



# Congress Will Consider Major Changes to Very Low Income Housing Programs This Year



By Chuck Elsesser

The Florida Housing Coalition is a member of the National Low Income Housing Coalition (NLIHC) and with the NLIHC, keeps the Florida Congressional Delegation abreast of housing conditions in Florida. As the new year opens and Congress returns to Washington, there are several major legislative initiatives affecting very low income and extreme low income tenants, which will likely be considered, among them funding the National Housing Trust Fund, significant changes to the Housing Choice voucher program, and new public housing preservation and redevelopment proposals.

## National Housing Trust Fund

In July 2008, after years of advocacy, Congress passed and the President signed the National Housing Trust Fund, the first new major federal housing program since the establishment of the Low Income Housing Tax Credit program in the early 1990s. The housing trust fund will fund housing preservation, rehabilitation and development that is affordable to families with very low and extremely low incomes (incomes below 50% and 30% of area median income). These are the most difficult families to serve and have not been the focus of any major federal housing development programs for the past several decades.

The Housing Trust Fund will require that at least 90% of the funds must be used for rental housing and at least 75% of the funds for rental housing must benefit extremely low income households (incomes below 30% of area median income). All funds must benefit very low income households.

The focus this year will be on capitalizing the Trust Fund. At the close of 2009, the House of Representatives approved funding of slightly over \$1 billion for the Trust Fund in an economic recovery jobs bill. In this second session, the focus will be on securing similar funding in the Senate. The National Low



*Sheila Crowley, President of the National Low Income Housing Coalition, speaking about the National Housing Trust Fund at the Florida Housing Coalition's statewide annual conference last September.*

Income Housing Coalition, the leader of the coalition advocating for the National Housing Trust Fund, estimates that funding at \$1 billion would result in an additional \$55 million for Florida.

## Choice Neighborhoods Initiative

This year both Congress and U.S. HUD will be addressing public housing redevelopment. Last year, for the first time in recent memory public housing operating funds were funded at 100% of need. However, the long period of less than adequate operating funding and capital funding have left an estimated need of over \$22 billion in capital funding to restore existing public housing.

Recent efforts to address the resulting deterioration of public housing stock, principally through the HOPE VI program, have resulted in the redevelopment of some public housing stock but also the loss of an estimated 120,000 units of public housing through demolition. Concerned by this loss of public housing, House Committee Chair Representative Barney Frank and Subcommittee on Housing and Community Opportunity Chair Maxine Waters wrote HUD Secretary Donovan requesting a one year moratorium on additional demolitions until a better redevelopment plan can be developed.

HUD has proposed a new program, called the Choice Neighborhoods Initiative (CNI), as a successor program to the HOPE VI program. This session Congress is expected to address legislation authorizing the CNI program. Even though Congress acceded to HUD's request and funded \$65 million for CNI in the current year's budget, it failed to pass any authorizing legislation. Thus the details of the program remain murky. At least initially, HUD is indicating that its proposal for CNI will address some of the most serious concerns of the HOPE VI process, including one for one replacement of the demolished units and a right to return for the former residents. In addition, CNI will broaden the scope of neighborhood redevelopment proposals to include depressed neighborhoods that do not include public housing and will also accept proposals from nonprofit developers as well as public housing authorities. All of these issues have been contentious in the HOPE VI program and it is assumed that the authorizing legislation will be a focus of intense advocacy as soon as it is introduced and as it proceeds through Congress.

## Public Housing Funding Reform

In addition to CNI, HUD is discussing possibility of proposing a major change in the funding mechanisms for public housing. Public Housing redevelopment has always suffered from a lack of access to capital funds. Public Housing is currently funded by two annual appropriations, an operating funds appropriation and a capital funds appropriation. Deferred maintenance due to inadequate operating and capital funding has contributed significantly to the deterioration of the public housing stock. HUD has indicated that it is considering requesting that all funding for Public Housing be shifted to a project based voucher type program. While details are lacking, any such program could provide an increased and more secure source of funding. In addition, HUD believes that it could be structured so as to allow for securing capital funds through secured mortgages. Obviously significantly increased capital funding would greatly enhance the living conditions of the many public housing tenants living in substandard conditions. However, tenant advocates are concerned about the increased risk of loss of the property that accompanies any mortgage. In addition, there is concern arising out of the HOPE VI experience, that it could lead to increased privatization, with increased restrictions on eligibility, dramatic reductions in tenant input and participation and loss of public control. Given the importance of these concerns the details of the program will be a subject of close attention.

## Section 8 Voucher Reform Act

Congress will also be considering major revisions to the Section 8 Housing Choice Voucher program. H.R. 3045, the Section 8 Voucher Reform Act (SEVRA) was passed by the House Committee on Financial Services last year. It will be considered by the entire House this year and it is anticipated that the Senate will at least begin hearings on a similar bill this year. As adopted by the House Committee, the bill will stabilize the funding of the program, which has seen dramatic shifts over the past decade. The significant shifts in funding have left local public housing authorities scrambling as they sometimes learn halfway through the year that their funds have been significantly reduced. The bill would also adopt a simpler rent calculation procedure. It would also expand the Moving to Work program, a so-called demonstration program exempting local housing authorities from many federal standards. The Committee rejected pleas by advocates that the program should be evaluated before expansion.

Two disturbing amendments were added to the bill in Committee. Federal law already prohibits housing assistance to non-citizens who are not present in the United States legally. One amendment would require each household member to produce immigration verification from a narrow list of acceptable forms of ID. This provision could have devastating effects in Florida and other areas with high immigrant populations. Family members, particularly elderly family members could lose assistance simply because they have lost or misplaced the identification documents. Others may never have possessed the exact documents required. In addition, the Committee adopted an amendment which would prohibit public and assisted housing providers from imposing firearms restrictions in the federally assisted housing units. It is hoped that these amendments can be modified or eliminated as the legislation moves to the House floor.

## Conclusion

In addition to these issues, there are numerous bills relating to the foreclosure epidemic. Given the numerous serious issues being considered by the Congress this year it is important that housing advocates keep Congress informed of the continuing crisis in affordable housing. [HNN](#)

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