

## **Georgia Association for Housing and Redevelopment Authorities (GAHRA)**

Currently, 188 local housing authorities administer assisted housing programs in the state of Georgia. Local authorities provide assistance for almost 100,000 housing units through the Public Housing Program and the Section 8 Voucher Program and serve nearly 200,000 low-income persons. The total funding received in the state of Georgia approaches \$400,000,000. However, between 2001 and 2006, the public housing program has been under funded nationally by over \$1 billion.

### **GAHRA Positions on National Legislation Affecting Housing Authorities Across the United States**

- **Operating Subsidy Shortfall:** HUD continues to request insufficient operating subsidy for housing authorities. In 2005 housing authorities received only 89% of the funding needed to fully fund the program under HUD's funding formula. In 2006 housing authorities received approximately 85% of the necessary funding. The Administration's budget for 2007 allocated funding that would cover only approximately 76% - 78% of the funding required by housing authorities. Fortunately, Congress increased the 2007 funding level but only to an amount equivalent to 83% of the required funding. The President's 2008 budget request includes funding at approximately 83% for public housing. In order to place this in proper perspective, we would point out that for a housing authority that receives \$5,000,000 in operating subsidy per year, that authority would have lost \$3,000,000 in funding over the last four years. As a result, housing authorities all over the country are decreasing the levels of service to residents, resulting in less security, reduced maintenance, higher vacancies, and higher vacancy turnaround time. Many housing authorities have been forced to lay off a substantial portion of their staff in order to deal with these subsidy cuts.

**GAHRA Position: GAHRA supports full funding for public housing operating subsidy for 2008.**

- **Capital Grant Funding:** In order to keep apartments well-maintained and up to standards, HUD provides modernization funding in the form of a Capital Grant Program (CGP). Unfortunately HUD proposes to reduce the CGP by \$415,000,000 in 2008. This represents approximately 17% decrease since 2006.

The Quality Housing and Work Responsibility Act (QHWRA) allows public housing authorities to use up to 20% of CGP funds for operations, including administrative overhead. HUD has recently issued a directive that conflicts with QHWRA and that denies housing authorities the ability to use CGP funds for administrative overhead.

**GAHRA Position: GAHRA supports full funding of the Capital Grant Program with ensurance that HUD complies with the requirements of QHWRA allowing housing authorities the use of CGP funds for administrative overhead.**

- **HOPE VI:** HUD is once again proposing to eliminate the highly successful HOPE VI Program that has been responsible for the replacement of dilapidated public housing units over the last decade. In fact, the Administration proposes to rescind nearly \$99,000,000 in previously budgeted funding for the HOPE VI Program.

**GAHRA Position: GAHRA supports funding in the amount of \$580,000,000 for the HOPE VI Program and re-instatement of previous funding to the program.**

- **Asset Management:** HUD is mandating that housing authorities with over 250 public housing units adopt an asset management approach to managing their properties. This approach consists of decentralizing housing authority operations and using project-based management and accounting systems. While we believe that there is merit in using this approach, HUD has been overly prescriptive and is micromanaging housing authority operations with this system. Housing authorities should be given much more flexibility with the implementation of this program and in allocating funds between properties and administrative overhead.

**GAHRA Position: GAHRA supports a reduction of the bureaucratic implementation of asset management and allow flexibility to local housing authorities in managing their operations.**