



Statement on State and Local Housing Flexibility Act

The Council of Large Public Housing Authorities (CLPHA), the National Association of Housing and Redevelopment Officials (NAHRO) and the Public Housing Authorities Directors Association (PHADA) represent local housing agencies who together serve more than 3.2 million low-income households. Our members work closely with residents, property owners, lenders, developers and other stakeholders to provide the most effective and efficient services possible.

Our common goal is to build on the reforms of the last ten years, which have transformed public housing. We view any legislative or regulatory proposal through our commitment to the principles of affordability, safeguards for residents, local decision making and accountability, and adequate and predictable funding.

We are pleased that HUD, in its legislative proposal, acknowledges the successes of the last decade in public housing, and we welcome a thoughtful discussion of reform that seeks to enhance the ability of local housing agencies to meet local needs. There are recommendations in the bill that we support, such as extending and expanding the successful Moving to Work (MTW) project and simplifying the cumbersome laws and regulations that govern rent calculations; and we look forward to working closely with Congress and HUD on these issues.

However, we are very concerned that the bill fails to address the most pressing problem facing our members and assisted families: Section 8 renewal funding.

The Section 8 Housing Choice Voucher Program (HCV) has successfully served millions of low-income families for more than 30 years, and has become a key part of the federal government's efforts to address an ongoing national housing crisis through the private housing market. The Office of Management and Budget (OMB) has given the HCV program the highest rating of HUD's programs, similar to the rating given to the popular HOME program.

Yet despite three years of turmoil caused by constant funding formula changes, **the State and Local Housing Flexibility Act (SLHFA) does not adequately provide a rational and stable allocation formula that housing agencies can count on from year to year.**

These abrupt shifts have created crises in communities across the country, with housing authorities forced to make retroactive budget cuts, to lower rent payments and terminate

or rescind vouchers. Wary landlords have left the program; waiting lists have been frozen; investors have withdrawn from affordable development supported by Section 8; housing authorities have been unable to plan.

SLHFA would maintain the current inequitable funding system for a minimum of two years; it defers decision-making on any future funding policy to a Negotiated Rulemaking process with the Department of Housing and Urban Development (HUD). In short, the Section 8 funding issue, left unaddressed, severely threatens the ability of local agencies to continue to assist families in need .

We look forward to working with Congress, the administration and all public housing stakeholders to arrive at meaningful and effective reform.

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