

PBRA

More than Affordable Housing

Project-Based Rental Assistance (PBRA) is a crucial program that provides assistance to working families, elderly, and disabled. All areas of life are improved with access to decent and stable housing.

Assisting 2 million individuals and families



Affordable housing is in scarce supply. Rent continues to rise faster than income making it even more difficult to secure housing.

PBRA helps families to afford modest housing and avoid homelessness and other kinds of economic instability.

Improving all areas of life



Federally assisted affordable housing has widespread and significant benefits in communities across the country. Steady housing increases work and school participation. From employment and economic mobility to health and education, all areas of life are improved when individuals and families have decent and stable housing.

Creating cost savings for governments and economic activity in communities



PBRA properties routinely provide important services to seniors and persons with disabilities to allow them to live independently, reduce hospitalization, avoid a premature move to a nursing home, and reduce astronomical costs to the federal and state governments through Medicaid.



PBRA creates additional economic activity in local communities beyond the initial housing subsidies. It directly raises owners' ability to spend on labor, materials, and other goods and services to maintain, operate, and manage rental units. PBRA directly raises resident disposable income which is then spent on other vital goods and services including food, clothes, and education.



United States

Disadvantaged households rely on PBRA

1.2M 
housing units

2.0M 
residents served

\$739 per unit
avg HUD expenditure

The average income of PBRA residents is significantly less than the average income in the state, making it extremely difficult to afford housing. The program provides important assistance to underserved groups including elderly and disabled individuals.

Average Annual Income

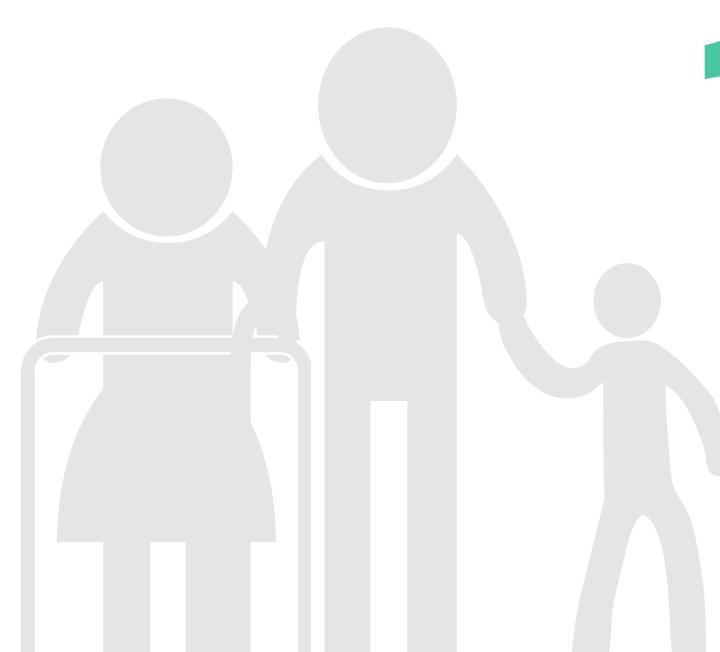
PBRA **\$12,421**

Avg. State Household Income

\$75,775

49%

PBRA residents are over 62, compared to 18% of the overall state population



17%

PBRA residents live with a disability

MYTH
Most residents rely on welfare as their main source of income

FACT
Only **3%** of residents rely on welfare as their main source of income

Significant cost savings for governments

PBRA helps seniors and people with disabilities stay in their homes longer and avoid costly nursing homes.



Monthly Cost of Housing

PBRA **\$930**

Nursing Home (Semi-Private Room)

\$6,844

Increased economic activity

PBRA directly raises owner spending and resident disposable income. Residents spend additional disposable income on other vital goods and services such as food, clothes, and education.

92,477
 Jobs

\$3.5B
 Wages

\$12.0B
 Output

NLHA Bulletin

April 2018

Legislation

FY18 Omnibus Bill Boosts HUD Funding, Strengthens Housing Tax Credit

CONGRESSIONAL LEADERS AND the White House agreed on a final FY18 omnibus appropriations bill that gives every major HUD program increased funding and improves the housing tax credit program and the Rental Assistance Demonstration. President Trump signed H.R. 1625 on March 23 after it passed the Senate, 65-32, and the House, 256-167.

The HUD portion of the 2,000-plus page bill benefited from a two-year budget agreement that this year increases military spending by \$78 billion and domestic programs by \$52 billion. The \$1.3 trillion measure incorporates what traditionally are 12 separate appropriations bills.

Ignoring the \$6 billion in cuts to HUD that President Trump proposed in his FY18 budget, lawmakers directed \$42.6 billion to the department, a \$3.8 billion increase from \$38.8 billion in FY17.

Housing Tax Credit

The housing tax credit improvements came from the Affordable Housing Credit Improvement Act, an NLHA priority as part of the ACTION Campaign. The low income housing credit will get a 12.5 percent increase in total allocations for four years, 2018-21, and income averaging is allowed for tax credit projects on a permanent basis.

Income averaging applies the 60 percent area median income ceiling for occupancy to the average of all apartments in a project rather than individual tax credit units, creating cross-subsidization between higher and lower-rent units within a project. The two items will help compensate for lower tax credit pricing, and thus lower equity investment resulting from the corporate tax cut that takes effect this year as part of tax reform.

The Community Development Block Grant and the HOME program get a big boost respectively to \$3.3 billion and \$1.3 billion, another crucial help to tax credit developments that rely on gap financing to make projects feasible and help the lowest income families.

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Changes to RAD include an increase in the authorized ceiling of public housing units converted to Section 8 assistance under RAD Component One from 225,000 units to 455,000 units. This enables HUD to draw more projects from a waiting list of about 85,000 units and take on additional projects. NLHA was successful in advocating (along with HUD) that Section 202 PRAC projects are made eligible for RAD conversion to Section 8 assistance. Also, NLHA supported the provision that component II conversions (for RAP and Rent Supplement properties) in high-cost markets can be converted to market rents rather than 110 percent of FMR.

Section 8 Projects, PBCA Contracts

All HUD rental assistance programs appear to be funded at levels that renew all current contracts. Section 8 project-based rental assistance contract renewals were funded at \$11.5 billion, of which \$285 million is for performance-based contract administrators (PBCAs). In addition, the bill extends the Section 8 Mark-to-Market restructuring program to Oct. 1, 2022.

After an overwhelming negative response from the industry and stakeholders, HUD has chosen to cancel two competitive solicitations for PBCAs that were issued in December. NLHA objected strenuously to the contract solicitations, specifically the plan to bifurcate contract administration between a national support services contractor and regional administrators. The appropriations committees, in their explanatory statement on the omnibus bill, extended this cancellation of contract solicitations through the remainder of the fiscal year. The committees asked HUD to report on the staffing and funding requirements needed to oversee a state-by-state contracting methodology like the current system.

Housing Choice Vouchers

Housing Choice Vouchers received a \$1.7 billion increase to \$22 billion, with most of the additional funds used for renewing assistance for current tenants, a total of \$19.6 billion. HUD is given the authority in 2018 to offset each housing agency's "excess" reserves in the net restricted assets account as determined by HUD.

The HCV total has a \$75 million contingency set-aside for housing authorities that fall short of renewal funds due to a significant increase in renewal costs due to unforeseen circumstances or from portability, for project-based vouchers not in use during the previous 12-month period, to adjust the cost of VASH vouchers, or to avoid termination of rental assistance to families due to a lack of funds. HUD determines these allocations based on need.

Administrative fees of \$1.7 billion will result in allocations prorated at an estimated 77 to 78 percent based on HUD data in its 2018 "get ready" letter to PHAs. A total of \$30 million in admin fees are set aside for PHAs that need additional funds for administration, including fees for special vouchers, and administration of disaster-related vouchers. (See article in this issue about \$10 million HUD has set aside for 2018 through PIH Notice 18-5)

Other voucher funds are set aside for tenant protection, \$85 million, down from \$110 million in FY17; Section 811 renewals, \$505 million; and additional vouchers for HUD-Veterans Affairs Supportive Housing, \$40 million; and Family Unification, \$20 million. And \$5 million is provided for renewal of assistance for tribal homeless veterans.

The Center on Budget and Policy Priorities said about \$20 million of the admin fee amount apparently will be required to implement small area fair market rents this year. CBPP estimates that the bill funds roughly 60,000 new housing vouchers, including 54,000 Mainstream vouchers for non elderly disabled persons, 5,000 VASH vouchers, and 2,600 Family Unification vouchers.

Housing for the Elderly

New Section 202 capital advances and project-based rental assistance contracts were funded, amounting to \$105 million out of the \$678 million appropriated for this account. Up to \$90 million is set aside for service coordinators and to continue congregate service grants. The remaining funds are for contract renewals, amendments, inspections, and senior preservation rental assistance contracts.

Of the \$229 million provided for the Section 811 housing for disabled program, \$82 million is for new capital advance and project rental assistance awards. These new funds are prioritized to help local governments comply with obligations under the Supreme Court's Olmstead decision.

Public Housing

The public housing capital fund received \$2.7 billion, an \$800 million increase in funds from FY17, and the public housing operating fund was set at \$4.5 billion.

The bill provides \$150 million for the Choice Neighborhoods initiative of which \$75 billion is made available to PHAs and up to \$5 million for comprehensive local implantation plans.

FY18 Appropriations (\$ billions)			
HUD Programs	FY17	FY18	+/- FY17
Housing Choice Vouchers	\$20.292	\$22.015	\$1.723
Renewals	18.355	19.600	1.245
Tenant Protection	.110	.085	-.025
Admin Fees	1.650	1.760	.110
Section 811	.120	.505	.385
HUD-VASH	.040	.040	.000
Section 8 Projects	10.816	11.515	.699
Public Housing	6.342	7.300	.958
Capital Fund	1.942	2.750	.808
Operating Fund	4.400	4.550	.150
Section 202 Elderly	.502	.678	.176
Choice Neighborhoods	.138	.150	.012
Family Self-Sufficiency	.075	.075	.000
Homeless Assistance	2.383	2.513	.130
Native American Housing	.654	.655	.001
HOPWA	.356	.375	.019
CDBG	3.000	3.300	.300
HOME	.950	1.362	.412

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Colorado

Disadvantaged households rely on PBRA

16,089 
housing units

25,279 
residents served

\$654 per unit
avg HUD expenditure

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Average Annual Income

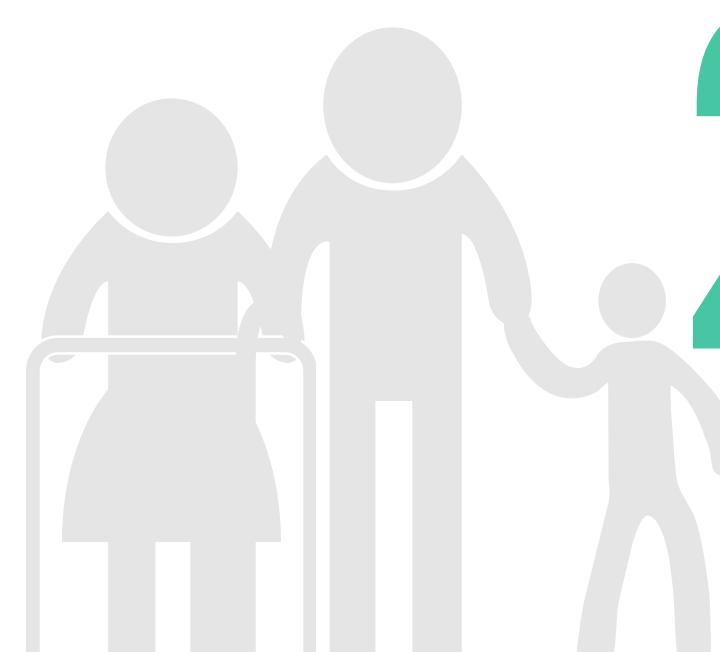
PBRA **\$12,028**

Avg. State Household Income

\$81,635

52%

PBRA residents are over 62, compared to 16% of the overall state population



21%

PBRA residents live with a disability

MYTH

Most residents rely on welfare as their main source of income



FACT

5%

of residents rely on welfare as their main source of income

Significant cost savings for governments

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Monthly Cost of Housing

PBRA **\$932**

Nursing Home (Semi-Private Room)

\$6,935

Increased economic activity

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1,365

Jobs

\$48M

Wages

\$159M

Output