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.

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.

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.
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