March XX, 2020

|  |  |
| --- | --- |
| The Honorable Nancy Pelosi  Speaker of the House  United States House of Representatives  Washington, D.C. 20515 | The Honorable Mitch McConnell  Majority Leader  United States Senate  Washington, D.C. 20510 |
| The Honorable Kevin McCarthy  Republican Leader  United States House of Representatives  Washington, D.C. 20515 | The Honorable Charles Schumer  Democratic Leader  United States Senate  Washington, D.C. 20510 |

Dear Speaker Pelosi, Majority Leader McConnell, Republican Leader McCarthy, Democratic Leader Schumer:

Public housing and Section 8 housing choice vouchers play a critical role in our nation's infrastructure and social safety net, providing families with a stable home and assisting them in opportunities for upward mobility. Across the United States, public housing provides 1.2 million units of housing to over 2.2 million people, including 800,000 children, and more than half the population in public housing is elderly and disabled. The 2.2 million Section 8 housing choice vouchers house an additional 5.3 million people including 2.2 million children. The Novel Coronavirus COVID-19 poses a major threat to Public Housing communities which house vulnerable at-risk populations. Additionally, Public Housing Authorities (“PHAs”) have experienced significant divestment over the last several decades and are now redeploying limited operating funds to cover emergency expenses. Therefore, it is critical that emergency funding and longer-term preservation resources for public housing are included in a COVID-19 stimulus package.

To enable housing authorities to properly care for their residents and staff while maintaining their mission of providing safe and affordable housing, Congress and the U.S. Department of Housing and Urban Development (“HUD”) must provide substantial resources and flexibilities to housing authorities as quickly as possible. As part of an emergency COVID-19 Stimulus package, Public Housing Authorities will need:

1. **An immediate short-term infusion of $8.5 billion nationally**

Public Housing Authorities are working to keep families safe and stably housed throughout the COVID-19 crisis. As such, they are ramping up cleaning protocols including additional staff time and equipment, all while facing the realities of lost revenue due to tenant loss of income. Nationally, PHAs are facing a need of $5 billion for public housing operations which includes $2.0 billion for lost revenue, $1.5 billion for short term mitigation/operation costs, and $1.5 billion to cover emergency staffing, communications and retrofits. Additionally, PHAs will face shortfalls in the Section 8 housing choice voucher program totaling $3 billion due to lost tenant income that will increase voucher program payment obligations directly to landlords under existing rental contracts. PHAs will also need $500 million for additional administrative fees to operate the program.

1. **Statutory and regulatory flexibilities**

As housing authorities will require significant statutory and regulatory waivers, Congress must act now to provide HUD with the necessary flexibility it needs to respond to the COVID-19 pandemic. While we encourage HUD to exercise the full extent of its waiver authority under 24 C.F.R. § 5.110, HUD will also need authorizations from Congress to provide blanket statutory and regulatory waivers to ensure that housing authorities can receive all needed waivers expeditiously.

As part of a larger Post COVID-19 Stimulus focused on recovery and stabilization, Public Housing Authorities will need:

1. **A $70 billion investment in Public Housing infrastructure**

Public Housing is infrastructure, and as such, capital investment spur job creation and generate economic growth. For every $1 spent on capital funding, an additional $2.12 is generated in regional economic activity. Under the last infrastructure bill, $4 billion in Capital Funds generated over $12.5 billion in economic activity.[[1]](#footnote-1) Nationally, Public Housing faces an estimated $70 billion in capital repair needs, including repairs and replacements in critical building infrastructure like heating systems, plumbing, roofs and facades. There has been increased support for a massive infusion of Capital funds for Public Housing Authorities nationally as evidenced by the Public Housing Emergency Response Act of 2019 and the Housing is Infrastructure Act of 2019. Investments in capital repairs and jobs to maintain the housing stock will be felt for generations to come.

1. **Increase Housing Choice Vouchers including 150,000 new Tenant Protection Vouchers (TPVs) and a 10% increase in Section 8 vouchers in addition to annual appropriations.**

The stimulus should provide PHA’s Section 8 budget authority, increased administrative fees and a new allocation of vouchers. Section 8 vouchers provide housing stability to some of the lowest income and most vulnerable Americans, an urgent need in immediate and long-term recovery efforts. These vouchers also provide reliable income to landlords, and project-based vouchers help support the creation and preservation of affordable housing developments, creating jobs and economic activity. Additionally, should tenant incomes drop, voucher amounts will have to increase to cover a larger share of rent, requiring additional budget allocation. A voucher allocation with associated funding of at least 10%, depending on the duration of the crisis, should be immediately appropriated.  Administrative fees can also help Public Housing Authorities support a temporary work force as needed to cover needs, paid sick time, contracting out HQS inspections, and expediting digitization to make remote work more possible. Administrative fees should be increased by at least 10%, depending on the duration of the crisis.

Additionally, also needed is more local flexibility for voucher programs directed to a post-COVID market and use of voucher funding to secure continued participation by landlords especially those that are small businesses, flexibility in using the vouchers to connect to transition or support programs designed to assist people who may lose housing as a result of COVID, preserving existing housing options for families at risk of losing housing, and flexibility to create stronger connections to programs that provide economic recovery for families that lose work as a result of COVID-19.

Like traditional Section 8 vouchers, TPVs provide housing stability to low-income and vulnerable populations and reliable income for landlords recovering from lost rent payments. TPVs serve a variety of needs, including supporting the rehabilitation and repositioning of public housing, spurring private investment and creating jobs. With enough TPV capacity, PHAs can advance and accelerate their conversion and preservation pipelines.

1. **Significant flexibility across Public Housing Programs**

With additional flexibility, Public Housing Authorities could utilize funds across programs to preserve public housing and comprehensively rehabilitate or replace the aging stock. TPVs may be used to stabilize and preserve existing public housing beyond the typical conversion processes. HUD should be provided ability to approve a recapitalization plan allowing PHAs to combine Section 8 and Section 9 allocations to establish a pool of funds to finance capital improvements and create use restrictions in place of standard declarations of trust and waive or specify alternate requirements for PHAs, while maintaining current rent levels and other tenant protections. Flexibility within Section 8 will allow PHAs to further the goals of the program, including mitigation funds, security deposits, and the ability to provide incentive payments to landlords. These investments will help preserve public housing portfolios and protect vulnerable families in public housing long-term.

These resources will allow Public Housing Authorities to recover from the COVID-19 crisis and preserve their portfolios for years to come. Thank you for your attention to the millions of Americans who call public housing home.

Sincerely,

1. CLPHA “Public Housing Is Infrastructure” <https://clpha.org/sites/default/files/documents/PublicHousingInfrastructureFINAL_0.pdf> [↑](#footnote-ref-1)