



Preserve and Expand Federally-Assisted Housing

More than [5.4 million families](#) live in federally-assisted rental housing, and the majority of these tenants are Black, Indigenous, people of color (BIPOC); older adults; and people with disabilities. Tenants who live in federally-assisted housing pay rent proportionate to their income, helping them to better afford other necessities including food, medicine, and childcare. Despite the housing affordability crisis, many of the country's federally-assisted housing programs stopped producing new units of affordable housing decades ago. Of the remaining stock, the affordability restrictions for more than [745,000 federally-assisted homes](#) will expire by 2031, with no plan to replace them. At that time, most of those units will be rented at or above market-rate, denying affordable housing for tenants who need it the most. The most effective way to maintain the supply of affordable housing is to preserve federally-assisted housing stock and protect the people who live in it.

However, as a result of congressional disinvestment, federally-assisted housing is plagued by deteriorating conditions. Federal agencies fail to properly monitor and hold owners, landlords, and Public Housing Authorities accountable for poor conditions, leaving tenants in dangerous and uninhabitable homes. When federal agencies do intervene, it is often too late to save the

property's affordability and tenants are forced out of their homes and displaced from their communities. Tenants displaced from federally-assisted housing are not given the adequate support they need to stabilize, resulting in many becoming homeless, moving to low-resourced communities, or losing the replacement affordable housing they are entitled to.

The next administration should work with Congress to make significant financial and oversight investments in Public Housing and Project-based Section 8 housing as well as restructure the Low-Income Housing Tax Credit (LIHTC) program so it provides the same type of true affordability the other programs offer. The Department of Agriculture (USDA) should make a similar commitment to its Rural Development (RD) housing programs, as outlined in [the National Housing Law Project's USDA Transition Document](#). The next administration should also invest in housing that is publicly-owned, permanent, and deeply affordable, to reduce future preservation risks. All preservation efforts made by the next administration should be done in consultation with directly-impacted families and anchored in a commitment to repair generations of racial discrimination and divestment in the federal housing programs.

Recommendations

Preserve, Modernize, and Expand Public Housing.

- **Fund Public Housing to address the backlog of capital needs in the Public Housing program.** The incoming president's first budget request should be sufficient to make energy-efficient and climate-resilient capital investments, modernize the portfolio, and eliminate health hazards in public housing.
- **HUD should commit to preserve, modernize, and expand the supply of public housing.** HUD should prioritize repairs to public housing through HUD's existing preservation tools, such as Rental Assistance Demonstration (RAD), RAD Blends, Faircloth to RAD, the Capital Fund Program, Choice Neighborhoods Initiative, and mixed-finance development.
- **HUD should use its preservation-focused repositioning tools to benefit existing public housing tenants and their communities.** Tenants in RAD properties should be meaningfully consulted about their experiences to improve the program. Tenants should have an express right to return to any redeveloped public housing without rescreening. HUD should evaluate and reject any application filed to remove public housing or public housing land if such removal will result in civil rights violations for residents and protected groups.
- **Any public housing units lost due to demolition, disposition, or conversion should be replaced on a one-for-one basis.** Residents in converting properties should be given a right to return without eligibility rescreening.

Preserve, Improve, and Expand HUD's Project-based Section 8 Program.

- **Improve HUD oversight of Project-based Section 8 housing conditions.** Deteriorating housing conditions that threaten the health and physical safety of tenants are pervasive throughout Project-based Section 8 housing. HUD should improve its oversight of owners so that bad actors do not continue to profit from neglected Project-based Section 8 properties.
- **Rehabilitate and increase funding for essential Project-based Section 8 housing.** The incoming President's first budget request should include increased funding for new Project-based Section 8 funding as well as targeted funding to improve conditions for [1.4 million families](#) across the country. Further, any funding to repair these properties should be conditioned on long-term affordability and HUD-enforced rehabilitation plans that have been drafted in consultation with tenants.
- **Implement additional enforcement mechanisms to address ongoing non-compliance in Project-based Rental Assistance properties.** HUD should intervene earlier when a property is in non-compliance, and work collaboratively with tenants and local stakeholders to improve property conditions and preserve Project-based housing.
- **Adopt a more rigorous approval process when assessing new buyers.** Before approving any sale within its portfolio, HUD should assess whether the purchaser has sufficient experience and capital to effectively manage the property and ensure timely rehabilitation. HUD should deploy its construction analysts to conduct these assessments and confer with the tenants, rather than relying on owner and buyer representations. HUD should establish necessary terms, performance standards, and benchmarks for the purchaser, including requiring them to meet with and develop rehabilitation plans with tenants.



- **Tenants should be the beneficiaries of any 8(bb) transfers.** When Project-based Section 8 contracts are transferred to other buildings through 8(bb) due to owner opt-out or default, the transfer should also be consistent with civil rights obligations. HUD should obligate owners or local governments to identify housing located in well-resourced communities. Transferring tenants should not be rescreened out of the program except for income eligibility.
- **Ensure families have a right to remain or right to return.** When Project-based Section 8 housing is torn down or closed, the property’s tenants should be the beneficiaries of any redevelopment and have a right to return to redeveloped housing without rescreening. HUD should finalize its [Enhanced Voucher Rule](#) so that recipients of Enhanced Vouchers are able to remain in a HUD Project-based Section 8 property after conversion.

Preserve and Improve the Treasury’s Low-Income Housing Tax Credit (LIHTC) program.

- **Restructure future tax credits to offer true affordability to tenants.** Before any statutory expansion of the LIHTC program, affordability requirements should be tightened and refined to meet the affordability needs of low-income tenants.
- **Require advanced notice of pending affordability restriction expirations.** The Treasury should impose a grace period after expiration during which good cause and rent restrictions continue to apply, and ensure that tenants in expiring use-restricted properties are offered replacement housing subsidies.
- **Close the Qualified Contracts loophole.** Give tenants the right to stop planned foreclosures that allow owners to exit the LIHTC program early and to lift affordability requirements. Owners in the LIHTC program competitively applied for and received tax credits based upon a commitment to provide affordable housing for at least 30 years, and should be held to that commitment.

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