

## **Financial Services Committee Markup**

**Congressman Doug Bereuter**

**March 17, 2004**

**H.R. 27**

Thank you Mr. Chairman for having this Full Committee Markup on, among other things, the “Small Public Housing Authority Act (H.R. 27.)” I would also like to thank Representative Frank for his support of the amendment in the nature of substitute to H.R. 27, which I will offer when this bill is considered. On January 27, 2003, I introduced this legislation which addresses the annual plan requirement for small public housing authorities (PHAs.) I previously introduced this legislation in the 107<sup>th</sup> Congresses as well.

### **Background**

By way of background, I would explain that the Public Housing Reform Act requires PHAs to submit both a five-year plan and an annual plan to the Department of Housing and Urban Development (HUD). The five-year PHA plan addresses the agency’s mission and their plan to achieve their mission. The annual plan, requires PHAs to provide details about any updates or changes to the five-year plan.

Specifically, the annual plan, among other things, has typically asked for the following information: housing needs of the families in the jurisdiction; strategies to meet these needs; statement of financial resources; and PHA policies governing eligibility, selection, and admissions. HUD has made the effort to streamline this annual planning requirement for small PHAs and for high-performing PHAs. However, an example of a streamlined HUD plan was still 47 pages in length, with extensive required attachments.

### **H.R. 27 – the Small Public Housing Authority Act**

H.R. 27, as introduced, would exempt small PHAs, which are defined as having 100 or fewer public housing units, from being required to submit an annual plan to HUD. It is important to note that the amendment in the nature of substitute which I will soon offer includes Section 8 vouchers in the definition of a small PHA. Under my legislation, PHAs who are exempt from the annual planning requirement would still have to do a five-year plan. Moreover, a small PHA, which is designated as a troubled housing agency by HUD, also would still be required to submit an annual plan.

This legislation is needed to simply provide some regulatory burden-relief to small PHAs which do not have the time, staff or resources to do these HUD annual plans by themselves. Many of these

small PHAs only have a part-time executive director. Currently, small PHAs are forced to hire consultants since they do not have the computer software package to help complete these annual plans. These consultants are an expensive cost for small PHAs which already are facing numerous fiscal challenges.

It is important to point out at the outset that these small PHAs are located across the entire nation. Today, I will focus on the small PHAs in Nebraska as I am most familiar with them. For example, in my congressional district, there are 23 PHAs which would qualify, under the definition used for a small PHA in my amendment. Furthermore, there are also approximately 60 other PHAs in Nebraska outside of my congressional district which qualify as small under my amendment.

To give an example from my congressional district, Beemer is a community of 773, according to the 2000 census. Beemer has a PHA which administers just 20 public housing units and no section 8 vouchers. Under current law, the Beemer PHA is required to submit the extensive annual plan to HUD which I have already mentioned. Beemer is not unique as 67 PHAs in Nebraska administer 40 or fewer public housing units.

Lastly, I will explain the details of my amendment to H.R. 27 at the appropriate time during this markup. I would encourage my colleagues on the Committee to support this important legislation. Thank you.

**Description of the Amendment in the Nature of a Substitute to H.R. 27**

Today, I will offer an amendment in the nature of a substitute to H.R. 27. This amendment would make two changes which were both in H.R. 3995, the Housing Affordability for America Act of 2002 (107<sup>th</sup> Congress), which the Committee passed on July 23, 2002. This legislation was not acted on by the House Floor.

First, this amendment would define a small PHA as having the sum of both the number of housing units and the number of Section 8 vouchers of 100 or fewer. Currently, H.R. 27, as introduced, defines a small PHA as having 100 or fewer public housing units. It does not consider the number of Section 8 vouchers the PHA administers. Second, my amendment would include the modification that tenants of small PHAs, which are exempt from the annual planning requirement, must continue to have an adequate and comparable opportunity for

participation and notice regarding the establishing of goals, objectives, and policies of the PHA.

It is important to note that the Housing Affordability for America Act of 2002 (107<sup>th</sup> Congress) also included a GAO study on the burdens that small and large public housing agencies face. This GAO report is not required by my amendment since the GAO already published a report on this subject on October 30, 2003.

In conclusion, this amendment in the nature of a substitute contains reasonable provisions regarding PHA plans which enjoy bipartisan support. I would urge the members of the Committee to support both my amendment to H.R. 27 and the underlying legislation. Thank you.