



**Written Testimony of Dominique Blom**  
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**U.S. Department of Housing and Urban Development**  
**House Committee on Appropriations**  
**Subcommittee on Transportation, Housing and Urban Development, and Related Agencies**  
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Chairman Diaz-Balart, Ranking Member Price and members of the subcommittee, thank you for inviting me here today to discuss the work we do in HUD’s Office of Public and Indian Housing (PIH). The mission of PIH is to ensure safe, decent, and affordable housing for low-income families, create opportunities for residents’ economic self-sufficiency and independence, and protect taxpayers by ensuring fiscal integrity by all program administrators and participants.

PIH administers and manages a range of programs for low-income families, including the Public Housing program, the Housing Choice Voucher program, and programs that serve Native Americans. Combined, PIH programs total more than \$30 billion in annual funding.

I am a senior executive among HUD’s career staff. For nearly 25 years, I’ve served several Administrations in different capacities within PIH. In my previous position as Deputy Assistant Secretary for the Office of Public Housing Investments, I was responsible for managing Public Housing Capital Fund grants, Choice Neighborhood grants, HOPE VI grants and implementing the Moving to Work demonstration.

Among the guiding principles that drive PIH programs is providing sufficient flexibility to local communities to allow them to best manage their affordable housing resources. PIH is also driven by the need to support HUD-assisted households in improving their economic conditions and setting them on a path towards self-sufficiency.

As Secretary Carson testified last month to this subcommittee, the 2019 President’s Budget includes some difficult choices. However, we believe this request ensures that HUD can continue to serve our most vulnerable populations, specifically the elderly and persons living with disabilities.

**Rental Reform**

HUD has spent the past year examining its major rental assistance programs, including the Housing Choice Voucher and Public Housing programs, with the goals of decreasing

administrative burdens, encouraging work and stable family formation, increasing local control and choice, and maximizing public investment. As a result of this work, HUD's 2019 Budget incorporates a forthcoming rental reform legislative package that will propose changes to modernize and streamline existing rental assistance programs.

Features of the plan include greatly simplifying rent calculations; incentivizing work by limiting income recertifications for all households to once every three years; providing public housing authorities (PHAs) and owners the option to choose alternative rent structures that work best for their communities; increasing tenant rent contributions and minimum rents in order to ensure the programs are financially sustainable in future years; ensuring that there are protections in place for elderly and disabled families; and providing hardship exemptions for families unable to pay their rents in certain circumstances.

### *Future of Public Housing*

Over the last 75 years, the Federal government has invested billions of dollars in the development and maintenance of public housing, which serves as a crucial resource for our country's most vulnerable families. Despite this sizable investment, the Nation's approximately one million public housing units have estimated capital needs of more than \$25 billion, with additional capital needs growing at a rate of \$3.5 billion annually.

The Administration is seeking to transform public housing by embracing new strategies and enhancing existing tools that will allow PHAs to accomplish what years of shrinking capital funds have failed to do – reposition their housing onto a more stable financial platform.

### *Rental Assistance Demonstration*

One of the ways we are doing this is through the Rental Assistance Demonstration (RAD), which has enabled PHAs to generate an additional \$5.4 billion in private and public investment to construct or rehabilitate hundreds of thousands of units of affordable housing, a feat that is impossible under current public housing rules. RAD is a proven approach to recapitalize the nation's at-risk public housing stock.

The Department is very pleased Congress has authorized a significant increase in the number of public housing units that can be converted through RAD. PHAs currently on the RAD waiting list will now be able to move forward with their recapitalization strategies, and we believe that in about one year we will have enough demand to reach our new 455,000-unit cap. In Fiscal Year 2019, we hope to receive funding to provide properties with severe capital needs a similar opportunity to recapitalize, preserving additional critical affordable housing resources.

### *Demolition and Disposition*

To help PHAs with their repositioning goals, PIH recently published a notice providing guidance to clarify and update our policy on public housing property demolition and disposition. The benefits of this new flexible policy include providing PHAs more flexibility to respond to local housing needs and leverage State, local, and private resources to improve their affordable

housing stock. A PHA's decision to request HUD approval for demolition or disposition under this notice remains a voluntary, locally driven decision, not one determined by HUD.

### *Voluntary Conversions*

Under current law, HUD may allow PHAs to move onto a Section 8 platform provided that it is more cost effective and makes certain no families are left unassisted. PIH is currently working on a cost test for PHAs to assist in that analysis, as well as a streamlined process that will cut the current regulatory red tape. PIH is also examining our process for releasing the Declarations of Trust on public housing properties. Releasing HUD's Declaration of Trust and providing some Tenant Protection Vouchers, as appropriate, would not only give PHAs greater flexibility over how to best manage their properties, but would also provide continued rental assistance and greater housing choice to residents.

### *Moving to Work*

PIH is also continuing its work to expand programs that provide PHAs with additional administrative flexibilities to best manage their portfolios. In accordance with the 2016 Consolidated Appropriations Act, HUD will add 100 high-performing PHAs to the ranks of other local agencies participating in the Moving to Work demonstration. After soliciting input from the public through document reviews and four listening sessions on how to best structure the expansion, PIH plans to designate the first cohort of these PHAs this year.

### *Resident Self Sufficiency*

HUD is working to help families in our programs achieve economic self-sufficiency and independence. To help transition program participants towards economic independence, we are requesting \$75 million for the Family Self-Sufficiency (FSS) program and \$10 million for Jobs Plus.

Under the 2018 Consolidated Appropriations Act recently passed by Congress, HUD's FSS program will invest \$75 million to support service coordinators who will serve residents in both public housing and in our Section 8 voucher program. These efforts work and have long-term impacts.

FSS currently serves more than 72,000 households. Of these households, approximately 5,000 may graduate in a given year. More than half of those who graduate from these programs go on to become homeowners and, by definition, all graduating families no longer require temporary cash assistance through other Federal programs.

The \$10 million in Jobs Plus funding will connect public housing residents to job search, job training, financial education or childcare assistance services. The program's first iteration between 1998 and 2003 resulted in a 16 percent increase in average annual earnings that was sustained for up to three years after the program ended. In our current iteration, the program has helped place 2,533 residents into part-time and full-time employment as of the end of 2017, putting thousands more families on a path towards increased self-sufficiency.

HUD is also taking steps to strengthen the Section 3 program. Under the Section 3 program, HUD grantees, including PHAs, are required to provide job opportunities to low-income persons. The Department recently hosted a listening session for small housing authorities to better understand their challenges and successes in implementing Section 3 requirements. HUD plans to issue a proposed rule that better enables PHAs and grantees to utilize the Section 3 program in providing job opportunities to low-income families.

HUD is also working to find additional ways to measure the success of our self-sufficiency efforts – for instance, by developing a method to track the number of residents who exit HUD’s housing assistance programs with positive outcomes.

### *Tribal HUD-VASH*

Building off the success of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, we have made great strides in the implementation of the Tribal HUD-VASH demonstration program in partnership with the Department of Veterans Affairs (VA). Tribal VASH provides rental assistance and supportive services to veterans who are Native American and experiencing homelessness, or at risk of homelessness, while living on or near a reservation or other Indian areas. Veterans participating in this program are provided housing assistance through HUD, and supportive services through VA to foster long-term stability and prevent a return to homelessness.

As of this month, 320 Native American veterans were receiving case management services, and of those, 272 veterans have been housed under the Tribal HUD-VASH program. The program is producing tangible results, providing decent housing to Native American veterans and their families who were living in severely inadequate units – for instance, without running water, heat or electricity – or in overcrowded living conditions. The HUD-VASH programs are significantly improving the lives of veterans who have served our country, serving a total of 144,000 veterans since 2008.

### *Disaster Recovery*

The Department and our local partners are continuing efforts to resolve several challenges facing our programs. The devastating natural disasters in 2017, including Hurricanes Harvey, Irma, and Maria, as well as destructive wildfires in California and resulting mudslides, continue to have lasting impacts. HUD recently allocated \$28 billion in long-term disaster recovery funds through the Community Development Block Grant-Disaster Recovery (CDBG-DR) Program. These recovery dollars will go a long way toward rebuilding damaged housing, businesses, and infrastructure. Every office at HUD is working to support recovery efforts and make certain that Federal funds are spent in an effective and efficient manner.

Closing

PIH programs advance HUD's mission to provide safe, fair, and affordable housing for the American people. In doing so, this Administration is committed to improving the lives of low-income families by refocusing our programs and policies so that they provide additional flexibilities to respond to local housing needs and opportunities for increased economic self-sufficiency.

I have been in public service at HUD for nearly 25 years and believe in the value of affordable housing for communities and most importantly, the families that live there.

Thank you for the opportunity to speak with you today and I look forward to answering your questions.