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March 28, 2017

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Open Letter to Pennsylvania's Congressional Delegation

Re: Support Full Funding for HUD in FY 2017 and FY 2018

On behalf of the Pennsylvania Association of Housing and Redevelopment Agencies (PAHRA), we urge you to support investments in Pennsylvania's families and communities by ensuring adequate funding for the Department of Housing and Urban Development (HUD) for the remainder of FY 2017 and for FY 2018.

PAHRA represents over 190 members including 128 community development, housing, non-profit and redevelopment agencies in the Commonwealth of Pennsylvania. Collectively PAHRA members provide quality, affordable homes to almost 155,000 seniors, people with disabilities, and families in public housing, tenant-based Housing Choice Vouchers (HCV) vouchers for privately owned rental housing, and other assisted housing. Our members also administer Community Development Block Grant (CDBG) and HOME funding in our communities to develop new affordable homes, help low income homeowners repair their homes, and bring economic opportunities to our communities. Whether working with local landlords, contractors, suppliers, or other businesses, HUD programs are an integral part of our local economies.

Moreover, an increasing amount of evidence is proving the connection between having a good home and having good health. In addition to the enormous benefits HUD programs have in creating and preserving affordable homes, these same programs are essential if we as a nation are to start reducing healthcare costs. Ending homelessness and remediating substandard housing reduces illness related to infectious diseases, mold and other allergens, falls, burns, and stress. Ensuring clean, safe, and affordable homes means residents can better manage – and afford – medication and recuperate from illnesses and infections. To reduce healthcare costs, people must be well-housed.

Unfortunately, current funding levels have made it impossible to assist all the qualified Pennsylvanians who need an affordable place to live. According to the Federal Reserve Bank of Philadelphia, Pennsylvania has a shortage of 272,000 rental homes that are both affordable and available to households with incomes of about \$20,000 a year or less. Tens of thousands of Pennsylvanians are on waiting lists – often for years – for public housing or Housing Choice Vouchers. Given increases in rents and operating costs, a strong increase in the FY 2017 and FY 2018 appropriations for HUD programs is required to provide needed rental assistance for currently assisted families and to keep federal efforts to end homelessness on track.

We urge you to fund the Public Housing Operating Fund at a minimum of \$4.675 billion in order to ensure that we can continue to provide quality homes for at least the same number of households currently housed. Even that funding level is not 100% of the cost of operating public housing, and it makes it difficult for us to respond quickly to health-related hazards such as lead and mold. Public Housing Authorities (PHAs) require sufficient funding in order to do proper maintenance rather than waiting until problems become emergencies.

The Public Housing Capital Fund provides funding to PHAs to make necessary capital repairs that protect the health and safety of public housing residents. An estimated \$3 billion annually is necessary to address not only leaky roofs, crumbling exterior bricks, and old piping, but environmental hazards such as lead and mold. There is a backlog of over \$20 billion worth of capital needs due to shortfalls in funding over the years. We urge you to fund the Public Housing Capital Fund at \$1.925 billion or more. Providing PHAs with resources to address lead and mold will improve the quality of life and health for thousands of low-income children and elderly persons.

The Housing Choice Voucher (HCV) program provides funding for families to find rental homes in the private market. In order to assure that no family loses the assistance it is currently receiving, \$18.86 billion is required for contract renewals in FY 2017 and the figure must be adjusted for inflation for FY 2018. Overall appropriations for tenant based rental assistance should be set at \$20.432 billion. Even this level of funding, which ensures all current vouchers are funded, would not make a dent in our long waiting lists.

In addition to HCV funding is the need to support the day to day management of the program. We urge you to fund HCV Administrative Fees at no less than \$1.769 billion. That still will not provide PHAs with all the funding needed to administer the program.

The Community Development Block Grant (CDBG) program is so versatile that the reduction in CDBG funding has impacted a wide variety of Pennsylvanians: fewer senior citizens receive Meals on Wheels or home repair assistance; fewer veterans can find job training or housing; more small business requests for assistance are turned down resulting in fewer jobs created. In Pennsylvania, every city and county receives CDBG funding and its loss would be devastating. We are asking you to support \$3.06 billion for CDBG.

The HOME program is the only federal block grant program designed exclusively to produce affordable homes for low-income families. Since 1992, HOME has created more than 1.2 million homes and helped provide direct rental assistance to over 270,000 low-income families. Like CDBG, HOME gives local cities and counties control over how to best meet their affordable housing needs. Please support HOME at \$950 million in FY 2017.

Congress has recently taken a number of positive steps that will allow us to better serve our residents. We thank you for your support of:

1. Improved funding levels in the FY 2016 Omnibus budget.
2. Passage of the Tenant Income Verification Relief Act of 2015, allowing for income certifications every three years instead of annually when 90 percent or more of the tenant's income is fixed.
3. Expansion of the Moving to Work (MTW) program.
4. Making the 9% Low Income Housing Tax Credit permanent.
5. Passing the Housing Opportunities through Modernization Act.

While these changes will help us to improve the delivery of services to our community, they do not take the place of much needed program funding. In addition, other steps can and must be taken to provide relief from the burdensome regulations imposed by HUD. We respectfully request your support of the following:

1. Increased funding for HUD programs to the highest possible level for FY 17 and FY 18.
2. Support the Small Housing Authority Reform Proposal (SHARP). SHARP will provide greater flexibility and reduce administrative burdens for housing authorities that serve 550 households or less.
3. Ensure that any infrastructure bill includes funding for housing and community development.
4. Protect the Low Income Housing Tax Credit as part of tax reform, adjust the credit as needed to reflect changes in the corporate tax rate, and support the expansion of the program through the Cantwell-Hatch and Tiberi bills.

Please be a champion for Pennsylvania's families and communities. Urge your leadership and the appropriators to provide the sufficient funding for HUD to help move Pennsylvania forward.

Thank you.