

NAHT Wins Legislation to Save At Risk Housing in HUD Appropriations Bill for 2012!

The Final Fiscal Year 2012 HUD Appropriations Bill includes two important amendments sought by NAHT in the past year.

Fresh in the wake of NAHT's successful "Have a Heart, Save Our Homes" campaign in early 2011 (see below), Congress fully funded Project Based Section 8 for FY 2012 and mostly funded Public Housing Operating budgets and Section 8 Vouchers as well. However, NAHT's ally, the Center for Budget and Policy Priorities, has concluded that Section 8 Vouchers will be underfunded by \$100 million, potentially displacing several thousand tenants, and there are deep cuts to the Public Housing Capital Fund, which pays for repairs in Public Housing.

Winning anything pro-tenant in this climate is difficult. But hard work by NAHT Board members and local affiliates won these **two key provisions in 2012 Appropriations bill** signed by President Obama on November 18:

1. ***\$10 million set-aside to provide Enhanced Vouchers for currently unassisted expiring mortgage tenants!*** Initiated by at risk tenants in Chicago and Boston, this NAHT proposal has been a major priority for the past year, winning support from allies in the National Housing Law Project and the Preservation Working Group. The final language gives HUD discretion to provide up to \$10 million from the \$75 million Tenant Protection Account to currently at-risk tenants in expiring mortgage buildings who are not now eligible for Enhanced Vouchers. HUD has 120 days to come up with guidelines to allocate these funds to the most at risk tenants. Thousands of tenants now facing the prospect of losing their homes may now be protected.

Major kudos to Chicago tenants from the Lakeview Action Coalition and Chicago Housing Initiative, who initiated the proposal and won crucial support from Senator Majority Leader Dick Durbin (D-IL), and tenants from the Mass Alliance of HUD Tenants in Boston, notably at Georgetowne Homes, who went door to door to lobby Sen. Scott Brown (R-MA) and won a letter to Senate leaders from Brown supporting this idea last December. (As with the PBV amendment (below), Brown's support was key to making this a "bi-partisan" amendment and win support from Republicans in the House, as well as Senate Republicans on the Appropriations Committee.) Other NAHT affiliates weighed in, notably the Seattle Tenants Union with Sen. Murray, Chair of the T-HUD Appropriations Subcommittee. The NAHT Board and membership also played an important role in advocating directly with Senate Appropriations Committee staff in several meetings over the past year and at the June NAHT Conference. NAHT has already discussed with HUD staff (in the Chicago Eyes and Ears meeting in January, convened by NAHT Board President Herman Bonner, at the June NAHT Conference and other meetings) how to construct guidelines to help the most at-risk tenants.

Currently, buildings with Enhanced Vouchers can convert to Project Based Vouchers, but subject to limitations on the percent of units and overall percent for the housing authority. The original language we proposed would have lifted these restrictions, and allowed these units to convert to PBVs at market rent levels. Although this language did not make it in the final bill, winning **this set-aside in the current climate was a major achievement for all involved.**

NAHT has created a Task Force to make recommendations to HUD on the implementation of this legislation.

2. ***Project Based Vouchers!*** The bill also includes a new provision allowing **(for the next two fiscal years)** conversion of expiring Rent Supplement and RAP buildings that have been or will be issued Tenant Protection Vouchers into “Project Based Vouchers” (PBVs). Some 30,000 tenants live in at-risk buildings with expiring subsidies under these programs. In addition, expiring Mod Rehab Section 8 buildings that receive Enhanced Vouchers, owners will be also be able to convert the EV’s into PBVs, exempting these buildings from the usual PBV limitations (percent of units, and percent of Vouchers in a city), **but not the PBV rent cap.** This is a major victory for at risk tenants who will be issued vouchers in these buildings (itself a victory stemming from tenants at the June NAHT Conference and work by the Seattle Tenants Union and National Housing Law Project), to stabilize their buildings and enable owners to take out loans to repair and/or sell to preservation oriented buyers. **RentSupp/RAP units in properties that also are partially assisted by Project Based Section 8 will receive regular Tenant Protection Vouchers that can be converted to PBVs.**

The language also requires consultation with tenants before allowing conversion to PBVs.

On the down side, the final language does not allow conversion of **previously issued or future** Enhanced Vouchers **from prepayments or opt-outs** (except Mod Rehab buildings) into PBVs. Also, Congress did not allow these converted PBV contracts to be “marked up to market,” just to the current FMR limit on the PBV program.

Still, this will help tenants save up to 30,000 at risk units in the coming years, and opens the door to further expansion of the PBV program in future legislation. This is a major achievement, given the current make up of Congress.

In October, the NAHT Board persuaded Republican Senator Scott Brown from MA to co-sponsor the PBV amendment with Sen. Merkley (D-OR), giving this proposal crucial bi-partisan momentum. NAHT tenants, notably Dave Horan from MA and tenants from Seattle, also lobbied Senate Appropriations staff at the June NAHT Conference to support this concept. Brown’s support was crucial to getting at least partial support from Sen. Shelby (R-AL) and House Republicans in the Appropriations Conference.