



Washington Report

September 14, 2023



Meet the Presenter

Eric Oberdorfer

Director, Policy and Program Development



Agenda

- NAHRO 360 Report
- Congressional Update
- Section 8
- Public Housing
- Community Planning and Development
- HUD Regulations

NAHRO's 2023 Summer Symposium

2023 NATIONAL CONFERENCE & EXHIBITION
NAHRO at 90: CELEBRATE
OCTOBER 6-8
HYATT REGENCY NEW ORLEANS HOTEL • NEW ORLEANS, LA



Register today at nahro.org

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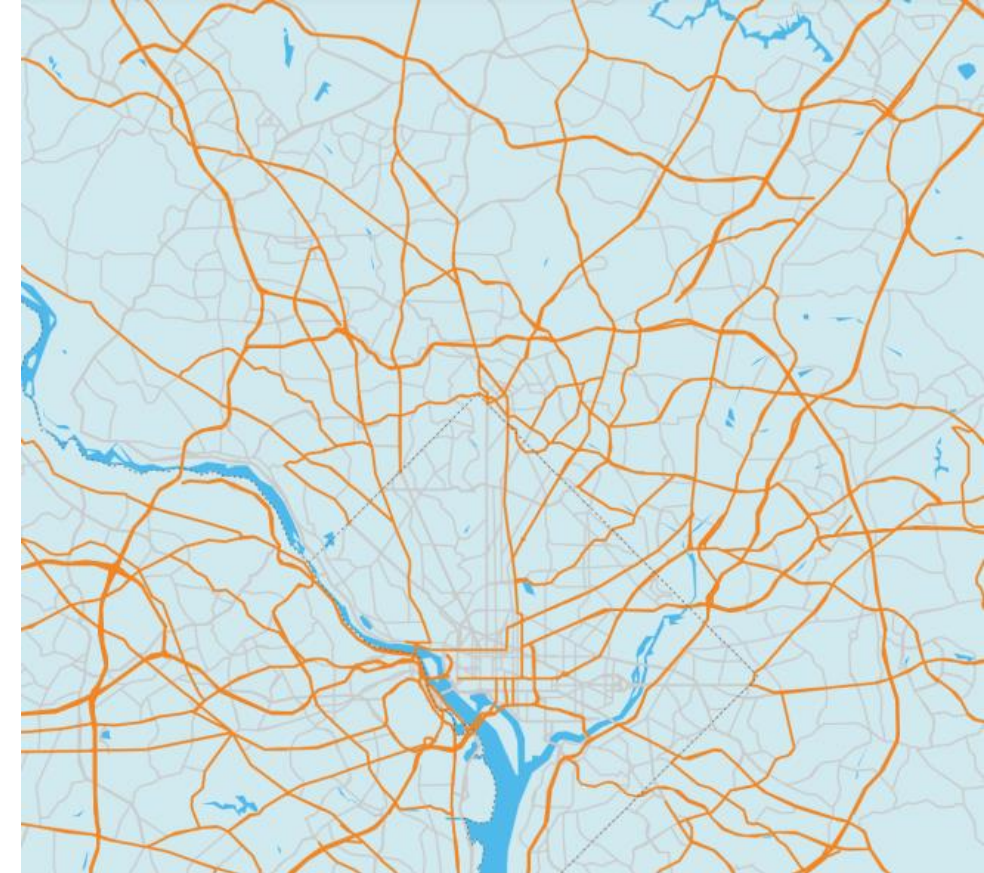
NAHRO 360 Report

NAHRO's Newest Annual Report!

Includes data on:

- The Public Housing Program
- Housing Choice Voucher Program
- Rental Assistance Demonstration/Repositioning
- Homelessness in the United States
- Community Development Programs
- Low-Income Housing Tax Credit

nahro.org/360



NAHRO 360°

*A Comprehensive View of America's Housing and
Community Development Programs - 2023 Edition*



Congressional Update

- FY 2023 funding expires 9/30/23
- Senate voting on appropriations this week
- House passed their bill in July in committee
- Overall funding levels largely preserve housing and community development programs
- With some exceptions (HOME)

- Chance of a shutdown – disagreements over overall spending levels
- Disagreement over length of CR – House leadership wants one-month CR, Senate longer term
- Senate trying to show House that it can move bills unanimously

- HUD has just released their shutdown plan



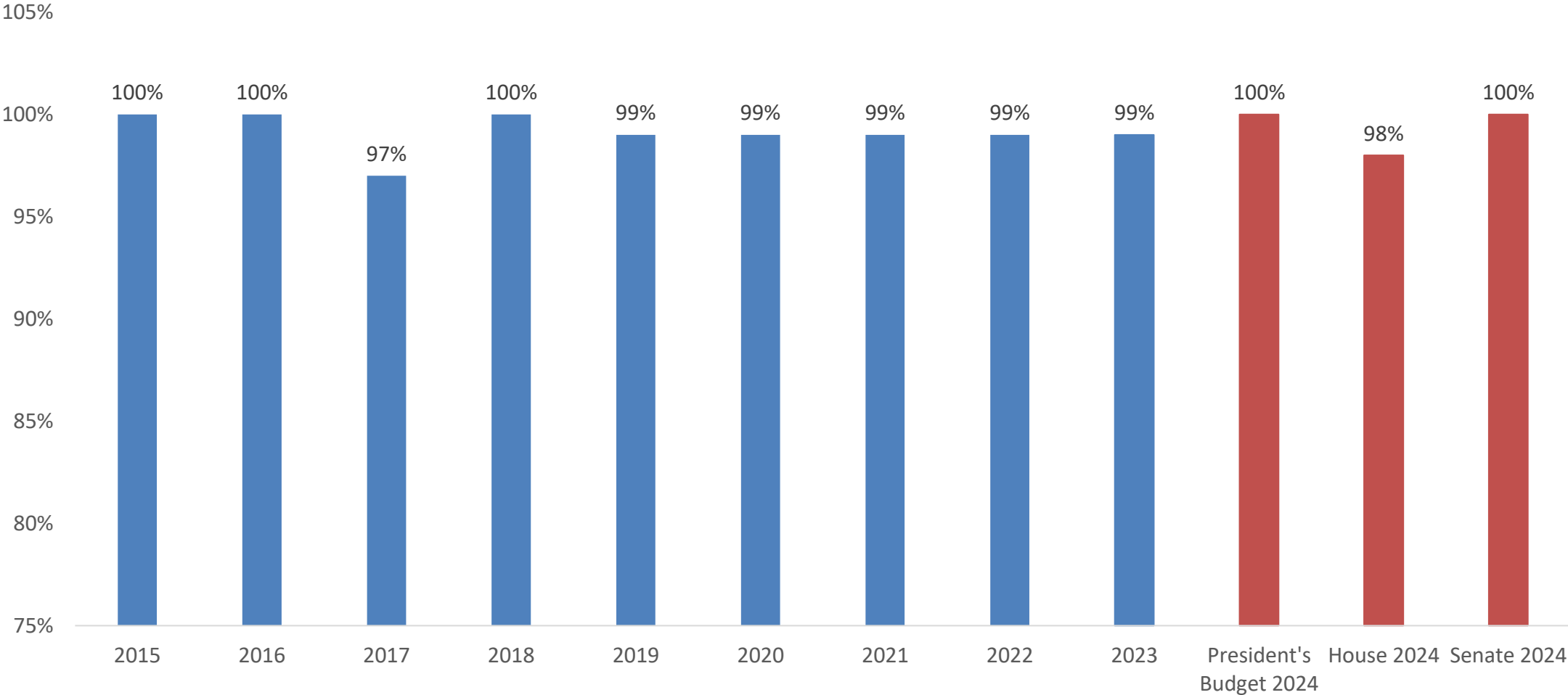
Section 8



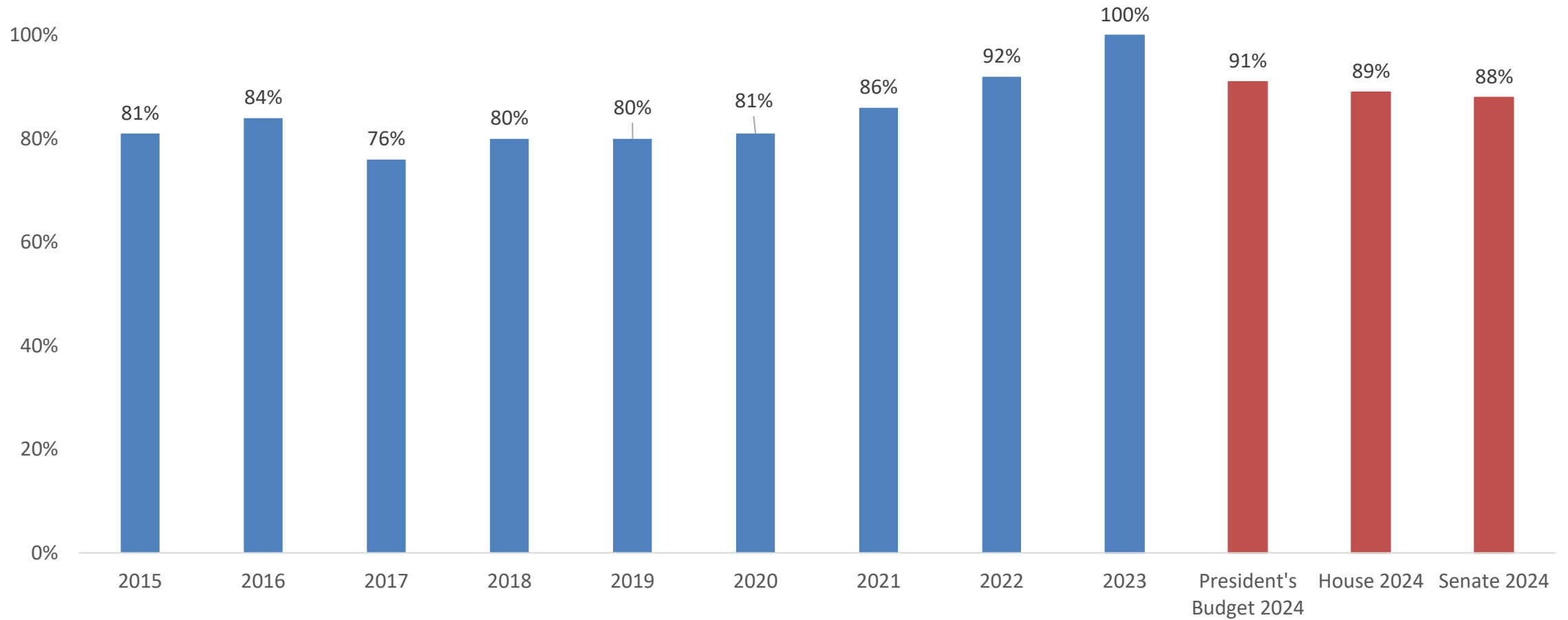
Voucher Funding

Voucher account (in millions)	FY 23 Enacted	FY 24 President's Budget	FY 24 House	FY 24 Senate
HAP Renewals	\$26,402	\$27,840	\$27,375	\$27,766
Administrative Fees	\$2,778	\$3,202	\$2,734	\$2,781
Project-based Rental Assistance	\$14,907	\$15,904	\$15,820	\$15,790

Housing Choice Voucher HAP Proration



Housing Choice Voucher Admin. Fee Proration



Voucher Expansion

Voucher program (in millions)	FY 23 Enacted	FY 24 President's Proposed	FY 24 House	FY 24 Senate
New General Vouchers	\$50	\$1,100	--	--
HUD-VASH	\$50	--	--	\$30
FUP (including FYI)	\$30	--	--	\$30
Mainstream (including admin. fees)	\$607	\$686	\$686	\$686
Mobility Related Services	--	\$25	--	--

FY 2024 House Bill Takeaways

Housing Choice Voucher Program

- HCV Renewals, while lower than usual, were not decimated
- HCV admin. fee at 89%, still higher than historical “norm” proration
- No new vouchers
- No new mobility funding
- No expanded uses of HAP eligible uses

Silver lining – People who have a voucher won’t be kicked off the program

FY 2024 Senate Bill Takeaways

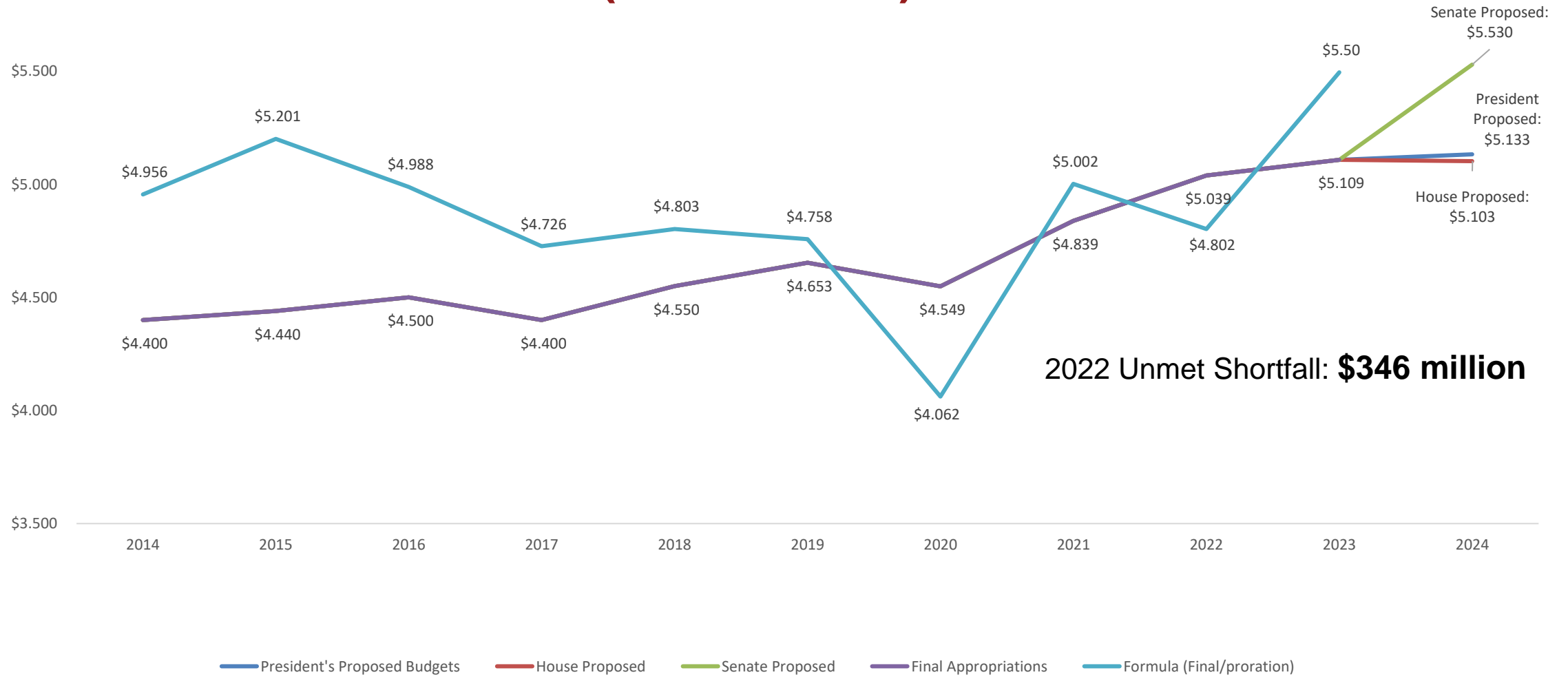
Housing Choice Voucher Program

- HCV Renewals – enough for full funding
- HCV admin. fee at 88%, still higher than historical “norm” proration
- No new general-purpose vouchers (but new HUD-VAHS/FUP/FYI)
- No new mobility funding
- HAP expanded eligible uses proposed demonstration

Public Housing



Public Housing Operating Fund (\$ in billions)



Operating Fund Proposed Levels (\$ in millions)

	FY 23 Enacted	FY 24 President's Budget	FY 24 House	FY 24 Senate
Operating Fund	\$5,109	\$5,133	\$5,103	\$5,530
Shortfall Funding	\$25	\$50	\$25	\$35

Public Housing Capital Fund (\$ in billions)



Capital Fund Proposed Levels (\$ in millions)

	FY 23 Enacted	FY 24 President's Budget	FY 24 House	FY 24 Senate
Capital Fund	\$3,200	\$3,225	\$3,180	\$3,200
OPERA	--	\$61	\$51	--
Financial and Physical Assessments	\$50	\$15	--	\$50
Competitive Health Hazards	\$65	\$85	--	\$65
Emergency Capital Needs	\$50	\$40	\$40	\$30
Choice Neighborhoods	\$350 million	\$185	--	\$150

FY 2024 House Bill Takeaways

Public Housing

- Decrease in Operating Fund compared to FY23 (93% proration*)
- Decrease in Capital Fund compared to FY23
- No set asides included in FY23 Capital Fund
- OPERA Account for REAC
- Eliminates sunset date for RAD
- Eliminates Choice Neighborhoods
- Prohibits funding to be used to “implement, administer, or enforce” proposed AFFH

FY 2024 Senate Bill Takeaways

Public Housing Program

- Increase in Operating Fund (99.7% proration*) and additional Operating Fund Shortfall Funding
- Increase in Capital Fund
- Does not create OPERA Account for REAC
- Changes sunset date for RAD to 2030
- Extension of MTW Standard Agreements to 2043
- Significant cut to Choice Neighborhoods

Self-Sufficiency Programs

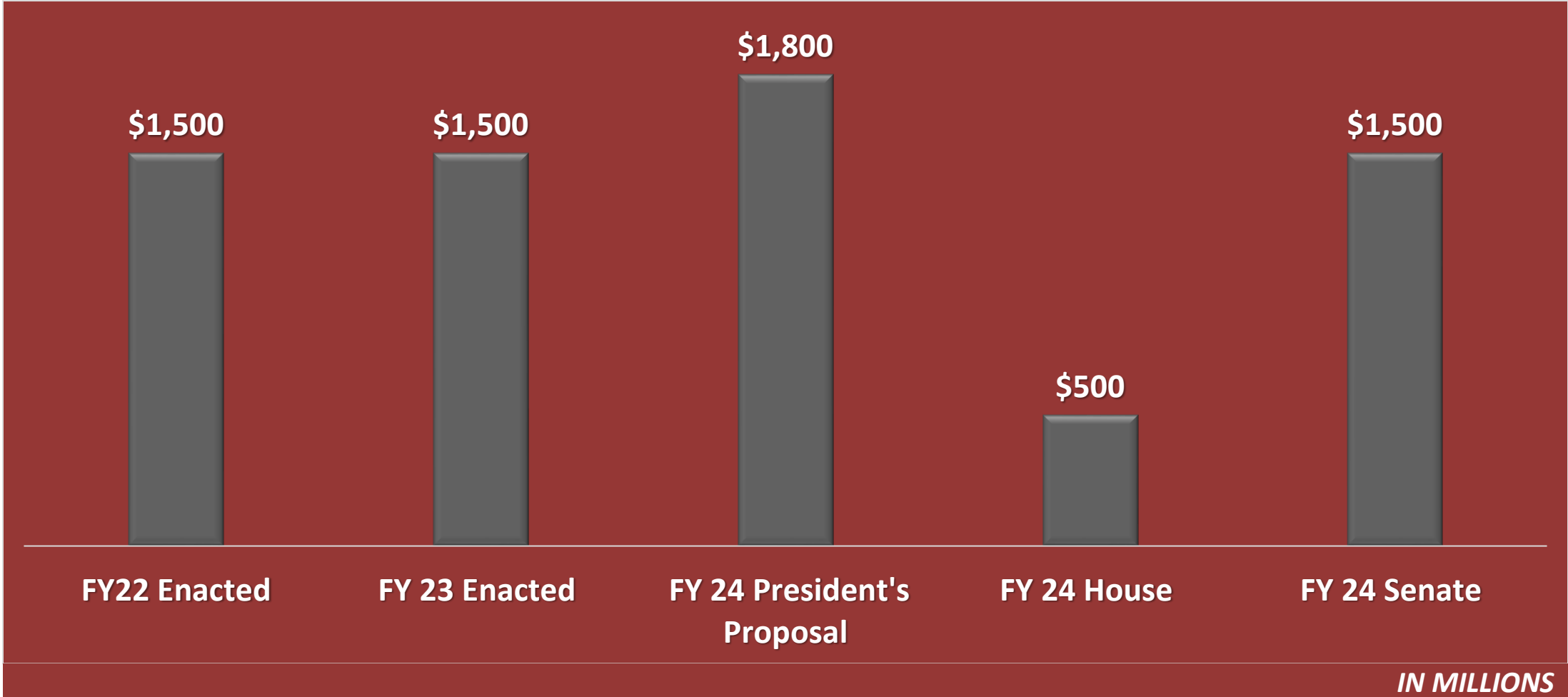
- **FSS**
- \$125m House / \$141m Senate
- **Jobs Plus**
- \$15m House / \$15m Senate
- **Ross**
- \$35m House / \$43m Senate



Community Planning and Development



HOME Investment Partnerships Program (HOME)



Community Development Fund (CDF)

CDF	FY 23 Enacted	FY 24 President's Proposed	FY 24 House	FY 24 Senate
CDBG	\$3,300	\$3,300	\$3,300	\$3,300
Economic Development Initiative (EDI)	\$2,982	\$2,982	\$2,224	\$1,061
SUPPORT	\$30	\$30	\$30	\$30
Grants for Affordable Housing production	\$85	\$85	--	\$100
Total	\$6,397	\$6,397	\$5,554	\$4,491

IN MILLIONS

Homeless Assistance Grants

FY 22 Enacted	FY 23 Enacted	FY 24 President's Proposed	FY 24 House	FY 24 Senate
\$3,213	\$3,633	\$3,749	\$3,729	\$3,908

IN MILLIONS

- Increase in funding from FY 23 from the President, House, and Senate
- Budget and Congressional bills include provisions:
 - Allowing HUD to award one-year transition grants
 - Allowing CoC grant recipients to count program income towards meeting their match requirement

AFFH

- Proposed rule released on **February 9, 2023**
- Many variations of AFFH over the years

Requires recipients of HUD funds to:

1. take meaningful actions to combat discrimination and patterns of segregation
2. foster inclusive communities free from barriers that restrict access to opportunities

Developing and Submitting an Equity Plan

- Program Participants must focus on 7 core fair housing goals and identify fair housing issues they plan to address in the next three to five years
- Submission deadlines vary by PHA size or funding a program participant (CDBG, HTF, HOME, HOPWA, ESG) receives



AFFH

Seven core fair housing goals:

1. Policies and practices that impede affordable housing in areas of opportunity, including housing for those with disabilities
2. Inequitable distribution of local resources, which may include municipal services and investments in infrastructure
3. Discrimination or violations of civil rights law related to housing or community assets
4. Segregation and integration
5. R/ECAPs
6. Disparities in access to opportunity
7. Access to affordable housing and homeownership opportunities



HOTMA

Final Rule Released in January

Section 102 – Income Reviews

- Earned Income – 5.100
- Annual Income Definition – 5.609(a)
- Annual Income Exclusions – 5.609(b)
- Annual Income Calculation & Reexaminations – 5.609(c)
- Adjusted Income Mandatory Deductions – 5.611(a)
- Adjusted Income Annual Deductions – 5.611(b)
- Adjusted Income Financial Hardship Exemptions – 5.611(c)
- Income reexaminations – 5.657



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HOTMA

Final Rule Released in January

Section 103 – Over-Income Tenants in Public Housing

- Income limitation on public housing tenancies for families that earn 240 percent of VLI for 24 consecutive months
- PHA can either terminate tenancy or charge the FMR or monthly subsidy (whichever is greater)

Section 104 – Asset Limitations

- Families are ineligible for public housing or Section 8 assistance if they have net assets over \$100,000 (adjusted annually for inflation)
- Families are ineligible for assistance if they have real property suitable for occupancy that the family has ownership interest in, legal right to reside in, and authority to sell
- Revises definition of net family assets (adds additional exclusions)
- Allows self-certification of assets less than \$50,000 adjusted for inflation



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HOTMA

Section 103 already in effect

- Agencies should have updated their ACOPS by 6/14/23

Section 102 and 104 go into effect on January 1, 2024

- Compliance no later than January 1, 2025
- Agencies should have their ACOPs and Admin Plans updated by January 1, 2024
- Should try to be in compliance as soon as software is updated

HUD will be releasing additional guidance

- Breakdown of policies that PHAs have discretion over versus those they don't
- Significant guidance based on additional outstanding implementation questions



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Public Housing

In effect as of July 1, 2023

HUD prioritizing:

- Properties that have not been inspected since post-pandemic inspections resumed in June 2021
- PHAs with FYE dates of 3/31 (based on 1, 2, 3-year cycle)
- Troubled PHAs

Will not impact PHAS score until all properties are inspected under NSPIRE

PBRA

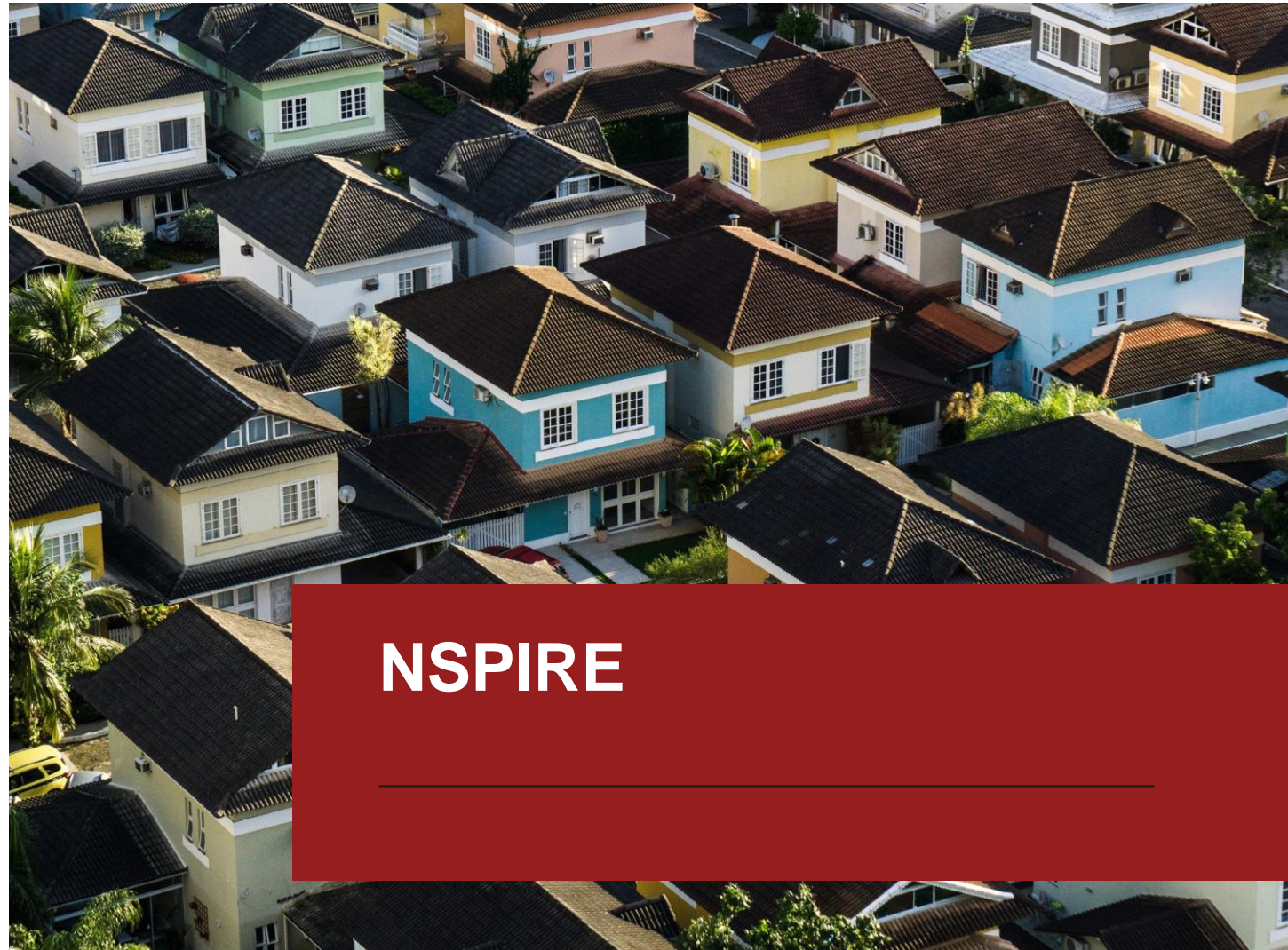
In effect October 1, 2023

Housing Choice Vouchers

In effect as of October 1, 2023

NSPIRE-V

- HUD will release additional guidance
- Will remain pass/fail
- Standards are the same as NSPIRE



NSPIRE

HUD's new inspection protocol

May 10 – NSPIRE Final Rule

- Establishes the methods to implement NSPIRE through notices
- Three inspectable areas

June 16 – Inspection Standards Notice

- How inspections are conducted, what inspectors should look for, and what should count as a deficiency

July 3 – Administrative Procedures Notice

- Describes scoring and ranking methodologies

July 6 – Scoring Notice

- Describes scoring and ranking methodologies
- Defect impact weights based on severity and location



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MTW Cohort #5

14 spots left in the MTW Expansion

- MTW designation allows PHAs to use funding flexibly and allows them waive certain regulatory requirements that normally apply to PHAs to best serve their communities
- MTW Expansion agencies operate under an MTW Operating Notice



MTW Cohort #5

MTW Cohort #5

MTW Expansion Background

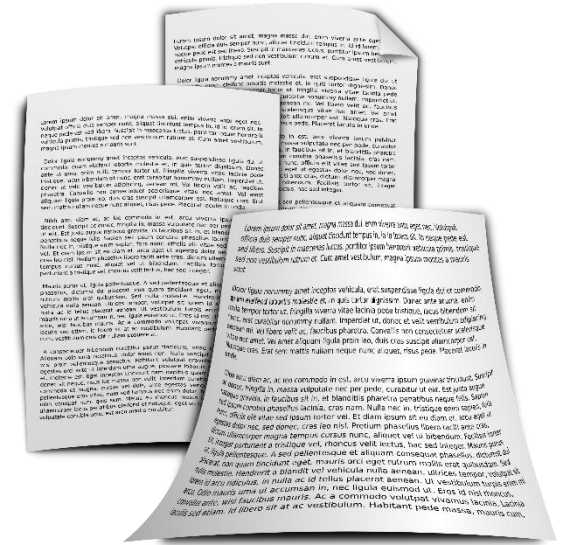
- In 2016, the MTW program was again expanded to add 100 new PHAs over seven years.
- Several new statutory requirements were put into place, including requirements that PHAs are **high performers** and represent **geographic diversity**.
- Statute also stated that there would be a research component to the expansion.
- PHAs will be added to the program in cohorts.
- Each cohort will test specific policy changes.



MTW Cohort #5

Cohort #5 MTW Flexibility II

- This cohort will assess the overall effects of the MTW flexibilities on a PHA and its residents
- For PHAs with 1,000 combined units or less
- Evaluating the cohort will seek to test outcome measures
- PHAs will have to participate in the measures
- Evaluation will not exceed 5 years from when the date offers the designation under the cohort
- Term of participation 20 years.



MTW Cohort #5

Eligibility

- List of Statutory Eligibility Requirements
- Administration of no more than 1,000 aggregate public housing an HCV units (including special purpose vouchers)
- High performer SEMAP status **or** high performer PHAS status
- The applicant has to be a PHA



MTW Cohort #5

Additional Eligibility Requirements

- No troubled PHAS or SEMAP status
- Did not accept prior MTW status in prior cohort
- Reporting rate in IMS/PIC of 90% of households
- Up to date on VMS submissions
- PHA submitted all required submissions for last 3 fiscal year in the Financial Assessment Sub-system (FASS-PH), Financial Data Schedule (FDS)
- PHA submitted its most recent PHA plan to HUD
- No unaddressed findings (e.g., IG audits) or unresolved civil rights matters



MTW Cohort #5

Additional Eligibility Requirements

- If the PHA has public housing, the PHA complied with obligation and expenditure requirements of the Capital Find Program (CFP)
- If the PHA has a repayment program, the PHA has made payments according to that agreement

Completion Requirements

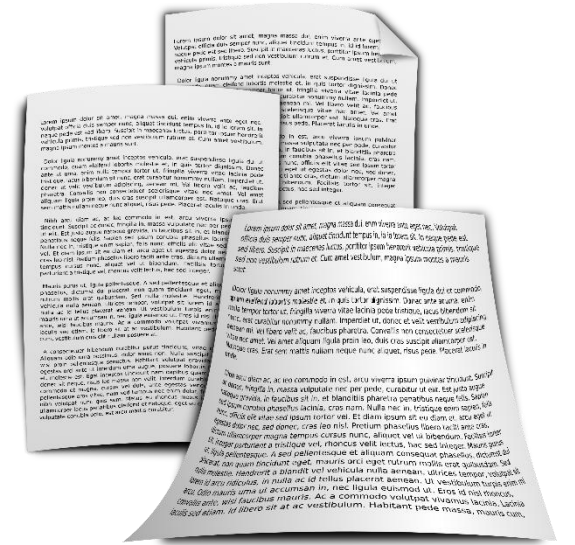
- PHA submitted MTW plan, application package, and applicable appendices
- PHA submitted Board Resolution that approves of the PHA's desire to obtain MTW designation under this cohort and states the intent to comply with PHA requirements
- PHA met public process requirements



MTW Cohort #5

Applications due: December 8, 2023

- MTW Plan, Administrative efficiencies information, and appendices must be submitted electronically (PDF or Word document)
- Email: MTWFlexibilityII@hud.gov
- Submit to John Concannon, Director, Moving to Work Demonstration Program
- Includes name and number of the PHA and contact info



Build America, Buy America

- Build America, Buy America – passed as a part of the Infrastructure Investment and Jobs Act
- BABA requires infrastructure receiving financial assistance from HUD to comply with a “Build America Preference” when purchasing iron or steel, manufactured items, or construction materials
- Different implementation dates for HUD programs
- Most PHA funding used for construction materials and manufactured products, including for maintenance, must meet BAP by **8/23/24** (purchases for iron and steel by 2/22/24)



PHAS/SEMAP

Future Rulemaking

- HUD proposing potential changes to PHAS and SEMAP
- Proposed rules in early 2024
- Nothing final until at least 2025
- Listening sessions have already begun
- NAHRO has been heavily involved in the process



Pathways to Removing Obstacles to Housing (PRO Housing) NOFO Released

Funds support communities who are actively taking steps to remove barriers to affordable housing such as:

- Barriers caused by outdated zoning, land use policies, or regulations
- Inefficient procedures
- Gaps in available resources for development
- Lack of neighborhood amenities
- Challenges to preserving existing housing stock like increasing threats from natural hazards, redevelopment pressures, or expiration of affordability requirements

Applications due October 30, 2023



Contact Information

Eric Oberdorfer

Director, Policy and Program
Development

eoberdorfer@nahro.org

202-580-7213