



## **National Housing Trust Fund**

The National Housing Trust Fund was established as a provision of the Housing and Economic Recovery Act of 2008, which was signed into law by President George W. Bush.

The housing trust fund will, once capitalized, provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable for extremely and very low income households. The Housing Trust Fund's most important features are:

- At least 90% of the funds must be used for the production, preservation, rehabilitation, or operation of rental housing.
- Up to 10% can be used for the following homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment assistance, closing cost assistance, and assistance for interest rate buy-downs.
- At least 75% of the funds for rental housing must benefit extremely low income households and all funds must benefit very low income households.

The NHTF was designed as a permanent program with a dedicated source of funding not subject to the annual appropriations process.

The NHTF has yet to identify a dedicated source of funding.

Mountain Plains Regional Council advocates that the Troubled Asset Recovery Program funds be considered as a source of capitalization for the NHTF given the strong nexus between the housing-driven economic crisis that gave rise to the need for TARP and the goals of the NHTF program.





## Section 8 Voucher Reform Act (SEVRA)

The Section 8 Housing Choice Voucher program is the nation's linchpin of affordable housing programs; providing rental assistance to approximately 2.1 million households. Much thought and effort has been undertaken over the past several years to shape a pragmatic and responsible reform bill that will stabilize and streamline the administration of the Section 8 Housing Choice Voucher program.

SEVRA provides a variety of extremely positive reforms that will strengthen the Voucher program which include:

- A funding formula that reflects each agency's most recent calendar year's voucher leasing and cost data.
- Providing for the annual authorization of 150,000 incremental vouchers for both tenant-based and project-based vouchers and restoration of the historic treatment of voucher leasing and relative worse-case housing needs within each state as the primary factors in increasing agencies' base renewal funding and authorized vouchers in SEVRA.
- Creating a mechanism to allow agencies to retain and use their un-obligated fund balances. The addition of language that would enable the HUD Secretary to make exceptions regarding the recapture of an agency's funds where there are extenuating circumstances beyond the agency's control would be beneficial.
- Allowing for the reallocation of Voucher HAP funds, which would provide funding to PHAs that experience increased voucher leasing; giving priority to PHAs with high budget utilization rates, and agencies that need additional voucher assistance to increase voucher leasing rates.
- Reinstating a version of the "maximized leasing policy" that was standard practice in the voucher program in 2003 and prior years.
- Allowing PHAs to conduct Housing Quality Standards inspections every 2 years, rather than annually; permitting PHAs to perform inspections on a geographical basis rather than tying inspections to the household's anniversary date and allowing inspections conducted by other entities to be used in place of a PHA conducted HQS inspection.

- Simplifying income and rent reviews and implementing alternative rent structures under the public housing program, although more detailed information on how elderly, disabled and families with children would be affected in each program is needed.

There are several sections of SEVRA that are of concern, which are:

- Allowing a voucher assisted household to remain in their unit for up to 9 months after HAP Contract termination, for unit non-compliance with HUD's housing quality standards.
- Establishing new and revising existing rent and income calculations which makes the process more complex, ie, "off-the-top" earned income deduction, pro-rated allowance for childcare expenses, etc.
- Allowing HUD to change the administrative fee rate and structure, rather than submitting study recommendations to Congress. The Housing Innovation Program (HIP), would make it difficult for existing Moving-to-Work (MtW) agencies to continue their program operations within two-years.





## Reauthorizing the Crime and Drug Elimination Act

### Background

The Public and Assisted Housing Drug Elimination Act (PHDEP) was authorized in 1990. Before its termination in 2002, the program provided grants to public housing agencies and tribally designated housing entities (TDHEs) to plan and implement a variety of activities to combat crime and drugs. Bills in the House, H.R. 582 by Barbara Lee (D-CA), and a companion bill in the Senate, S. 1327 by Tim Johnson (D-SD), would reauthorize the program.

### About the House and Senate Bills

The House and Senate bills would authorize FY 2009-2011 grants and direct payments to PHAs and TDHEs to provide funding for several valuable activities including:

- access to treatment and drug abuse rehabilitation;
- education and after school programs for youth regarding the dangers and adverse consequences of drug use or violent crime; and
- capital improvements for the purpose of discouraging, reducing, or eliminating drug use or violent crime

### The reauthorization of this program is important for several reasons:

- Given the current condition of the economy, for many NAHRO members crime and drug use are unfortunately on the rise. Public housing operating funds have until now, been historically under funded. Reauthorization of PHDEP would be very helpful and in many cases is much needed.

- Many NAHRO members found the previous program to be very effective in the effort to eliminate drugs and crime in public housing. However, since the programs elimination in 2002, PHAs have had to take limited dollars out of their already depleted operating funds to provide similar activities for their residents. Many PHAs, therefore, have been unable to provide tailored services to combat drug and crime issues.
- Though both the House and Senate HUD Appropriations bills call for greater funding than in recent years, these bills still do not provide 100% funding for the Public Housing Operating Fund based on NAHRO estimates. NAHRO believes the bill should provide \$5.05 billion for operations, however, the House bill provides \$4.8 billion and the Senate bill currently provides \$5.05 billion.

Some examples of what NAHRO members used their funds for:

- **“We operated after school and summer programs, which served close to 400 youth.** The program offered academic assistance, computer literacy, substance abuse prevention education, life skills training, arts enrichment, and organized sports and recreation.”
- **“We partnered with numerous community service agencies to provide additional services such as on-site individual and family counseling, parenting skills, violence prevention, and workforce development/ job training.** All programs and services were offered free of charge to our residents and were conducted at PHA-owned and operated community centers located within the developments themselves, thus eliminating the need for transportation which is often cited as barrier for our population.”



## MOUNTAIN PLAINS NAHRO

National Association of Housing & Redevelopment Officials

- **“We used PHDEP funds to organize and train resident security patrols in our 14 high-rise buildings for seniors and disabled.** PHDEP also helped to pay for drug awareness training for youth and families. A renewed PHDEP program would certainly be extremely helpful to HACM and critical for our residents.”
- “We installed wrought iron fencing, improved outside lighting, installed screens that could not be cut, and planted pyracantha bushes in front of exterior walls to prevent gang members from doing graffiti. We also partnered with the Boys and Girls Club with after school activities that included drug and gang prevention. Additionally, we housed a uniformed police officer with a patrol vehicle at each complex. **We decreased crime in our properties by 65% with these and other related activities.**”
- **“As far as I am concerned, no other program has had nearly the positive effect upon our Authority’s security functions and resident impact than these consecutive grant programs had.** Among others, we had **workshop consultants to conduct educational activities dealing with drug abuse and resiliency skills training, provision of on-site computer labs and scholarships for education, and the provision of mental health services to residents to support them in dealing with the causes of drug abuse related activity.** All of these activities have been eliminated or severely cut back due to the loss of this very essential funding. Unfortunately, criminal activity and drug and gang related events have increased every year since this program was cancelled.”
- Our major thrust in these grant programs was in the area of drug prevention. In the seven years since the end of the last PHDEP, our security staff has seen a dramatic change in the attitudes of our residents, especially the children. During the PHDEP days, our ‘projects’ became ‘neighborhoods’ and finally, true ‘communities.’ **Where there once was an attitude of “I don’t want to become involved,” residents slowly opened up to a point that they came to trust PHDEP and security staff and began to communicate their needs and tell us of the drug activities going on in secrecy on our properties.** The situation became so positive that the local newspaper wrote an article about how our Bolivar Road location was becoming such a ‘community’ with community spirit.”

