



# Texas NAHRO and THA



## 2014 Legislative and Regulatory Recommendations

### Executive Summary

*The Bi-partisan Policy Commission recognizes that among extremely low-income renters (those with incomes at or below 30% of area median income), nearly 80% of these lowest income households spend more than 30% of their income for rent, and nearly two-thirds spend 50% or more. The members of the Texas chapter of the National Association of Housing and Redevelopment Officials (TX NAHRO) and the Texas Housing Association (THA) are Public Housing Agencies (PHAs) on the front line interacting with citizens who are struggling to meet the challenges of daily living. We are experiencing an increased demand for housing services while federal resources are diminished. This document provides a strategy to combine targeted investments with sensible reforms to equip housing professionals to rebuild and transform neighborhoods, to address the shortage of affordable housing, and improve the quality of life for the most vulnerable members of our communities. Our members pledge to continue to be good stewards of taxpayers' dollars and to reward policymakers' trust by producing effective results.*

### Affordable Housing and Community Development

- *Permanently extend the Housing Tax Credit Program rate at 9% enacted under the Housing and Economic Recovery Act of 2008 while also creating a minimum 4% credit rate for allocated acquisition credits and include an incremental allocation of tax credits for the redevelopment and preservation of Public Housing*
- *Offer high performing housing providers greater flexibility to depart from program rules*
- *Eliminate the prohibition for PHAs to participate as a Community Housing Development Organization for the development of affordable housing with access to Home Investment Partnerships (HOME) Program resources*

### Homeless Assistance

- *Eliminate barriers to PHA eligibility to participate in the HUD's Continuum of Care Emergency Solutions Grant*

### Public Housing

- *Provide PHAs with a variety of useful tools to further the conversion and preservation of their public housing rental properties, to preserve the value of prior investments and improve housing quality for residents*
- *Include Tenant Protection Vouchers for use in demolition of public housing developments*
- *Expand the number of units authorized for conversion under RAD to 120,000 units*
- *Enable all High and Standard Performing PHAs to become Moving-To-Work (MTW) agencies*

### Rural Communities and Smaller Agencies

- *Enact the Small Housing Agency Reform Proposal (SHARP) to reduce administrative burdens for small agencies and HUD. More information on recommended reforms is available at [www.nahro.org/SHARP](http://www.nahro.org/SHARP)*

### Section 8 Rental Assistance

- *Support meaningful legislative, regulatory and administrative reforms such as rent simplification to strengthen and simplify the rental assistance programs. Proposed legislative and regulatory reforms are available for review at [www.nahro.org/HCVreform](http://www.nahro.org/HCVreform).*
- *Restore a responsible level of Administrative Fee funding*
- *Ensure stable Housing Assistance Payment funding*



## Texas NAHRO and THA



The **Texas Chapter of the National Association of Housing and Redevelopment Officials** (TX NAHRO) and the **Texas Housing Association** (THA) are professional organizations representing 431 housing and 68 community development agencies and their officials throughout the state of Texas. These agencies administer a variety of affordable housing and community development programs at the local level.

### **TX NAHRO and THA MEMBERS**

Members manage a wide range of programs, utilizing federal and other resources to ensure that citizens in need reside in safe, decent housing that they can afford. Members own, operate, develop, and provide affordable housing through the Public Housing program, the Section 8 Housing Choice Voucher program, the Home Investment Partnership Program, and the Housing Tax Credit program, Community Development Block Grants, and Neighborhood Stabilization Program funding. They combat homelessness by assisting veterans and others through their stewardship of McKinney-Vento homeless assistance grants. Members create jobs, revitalize neighborhoods, and build stronger communities by leveraging HUD's core community and economic development programs, including Community Development Block Grants and Section 108 loan guarantees. Our members are active in disaster response and recovery efforts, apply innovative green building practices to reduce energy consumption and increase affordability, and collaborate with myriad local social service providers to enhance the lives of the elderly, the disabled and persons who voluntarily participate in the family self sufficiency program to transition to economic self sufficiency and homeownership.

### **TX NAHRO and THA at a Glance**

TX NAHRO and THA are longstanding advocates of affordable housing established in 1976 and 1951, respectively. In Texas:

- 431 Public Housing Agencies (PHAs), more than any other state in the nation and 68 Community Development Agencies.
- Texas PHAs provide affordable housing to 200,000 households representing 500,000 Texans.
- Texas PHAs are leaders in innovation and the delivery of quality housing services and community revitalization

### **Committed to Integrity**

TX NAHRO and THA members work aggressively to eliminate waste, fraud, and abuse in the administration of federal programs. Members pledge to adhere to a Code of Professional Conduct that requires them to work with the highest degree of integrity and professionalism.

Our nation and our state face serious challenges. High unemployment persists. America's public infrastructure is decaying. Foreclosed and abandoned homes continue to plague neighborhoods. Families and veterans are falling into homelessness, as our nation's chronic shortage of affordable housing worsens. The need for housing and community development programs is as great as it has ever been. Unfortunately, the federal commitment to these programs has weakened in recent years.

- Public housing authorities (PHAs) have been stripped of hard-earned reserves intended to address long-standing capital improvement needs.
- With drastic reductions in ongoing earned administrative fees, public housing agencies face severe challenges in meeting Housing Choice Voucher program requirements and budgeting for operations. Even High Performing PHAs utilizing best practices are experiencing hardships working through the challenges of operating a voucher program successfully in the absence of adequate administrative fee funding.

This is not the time to ignore the harsh realities facing far too many American families. Agencies charged with running the Housing Choice Voucher program are asked to maintain the same level of services with the lowest amount of administrative funding in the program's history.



## TX NAHRO and THA Recommendations for 2014

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## Texas NAHRO and THA



Public Housing Agencies (PHAs) and Housing and Community Development Agencies in Texas utilize Department of Housing and Urban Development (HUD) programs and resources to serve our communities. We provide valuable and critical services in the community including rental housing assistance, housing for the homeless, homeownership and homebuyer assistance, housing counseling, neighborhood stabilization, foreclosure relief assistance, disaster relief and recovery services, and the development of new high quality affordable housing.

PHAs have already experienced reduced HUD funding. Further cuts or remaining at FY14 funding levels would be deeply destructive, would further damage the economic recovery, and would harm numerous families, individuals, and communities in Texas and across the nation that rely on assistance from HUD programs.

Through the Housing Choice Voucher rental housing assistance program and the public housing program Texas PHAs enable disadvantaged families to reside in safe, decent, affordable housing. PHAs cannot sustain existing housing services at the record low funding levels provided by Congress. Further reductions in funding will result in disastrous impact on PHAs, the HUD programs, and most importantly the persons served through these critical HUD programs including income qualified persons who are elderly (age 62 and older), disabled, working poor, veterans, and low income persons that are unable to work, and the eligible citizens who are unable to receive housing assistance due to a lack of sufficient funding resources.

Through HUD's Continuum of Care programs, public housing agencies house the homeless, and prevent homelessness before it occurs. These services enable the homeless persons and persons at risk of homelessness to reside in safe, decent and affordable rental housing while case managed care assists the homeless transition from homelessness to becoming stably housed and onto self sufficiency. A significant part of the homeless population includes veterans and persons with mental illness. We are receiving applications from an alarming increase in homeless families with children. Inadequate funding will result in fewer services available to the most vulnerable in our communities and increased homelessness. Increased and sustained funding will enable housing providers to make homelessness rare, temporary and non-recurring.

Through the Internal Revenue Service's Low Income Housing Tax Credit program public housing agencies collaborate with private sector partners to increase the supply of affordable rental housing. Public and Private investments are utilized to redevelop blighted neighborhoods, reduce federal spending on the development and maintenance of rental housing for low income residents, while improving property values and neighborhood curb appeal. The Housing Tax Credit program is the primary affordable housing production program available and it is desperately needed to replace the aging multifamily rental housing inventory with new high quality energy efficient affordable housing. In addition the Housing Tax Credit program is the primary resource to replace substandard public housing developments with new quality mixed income apartment communities. An incremental set aside of Housing Tax credits for public housing agencies if authorized could facilitate the sunset of the public housing program and reduce and eventually eliminate the need for federal operating and capital improvement funding to the public housing program.

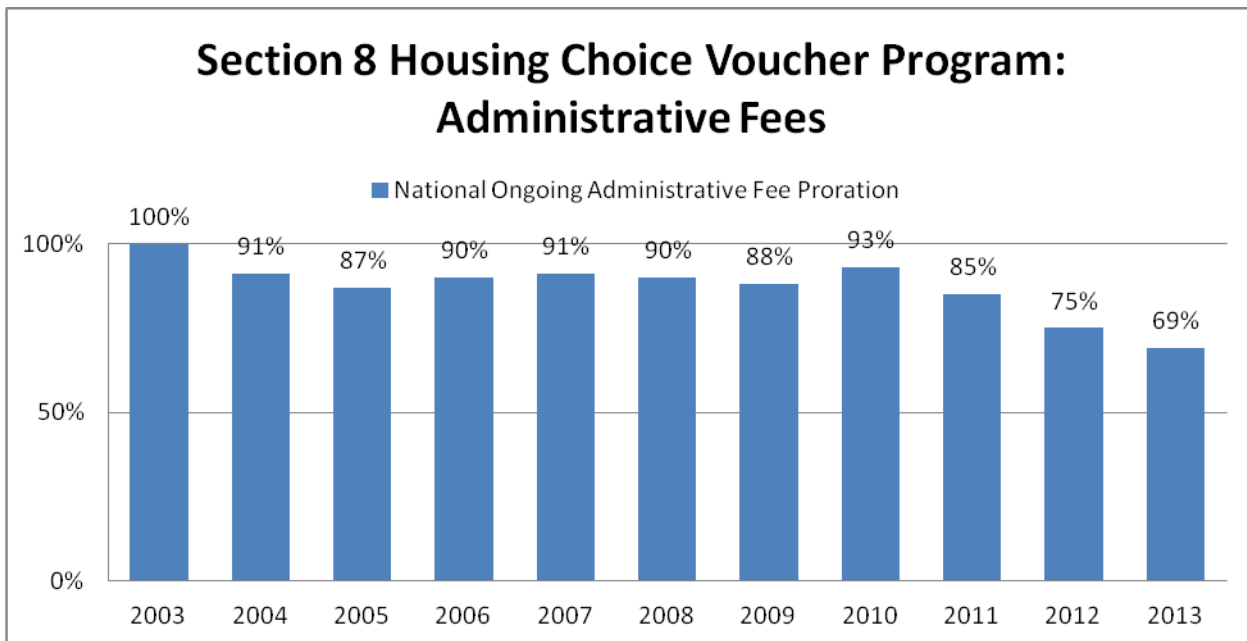
Through HUD housing counseling grants, public housing agencies and HUD certified counseling agencies provide crucial services for middle class and other families. They not only provide default and delinquency counseling but also provide counseling and training to prepare prospective homebuyers for homeownership. Services are critical for those trying to prevent foreclosure, refinance their mortgages, avoid housing scams, and find and acquire quality, affordable housing as a first time homebuyer.



Public Housing agencies rely on HUD’s Capital Funding to maintain and perform capital improvements to public housing. Adequate resources are necessary to maintain and perform capital repairs to public housing. Failure to provide the necessary financial resources leads to deteriorating living conditions and, over the longer term, risks the permanent loss of this affordable housing that serves 1.1 million of the nation’s poorest residents. We advocate for the flexibility necessary to transition from the traditional public housing program to redevelop neighborhoods where public housing currently exists with an incremental set aside of Low Income Housing Tax Credits. Furthermore we recommend the considerable expansion of the Rental Assistance Demonstration (RAD) program to enable High and Standard Performing PHAs to participate in RAD. RAD is HUD’s initiative to redevelop public housing developments and sunset the public housing program. As long as the public housing program remains in existence we strongly recommend the substantial expansion of the Moving-To-Work (MTW) Program. Of the 431 PHAs in Texas only one PHA has received authorization to become a MTW agency. The MTW designation is a “no cost” solution that provides flexible and more efficient use of federal funds in the administration and operation of their Public Housing and Housing Voucher programs. MTW provides the PHA, its governing Board, and the community, with the means of making participation in the Public Housing and Housing Voucher program’s short term, transitional and non-recurring.

**Impact of funding cuts**

While the FY14 Omnibus Appropriations bill is suspected to restore Housing Voucher program administrative fee funding to FY12 levels the table below illustrates how the Housing Choice Voucher program administrative fee has been reduced annually over the past decade. Housing Authorities cannot operate the Housing Voucher program in compliance with the existing legislative, regulatory and contractual requirements with a prorated Administrative fee. Housing Agencies need restoration of full Administrative Fee funding and the elimination of burdensome administrative requirements based on current statute or regulation that would enable housing authorities to significantly reduce operating expenses.







## Texas NAHRO and THA



The Housing Choice Voucher program is a valuable resource that enables over 2 million American households to reside in safe, decent, affordable rental housing. The persons residing in these households depend on Congress and the continued funding of the Housing Choice Voucher program to survive. The Housing Authority's in Texas that administer housing assistance services depend on the Congress and HUD to provide the resources necessary to help qualified persons in our communities Texas. Information about three households that receive housing assistance services is summarized below.

### **Abilene, Texas**

Perseverance, dedication, and hard work, are words that best describe Paloma Bocanegra, a participant on the Abilene Housing Authority (AHA) Housing Choice Voucher (HCV) Family Self Sufficiency (FSS) Program. Paloma has been a tenant on the HCV Program since February 2011, and a participant on the FSS Program since April 2012. Initially when approached about the FSS Program, Paloma admits to being a little reluctant and hesitant. But after gaining more knowledge about what the program was all about, and honing in on what it was that she wanted to accomplish for her and her family, the decision became easier.

Paloma said she found herself on the HCV program after separating from her husband, which also resulted in her becoming a single parent. She says, "Luckily there is amazing programs like the AHA HCV Program that is willing to help people in these circumstances." Paloma sees the HCV Program as a hand up, not a hand out. She also mentions that her intentions are not to stay on the program for long, but hopefully to become self-sufficient, so that she can provide a better life for her and her two boys. She states "No one said that life was going to be easy, but if you wish to have a good life, you must obtain it with your own hands and with strong determination and strong faith."

Paloma says that the reason she does what she does is so her children can grow up and understand that hard work is the only way to succeed in life whether it be in school, work, or relationships. "Working hard toward whatever goals they set before them is going to be the key to their success." Paloma decided to go back to school, but admits that she knew it wasn't going to be easy. She says that in order to have a chance at a good career to benefit her and her family it was a must, and not a might. "Many people believe that doors are closed around them, but actually there is so much help out there that provide people the help they need in order to better themselves."

Paloma is really excited about being on the FSS Program, she has set goals to graduate from college, repair her credit, and to one day own the home of her dreams. She says that the FSS program is an amazing program for people like herself, a single mom, full time student, and a parent that works full time. "The FSS Program is allowing me to grow financially as well as giving me the knowledge to be able to sustain myself and my family, with a goal of becoming self-sufficient." She encourages others to take hold of these amazing programs, and to use them to help reach their goals and desires. "Nothing is impossible, but we have to work hard and never give up until you obtain those goals or dreams that you set for yourself."



Paloma Bocanegra (FSS Participant and Sons)

**Arlington, Texas**

**Maria** is a mother of two teenage children who resides in Arlington, Texas. Maria and her children were **homeless** and living in an emergency shelter when she first met the Arlington Housing Authority. Maria received rental housing assistance from the Arlington Housing Authority's homeless assistance program before transitioning to the **Housing Choice Voucher program** in 1999. Over the last 11 years, through her personal determination and hard work, Maria utilized the services provided by the Arlington Housing Authority to help her maintain her family in safe, decent affordable rental housing. During this time Maria obtained job training, stable employment, established a good credit history, and purchased her first home in 2011. Maria is a continuing participant in the AHA's **Family Self Sufficiency program** working toward her final goal of returning to school. Maria utilized the **Neighborhood Stabilization Program** and the Section 8 **homeownership** program to achieve her dream of homeownership. Photos capture the ribbon cutting ceremony to celebrate her achievement.



Captioned above: Arlington Mayor Dr. Robert Cluck, Maria G., City Council Members Robert Rivera and Lana Wolff, City Manager Trey Yelverton, and Arlington Housing Authority Executive Director David Zappasodi at a ribbon cutting ceremony at Maria's home.

Maria transitioned from desperation and homelessness to independence and homeownership in 11 years. This success story is repeated in communities throughout Texas as a result of PHAs utilizing HUD resources in a responsible manner to help people willing to help themselves. As in this instance, HUD program resources in the hands of skilled public housing agency staff transform lives and revitalize communities.



### Tarrant County, Texas

Ms. Ramsey joined the Tarrant County Housing Assistance Office (TCHAO) **Family Self-Sufficiency (FSS) program** in 2009. At that time she was not employed, had not finished high school and did not have transportation. Despite these and other obstacles she faced, e.g., being a single mom with 2 minor children, she was determined to accomplish her goal of making a better life for her family. It was difficult for her to find gainful employment to support her family because she could not afford costly day care services and did not live close to public transportation. TCHAO FSS staff gave her the support, encouragement, referrals to social and other services she needed to help her overcome these barriers.

Her first goal was to earn a high school diploma, so she enrolled in an on line accredited program with the American School and obtained her high school diploma within one year. This accomplishment helped her to be successful in obtaining part-time jobs at various banks. Her next goal was to eliminate outstanding debts which she did in 2010. When both of her children became school age, she began applying for full time positions and is currently employed at a mortgage company earning over \$34,000 per year. She will begin paying full rent in March, 2013, and expects to be self-sufficient at that time.

Paloma, Maria and Ms. Ramsey are typical families in Texas and all across the nation that rely on housing assistance not only to survive but to reside in safe, decent, affordable housing. Their stories represent Texans that depend on housing programs and services to enable them to live safely in decent housing and attain a better quality of life. Information about other families from communities throughout Texas can be found at <http://www.txnahro.org/>.