

FACT SHEET: PROPOSED SECTION 18 LEGISLATION

The Problem: During the past eight years, almost 100,000 units of public housing have been demolished or disposed of, but fewer than 40,000 units have been replaced with another public housing unit. As of August 2008, there were 89 applications for demolition/disposition pending with HUD, which applications request demolition of 16,672 additional public housing units. Unless Section 18 is amended, it is likely that at least 40%, if not more, of these units will ever be replaced as well.

The Proposed Legislation: During the summer of 2008, the U.S. House Financial Services Committee, chaired by Rep. Barney Frank (D-MA), invited the Housing Justice Network, the National Low-Income Housing Coalition and the National Training and Information Center, to submit proposed statutory language to amend Section 18. In September 2008, the three groups submitted to the committee proposed amendments to Section 18. In summary, these amendments provide that:

- **One-for-One Replacement:** Each public housing unit demolished or disposed of shall be replaced with a newly constructed, rehabilitated or purchased public housing unit or other comparable unit (including through project-based assistance). This requirement applies to all units demolished or disposed of after January 1, 2005. In addition, any application for project-based voucher assistance, which may be needed to fulfill this requirement, must be submitted at the time that the PHA submits its application for demolition or disposition.
- **Size of Replacement Units:** Replacement units are to be of comparable size to the units demolished unless a market analysis shows a need for other sized-units, in which case, the need shall be addressed.
- **Location On Site or in the Neighborhood:** At least 1/3 of all replacement units shall be public housing units located on site or in the neighborhood of the original public housing location, but more than 1/3 are required if needed to accommodate residents opting to return to the site or the neighborhood.
- **Location in Other Areas:** All other replacement units shall be located within the jurisdiction of the public housing authority having low concentrations of poverty; but if there are limited such areas within the jurisdiction, the replacement units may be provided within a 25-mile radius of the units provided on site or in the neighborhood.
- **Relocation:** The Uniform Relocation Act shall apply to all relocation activities resulting from demolition or disposition. In addition, public housing agencies must submit a relocation plan with their demolition or disposition application which must provide for adequate notice to residents and for payment of security deposits, analyze the potential impact of relocation on persons protected by the Civil Rights Act of 1968, and describe steps to mitigate any adverse impacts. In addition, the PHA cannot commence relocation prior to HUD approval of the demolition or disposition application, except in cases of imminent threat to health or safety.
- **Guaranteed Right of Return:** Any resident who occupies a unit subject to an application for demolition or disposition whose tenancy or right of occupancy has not been validly terminated shall be eligible to occupy a replacement unit.
- **Private Right of Action:** Any affected person shall have the right to enforce the amended Section 18 pursuant to 42 U.S.C. § 1983.

SECTION 24. HOUSING INNOVATION PROGRAM (Summary of changes to HR 1851)

- Revises from 60 new authorized MTW agencies plus 20 HIP-lite agencies to such number as the Secretary determines is necessary to carry out program purposes
- Targets selection of new agencies to those pursuing priority strategies, emphasizing increased housing opportunities and self-sufficiency incentives
- Limits waivers of existing rules for new agencies to only those waivers that are necessary to pursue the strategy in the application for program participation
- (a) Prohibits rent policies which result in rents that are not affordable, (b) prohibits time limits, except for families gainfully employed for at least 3 years making >150% of the poverty level, (c) requires that any work requirements: (i) credit 20 hours or work or educational activities, (ii) include hardship exemptions, and (iii) suspend enforcement in areas of high unemployment.
- Tightens limitations on use of voucher funds for non-voucher use
- Existing agencies: (a) requires compliance with any problems identified by prior IG audits, (b) permits new agreements in lieu of recently approved master agreements required by HUD
- Gives HUD authority, based on periodic program evaluations, to shut down or modify policies that are harmful to tenants
- Strengthens MTW requirements for resident choice, tenant participation, tenant opportunity protections, and public disclosure
- Enhances language regarding evaluation of MTW performance
- A number of technical changes