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Committee on Financial Services
Subcommittee on Housing, Community Development and Insurance**

“Preserving a Lifeline: Examining Public Housing in a Pandemic.”

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The COVID-19 pandemic has stretched resources for Public Housing Authorities (PHAs) and their residents to the maximum. While Congress has allocated relief funds to housing programs and households across the country, the pandemic has only intensified an already staggering need for stable, healthy, affordable housing. Public Housing is critical to our nation’s housing infrastructure and helps communities meet these needs. Public Housing must be protected.

The history-making rise in unemployment caused by the COVID-19 pandemic has led to an increase in housing insecurity and may lead to unprecedented levels of homelessness in the United States if we do not act. The U.S. Department of Housing and Urban Development’s (HUD’s) 2020 Annual Homeless Assessment Report (AHAR) to Congress¹ documented that homelessness increased by 2 percent from the previous year, with 580,000 persons experiencing homelessness on a single night in 2020. In a recent study, Columbia University economics professor Dr. Brendan O’Flaherty drew the connection between unemployment and homelessness and estimated that with a 16% unemployment rate, homelessness could increase by almost 250,000 people. This means the homeless population in the United States could grow to more than 800,000 people because of the pandemic.²

¹ The 2020 Annual Homeless Assessment Report (AHAR) to Congress Part 1, <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>, January 2021.

² *Analysis on Unemployment Projects 40-45% Increase in Homelessness This Year*, Community Solutions, <https://community.solutions/analysis-on-unemployment-projects-40-45-increase-in-homelessness-this-year/>, May 11, 2020.

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The social costs of the pandemic will aggravate an already challenging affordable housing problem. According to a 2020 Urban Institute report, only one of five households that qualify for federal housing assistance received assistance.³ This makes clear that our nation's housing and housing supply crisis existed prior to the first wave of lay-offs and furloughs that cut deep into the working and middle class, triggering federal, state, and local eviction moratoria, Economic Impact Payments across the country, and federal supplements to unemployment payments.

Additional research further demonstrates the housing insecurity that existed prior to the pandemic. According to HUD's 2019 Worst Case Needs⁴ report, 7.7 million low-income, unassisted renter households pay more than 50% of their income on rent or live in severely inadequate conditions. Furthermore, according to the National Low Income Housing Coalition, a worker earning the federal minimum wage of \$7.25/hour must work 127 hours each week on average to afford a 2-bedroom rental unit. The persistent shortfall in new housing supply compounds the pressures on housing affordability across the country. Harvard's 2020 *State of the Nation's Housing* reported that, while rental vacancies have increased slightly during COVID-19, we are still experiencing an extremely low number of available rental units.⁵ The Urban Land Institute estimates the current production of new affordable multifamily units, 100,000 annually, is not enough to meet existing needs.⁶

Recent protests across the country have called needed attention to racial and ethnic inequities -- inequities that were exacerbated and further exposed by the pandemic. Using data from the Census Bureau's Household Pulse Survey, the Urban Institute found that people of color will be more likely to experience housing instability in the future. About 25% of Black and Latino renters who responded to the survey did not pay or deferred rent in May, compared with 14% of white renters. Nearly 50% of Black and Latino renters expressed concerns about June's rent, compared with 25% of white renters.⁷

The pandemic has demonstrated the critical role that Public Housing plays in communities across the country. As Minneapolis Highrise Representative Council Vice President Tamir Mohamud describes in his testimony, communities have used Public Housing as a hub to distribute food, health care, and other necessities of daily life to their most vulnerable community members. This asset must be preserved. But like much of America's infrastructure, public housing needs significant investments for modernization and repair. Based on a 2010 HUD study, NAHRO estimates the backlog of needed repairs to our public housing stock is upwards of \$70 billion. NAHRO supports efforts by Congress to resolve this chronic underfunding of our housing infrastructure, including the Public Housing Emergency Response Act (H.R. 235; S. 598) and the Broadband Justice

³ *How Much Assistance Is Needed to Support Renters through the COVID-19 Crisis?*, Urban Institute, https://www.urban.org/sites/default/files/publication/102389/how-much-assistance-is-needed-to-support-renters_1_1.pdf, June 2020.

⁴ *Worst Case Housing Needs 2019 Report to Congress*, <https://www.huduser.gov/portal/sites/default/files/pdf/worst-case-housing-needs-2020.pdf>, June 2020.

⁵ *The State of the Nation's Housing 2020*, Joint Center for Housing Studies of Harvard University, https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf, 2020.

⁶ *Preserving Multifamily Workforce and Affordable Housing: New Approaches for Investing in a Vital National Asset*, Urban Land Institute, <https://uli.org/wp-content/uploads/ULI-Documents/Preserving-Multifamily-Workforce-and-Affordable-Housing.pdf>, 2015.

⁷ *New Data Suggest COVID-19 is Widening Housing Disparities by Race and Income*, Urban Institute: Urban Wire blog, <https://www.urban.org/urban-wire/new-data-suggest-covid-19-widening-housing-disparities-race-and-income>, June 2, 2020.

Act (H.R. 1094). NAHRO also supports the provisions included in the Housing is Infrastructure Act (H.R. 5187) that was passed by the 116th House of Representatives.

Despite these seemingly negative and adverse conditions, NAHRO is optimistic. NAHRO's members, including thousands of public housing authorities (PHAs), have responded with passion and compassion by acting as a community hub by providing essential services and maximizing the Public Housing units they own as community assets. PHAs continue to be on the front lines in addressing local affordable housing needs and are ready and able to assist their local communities and families find stability. Funding and creativity during and after the pandemic are needed so PHAs can devise housing solutions that meet short-term and long-term local needs.

Below I share some critical examples of community actions that PHAs have recently implemented to help weather the storm. I also share actions that PHAs can take, though they will need the support and resources of Congress and the Administration to maximize their impact in providing resilient, safe housing for all.

Public Housing as a Community Hub

Internet Access for Work and Education

The Department of Housing and Urban Development has the regulatory authority to ensure that utility allowances cover the costs of accessing the internet. In the twenty-first century, internet access is as much a basic utility as electricity and water. Throughout the COVID-19 pandemic, the need for national internet access for every family has become more acute.

When schools transitioned to remote learning in Alabama last spring, Opelika Housing Authority saw an immediate need for expanded internet service. Agency leadership bridged the "digital divide" by providing internet access at no cost to residents. They built the new service into their operational budget.

HUD recently issued guidance to allow PHAs to use Operating Funds to provide internet services to residents of public housing units. This flexibility allows funding to be used both in public housing units and in common areas.⁸ Additionally, HUD must be encouraged to use its regulatory authority to allow PHAs, if they choose, to incorporate costs of internet connectivity into their Housing Choice Voucher program utility allowances. Congress and the Administration should work to determine additional methods to ensure that assisted families have meaningful access to the internet.

Food Insecurity

Low-income families across the country confront food insecurity and food deserts daily. Many PHAs help families access food by partnering with local non-profits and local governments. These partnerships have brought food pantries to families and seniors that need them most and have also led to the creation of community gardens that grow needed vegetables and provide information on healthy nutrition, land stewardship, and environmentally sustainable growing methods.

The Tampa Housing Authority in Florida opened Meacham Urban Farm this February. The garden spans nearly 2 acres and is expected to yield 30 dozen eggs per week and

⁸ See *Use of Public Housing Funds to Support Internet Connectivity for Residents*, <https://www.hud.gov/sites/dfiles/PIH/documents/PublicHousingFundingSupportInternetConnectivityResidents.pdf>, January 19, 2021.

60,000 pounds of produce per year. Residents of Public Housing in downtown Tampa now have greater access to fresh produce all because of the Tampa Housing Authority's efforts.

While these projects are successful, they only scratch the surface of the food insecurity many low-income families face. COVID-19 has made food insecurity worse, and action is required. HUD regulations, especially in the Public Housing and Housing Choice Voucher programs, are unreasonably restrictive in allowing funds to be used for food. PHAs can pay for the transportation and delivery of food but cannot pay for the actual food itself. The Administration must advocate for and Congress must pass increased resources and flexibilities for PHAs to help eliminate food insecurity for low-income families and their children. HUD and the U.S. Department of Agriculture should be encouraged to work together to end food insecurity in subsidized housing.

Health and Economic Stability Outreach

The pandemic has exposed the need for more resiliency in communities across the country. PHAs are well-positioned to help make this happen and are already supporting the health and wellbeing of the people they house during the pandemic. This month, the Worcester Housing Authority in Massachusetts organized public health clinics to distribute the COVID-19 vaccine. Nearly 120 residents of Belmont Towers received their first dose. Housing authority staff reached out to residents directly to answer their questions and escort elderly residents to the clinic. Other PHAs across the country are doing the same, hosting vaccination clinics and serving as health hubs for their residents.

Housing Alliance and Community Partnerships (HACP), formerly known as the Housing Authority of the City of Pocatello, Idaho, is led by NAHRO President Sunny Shaw and a very dedicated team. Just like other PHAs, HACP continued to serve its residents and its community throughout the pandemic while never shutting down operations. HACP did this even when at one point in October of last year 14 of their 15 staff contracted COVID-19. While taking care of themselves, the HACP team continued to serve their community by safely checking in on residents and maintaining essential operations.

The examples above are a small sample of the many initiatives implemented by PHAs across the country; they also demonstrate the level of care and service undertaken by PHA staff despite not having direct access to resources dedicated to supportive services. This is one reason why PHAs need additional support, including the expansion of HUD's existing competitive service programs.

The Family Self-Sufficiency (FSS), Jobs Plus, and Resident Opportunity and Self Sufficiency (ROSS) programs help PHAs provide residents with important supportive services, resident empowerment activities, and upward economic mobility. These programs allow PHAs to develop local approaches for residents to increase earnings, advance employment outcomes, save money, and start their own businesses. Community Development Block Grants (CDBG) provide critical community amenities that support thriving neighborhoods and families, such as health care centers, business incubators, quality educational and after-school programming, and other community determined needs. As the country reopens and residents who lost their employment due to the pandemic look to reenter the job market or explore new career paths, these programs will provide vital assistance. Congress must provide additional program streamlining and funding to FSS, ROSS, Jobs Plus, and CDBG programs so that PHAs can strengthen the programs and serve more residents.

Public Housing as a Community Asset

Capital Funding to Preserve and Modernize Public Housing

Public Housing units are the only permanently affordable hard units of housing in our country, and must be protected. 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 8.7% for each year during which the capital backlog is not adequately addressed. In 2021, even when accounting for other federal capital programs like the Choice Neighborhood Grants and Rental Assistance Demonstration (RAD), NAHRO estimates the Capital Fund backlog is upwards of \$70 billion.⁹ Investing enough funding in the Capital Fund to address the backlog will ensure that these units remain a quality community asset.

New Construction to Meet Housing Need

Since 1999, almost 300,000 affordable units were removed from the public housing inventory through repositioning, demolition, and disposition. Additional permanent, affordable housing must be part of the solution of the affordable housing crisis that we face. As such, NAHRO recommends Congress fund the construction of 300,000 new units of permanently affordable housing across the country. Interested PHAs may make the units available at affordable rents that meet local needs and/or subsidize units with tenant-based rental assistance, project-based rental assistance, public housing subsidy, or a state or local housing subsidy. Congress must support new housing construction to increase the supply of hard units and mitigate housing insecurity.

New Subsidy to Help the Most in Need

According to HUD's Picture of Subsidized Households (POSH) data, 286,367 public housing units have gone offline since 1999, predominantly through public housing repositioning. As such, NAHRO recommends Congress fund the monthly operating subsidy of new housing units for low-income families up to the 1999 level of units. Applying the lessons learned from several decades of administering low-income units, these units would be sited in environmentally safe locations with the goal of promoting thriving, diverse communities. These 286,367 units of new, permanently affordable housing across the country will provide safe and healthy homes to more than 600,000 low-income people. For them to remain permanently affordable and well maintained, a monthly operating subsidy is required.¹⁰ Congress and the Administration must support these units and provide the subsidy to operate them.

Additional Vouchers Managed by PHAs

Beyond Public Housing, the Housing Choice Voucher (HCV) program is greatly underfunded and should be expanded to cover every qualified individual. As stated earlier, the COVID-19 pandemic has only increased the need for affordable housing. With only one in five eligible households receiving rental assistance, a significant and bold investment must be made.

⁹ NAHRO Capital Fund Backlog One-Pager, https://www.nahro.org/wp-content/uploads/2020/04/CAPITAL_FUND_BACKLOG_One-Pager.pdf, 2019

¹⁰ HUD Picture of Subsidized Households, 2019 Based on 2010 Census, U.S. Total, Public Housing, Average HUD Expenditure per month, <https://www.huduser.gov/portal/datasets/assthg.html>, July 9, 2020.

In addition to increased voucher funding (including full funding for administrative fees), there must be services provided with the HCV program. PHAs will manage these services, which will allow program participants to effectively find and lease units in neighborhoods of their choice, irrespective of age or disability.

Services should include the following:

- Search assistance (including help preparing rental documents, information about neighborhoods, help identifying units, and connecting with landlords),
- Increased landlord engagement (including explaining the program to landlords, a damage mitigation fund, and an expedited inspection and lease-up process), and
- Short-term financial assistance (including funds for application screening fees, security deposits, other financial impediments, etc.).

PHAs excel at serving the families that are most in need in their communities. In many cases, they do this by coordinating housing and social services needed for successful and stable housing. The Administration has shown support for, and Congress must also support, an additional 8.2 million new permanent Housing Choice Vouchers, resources to administer these vouchers, and services to ensure families find and maintain housing, and to assist agencies in providing other services that will help families and seniors thrive.¹¹ In addition to Public Housing, an expanded Housing Choice Voucher program and a strong Project-based Rental Assistance program are essential tools to meet the housing needs of all Americans.

Program Flexibility Allows PHAs to Meet COVID-19 Head-on

The CARES Act has provided HUD with broad and sweeping statutory and regulatory waiver authority to allow PHAs to quickly meet the changing conditions on-the-ground. HUD has waived and relaxed several Public Housing and Housing Choice Voucher statutory and regulatory program requirements and is discussing additional waivers to provide to agencies. PHAs are using these waivers to serve their residents and their communities with speed and efficiency. Agencies, and particularly smaller agencies, will need continued flexibility to focus on outcomes moving forward.

Re-imagined inspection protocols, document requirements for tenants, and reporting needs will help agencies in the future, just as they are helping them now during the pandemic. The current tenant rent calculation structure must also be modernized to remove confusion and complexity. Let us use this moment to refocus on what matters to families: access to quality, affordable housing, strong communities, and hope. Congress and HUD must provide streamlined program oversight that allows PHAs to be nimble and responsive to their communities while diligently protecting precious federal funds.

Conclusion

It is NAHRO's goal to advocate for additional resources and common-sense changes to existing housing programs so that housing agencies have the fundamental tools they will need to create long-term housing solutions. We need solutions that can be scaled to respond to housing insecurity pre- and post-pandemic, to create vibrant, resilient communities, and to use housing as one path towards racial equity. Families need immediate access to rental assistance and housing agencies need additional stopgap

¹¹ Cunningham, Mary, Urban Institute, "It's Time to Reinforce the Housing Safety Net by Adopting Universal Vouchers for Low-Income Renters," <https://www.urban.org/urban-wire/its-time-reinforce-housing-safety-net-adopting-universal-vouchers-low-income-renters>.

funding. We have advocated for both. Public Housing is essential to local communities and Congress must support it so PHAs can continue to serve families most in need.

This is a watershed moment. It is time for bold, actionable, and resourced ideas -- ideas that, when actualized, will stem the long-term impact of our current public health crisis. It will require the political fortitude of the federal government and the innovation of localities. The time to act boldly is now!