

**Testimony on the Housing Preservation and Tenant Protection Act of 2009**  
**National Low Income Housing Coalition**  
**presented to the**  
**Financial Services Committee**  
**Subcommittee on Housing and Community Opportunity**  
**United States House of Representatives**  
**July 15, 2009**

Chairwoman Waters, and Ranking Member Capito, Chairman Frank and Ranking Member Bachus, and members of the Subcommittee, thank you for the opportunity to submit testimony on the Housing Preservation and Tenant Protection Act of 2009.

The National Low Income Housing Coalition (NLIHC) supports the aims and provisions of the June 23, 2009 draft of the Act.

In particular, in this testimony we would like to indicate our strong support for Section VI, which calls for the creation of a preservation database, and we want to thank you for including these important provisions

For the last four years, NLIHC has been using and assessing the available data on affordable housing subsidies from HUD, the U.S. Department of Agriculture, and local agencies as part of a project to assess the opportunities to create a national preservation database and the usefulness of such a database to local practitioners.

As part of this project we have built and maintained integrated address-level databases of the subsidized affordable housing stock in Washington, D.C. and Northern Virginia, and worked with partners across the country in similar efforts. As part of our work in Washington, D.C. and Northern Virginia we convene monthly Preservation Network meetings, informal groups of local government officials, developers, and advocates who review the data, discuss and flag at-risk properties, and coordinate a preservation response. Regional HUD staff members participate in these meetings.

Based on these experiences, we can say unequivocally that the database proposal in this bill is needed, practical, cost-effective, and potentially transformative for the way HUD, USDA, and their various partners do business. Ensuring that regularly updated, consistent data about assisted projects is readily available is important to ensure that the federal government can effectively manage its portfolio, Congress can oversee the use of federal resources, and communities and advocates can monitor and preserve important housing resources.

Title VI of the draft bill would do three things:

- Ensure that the data needed to monitor and preserve assisted housing is publically available and regularly updated
- Allow for the creation of a single database for all federally assisted properties based on a unique identifier for each assisted property

- Ensure the most comprehensive picture of the nation's assisted housing stock by providing grants to states and localities to facilitate the integration of local subsidy data into the nation's preservation data infrastructure.

Currently, HUD provides a considerable amount of data on federally subsidized affordable housing projects on its website. There is a project-based Section 8 database, databases for FHA subsidized and insured mortgages, a Section 202/811 database, and a Low Income Housing Tax Credit database containing data HUD collects on the properties in this Department of the Treasury-administered program.

There are, however, significant gaps in what data are available, and each of these sources provides a slightly different base set of data. Furthermore, much of the useful data on these programs that HUD has available is not being made public, even when it is not necessary to keep it confidential. To properly oversee and preserve the federally assisted housing stock, Title VI would require a consistent set of data to be released to the public, including missing elements such as information about the ownership of assisted properties and the owners' intentions with respect to continuing the property as part of the assisted inventory, bedroom count, tenant incomes, and physical status of the property, including the three most recent Real Estate Assessment Center (REAC) scores.

For programs such as HOME, Housing Opportunities for Persons with AIDS (HOPWA), and public housing, HUD headquarters collects data that are not made public. For programs such as the Section 8 Mod Rehab program and the project-basing of Housing Choice Vouchers, data are held by HUD Field Offices and public housing agencies. USDA maintains a significant amount of data on its projects but little is publicly available. Title VI would require the same consistent set of relevant data from these programs.

Even where data are currently available and useful, they often appear with a significant time lag. Without a statutory requirement to provide the data, the availability and timing of data releases can vary considerably both across and within programs. For example, the last public release of the physical inspection scores from HUD's Real Estate Assessment Center is from September 2008, though the inspections occur monthly and are of critical importance to identifying properties that HUD views as troubled. The release prior to this was November 30, 2007. Prior to 2007, REAC scores were not formally available to the public at all. We are also currently unable to access the Active 202/811 Loans and Active 236 Projects data tables. To address this issue, the bill would clarify that all information be publicly available and updated regularly.

Providing additional, consistent and updated data is an important step to improving the nation's data infrastructure for preserving affordable housing, but it is not sufficient. Data kept in separate program silos is of limited use to practitioners. A project with a soon-to-expire Section 8 contract is at significantly less risk of being lost from the affordable housing inventory if it is paired with a continuing Section 202/811 subsidy than if not. A single database would illuminate such valuable information. When these

data sets are combined, as the bill would facilitate, the information will be much more accessible as a preservation tool and as a local planning tool.

Similarly, relying on simply aggregating data from these separate subsidy databases can lead some users to miscalculate the assisted units within a community. For example, in Washington D.C., using various federal and local data sources we find 601 separate instances of federal and local assistance to properties containing nearly 70,929 units. However, as a result of the layering of multiple subsidies in a single property, when these data are integrated at the address level there are in actuality 337 unique properties receiving some form of assistance in the city and these properties contain just 37,854 units. For those interested in an accurate assessment of the nation's housing stock as well as those interested in neighborhood and individual properties, having integrated property level data is vitally important.

Today, the task of combining and integrating these data is not a simple one. While the Section 8, Federal Housing Administration and Section 202/811 programs have a shared ID number that allow these data to be combined, the other datasets do not. This means that data from different datasets must be painstakingly matched based on names, addresses, and property characteristics. When this fails, web searches, phone calls and field observations are necessary to determine whether a single property is being described by two or more of the program datasets.

This difficulty in integrating the various program data appears to affect to HUD itself. The most recent Picture of Subsidized Housing publication, for example, the closest HUD comes to publishing a detailed and integrated accounting of its properties, is based on 2000 data and was only published in 2006, a delay attributed in part to data integration difficulties.

Title VI of the draft bill would address data integration by requiring HUD to attach a unique identifier to each property receiving federal assistance. This identifier could then be used, by HUD and others, to combine data from separate subsidy-specific databases to create a single picture of the assisted housing stock at the national level or in individual communities.

Finally, many states and localities provide their own project-based subsidies. In some instances, state and local programs substitute for federal assistance and in other areas they complement it, sometimes deepening the level of assistance or extending the period of affordability. In many projects, federal assistance such as HOME or Low income Housing Tax Credits is layered with local financing or even operating or rent supplements. State agencies and local jurisdictions often keep their own databases of local and federal subsidies.<sup>1</sup> States and localities need to be helped and encouraged to make their data available and integrated into the national system. Title VI of the draft bill does this by authorizing grants, administered by HUD, to collect and make public

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<sup>1</sup> For a state-by-state indication of these state and local efforts see a survey by the Shimberg Center for Housing Studies, University of Florida <http://preservation.shimberg.ufl.edu/index.html>

information about state and local assistance provided to properties covered by the bill or to other properties assisted by states and units of local government.

### **Conclusion**

Clearly a better data system is needed. To correct the issues described above, the preservation database in this bill simply asks HUD to regularly publish information that it or the USDA for the most part already have and will continue to collect. To HUD's credit, many of these data elements are already made public. In our research on the bottlenecks to the creation of a national database, NLIHC was repeatedly told by HUD and USDA staff that what they lacked were not the data or the will to create a more rational and regular public data program but the clear Congressional direction on which data to release and when. Title VI of the draft bill provides that guidance, defines a clear baseline of required data and a schedule for their release, which HUD may choose to exceed by providing more data, more frequently.

The establishment of a preservation database could be transformative for HUD and those who work with HUD. With shared and well understood data, HUD and those it serves, from the tenants to the taxpayers, can more quickly reach an understanding of preservation issues and work on solutions.

From the perspective of an intensive user of these data, these reforms are extremely practical and are necessary for well-functioning preservation efforts. Providing a way in which data can be easily combined and reconciled will save countless hours of work in local planning departments, nonprofits, and private firms. The database will also help HUD do its job more effectively. As the Secretary said in his testimony before the House Financial Services Committee on June 25, "a comprehensive database would help us do a far better job of preserving as many units as possible for the least amount of money."

### **About the National Low Income Housing Coalition**

The National Low Income Housing Coalition (NLIHC) is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

The National Low Income Housing Coalition's members include non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens.

NLIHC does not represent any sector of the housing industry. Rather, NLIHC works only on behalf of and with low income people who need safe, decent, and affordable homes, especially those with the most serious housing problems, including people without homes.

NLIHC is entirely funded with private donations and receives no federal funding.