

**PUBLIC HOUSING AUTHORITY DIRECTORS ASSOCIATION
LEGISLATIVE FORUM
SEPTEMBER 10, 2013
REP. JOYCE BEATTY REMARKS**

Intro

- Good morning. It's an honor to be here today.
- I'd first like to thank PHADA for inviting me to speak.
- Specifically, I'd like to thank PHADA's Executive Director, Mr. Timothy Kaiser, PHADA's President, Mr. Greg Russ, whom I was able to speak with in June at a House Financial Services Committee hearing, and all of the PHADA staff, and the Public Housing Authority Directors who have worked so hard to put on a great forum this week.
- And who, more importantly, work so tirelessly on behalf of working-class American families, seniors, veterans, and disabled individuals.
- All of your efforts do not go unnoticed – though frequently the work can be thankless.
- I can't say enough about what a difference your efforts make in our communities and the impact it has on the people and families on whose behalf you work.
- The reality is: budgets are tight, but there's no shortage of dedication or creativity when it comes to finding out-of-the-box solutions to some of the most intractable problems facing our society – and for that, I thank you.

[JOKE / ANECDOTE IF DESIRED]

My Background as a Housing Advocate

- I have a long history of working to advance the cause of affordable housing.
- For twenty years, I worked as a management consultant in the public housing arena.
- Just like you, I struggled to turn a dime into a dollar, and help the greatest number of families.
- This meant finding ever more efficiencies – but as you know, the next efficiency is twice as difficult to achieve as the last one.
- And the underlying concern always remains the same: at what point have we focused so much on efficiency that we end up sacrificing efficacy?
- Fortunately though, the quest continues – get more out of less. But that’s what makes the job so rewarding – knowing we can make so much out of so little.

What I’ve Done in Committee

- I am proud to be one of a small group of Freshman Members of the House who were selected to join the Financial Services Committee – one of the exclusive House Committees.
- I actively sought membership on the Financial Services Committee because of my interest in public and private housing markets in our country – and in doing so, was able to join two Subcommittees which keep me informed on federal policy: Housing and Insurance and Oversight and Investigation.
- The Subcommittee on Housing and Insurance, which among other things, oversees HUD, Ginnie Mae, housing affordability and rural housing, provides me an opportunity to hear from some of the most important voices in affordable housing today.

- In full- and sub-committee hearings, I have been able to evaluate the federal government's role in multifamily housing, HUD's Move-To-Work program, and the sustainability of the current housing finance system.
- This has allowed me to hear from bankers, builders, Realtors, academics, and senior officials at HUD and FHA.
- It is my committee work, and the meetings with constituents and stakeholders that guide me in my decision-making as to how, in this country, we can build a sustainable, and *inclusive*, system for housing – both private and public.
- Within the full Committee, the primary focus this Congress has been housing finance reform.
- What are we going to do with Fannie Mae and Freddie Mac?
- What role should the FHA play in supporting homeownership for first-time, and low- to moderate-income buyers?
- These are some of the most difficult, and yet, at the same time, most important questions that we'll have to answer when we develop a new housing market for the 21st century.
- And obviously, these questions cannot be addressed in isolation.
- The decisions made about who qualifies for FHA assistance, or how affordable mortgage interest rates are, directly impact the number of Americans needing assistance in the form of public housing.
- In both the House Financial Services and the Senate Banking Committees, Members have been working diligently to develop comprehensive legislation designed to wind-down the GSEs, increase the amount of

private capital in the secondary mortgage market, and prevent the possibility of future taxpayer bailouts.

- Unfortunately, unlike in the Democrat-controlled Senate where these discussions have taken on a bipartisan tone, in the Republican-controlled House, the agenda has shifted very far right.
- And, as a result, all of my Democratic colleagues, and some moderate Republicans, have very serious concerns about the ideas being pushed through the Financial Services Committee in party-line votes.
- Members of the Democratic caucus, have stridently and vocally, denounced the efforts to effectively end the affordable 30-year fixed rate mortgage, to repeal the National Housing Trust Fund, and to repeal the GSEs affordable housing mandates.
- There have been positive efforts, though. Among them, on August 2, with Democratic Members from the Financial Services and other Committees, I introduced H.R. 3003, the NEW HOUSE Act.
- If enacted, the NEW HOUSE Act would amend the State Small Business Credit Initiative of the 2010 Small Business Jobs Act, to require state business development agencies to designate already-appropriated funds for small businesses to purchase, rehabilitate, or operate affordable housing units.
- These funds would then be leveraged 10-to-1 for creating jobs in the housing industry, increasing the supply of affordable housing, and supporting the critical efforts needed to improve local housing markets.

Legislative Issues for Public Housing Authorities

- So with that background of what's happening in Committee, I turn now to the various legislative items that directly impact the more than 1,900 PHADA members.

- Obviously, the one that most negatively impacts public housing is the persistent cutting of federal agency budgets.
- Impacts of the sequester, reduced annual appropriations, and a continued uncertainty regarding the future availability of funding all hamper Public Housing Authorities' ability to plan and execute the critical activities around which they are organized.
- Across the country, PHAs are being forced to defer capital investments in order to pay operating expenses.
- This has profound impacts on the quality and availability of public housing units, and results in fewer families helped, and longer wait times for those that are.
- According to the nonpartisan Center on Budget and Policy Priorities, sequestration will cut more than \$2 billion in 2013 from housing assistance and community-development programs administered by HUD.
- This directly translates into 140,000 low-income families losing access to housing choice vouchers.
- These losses are made all the more untenable by the recent HUD Report to Congress which found that: as a result of the housing crisis, since 2007 those households paying more than half of their income in rent has increased by roughly 43 percent, to 8.5 million Americans.
- This is unacceptable.
- Congress' inability or unwillingness to repeal sequestration will create lasting impacts, as the cuts are not one-time reductions, but will be imposed annually over the next decade unless there is a broader agreement to increase revenue, and cut debt and the deficit.

- Though I was not in Washington during the original debate over sequestration, since I've been here, I have been an outspoken critic of its continued existence during a fragile economic recovery, and of its harmful effects on the Americans who can least afford to shoulder its heavy burden.
- I encourage you to remain vigilant in your efforts to contact your representatives and explain your opposition to this ludicrous budgetary measure.
- I'd also like to mention my interest in the Move-To-Work program and advancing the Stakeholder Compromise.
- The long-standing M-T-W demonstration program may ultimately be the most effective way to permit PHAs to find operational efficiencies within their individual organizations.
- By combining the operating and capital fund streams, and creating certain minimum standards that the PHAs must achieve in order to retain their M-T-W status, it is possible to reduce fixed administrative overhead, maximize cost-savings per unit, avoid redundancies in income and housing quality inspections, and encourage self-sufficiency among tenants.
- This flexibility in operations can make a big difference in the number of households who receive public housing assistance, and as importantly, the breadth of services these households receive.
- At the same time though, the program – more than fifteen years old – has still failed to produce cross-comparable results which can be used to evaluate the effectiveness of new limitations or requirements.
- And additionally, I remain committed to ensuring that certain tenant protections are maintained – that is to say, preventing time limits from putting children on the street, or imposing unmanageable work requirements.

- Self-sufficiency is a dynamic aspiration, not a static objective – and without the necessary safeguards can be unfairly imposed.
- That’s why I was impressed with the Stakeholder Compromise.
- The agreement would have expanded the M-T-W program to all 3,100 PHAs nationwide with some additional reforms, and was an excellent step in the right direction.
- By listening to a cacophony of perspectives to craft an agreement, the compromise was able to both increase the flexibility afforded to PHAs and simultaneously enhance the protections given to public housing tenants.
- Unfortunately, the legislation was not marked up in Committee during the last Congress, but I’m hopeful that a new iteration will find sufficient consensus in the 113th Congress to be brought before the Committee and reported favorably to the House floor for a vote.

Conclusion

- I look forward to continuing to advocate for middle-class Americans, low-income families, seniors, veterans, and individuals with disabilities until every American has a place they can call home.
- I applaud all of your efforts in the face of the strong dual headwinds of greater need and fewer resources.
- And I press forward to the time when lawmakers, industry, advocates, and stakeholders, all have a place at the table for the development of a comprehensive plan for the future of public housing in America.
- This is a critical time for a critical issue, and it will take collaboration, cooperation, creativity, and commitment – but we can do it, and do it we will.

- I thank you. Thank you for your time, and I look forward to your questions.

WORD COUNT: 1,613

APPROX. SPEAKING TIME: 13 Minutes