

Robin Truiett-Theodorson
Chairperson | Board of Commissioners

Janet Abrahams
President | Chief Executive Officer



HB 716

TO: Members of the Environment and Transportation Committee

FROM: Janet Abrahams, Chief Executive Officer

A handwritten signature in black ink, appearing to be "J. Abrahams", is written over the name in the FROM field.

RE: HB 716 - Housing and Community Development - Statewide Rental Assistance Voucher Program Eligibility - Alterations

POSITION: Support with amendments

Chair Korman, Vice Chair Boyce, and Members of the Committee, please be advised that the Housing Authority of Baltimore City supports HB 716.

The Housing Authority of Baltimore City (HABC) was established to provide federally funded affordable housing programs and related services for Baltimore's low-income residents. Through our Public housing and Housing Choice Voucher (HCV) programs, HABC serves approximately 43,000 residents throughout Baltimore City. HABC is the 5th largest housing authority in the country, the largest housing authority in the state, and the largest provider of affordable housing in Baltimore City.

HB 716 makes certain alterations to the Statewide Rental Assistance Voucher Program, which allows the Department of Housing and Community Development (DHCD) to provide funding for vouchers and housing assistance payments for low-income families that are on a waiting list under the federal Housing Choice Voucher Program. Both DHCD and public housing authorities (PHAs) are responsible for administering the Statewide Voucher Program (SVP).

The alterations in HB 716 include but are not limited to: removing the word "equally" in the requirement to prioritize vouchers for certain categories of families; changing the amount of monthly adjusted gross income that a family pays for rent and utilities from 30% to 40%; changing the inspection period from annually to biennially. These proposed changes will remove certain administrative challenges and allow PHAs to operate the program in a manner that is more consistent with their current policies. The alterations made in this bill will streamline the administration of the SVP, making it more efficient and, ultimately, more successful for the households that participate in the program.

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To that end, HABC recommends the addition of language under Section 4-2904 (a) (2) that allows PHAs to administer the program in accordance with their own Administrative Plans. Each PHA in the state operates under its own individual Administrative Plan. Adding this language will prevent PHAs from having to create new policies and procedures for this program.

HABC requests that language in Section 4-2919 (2)(b) be amended as follows:

Of the amount specified under subsection (a) of this section, the Department shall distribute **6%** each year to each public housing agency, **or** an amount equal to the federal de minimis rate of the public housing agency's modified total direct costs as established in 2 C.F.R. §200.414(F), **whichever is greater**, to help defray staffing expenses related to the administration of the federal Housing Choice Voucher Program and the State program.

The reason for this request is due to the projected additional costs for program administration that PHAs will incur as well as the current unprecedented uncertainty around federal funding for all PHA programs, including the Housing Choice Voucher Program. As of this date, the federal FY 2025 budget has not been passed, but there are predictions of significant funding cuts. It is unclear at this time what the amount equal to the federal de minimis rate of the PHA's modified total direct costs represents. Even at the rate of a 6% administrative fee, HABC estimates a \$117,800 gap per year (\$590,200 over 5 years) which HABC would have to cover with its own funds (see Attachment 1). Therefore, we request the above amendment to ensure that PHAs have adequate funding to support the administration of the state program.

HABC supports the alterations to the Statewide Rental Assistance Voucher Programs contained in HB 716 as well as the bill's overall intent to decrease the time that families remain on the voucher waiting list and provide more immediate assistance to those in need of housing. We appreciate the Committee's consideration of our proposed amendments and the above comments.

Respectfully submitted:

Janet Abrahams, HABC President & CEO

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