



Return To Core Public Housing: Outlook

House Republican leaders see a return to basic public housing under public/private supervision as the solution to a surging Section 8 housing voucher program. The use of project-based vouchers to support public housing is seen by some lawmakers as a strategy to abandon what they view as an out-of-control independent tenant voucher program that has fallen into favoritism and abuse -- voucher value inflated to permit luxury apartment living and vouchers awarded to families and friends for favors.

The Financial Services Committee sees the fledgling HUD Rental Assistance Demonstration (RAD) program as a major solution to the public housing dilemma in its FY 2018 Views & Estimates report.

RAD, brainchild of the Obama administration's transformation of HUD's operations, is designed to tackle the \$26 billion public housing maintenance backlog. Public housing authorities contract with private landlords -- local developers, property owners, and nonprofits -- to jointly rehabilitate deteriorating public housing.

When completed, landlords supervise the properties jointly owned with the PHAs. Rent collected through Section 8 voucher contracts is used to maintain the structures and operations with a percentage set aside for profits. The result returns public housing to closer supervision by HUD.

While RAD has made inroads as a demonstration program and Congress is on the cusp of making it a permanent program, the one major issue to be resolved is how to ensure the flow of Section 8 vouchers during federal budget crunches and cutbacks.

So far, 185,000 of the nation's 1.2 million public housing units have been converted to the RAD program. Thousands more are waiting for Congress to lift the current cap and provide greater congressional support. HUD loses about 10,000 units per year through disrepair.

"RAD could streamline HUD's rental assistance programs, increase resident choice, and improve resident mobility," the House V&E says.

Coupled with its focus on RAD is the House's concern over what lawmakers view as a crippled public housing authority network of 3,883 agencies that maintain public housing and Section 8.

Key lawmakers see consolidation as a solution but the political outcry could submerge most attempts at change -- many PHAs are political fiefdoms in their communities with board appointments considered political plums.

“This fragmented national system of state-chartered entities can contribute to the lack of voucher portability and may further constrain individual choice and economic mobility,” the House V&E says. “Increasing choice may also mean innovations beyond the government owned-and-operated public housing model towards new housing delivery models that harness the abilities of nonprofits and other cost-effective service providers.”

Small PHAs likely would be the primary congressional target. Small and very-small PHAs comprise 56% of the 3,883 agencies but administer only 6% of the total number of public housing units and vouchers funded by HUD.

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