



NAHRO

NATIONAL ASSOCIATION OF HOUSING
AND REDEVELOPMENT OFFICIALS

NAHRO 2022

AUGUST

ADVOCACY

AGENDA



FEDERAL HOUSING SOLUTIONS WORK



NAHRO Advocacy Agenda

We are facing an unprecedented affordable housing crisis in communities across the country. According to the 2022 State of the Nation's Housing Report by the Joint Center for Housing Studies of Harvard University, rent increased 12% nationwide last year and 46% of renter households pay more than 30% of their incomes in rent, with 24% paying more than half their income. Households of color are disproportionately rent burdened.

NAHRO has solutions that work. We thank Congress for its continued support for the programs administered by the nation's public housing agencies, affordable housing providers, and community development organizations. Investments in programs like the Emergency Housing Voucher program have kept over 25,000 families housed, the Low-Income Housing Tax Credit has created 3.6 million homes for over 8 million families, and public housing provides 1.2 million families with a home. These investments by Congress make a huge difference in NAHRO communities and for households across the country.

NAHRO recommends the following actions to strengthen the housing tools Congress made available to address our current housing crisis:

- 1. ADDRESS HOUSING SCARCITY**
- 2. EXPAND ACCESS TO HOUSING VOUCHERS**
- 3. INCREASE HOUSING VOUCHER EFFECTIVENESS**
- 4. PRESERVE PUBLIC HOUSING**
- 5. PASS TIMELY, ROBUST ANNUAL APPROPRIATIONS**

ADDRESS HOUSING SCARCITY

NAHRO Recommends:

NAHRO's members work hard to provide safe, affordable housing for families, elderly households, and people with disabilities. The nation faces severe housing problems including skyrocketing rents, housing inflation, and a lack of supply. This combination of factors makes it increasingly difficult for families to find an affordable home. New housing must be built to ensure all Americans have access to a safe and secure home. Congress can lower housing construction costs by making significant investments in the nation's housing stock and strengthening community development tools to meet the growing demand for more affordable housing.

HOME and CDBG

The HOME Investment Partnerships and Community Development Block Grant (CDBG) programs play a critical role in helping to finance the development and preservation of affordable housing. Despite the importance and demonstrated success of these programs, both were cut significantly in the past decade. Between FY 2010 and FY 2015, HOME was cut by \$900 million and has yet to reach its pre-Budget Control Act peak. CDBG was cut by \$175 million in FY 2022, despite widespread support.

Low-Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) is one of the most important tools available for increasing our affordable housing stock. The program has a proven track record. Since its creation in 1986, LIHTC has created over 3.6 million new homes for over 8 million families. NAHRO supports the Affordable Housing Credit Improvement Act (S. 1136/HR 2573) and urges Congress to adopt this important legislation to strengthen LIHTC.

INCREASE
the annual per capita
LIHTC allocation by
50%

INCREASE
HOME funding to
\$2.5 billion and CDBG
funding to \$4.2 billion

EXEMPT
public housing preservation
bonds from the overall
bond volume cap

REDUCE
the private activity
bond test from 50% to
25%
for the 4% Tax Credit

EXPAND ACCESS

TO HOUSING VOUCHERS



Housing vouchers are one of the most effective tools in the fight against housing instability, homelessness, and overcrowding. The Housing Choice Voucher (HCV) program currently serves approximately 2.3 million families, giving them the opportunity to rent a home from a private landlord in the neighborhood of their choice. Despite the great need, only one in four families who are eligible to receive rental assistance currently receive subsidies.

Expanding the HCV program to anyone eligible would stabilize millions of families and allow them to become economically stable. Expansion of the voucher program must be done in conjunction with robust affordable housing supply production and adequate support for Public Housing Agencies through administrative fees.

NAHRO Recommends:

MAKE

**Emergency Housing
Vouchers permanent**

EXPAND

**the Housing Choice
Voucher program to serve
all eligible families**

SHIFT FUNDING

**for the Housing Choice
Voucher program from
annual appropriations to
mandatory spending**

INCREASE HOUSING VOUCHER EFFECTIVENESS

Low-income families must be able to access existing and new housing in the current market. The Housing Choice Voucher (HCV) program provides families with access to the private market through federal subsidies, but Congress must ensure PHAs have all the tools necessary to overcome barriers to housing in their rental markets.

To give families their best chance of finding and leasing a home, PHAs should be able to offer resident services like housing search assistance, short-term financial assistance (e.g., security deposits, application fees, etc.), and increasing landlord engagement. NAHRO supports

offering these benefits to residents through the use of administrative fees, Housing Assistance Payments (HAP) funding, and HAP reserves.

To ensure units are available for families, NAHRO also supports the pre-inspection of units. Families may still choose to lease a unit that is not pre-inspected or request another inspection at their discretion.

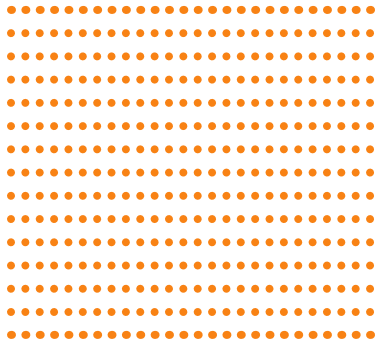
Recent rental market inflation has left too many units out of reach for families. To ensure that families are able to afford safe, well-built units in any neighborhood, NAHRO supports increasing a PHA's ability to set payment standards up to 130% of the Fair Market Rent.

NAHRO Recommends:

PROVIDE
resident services to
families through the use
of voucher and administrative
accounts

MAKE
it easier for families
to find homes by
allowing the pre-
inspection of units

INCREASE
PHA payment
standard discretion for
vouchers to keep up with
rental inflation



PRESERVE

PUBLIC HOUSING

Chronic underfunding of the Public Housing Capital Fund program has placed the inventory at risk, and Capital Fund appropriations lag dangerously behind accruing modernization needs. In 2010, the national Public Housing Capital Needs Assessment showed that the total backlog for public housing capital funding was \$26 billion with a projected growth rate of approximately \$3.4 billion per year. The report noted that each year the cost of the backlog compounds at a rate of 8.7% due to inflation and the increased cost of addressing deferred maintenance. Even when accounting for attrition and other federal capital programs like the Choice Neighborhood Grants and Rental Assistance Demonstration (RAD), NAHRO estimates that this backlog exceeds \$70 billion.

Public housing is a critical affordable housing tool and is not subject to the sharp increases currently being seen on the private rental market. Preserving public housing is particularly important in rural communities that lack access to private investments that can be used to build affordable housing.

NAHRO Recommends:

PROVIDE

**at least \$70 billion in
funding to fill the Public
Housing Capital Fund
backlog**

FULLY FUND

**the Public Housing Capital
and Operating Funds
annually**

MAKE

**all voluntary preservation
and redevelopment tools,
like the Rental Assistance
Demonstration, available to all
public housing agencies**

PROVIDE TIMELY, ROBUST ANNUAL APPROPRIATIONS

Congress should provide full funding, through regular Congressional order, of affordable housing and community development programs to maximize the potential of all Americans and meet the needs of the nation's communities. In the current affordable housing crisis, it is more important than ever for Congress, HUD, and other federal agencies to function efficiently and effectively through sensible program design and regulation and timely funding of federal programs.

Continuing resolutions maintain a consistent level of funding for federal programs approved by Congress for the previous fiscal year. Because of the rapid increase in housing, material, and labor costs, flat funding acts as a funding cut and impacts the number of people served.

Congress should avoid a full-year continuing resolution and should be mindful of the cost increases to HUD programs in the event of a full-year continuing resolution to avoid terminating assistance to families.

Additionally, continuing resolutions cause delays to Public Housing Agencies, as well as states and localities, that receive funding through the Community Development Block Grant, HOME, Public Housing Capital Fund, and other formula grants since allocations are calculated only after a full-year appropriation is enacted.

NAHRO members appreciate recent robust appropriations, but the lateness of final spending bills has been an unnecessary challenge to already difficult work.

NAHRO Recommends:

PROVIDE
robust funding levels
that match or exceed the
House-approved FY 2023
Transportation-HUD
spending bill

ENSURE
passage of FY 2023
Transportation-HUD
spending bill prior to the
beginning of the fiscal year
on October 1

ABOUT NAHRO

The National Association of Housing and Redevelopment Officials (NAHRO), established in 1933, is a membership organization of more than 19,500 housing and community development providers, professionals and volunteers throughout the United States. NAHRO members create and manage affordable housing for low- and middle-income families, and support vibrant communities that enhance the quality of life for all. They administer more than 3 million homes for more than 8 million people.

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