percentile rent (the dollar amount below which 40 percent of the standard quality rental units are rented).



In previous years, two major concerns about FMRs were that they were inaccurate and excessively volatile. The concern about inaccuracy still remains, as does the concern about excessive volatility, although the latter concern has been partially alleviated by the passage of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and changes made by the new Small Area FMR rule. Creating accurate and stable FMRs would greatly enhance the efficacy of the HCV program.

As in previous years, NAHRO does not believe that the FMRs represent accurate on-the-ground rental market prices. The accuracy of FMRs is a function of the underlying data set and the methodology used to convert the data set to the FMRs. The source of the data remains

the same as last year.

Inaccurate FMRs can lead to additional programmatic costs. In instances where a PHA believes that its FMRs are inaccurate, it is faced with the additional burden of having to apply for waivers from HUD for exception payment standards, though there is no guarantee that HUD will approve them. While HUD has made it easier to utilize higher payment standards in some instances (e.g., when the household is serving a person with a disability), the best solution is not exception payment standards, but rather accurate FMRs.

The methodology for calculating FMRs also remains the same from the final FMRs published in FY 2016, although HUD was right to adopt a “forward trending” methodology between the proposed FY 2016 FMRs and the final FY 2016 FMRs, which made the final FY 2016 FMRs more accurate. While a step in the right direction, this change was not drastic enough to create fully accurate FMRs—especially in those instances where a place may have a tight rental market.

Another, now partially alleviated, concern regarding FMRs is their year-to-year volatility. There is a provision in HOTMA that allows PHAs to hold harmless payment standards when there has been a reduction in an area’s FMR partially alleviates some concerns about volatility. The new Small Area FMR rule also has a provision that limits decreases in FMRs (and Small Area FMRs) to no more than 10 percent a year, which is also helpful in reducing volatility.

While the HOTMA provision is welcome, it does not completely solve the problems associated with volatility. Reforming the FMR methodology to ensure smaller year-to-year shifts in FMRs is still required. HUD has previously indicated that it takes FMR volatility seriously, and it should continue to think about ways that it can reduce volatility.



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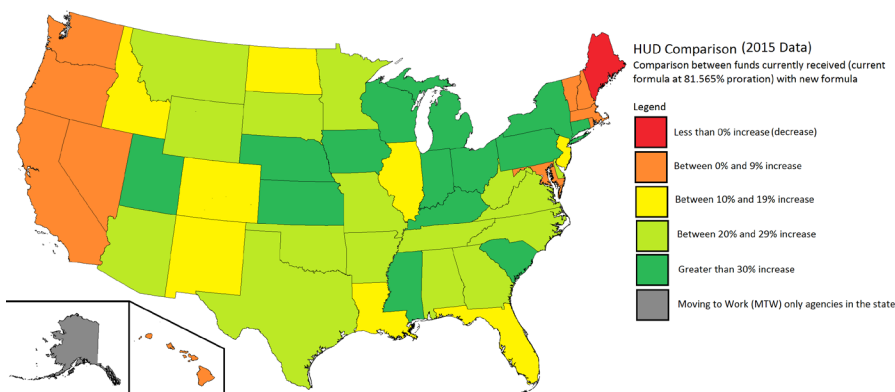
# New Administrative Fee Formula

**H**UD has published its revision of the new administrative fee formula for the Housing Choice Voucher (HCV) Program. The formula revises a previous formula that was recommended by the Housing Choice Voucher Administrative Fee Study, which was published by HUD in the summer of 2015. This new revised formula and the study recommended formula were both created to replace the current administrative fee formula.

The study measured the cost of operating a high-performing

on the basis of the following variables:

1. Program size;
2. Wage rates;
3. Benefit load;
4. Percent of households with earned income;
5. New admissions rate; and
6. Percent of assisted households that live a significant distance from the PHA's headquarters.



The PHA's fees would be calculated yearly and then have a revised inflation factor applied to the calculated fee. HUD has made three major changes to the prior formula:

HCV program and recommended a new formula for calculating and distributing administrative fees to public housing authorities (PHAs). The study found that the most significant factors determining administrative costs were program size and local wages. The study also determined that employee health insurance costs, the percentage of households with earned income, a PHA's new admissions rates, the average rents in the areas where a PHA's voucher participants live and the percentage of HCV households living more than 60 miles from the PHA's headquarters were also major drivers of administrative costs. Together, these seven cost factors make up the study-proposed administrative fee formula.

After releasing the study-proposed formula, HUD solicited comments on how the formula could be improved. NAHRO, along with other interested stakeholders, provided comments, which HUD read and used to revise the study-recommended formula. In July of 2016, HUD released a new revised administrative fee formula. The new revised formula was composed of six variables, instead of seven variables.

The new revised formula would calculate administrative fees

1. For PHAs in metropolitan areas, the wage index formula variable is based on the average local government wage rate for the PHA's metropolitan Core Based Statistical Area (CBSA), rather than that average local government wage rate for all of the metropolitan counties in the PHA's state;

2. The health insurance cost index formula has been replaced with a new "benefit load" formula variable, which is designed to measure the variation in costs for all benefits that are paid for HCV employees, not just health insurance costs [In NAHRO's comments we wrote the health insurance cost index metric does not "accurately (capture) all benefit costs" and recommended "(a) proxy that measures and takes into account these higher PHA costs"]; and

3. The small area rent ratio (SARR) variable has been removed from the proposed formula.

HUD has stated that they would like to finalize the administrative fee formula by the middle of 2017 and would like to implement it by 2018. For the formula to take effect, Congress must give HUD the authority to implement the formula. NAHRO has submitted comments on the revised new formula and will continue to work with HUD to make sure the formula accurately measures HCV program costs.



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# Small Area Fair Market Rents

**H**UD released the Small Area Fair Market Rents (SAFMR) final rule towards the end of 2016. SAFMRs are FMRs that are determined on the basis of a zip code, instead of on the basis of an entire metropolitan area. The rule provides for the use of SAFMRs instead of the current 50th percentile rent in certain areas with the goal of addressing high levels of voucher

over the entire metropolitan areas exceeds a specified threshold (initially 1.55);

- Vacancy rate threshold set at 4 percent (metropolitan areas with a lower vacancy rate will not qualify for mandatory small area FMRs);



- Twenty percent or more of an area’s rental units are in zip codes SAFMRs greater than 110% of the metropolitan FMRs;

- A requirement that the numerator of the “ratio of the proportion of voucher tenants in concentrated low-income areas (CLIAs) to the proportion of renter occupied units in CLIAs” meet or exceed a minimum threshold, initially at 25 percent.

Additional new provisions in the final rule include the codification of the provision in the Housing Opportunity Through Modernization Act of 2016 (HOTMA) that allows PHAs the option of

holding harmless payment standards from reductions in a FMR. Additionally, the rule now gives PHAs the option of setting payment standards between the current payment standard and the new normally applicable payment standard amount. The PHA may further reduce the payment standard over time to the new normally applicable standard for the area. The rule also extends these flexibilities for “cases where the payment standard decrease is not the result of a FMR decrease.” If a PHA chooses to apply a reduction in the payment standard to a household’s subsidy calculation, the earliest the PHA may implement the initial reduction is the second regular reexamination.

concentrations by giving Housing Choice Voucher (HCV) program participants “access to areas of high opportunity and lower poverty areas.” Under this rule, public housing agencies (PHAs) operating in designated metropolitan areas must use SAFMRs, while other PHAs have the option of using SAFMRs.

By setting payment standards by SAFMRs in certain areas, HUD believes that it will make areas of higher opportunity and lower poverty available to program participants. The final rule also exempts all project-based vouchers from the mandatory application of SAFMRs, but allows PHAs that use SAFMRs for their tenant-based vouchers, the option of using them for their project-based vouchers too.

NAHRO believes that the use of SAFMRs should be completely voluntary for both tenant-based and project-based vouchers. While NAHRO is pleased that the final rule allows for the voluntary application of SAFMRs for project-based vouchers and that HUD has added a vacancy rate threshold to make sure that SAFMRs are not implemented in cities with low vacancy rates, NAHRO will continue to work to make sure HUD understands that PHAs are best positioned to make decisions when and where to use SAFMRs for tenant-based vouchers.

The final rule still defines SAFMRs as United States Postal Service ZIP code areas within a designated metropolitan area. The final rule also adopts the following criteria for determining which metropolitan areas must use SAFMRs:

- Number of HCVs under lease initially at 2,500 or more;
- The percentage of voucher holders living in concentrated low-income areas relative to all renters within these areas

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# UPCS-V

**H**UD is in the process of transitioning its inspection protocol from the current Housing Quality Standards (HQS) to the new Uniform Physical Condition Standards for Vouchers (UPCS-V) protocol. The new protocol would have a new system for describing and classifying deficiencies. The protocol would also include a new data transmission tool that would allow data taken from the inspection to be turned into a unit condition index, which would provide information about the state of the

Inspectors, owners, and tenants would also have certain responsibilities under the UPCS-V protocol. Inspectors would participate in HUD-required trainings. Owners would be responsible for maintaining the unit in accordance with UPCS-V or a higher standard. Tenants would be responsible for complying with the terms of their lease and keeping the unit safe and sanitary.

The new protocol would contain five inspectable areas:

building exterior, unit, building systems, common areas, and site. The protocol is primarily concerned with the unit, but the inspector would have to look at all areas and evaluate all inspectable items.

Defects would be classified into levels of severity, ranging from L1 (Minor Defect) to L3 (Significant Defect). Defects may also be classified as “observations” or “deficiencies.” Observations would be noted, but would not cause the unit to fail, while deficiencies would cause the unit to fail the inspection. Observations and deficiencies may also be classified as “Life Threatening or Emergency” (LTE), which would have to be addressed within 24

hours. All other deficiencies must be addressed in 30 days.

Currently, HUD is in the process of conducting a UPCS-V Demonstration. Data collected from the Demonstration will be used to refine the protocol and make necessary changes. NAHRO is closely monitoring the demonstration to see how the UPCS-V protocol is being implemented and is working with HUD to make sure that any final protocol takes into consideration the viewpoints of our membership. In addition to working with HUD, NAHRO will continue to bring its members the latest developments about the UPCS-V protocol.

**The PHA would be responsible for adopting both the UPCS-V protocol and a written Administrative Plan that establishes local policies.**



unit to tenants, homeowners, and PHAs. The protocol would also allow for greater information technology integration. HUD envisions the use of a handheld portable device, which would capture deficiencies, photographic evidence, and other inspection findings.

The PHA would be responsible for adopting both the UPCS-V protocol and a written Administrative Plan that establishes local policies. Within the Administrative Plan, the PHA would establish a tenancy approval procedure, a method for calculating amenities in rent reasonableness, HUD-approved variances, policies and procedures related to scheduling, which testing devices to use, a procedure to verify the correction of UPCS-V deficiencies, abatement procedures, and procedures for the termination of HAP assistance. In addition, the PHA would be responsible for informing the tenant and owner of necessary corrections and the time period for corrections. The PHA would be also responsible for maintaining records and protecting owner and tenant privacy.



## ADDITIONAL RESOURCES:

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## Lead-Free Paint Proposed Rule

**H**UD's lead-based paint proposed rule ("Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Response to Elevated Blood Lead Levels") would amend HUD's lead-based paint regulations on reducing blood lead levels in children under age 6 who reside in federally-owned or -assisted housing that was built pre-1978, and would formally adopt the revised definition of "elevated blood lead levels" (EBLLs) in children under the age of 6 in accordance to the guidance of the Centers for Disease Control (CDC). PHAs would be required to conduct an environmental investigation of the dwelling unit in which the child lived at the time the blood was last sampled ("index unit") and of common areas servicing the index unit. The proposed rule would apply to project-based assistance provided by non-HUD federal agencies, project-based assistance,



HUD-owned and mortgagee-in-possession multifamily property, public housing, and tenant-based rental assistance. For all HUD programs covered in the proposed rule, HUD also proposes a new protocol for responding to a case of a child under 6 that has an EBLL.

HUD held a Lead Convening in October in which NAHRO participated on a panel. While there can be no dispute that even one case of an elevated blood lead level in a child is unacceptable, NAHRO focused on how PHAs are leaders in lead hazard remediation and the additional available resources PHAs need in order to implement HUD's proposed rule in a timely and thorough fashion.

NAHRO also submitted comments to HUD in response to the Lead-Based Paint Proposed

Rule. NAHRO's comment letter discussed HUD's planned implementation of the proposed rule, recommending an extended implementation timeline of at least one year to provide PHAs the time necessary to understand and comply with the rule. This extended implementation timeline would ensure that updated CDC guidance that changes the trigger reference range has been released before the rule goes into effect minimizing confusion for PHAs. Based on the fact that PHAs have been successful and aggressive in minimizing lead-hazard exposure to their residents in the past, NAHRO recommended not requiring units that have already undergone hazard control to be subject to changes to CDC guidance so long as the same family lives in the unit that did during the initial hazard control. NAHRO also believes HUD's proposed lead-abatement schedule is overly aggressive and will require PHAs to undergo duplicative and unnecessary risk assessments for units that have already undergone hazard control. NAHRO requested that PHAs not be held accountable for determining and eradicating lead-based hazards that remain outside of the control of the PHA. NAHRO also requested adequate funding for PHAs to ensure that they can properly implement and comply with the proposed rule, and questioned how the proposed rule will impact Public Housing units undergoing redevelopment through the Rental Assistance Demonstration (RAD) program or other mixed-financing programs. NAHRO recommended not requiring units undergoing redevelopment to comply with the proposed rule as those units will meet HUD's new building standards once completed. The comment letter also discussed the impact the proposed rule will have on UPCS-V and landlords participating in the Section 8 Program, and asked questions about the legal implications of the proposed rule.



### ADDITIONAL RESOURCES:

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## Smoke-Free Public Housing

**H**UD's Instituting Smoke-Free Housing Final Rule requires public housing agencies (PHAs) administering public housing to implement smoke-free policies that prohibit lit tobacco products in all living units, indoor common areas in public housing, and in PHA administrative office buildings. The final rule would require smoke-free policies to extend to all outdoor areas up to 25 feet from housing and administrative office buildings (restricted areas). PHAs may, but are not required to, further limit smoking to outdoor dedicated smoking areas outside the restricted areas, create additional restricted areas in which smoking is prohibited, or, alternatively, make their entire grounds smoke-free. The rule requires the prohibition of indoor smoking and smoking in restricted areas to be included in a tenant's lease. PHAs have 18 months from the effective date of the final rule (February 3, 2017) to establish compliant smoke-free policies. PHA plans need to be updated to reflect the smoke-free policy and to incorporate the required new lease provisions during tenants' recertifications or at a date before the policy is fully effective. PHAs with existing smoke-free policies have this time to review their policies to ensure that they are in compliance with the final rule.

On January 6, 2016 HUD held a Convening on the Proposed HUD Smoke-Free Rule at the White House. The purpose of the convening was to establish a dialogue between Public Housing Authorities (PHAs), health-related groups and federal partners to discuss common concerns, share best practices, and exchange information. Former NAHRO CEO Saul Ramirez expressed concerns with the administrative burden and enforcement challenges related to the unfunded proposed rule during the panel, including the need for local discretion and flexibility for PHAs when drafting smoke-free policies.

NAHRO' submitted comments to HUD's proposed Instituting Smoke-Free Public Housing proposed rule. The comments noted that although NAHRO encourages its members to consider implementing smoke-free policies for federally assisted housing units, the decision to do so is best left to the discretion of individual PHAs. Local flexibility in drafting smoke-free policies is critical for successful implementation, as many of our members have already implemented smoke-free policies of their own volition through mechanisms that make sense for the communities they serve. NAHRO's comments reflected our concerns that a one-size-fits-all approach would encroach upon these established policies that have proven effective, and would remove the flexibility inherent in the crafting of these policies that made them effective in the first place. PHAs are best equipped to institute practical policies to protect resident health based on previous guidance from HUD and local knowledge. NAHRO is concerned that the final rule does not provide PHAs enough flexibility to effectively accomplish this, creating significant enforcement and logistical concerns for PHAs. NAHRO is also concerned that this unfunded rule will increase administrative burdens for PHAs during a period of historically low funding for the public housing program.

**PHAs have 18 months from the effective date of the final rule (February 3, 2017) to establish compliant smoke-free policies.**



### ADDITIONAL RESOURCES:

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# Central Office Cost Centers

A 2014 report from HUD's OIG recommended that HUD "refederalize" fee revenues that PHAs' Central Office Cost Centers (COCCs) have earned since they began implementing asset management. HUD and industry groups responded by noting the government-wide effort, under the direction

of the Office of Management and Budget (OMB), to use fee-for-service models whenever appropriate to incentivize efficient program management and operations.

The program office noted that no federal restrictions are placed on how recipients may use management fees earned as a result of participation in HUD's multifamily programs or on development fees earned from tax credit properties.

Regardless, on April 1, 2016, HUD issued a letter informing PHAs that they had come to an agreement with the OIG, and that HUD would begin a rulemaking process to refederalize fees paid into the COCC.

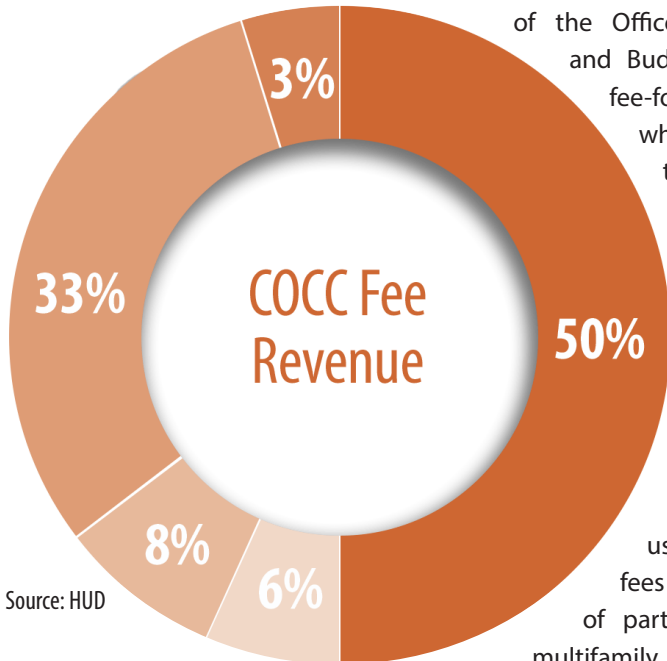
During the Fall of 2016, HUD hosted COCC Listening Sessions throughout the country. The listening sessions provided PHAs an opportunity to learn about HUD's initial thoughts on how they plan to refederalize Section 8 and Section 9 dollars placed into COCCs and how HUD plans to determine fee reasonableness for fees paid by AMPs into the COCC.

HUD's listening session did not constitute rulemaking, and HUD may continue changing

their approach depending upon feedback received from the listening sessions. At the listening sessions, HUD noted that they plan to continue to allow COCCs to charge existing fees, including the asset management fee, with some modifications. Furthermore, HUD's actions will not impact Section 8 and 9 fees entered into the COCC before the implementation of a final rule. HUD also plans to allow non-section 8 or 9 funds placed into a COCC to remain de-federalized. Section 8 and 9 fee income would remain federalized, with identified and specific expanded uses. Section 8 and 9 fees earned by COCC fee income would become fungible between Section 8 and 9 approved expenses and allowed to be used for other "expanded uses." HUD may create two COCCs, one for Section 8 and 9 funding that would remain federalized, and one for non-Section 8 and 9 funding that would be de-federalized. HUD is still trying to determine how to define "expanded use" for the Section 8 and 9 COCC. HUD does not want to limit PHAs' ability to use COCC dollars as revenue for the development of other low-income projects.

Principal Deputy Assistant Secretary Lourdes Castro Ramirez spoke to the session attendees noting that HUD's Office of Public and Indian Housing (PIH) may reopen conversations with OIG and the Office of Management and Budget (OMB) on the matter. NAHRO will continue to work with HUD to ensure that any HUD proposal has minimal impacts on how PHAs currently use their COCC dollars.

NAHRO remains concerned that refederalizing fees earned by PHAs through asset management may penalize PHAs that have spent significant resources switching to asset management and have managed their finances appropriately and in line with the law and HUD guidance.



Source: HUD

**50% Management Fee**  
\$865,346,742

**6% Asset Management Fee**  
\$106,215,573

**8% Book Keeping Fee**  
\$146,432,772

**33% Front Line Service Fee**  
\$568,052,950

**3% Other Fees**  
\$61,018,086

**Total Fee Revenue**  
\$1,747,066,123



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# Preserving Public Housing

The Public Housing Capital Fund provides annual grants to PHAs for the development and modernization of public housing. 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

addressing the needs of these residents.

In order to restore the physical and financial health of public housing, NAHRO believes that public housing agencies (PHAs) should have access to a range of options from which to select the approach that best meets the needs of their properties and communities. For many PHAs, remaining within the public housing program is the most desirable course of action. Although the Rental Assistance Demonstration (RAD) is an avenue some PHAs have opted to pursue to perform capital upgrades, it is not a panacea and NAHRO remains concerned about HUD's capacity to complete successful and streamlined RAD transactions.

The need for improved access to capital financing tools has not gone unnoticed by Congress. By adding Section 30 to the US Housing Act of 1937, the Quality Housing and Work Responsibility Act (QHWRA) provided PHAs with the tools required to access capital markets and begin to address these needs. Section 30 allows PHAs to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.

Unfortunately, HUD's regulations regarding the use of Section 30 have greatly limited the ability of PHAs to utilize this funding stream. Currently, HUD prohibits the subordination of the "federal interest" (the Declaration of Trust) in public housing dwelling units. 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. The nation's public housing stock is currently in a precarious financial and physical situation, and the ability to leverage the asset value under Section 30 would be an important resource for addressing the backlog of capital needs and preserving public housing for future generations.

jeopardizing the long term sustainability of many properties. Each year, PHAs receive enough funding to address only about half of their newly occurring physical needs. Recent unfunded regulations from HUD have increased PHAs' challenges in meeting the needs of their residents and properties.

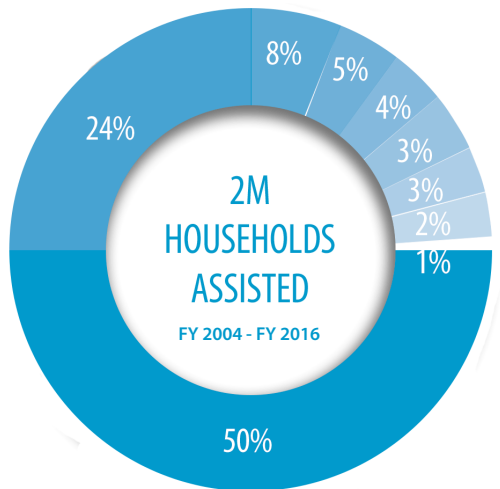
This chronic underfunding has a huge impact on the health and safety of residents who live in public housing. An additional investment in our nation's public housing infrastructure specifically aimed at improving health and safety could have a major impact on the lives of the 1.2 million public housing households in America and would be an important first step in



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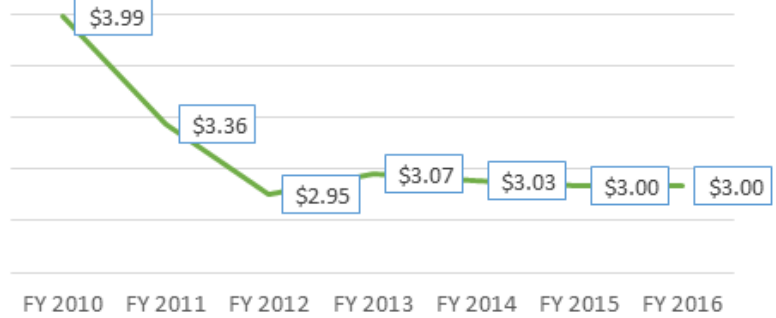
# Community Development Block Grants



50% Housing Rehab: Single-Unit Residential	4% Housing Rehab: Administration and Acquisition
24% Housing Counseling	3% Homeownership Assistance
8% Housing Rehab: Multi-Unit Residential	3% Energy Improvements or Lead Test/Abatement
5% Housing Rehab: PHA- or Publicly-Owned	2% New Construction of Housing
	1% Rental Housing Assistance

Source: CDBG Accomplishment Report, Office of Block Grant Assistance, U.S. Department of Housing and Urban Development.

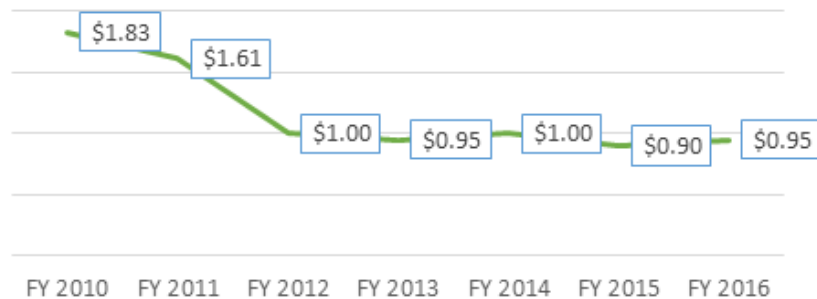
Community Development Block Grant Appropriations (\$ in billions)



- \$1.00 of CDBG investment leverages \$3.65 in private and public dollars
- CDBG has invested a total of \$149 billion into local economies.
- An estimated 1.6 million jobs have been created or retained by CDBG, since 2000
- 1,265 state, local government and insular areas received CDBG assistance for FY 2016
- CDBG strengthens communities through activities that support: private businesses, housing rehab, homebuyer 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 service, child care, domestic abuse services and food banks.

## HOME Investment Partnerships Program

HOME Investment Partnerships Program Appropriations Fiscal (\$ in billions)



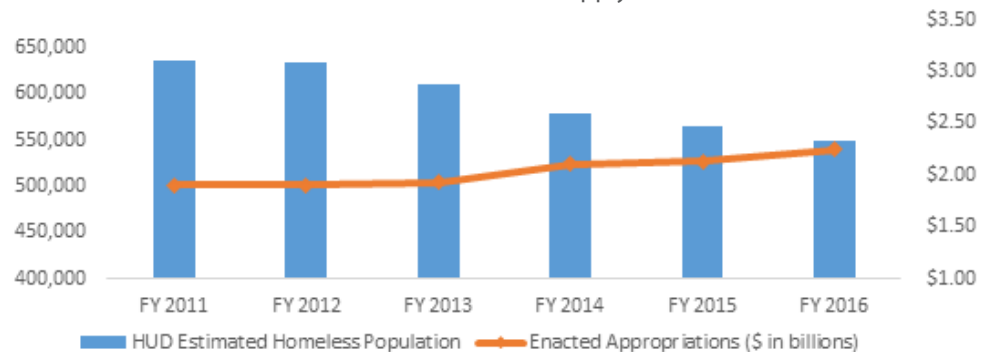
- \$1 of HOME funding leverages \$4.20 of public and private dollars in affordable housing.
- \$1 billion in HOME funding creates or preserves approximately 18,000 jobs.
- 1.2 million housing units have been produced by HOME funds since 1990.
- 642 states, local governments and insular areas received HOME assistance in FY 2016

## Homeless Assistance Programs

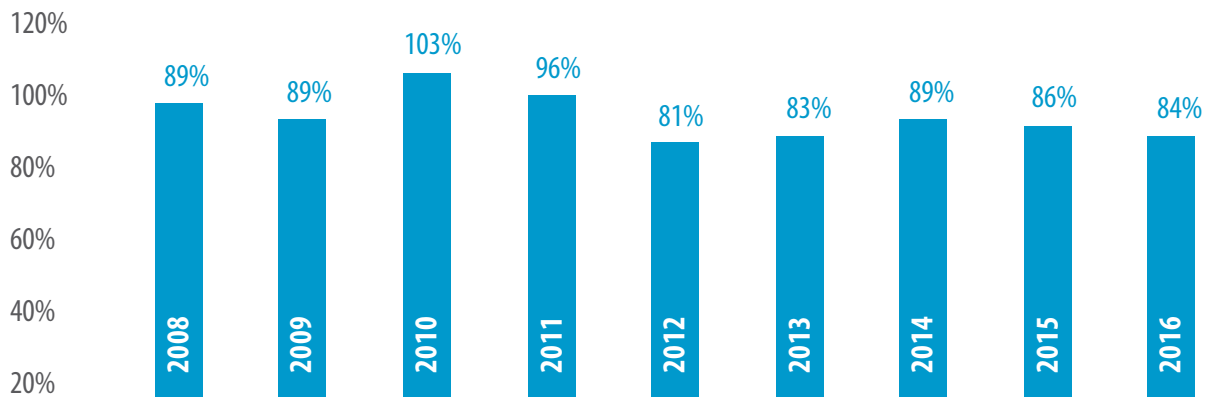
Source: HUD, Annual Homeless Assessment Report (AHAR) to Congress

- 113,000 permanent supportive housing beds have been developed through HUD's homelessness programs since 2001
- Between 2010 and 2016, Homeless Assistance Grants programs have contributed to a:
  - 22 percent reduction in chronic homelessness
  - 36 percent reduction in veteran homelessness
  - 19 percent reduction in family homelessness
- For FY 2016, over 7,600 local homeless housing and service providers received funding through the competitive Continuum of Care Program

Homeless Assistance Grants Supply and Demand

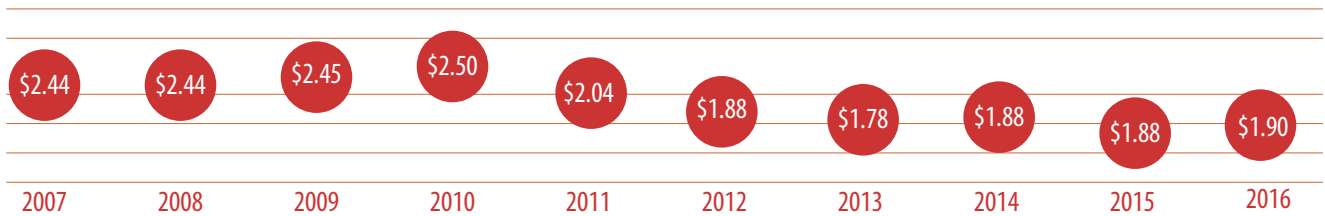


## Public Housing Operating Fund Historical Prorations

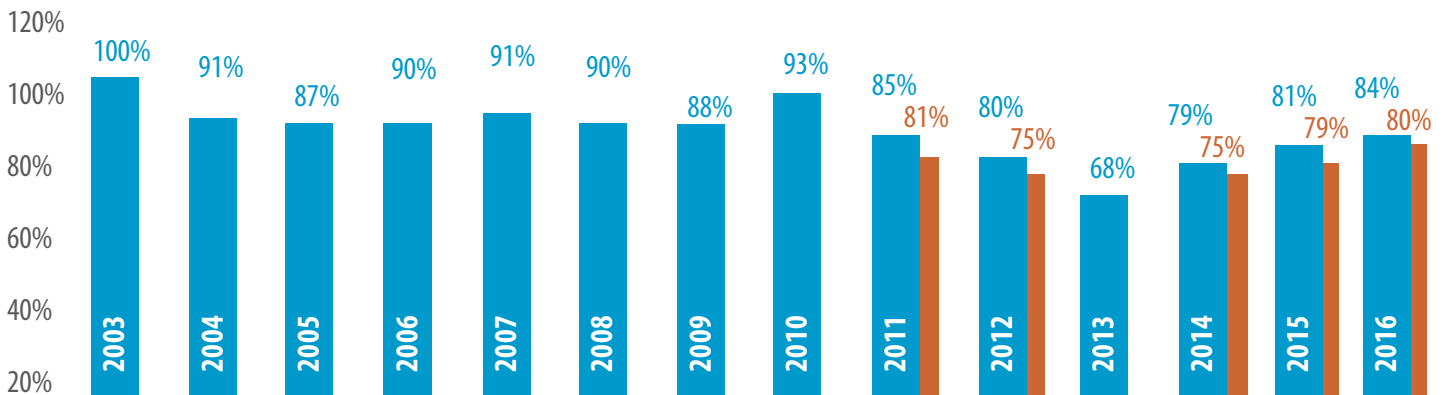


## Public Housing Capital Fund

(\$ in billions)

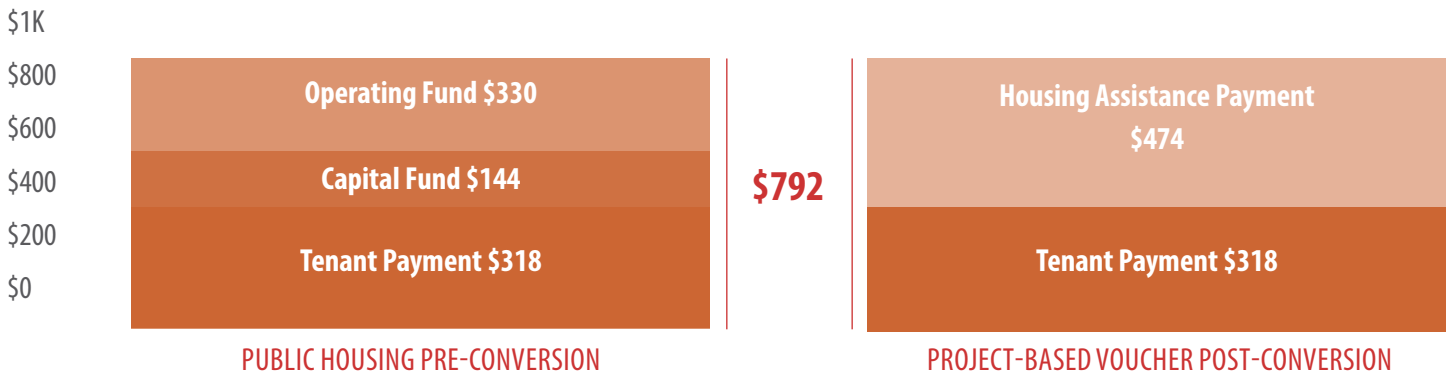


## HCV Admin Fee Historical Prorations



## RAD: Sample Public Housing Conversion Per Unit Monthly (PUM)

Source: HUD





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