Public Housing Agencies (PHAs) own and operate over 1.1 million units of federally subsidized public housing, providing affordable homes to families, the elderly, disabled persons, and veterans. Although the public housing inventory is an integral component of our nation’s infrastructure, chronic underfunding of the Public Housing Capital and Operating Funds, coupled with burdensome over-regulation, has placed the inventory at risk.

The public housing inventory faces a mounting capital needs backlog, but Capital Fund appropriations continue to lag dangerously behind accruing modernization needs. At the same time, funding for operations has endured deep cuts, forcing PHAs to forego critical maintenance functions and further jeopardizing the long term sustainability of many properties.

It is imperative that policymakers renew their commitment to adequate funding for the program. In addition to providing resources, policymakers must also expand the suite of tools available to PHAs to manage and preserve their portfolios. PHAs must have broad access to financing tools that will allow them to tap into the value of their assets and leverage private capital.

Why Public Housing?
In addition to providing affordable homes to families, the elderly, persons with disabilities, and veterans, public housing also supports the economy. Every dollar of capital investment by PHAs triggers an additional $2.12 in local economic activity.

- **Capital Fund**
  - The Capital Fund provides annual grants to PHAs for the development and modernization of public housing. Each year, PHAs receive enough funding to address only about half of their newly occurring physical needs.

- **Operating Fund**
  - The Operating Fund supports the day-to-day management of 1.1 million units of public housing. Of the families served by the program, approximately 60 percent are elderly or disabled households on a fixed income.
Preserve and Revitalize the Public Housing Inventory

NAHRO’s Public Housing Priorities:

- NAHRO will advocate to restore full funding for the operating costs and annual capital accrual needs of public housing.
  - Federal funding cuts in recent years have forced PHAs to make difficult decisions, forgoing preventative maintenance and putting off repairs in order to continue to manage the day-to-day operations of their properties.

- NAHRO will seek to introduce real estate tools to the public housing program, including the creation of replacement reserve accounts. NAHRO will also seek additional tools to allow PHAs to leverage the value of their real estate assets.
  - As in other forms of real estate, replacement reserves would allow PHAs to strategically plan and save funds to meet their future physical needs.
  - Because the Public Housing Program is funded out of two accounts, PHAs often find that their funding allocations do not align with their most critical needs. NAHRO will advocate additional flexibility for PHAs to transfer funds between their operating and capital accounts.
  - By subordinating the Declaration of Trust on public housing properties, HUD could unlock the value of the properties to allow PHAs to raise the capital necessary for renovations.

- NAHRO will promote measures to streamline the operating environment in which PHAs operate.
  - Congress and HUD should adjust the administrative burdens placed on PHAs to align with the resources provided. Opportunities for streamlining include environmental review thresholds, income verification, and rent calculations. In addition, Public Housing Assessment System scores should be advisory until funding is restored.

- NAHRO will ensure continuity of services to residents.
  - Service coordinators through the Resident Opportunities and Supportive Services and Family Self-Sufficiency programs play a critical role in connecting public housing residents with appropriate social services. Renewal funding for these programs must be predictable and dependable to ensure PHAs can continue to uphold their commitments to their residents.