

April 8, 2020

The Honorable Tim Scott
717 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Scott:

On behalf of the Housing Authority of the City of Columbia, SC (“Columbia Housing”) Board of Commissioners and staff, thank you for the nearly \$3 billion for public housing, housing choice vouchers and project based rental assistance under the CARES Act. The CARES Act provided the U.S. Department of Housing and Urban Development (“HUD”) with statutory and regulatory waiver authority which will be enormously helpful to housing authorities. While we are grateful for the immediate infusion of emergency resources, it is not nearly enough to cover the needs of public housing authorities (“PHAs”) for the duration of this crisis.

Public housing and Section 8 housing choice vouchers play a critical role in our nation's infrastructure and social safety net, providing families with a stable home and assisting them with opportunities for upward mobility. Across the United States, public housing provides 1.2 million units of housing to over 2.2 million people, including 800,000 children, and more than half the population in public housing is elderly and disabled. The 2.2 million Section 8 housing choice vouchers house an additional 5.3 million people including 2.2 million children. The Novel Coronavirus COVID-19 poses a major threat to public housing communities which house vulnerable at-risk populations. Additionally, PHAs have experienced significant disinvestment over the last several decades and are now redeploying limited operating funds to cover emergency expenses. Therefore, it is critical that emergency funding and longer-term preservation resources for public housing are included in a COVID-19 stimulus package.

To enable housing authorities to properly care for their residents and staff while maintaining their mission of providing safe and affordable housing, Congress and HUD must provide substantial resources and flexibilities to housing authorities as quickly as possible. As part of a COVID-19 Stimulus focused on recovery and stabilization, PHAs will need:

1) An additional infusion of \$8.5 billion for the Operating Fund and the Section 8 Voucher Program.

PHAs are working to keep families safe and stably housed throughout the COVID-19 crisis. As such, they are ramping up cleaning protocols including additional staff time and equipment, all while facing the realities of lost revenue due to tenant loss of income.

PHAs are grateful for the \$685 million in Public Housing Operating Funds as well as the \$1.25 billion in HAP and administrative fees allocated in the third round of stimulus funding, but it is not enough to cover all anticipated expenses during this emergency. Nationally, PHAs are facing an additional need of at least \$5 billion for public housing operations which includes \$2.0 billion for lost revenue, \$1.5 billion for short term mitigation/operation costs, and \$1.5 billion to cover emergency staffing, communications and retrofits. Additionally, PHAs will face \$3.5 billion in shortfalls for the foreseeable future in the Section 8 housing choice voucher program, which includes \$3 billion due to lost tenant income that will increase voucher program payment obligations directly to landlords under existing rental contracts, and \$500 million in administrative fees to cover the needs of PHAs for the duration of the Fiscal Year.

The stimulus should provide PHAs with Public Housing Operating Funds, Section 8 budget authority and increased administrative fees. Public Housing and Section 8 vouchers provide housing stability to some of the lowest income and most vulnerable Americans, an urgent need in immediate and long-term recovery efforts. These vouchers also provide reliable income to landlords, and project-based vouchers help support the creation and preservation of affordable housing developments, creating jobs and economic activity. Additionally, should tenant incomes drop, Public Housing and voucher amounts will have to increase to cover a larger share of rent, requiring additional budget allocation. A voucher allocation with associated administrative fees funding should be immediately appropriated. Operating funds and administrative fees can also help PHAs support a temporary work force as needed to cover needs, paid sick time, contracting out Public Housing and Housing Quality Standards (HQS) inspections, and expediting digitization to make remote work more possible.

2) Increase the Supply of Housing Choice Vouchers including \$2.0 billion for 150,000 new Tenant Protection Vouchers (TPVs) and a robust increase in Voucher Program Funding

Like traditional Section 8 vouchers, TPVs provide housing stability to low-income and vulnerable populations and reliable income for landlords recovering from lost rent payments. TPVs serve a variety of needs, including supporting the rehabilitation and repositioning of public housing, spurring private investment and creating jobs. With enough TPV capacity, PHAs can advance and accelerate their conversion and preservation pipelines. We are seeking \$2 billion in fungible funds for HAP and administrative fees.

Also needed is a robust increase in Section 8 vouchers to account for the many low-wage workers whose jobs have disappeared and jobs that may never return, more local flexibility for voucher programs directed to a post-COVID market and use of voucher funding to secure continued participation by landlords especially those that are small businesses and to mitigate displacement. There is a continuing need for flexibility in using the vouchers to connect or support programs designed to assist people who may

lose housing as a result of COVID, preserving existing housing options for families at risk of losing housing, and flexibility to create stronger connections to programs that provide economic recovery for families that lose work as a result of COVID-19. Flexibility should be provided for PHAs to use vouchers to leverage resources and support long term public housing preservation. We are seeking a robust increase in fungible funds for HAP and administrative fees.

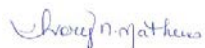
3) A \$70 billion investment in Public Housing infrastructure

Public Housing is infrastructure, and as such, capital investment spurs job creation and generates economic growth. For every \$1 spent on capital funding, an additional \$2.12 is generated in regional economic activity. Under the last infrastructure bill, \$4 billion in Capital funds generated over \$12.5 billion in economic activity. Nationally, public housing faces an estimated \$70 billion in capital needs, including repairs and replacements in critical building infrastructure such as heating systems, plumbing, roofs and facades. There has been increased support for a massive infusion of Capital funds for PHAs nationally as evidenced by the Public Housing Emergency Response Act of 2019 (H.R. 4546, S. 3212) and the Housing is Infrastructure Act of 2019 (H.R. 5187). Investments in capital work and jobs to maintain the housing stock will be felt for generations to come.

These resources will allow public housing authorities to recover from the COVID-19 crisis and preserve their portfolios for years to come. Thank you for your attention to the millions of Americans who call public housing home.

Last, but certainly not least, thank you again for your continued support of affordable housing for the families of South Carolina. We look forward to continued dialogue and if you have any questions, please feel free to contact me at imathews@columbiahousingsc.org, (w) 803.234.3886 ext. 211 or (c) 803.667.0267.

Sincerely,



Ivory N. Mathews
Interim Executive Director

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Columbia Housing's - Board of Commissioners

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