



NATIONAL LOW INCOME HOUSING COALITION

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Founded in 1974 by
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December 7, 2017

The Honorable Mike Crapo
Chair
Senate Banking Committee
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Senate Banking Committee
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Brown,

On behalf of the National Low Income Housing Coalition, I write to share our concerns with several provisions in Section 210 of the Economic Growth, Regulatory Relief and Consumer Protection Act (S. 2155). We appreciate the Committee's efforts to protect and provide opportunities to low income renters in S. 2155 by restoring and making permanent the Protect Tenants at Foreclosure Act and including the Family Self-Sufficiency Act. However, NLIHC is very concerned that the bill, as it is currently written, would undermine the physical integrity of many public housing developments, putting the health and safety of tenants at risk and destabilizing communities.

We hope we can work with you and other members of the Banking Committee to address these issues before the bill receives a final vote in the Senate. Our concerns are outlined below.

Definition of "Troubled" Small Public Housing Agency

The bill's proposed definition of "troubled" would provide HUD with far too much discretion. Rather than maintaining the current protocol which automatically triggers the "troubled" status for a small public housing agency (PHA), the bill merely states that HUD *may* designate a small PHA as troubled. Furthermore, while the current rule provides for a concrete, quantitative measure to determine whether a small PHA is troubled,¹ the bill would create a new standard that is both vague and subjective. The bill provides that a small PHA may be designated as troubled if HUD determines the PHA has failed to maintain its properties "in a satisfactory physical condition," but does not define what constitutes a "satisfactory physical condition." Such an unclear and subjective standard could lead to poor outcomes in enforcement and oversight, putting tenants' health and safety at risk.

Physical Inspections

The bill jeopardizes residents' housing quality and the public's investment in public housing by postponing physical inspections for public housing for three years,

¹ A Public Housing Assessment System (PHAS) score that is less than 60.

except if deemed “troubled.” The condition of units can deteriorate quickly, while households often do not complain about living conditions for fear of retaliation.

Under current public housing rules, only the highest performing small PHA are permitted to receive a physical inspection every three years. Small PHAs that achieve an overall Public Housing Assessment System (PHAS) score that classify them as standard or substandard are inspected every two years, while the lowest performing small PHAs, those that are classified as troubled, are inspected every year and are required to take corrective action. This tested, quantifiable protocol serves to protect residents and the public’s investment in public housing.

We believe that small PHAs that classify as substandard should not go longer than two years without a physical inspection, especially since the low PHAS scores received by these PHAs are symptomatic of poor management and inadequate maintenance. Decreasing oversight of substandard small PHAs that ensures they are addressing their deficiencies could lead to those PHAs being classified as troubled shortly thereafter.

The bill would also jeopardize residents’ housing quality and the public’s investment in public housing by switching the standard for acceptable physical condition from the current Uniform Physical Condition Standards (UPCS), which is more rigorous than the voucher program’s Housing Quality Standards (HQS).² Given that PHAs are public entities, it is reasonable to hold them to higher standards when compared to private owners who voluntarily participate in the voucher program. We also point out that private owners participating in the voucher program have financial incentives to maintain their properties, while quasi-governmental PHAs do not have the same financial and market pressures to maintain their projects. Holding these two programs to the same inspection standards may not yield similar inspection results.

While we understand the Committee’s desire to reduce unnecessary administrative burdens, we do not believe creating a new vague and subjective definition for “troubled” small PHAs and reducing the frequency and quality of inspections will achieve that goal. The Committee and Congress has already taken constructive steps to reduce administrative burdens by unanimously approving the Housing Opportunities Through Modernization Act (HOTMA) in 2016, while allowing HUD to test other deregulation policies through the Moving to Work program, the results of which should be analyzed and understood before expanding.

We thank you for your continued efforts to address the affordable rental crisis in our country and protect low income renters who too often struggle to keep a roof over their heads. We look forward to discussing ways to address our concerns and further improve the bill before it is considered on the Senate floor. If you have any questions, please contact NLIHC’s Policy Director Sarah Mickelson at smickelson@nlihc.org.

Thank you,



Diane Yentel

² Although the language in the bill is vague and could be referring to the standard used to inspect project-based rental assistance (PBRA) properties. However, public housing and PBRA properties are subject to the same inspection standards.