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TRA, TRA, TRA. The NAHRO Housing Committee met during the Legislative Conference at the end of March. Most of the meeting and the conference was dominated by discussion of the Transforming Rental Assistance (TRA) proposal, HUD's new initiative to combine Public Housing and several other rental assistance programs. Despite the dominance of TRA, there are several other items looming, including: the Section 8 Voucher Reform Act (SEVRA) still exists and may again see action in this Congress; the Small Agency Reform proposal developed with NAHRO and PHADA is being shopped around as a bill to be introduced; and NAHRO continues to advocate for HOPE VI and work to ensure the Choice Neighborhood Program will primarily affect distressed public housing.

TRA. HUD has revised the initial proposal in response to comments from NAHRO and other industry groups. The proposal still has to take the form of legislation and go through Congress. If approved as proposed, however, it would significantly alter the funding and regulatory features of Public Housing, and effectively end Public Housing as a distinct HUD program. Highlights of the revised proposal include the following:

- Projects could be converted either to a new form of Section 8 project-based contract assistance under new statutory authority or, under limited circumstances, to Project-Based Vouchers (PBV). The original proposal contemplated conversion only to a single form of subsidy based on PBV assistance.
- Conversions under the new statute would be subject to a Resident Choice Voucher option that would allow residents to access a Housing Choice Voucher after 24 months of residency. Conversions to PBV would continue to give residents access to a tenant-based voucher after 12 months of residency. PHAs would be required to commit no more than every third turnover voucher to this purpose.
- Contracts would have an initial 20-year term, with options to extend.
- Converting projects would require the completion of a physical needs assessment and rent comparability study, which would factor into the conversion applications.

On the positive side, TRA is similar to NAHRO's proposal of a demonstration program to convert Public Housing developments into Project-Based Rental Assistance contracts in the existing HUD Multifamily program. TRA represents an opportunity for many properties to get an increased and predictable funding stream in the form of a contract rent, which could be used to carry debt or build replacement reserves. This is the main reason why we should be interested and not reactionary.

HUD has added a resident mobility component that raises a number of practical questions and concerns. The proposal could significantly reduce the number of families served from Housing Choice Voucher waiting lists, many of whom have

already waited years to receive much-needed housing assistance. In addition, the mobility feature could lead to “churning” within some converted projects, disrupting communities, destabilizing rental income, and increasing turnover costs.

With some of those issues in mind the Housing Committee passed the following resolutions.

**1. Introducing Mobility to Public Housing through Conversion.** NAHRO staff is requested to work with the Department to ensure that any choice component incorporated in the Transforming Rental Assistance initiative (TRA) is adequately funded, ensures the prioritization of the preservation needs of the property and its ability to secure private financing, and ensures local flexibility in its implementation based on local market conditions.

**2. Multiple Options for Conversion.** NAHRO believes PHAs should have access to multiple options for the preservation and recapitalization of their public housing projects. PHAs that would benefit from converting public housing to a different form of assistance should be able to choose between conversion tools based on the Section 8 Project-Based Rental Assistance and Project-Based Voucher models, respectively. PHAs should retain the option to remain in the public housing program with full funding and regulatory reform. NAHRO staff is requested to continue to advocate flexibility in conversion options, and that all conversion should remain on a voluntary basis at the discretion of the PHA.

**3. Use of Disposition Proceeds.** NAHRO staff are authorized and requested to contact appropriate HUD officials to request that the Department reconsider its present position concerning the use of proceeds of disposition of federally assisted public housing, so that the use of such proceeds for the development of affordable housing that is not assisted under the U.S. Housing Act shall be permitted.

**4. HCV Waiting Lists and Public Housing TRA Mobility.** NAHRO emphasizes the fact that, since the enactment of QHWRA, low-income households who apply for and receive Public Housing assistance have been able to maintain their place on the HCV waiting list as well as to receive voucher assistance when their names come to the top of the waiting list (§ 982.205 Waiting list: Different programs).

**5. Ongoing Reforms: Consortia Reporting, SEMAP, and Deconcentration.** In its FY 2011 budget proposal, the Department states that a “...balkanized administrative geography limits the use of Federal rental assistance to decrease concentrations of poor and minority families or to expand opportunities to live in mixed-income sustainable neighborhoods.” NAHRO notes that the Department has not put forth evidence-based research to support its assertions about PHAs’ administration of the program. Providing such evidence-based information would seem to be extremely relevant to the choice component of the Transforming Rental Assistance proposal. Over the years, Congress has directed the Department to implement regulatory and administrative measures to increase

flexibility, reduce administrative burden, and streamline program implementation within the HCV program.

**6. Oversight and Administration of Voucher Programs.** Currently, responsibility to manage and administer local voucher activity is clearly defined within existing jurisdictions. Adding an alternative structure (as contemplated under the Transforming Rental Assistance initiative as described in the administration's FY 2011 budget proposal) using another administrative body that would operate outside of, and overlap with, existing jurisdictions in a way that is inconsistent with state enabling legislation and without the legal permission of the locality in question would create confusion in communities participating in or attempting to access programs. Further, this move would reduce individual responsibility by residents and participants which could weaken a community's ability to address barriers to self-sufficiency and upward mobility.

NAHRO acknowledges a need for oversight within the new rental program to ensure statutory and regulatory compliance. We are opposed to the language in HUD's budget proposal which would take responsibility for administration of vouchers away from PHAs.