

**PRESERVING A LIFELINE: EXAMINING  
PUBLIC HOUSING IN A PANDEMIC**

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**VIRTUAL HEARING**  
BEFORE THE  
SUBCOMMITTEE ON HOUSING,  
COMMUNITY DEVELOPMENT,  
AND INSURANCE  
OF THE  
COMMITTEE ON FINANCIAL SERVICES  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED SEVENTEENTH CONGRESS  
FIRST SESSION

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MARCH 24, 2021

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# CONTENTS

	Page
Hearing held on:	
March 24, 2021 .....	1
Appendix:	
March 24, 2021 .....	31

## WITNESSES

WEDNESDAY, MARCH 24, 2021

Banna, Georgi, Director of Policy and Program Development, the National Association of Housing and Redevelopment Officials (NAHRO) .....	5
Duran, Oscar, Executive Director, Municipal Housing Agency of Council Bluffs (MHACB) .....	9
Gage, Brian, Executive Director, Akron Metropolitan Housing Authority (AMHA) .....	6
Hendrix, Michael, Director, State and Local Policy, Manhattan Institute .....	11
Mohamud, Tamir Ali, Commissioner and Vice President, Minneapolis Highrise Representative Council (MHRC) .....	8

## APPENDIX

Prepared statements:	
Banna, Georgi .....	32
Duran, Oscar .....	39
Gage, Brian .....	43
Hendrix, Michael .....	49
Mohamud, Tamir Ali .....	61



## **PRESERVING A LIFELINE: EXAMINING PUBLIC HOUSING IN A PANDEMIC**

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**Wednesday, March 24, 2021**

U.S HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON HOUSING,  
COMMUNITY DEVELOPMENT,  
AND INSURANCE,  
COMMITTEE ON FINANCIAL SERVICES,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 12:07 p.m., via Webex, Hon. Emanuel Cleaver [chairman of the subcommittee] presiding.

Members present: Representatives Cleaver, Velazquez, Sherman, Beatty, Green, Gonzalez of Texas, Maloney, Vargas, Lawson, Axne, Torres; Stivers, Gooden, Posey, Huizenga, Zeldin, Hollingsworth, Steil, Rose, and Taylor.

Ex officio present: Representative Waters.

Chairman CLEAVER. The Subcommittee on Housing, Community Development, and Insurance will now come to order. Without objection, the Chair is authorized to declare a recess of the subcommittee at any time. Also, without objection, members of the full Financial Services Committee who are not members of this subcommittee are authorized to participate in today's hearing.

Now, just as a reminder, I ask all Members to keep themselves muted when they are not being recognized by the Chair. The staff has been instructed not to mute Members except when a Member is not being recognized by the Chair and there is inadvertent background noise. Members are also reminded that they may only participate in one remote proceeding at a time. If you are participating today, please keep your camera on. And if you choose to attend a different remote proceeding, please turn your camera off.

Today's hearing is entitled, "Preserving A Lifeline: Examining Public Housing in a Pandemic." I now recognize myself for 4 minutes for an opening statement.

In 1937, FDR was still struggling with the issues of the Depression, and he came up with this idea of having something to address the housing problems in the country, which was a critical social need. And what he did was come up with the Housing Act, which established the Public Housing Program with the express purpose of providing some kind of financial assistance to State and local governments for the elimination of unsafe and unsanitary housing conditions. And it was supposed to eradicate slums. Well, it didn't quite do that, because I grew up in public housing quite some time

after that, and they were slums. But it was a great idea, and we still are having to deal with it.

In the year 2021, it is unfortunate, but a reality nonetheless, that the national affordable housing challenge that gave rise to the need for public housing continues to persist. According to the National Low Income Housing Coalition, the United States has a shortage of roughly 7 million rental homes that are affordable and available to extremely low-income renters. Only 37 percent of affordable and available rental homes exist for every 100 extremely low-income renter households.

In my community here in Kansas City, in our metropolitan area that I represent, it is estimated that 84 percent of the extremely low-income renter households are cost-burdened, meaning they are spending more than 30 percent of their income on housing costs and utilities. And if you are vulnerable in this country in terms of housing, you need shelter to face all of the challenges that come to all of us, but the housing is the most needed.

There are an estimated 2.6 million public housing residents across 1.1 million public housing units in the United States. Eighty-two percent of public housing residents are extremely or very low-income, and to ensure affordability, rent for public housing residents is generally capped at 30 percent of household income. But if you are poor, that 30 percent can wipe you out. My dad had to pay almost that much for our housing to accommodate his four children and my mother. But when you talk about poverty, that was real poverty.

Public housing is critical infrastructure. And I want to thank again, publicly, Full Committee Chairwoman Waters, for her steadfast, strong, unbending support for affordable housing, and I think that it is long past due when we should place emphasis on public housing. We also cannot forget, in this conversation, that public housing communities are often more than housing. Amid COVID-19, housing authorities have played an important role in protecting residents, ensuring social support activities could continue, and securing opportunities for testing and vaccinations.

So, we want to thank Chairwoman Waters for her work, and I will now recognize Chairwoman Maxine Waters for an opening statement.

Chairwoman WATERS. Thank you very much, Mr. Chairman. I certainly appreciate this hearing that you are holding today. Of course, I have been a long-time advocate for public housing, and I greatly appreciate all of the work that public housing authorities and their staff have done to keep their residents safe and connected to their community during this trying time. I want you to know that while I did not grow up in public housing, many of my family members did grow up in public housing. Don't forget, I am one of thirteen children, so I was gone from the family residence. And after I was gone, for many of those family members, the only place that was affordable to them was public housing.

I am from St. Louis, Missouri, and we have some of the oldest public housing in St. Louis—Carr Square Village—and of course, I was there when they developed Pruitt-Igoe, and when they tore it down, and we learned a lot from those lessons. And so, I am very pleased to be with you today. Housing is infrastructure, and we are

going to make sure that public housing is covered in our infrastructure bill. Thank you, and I yield back the balance of my time.

Chairman CLEAVER. Thank you, Madam Chairwoman.

The Chair now recognizes the ranking member of the subcommittee, Mr. Stivers, for 5 minutes for an opening statement.

Mr. STIVERS. Thank you, Mr. Chairman. On our first hearing of the subcommittee for this Congress, I want to congratulate you on your new leadership role as the Chair of the subcommittee, and I want to tell you that I look forward to working with you. We have worked well together in the past, and I know that we will work well together here. There are a lot of important issues that we need to address around housing. You talked about building capacity. I think it is very important. We are 50,000 units short in my home community here in Franklin County, Ohio.

Another couple of things I think we ought to talk about today are giving flexibility to the housing authorities for their individual communities and what works best for them, and finally, we need to work to increase the self-sufficiency of folks who are in public housing. We should be proud to graduate people out of public housing and give them a leg up and a hand up to a brighter future.

Today, we are going to hear testimony from several witnesses who will talk about housing across the country, from New York to Council Bluffs, to Akron, and Minneapolis, and every community has different needs and priorities and a different way of serving their population. And what works for one public housing authority (PHA) might not work for all PHAs, especially a large urban core versus a more mid-sized community or a smaller community. That is why I think it is important that we give flexibility to housing authorities.

I think your recognition that we have to build capacity because we are 7 million rental units short in this country is a great observation. I look forward to working with you on those issues, Mr. Chairman. And I think we should be proud to work to build self-sufficiency among the clients of public housing.

Again, the thing we need to take away from this hearing is mostly about flexibility. One-size-fits-all proposals do not work. Instead, public housing authorities should be empowered to pursue solutions that work for them. It might be a big public model, or it might be the Rental Assistance Demonstration (RAD) Project, something that came out under the Obama Administration, which allows PHAs to convert their housing units into privately-owned projects, and they can leverage private-market funding.

Under President Obama and since, this program has generated \$12.6 billion in private investment, and we need to recognize that. And as we are making infrastructure investments, we need to allow the private sector to invest alongside us.

My colleagues on both sides of the aisle should also consider the barriers that tenants face. Currently, rent contributions are linked to income, which results in a benefit cliff that creates a big problem for building self-sufficiency, and I think we should be talking about that. It is especially important as we talk about the recovery that is about to happen out of the pandemic. We are seeing, "Help Wanted" signs everywhere, and I think it is time we do away with the benefit cliff and turn it into a ramp. Let us let people ramp up

to a better way of life and real opportunity and build self-sufficiency.

And I think rental assistance is a great way to start talking about ending the benefit cliff that traps so many people and doesn't let them build self-sufficiency. It is a well-intended concept, but it is time we fix it and make it a ramp and give people incentive and help them as they are trying to move up their station in life.

Additionally, by paying rent month after month, individuals get no closer to homeownership, and this committee has agreed time and time again that homeownership is an important part of wealth building. I look forward to working with the chairman. He and I have had conversations about this already. I have talked to Secretary Fudge about this. We have to figure out how to create some things like maybe the option of a right-to-buy that they have in the United Kingdom for people who pay months and months of rent. And that would really give us an opportunity to move toward self-sufficiency and building wealth and the American Dream of homeownership for millions of Americans who may never see it today.

And I think that is something that I look forward to working with you on, Mr. Chairman, because these issues are not partisan. It is about solutions and doing what is right for the American people. I look forward to hearing from the witnesses today, and I just want to, again, as I wrap up my last 15 seconds, say that the thing that we need to keep in mind is that flexibility is the right answer. There is no one right-sized solution. It is not maybe all the RAD program, but it might also not only be big public housing. So, I hope we pursue flexibility today. I yield back.

Chairman CLEAVER. I look forward to working with you, Ranking Member Stivers.

Mr. STIVERS. Thank you.

Chairman CLEAVER. Today, we welcome the testimony of our distinguished witnesses: Georgi Banna, who is the director of policy and program development at the National Association of Housing and Redevelopment Officials; Brian Gage, who is the executive director of the Akron Metropolitan Housing Authority; Tamir Ali Mohamud, who is a commissioner and vice president of the Minneapolis Highrise Representative Council; Oscar Duran, who is the executive director of the Municipal Housing Agency of Council Bluffs; and Michael Hendrix, who is the director of State and local policy at the Manhattan Institute.

Witnesses are reminded that their oral testimony will be limited to 5 minutes. You should be able to see a timer on your screen that will indicate how much time you have left, and a chime will go off at the end of your time. I would ask that you be mindful of the timer, and quickly wrap up your testimony if you hear the chime, so that we can be respectful of both the witnesses' and the committee members' time. And without objection, your written statements will be made a part of the record.

Mr. Banna, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF GEORGI BANNA, DIRECTOR OF POLICY AND PROGRAM DEVELOPMENT, THE NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS (NAHRO)**

Mr. BANNA. Chairman Cleaver, Ranking Member Stivers, and members of the Subcommittee on Housing, Community Development, and Insurance, thank you for the opportunity to appear before you this afternoon. My name is Georgi Banna, and I am director of policy and program development for the National Association of Housing and Redevelopment Officials (NAHRO). NAHRO, which was established in 1933, is a member organization of 20,000 housing and community development providers and professionals throughout the country. NAHRO members administer more than 3 million homes for more than 8 million people.

COVID-19 has stretched resources for public housing authorities and their co-residents to the maximum. The pandemic has only intensified an already-staggering need for stable, healthy, and affordable housing. Public housing meets these needs and is the only public affordable housing in our country. Public housing must be protected and public housing must be expanded. But like much of America's infrastructure, public housing needs significant investments to modernize and repair it.

NAHRO estimates the backlog of needed repairs through our public housing stock is upwards of \$70 billion. The pandemic has demonstrated the critical role that public housing plays in communities across the country. PHAs have used public housing to distribute food, healthcare, and other necessities of daily life to their most vulnerable community members.

I would like to highlight three areas where PHAs have used public housing as a community hub. First, in the 21st Century, internet access is as much a basic utility as electricity and water. When schools transitioned to remote learning in Alabama last spring, the Opelika Housing Authority saw an immediate need for expanded internet service. Agency leadership bridged the digital divide by providing internet service access at no cost to residents. They built the new service into their operational budget.

Recently, some flexibility has been provided by HUD to use operating funds to provide internet services to residents of public housing units. Additional flexibilities such as allowing utility allowances to include internet costs, along with additional resources, are needed.

Second, low-income families across the country confront food insecurity and food deserts daily. Many PHAs look to help families access the food they need by partnering with local nonprofits and local governments to bring food pantries to families and seniors who need it most. The Tampa Housing Authority in Florida opened Meacham Urban Farm this past February. The garden spans nearly 2 acres and is expected to yield 30 dozen eggs per week and 60,000 pounds of produce per year. Residents of public housing in downtown Tampa now have greater access to fresh produce. PHAs need additional flexibilities and resources to expand access for residents.

Third, PHAs are supporting the health and well-being of the people they house during the pandemic. This month, the Worcester Housing Authority in Massachusetts organized public health clinics

to distribute the COVID-19 vaccine. Nearly 120 Belmont Tower residents received their first dose. Housing authority staff reached out to residents directly to answer their questions and to escort elderly residents to the clinic.

Housing Alliance and Community Partnerships, the reinvented Housing Authority of the City of Pocatello, Idaho, is led by NAHRO's President Sunny Shaw and a very dedicated team. Just like other PHAs, they continued to serve residents in their community throughout the pandemic, never shutting down operations. However, at one point in October, 14 of their 15 staff members contracted COVID-19. While taking care of themselves, they continued to virtually check in with residents and maintain essential operations.

In order to serve the residents and communities throughout the ongoing pandemic, PHAs need continued support and resources from HUD and Congress to protect public housing and expand its role as a community asset. In addition to needing more than \$70 billion in current public housing capital needs, new units must be built. Since 1999, almost 300,000 permanently affordable units were removed from the inventory of public housing units. Congress must show support for new affordable housing construction and fund the construction of at least 300,000 new, permanently affordable units.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allowed HUD to make broad and sweeping statutory regulatory waivers. PHAs are using these waivers to serve residents and their communities with speed and efficiency. These agencies, particularly smaller agencies, will need continued flexibility to focus on outcomes. Reimagined inspection protocols, document requirements for tenants, and reporting needs will help agencies in the future just as they are helping them now during the pandemic.

This is a watershed moment. It is time for bold, actionable resourced ideas, ideas that, when actualized, will stem the long-term impact of our current public health crisis. It will require the political fortitude of the Federal Government and the innovations of localities. I look forward to your questions. Thank you.

[The prepared statement of Mr. Banna can be found on page 32 of the appendix.]

Chairman CLEAVER. Thank you, Mr. Banna.

Mr. Gage, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF BRIAN GAGE, EXECUTIVE DIRECTOR, AKRON METROPOLITAN HOUSING AUTHORITY (AMHA)**

Mr. GAGE. Chairman Cleaver, Ranking Member Stivers, and distinguished members of the subcommittee, thank you, as well as Chairwoman Waters and Ranking Member McHenry, for the invitation to testify.

The Akron Metropolitan Housing Authority (AMHA) is a public housing authority accredited by the Affordable Housing Accreditation Board and recognized by the Department of Housing and Urban Development as a high performer for our stewardship of the Federal public housing and voucher programs in Summit County, Ohio. In March of 2020, our nation faced a public health emer-



gency, and AMHA called upon our essential frontline employees to protect and serve the families living in our communities. We transitioned swiftly into a contactless, remote work environment with flexible schedules to ensure the safety of staff and residents. As health professionals focused on addressing the virus, AMHA and housing authorities across the country focused on meeting the immediate needs of residents in our developments.

Unlike many property owners, public housing agencies are required to provide much more than just housing to a much different population. Most of the public housing population is older and many have a disability, or are suffering from underlying health conditions, and are therefore particularly vulnerable to the coronavirus. The charge of the public housing program is to not only provide safe and healthy homes for our families to live in, but also to coordinate the provision of other basic needs including the delivery of food, medical care, transportation, and personal protective equipment (PPE). Our families regularly call upon us to assist with their financial and mental health. Immediately after the onset of the national health emergency, AMHA was able to secure and distribute 4,800 PPE bags and 70,000 meals to residents facing transportation challenges who did not want to risk their exposure on mass transit.

Many senior citizens and families with disabilities found themselves without digital access, as many healthcare visits went virtual. Families with children needed connectivity to facilitate remote schooling options. We responded quickly by providing hotspots for families with students and providing earbuds and headsets to help them concentrate. We are now in search of resources to provide wireless access in all of our units.

Partnering with Summit County Public Health, we provided six sites in the last month for testing and vaccination of individuals, including public housing senior citizens and individuals with disabilities. AMHA fostered and perpetuated relationships such as this one through decades of work and collaboration within the community. These partnerships are what makes public housing more than just housing.

The funding that public housing agencies received under the CARES Act facilitated this level of response. On behalf of the residents of AMHA, the board of trustees, and myself, I want to express gratitude to the Members of Congress for providing these resources to respond to the pandemic.

As we turn the page from response to recovery, there is a significant workload that will take months to address, while other greater capital needs will take years. While focusing on sanitization and emergency work orders, we accrued a backlog of routine maintenance items that we now must quickly address. This will result in a higher cost of operations as we progress through recovery, but it also provides an opportunity for housing agencies to expand our role as job creators. Unfortunately, the current funding formula calculation for public housing funds for the upcoming years does not contemplate this additional work and the opportunity to get our communities back to work.

Some level of emergency funding similar to that provided under the American Recovery and Reinvestment Act of 2009 (ARRA) will

be helpful for PHAs to address immediate emergency needs around the country prior to any larger housing infrastructure investment. Under ARRA, PHA used funds on projects that bolstered economic growth, created jobs, improved the quality of life for residents, and increased energy efficiency. In the time of recovery, it becomes important to take advantage of what our agencies do well. When considering legislation for infrastructure and recovery, Congress should leverage and utilize public housing agencies' decades of experience in creating jobs, caring for the most vulnerable in our communities, and operating public housing voucher programs.

Since the start of the pandemic, operational changes that PHAs have implemented have demonstrated alternative but effective means of managing programs, some of which were previously not permissible, but are permitted by the CARES Act. Many of these waivers should be extended or made permanent instead of returning back to the ways of old without considering our lessons learned.

I want to thank the chairman, the ranking member, and the subcommittee. I am available for follow-up questions and to provide guidance to the subcommittee and HUD on the best practices and the many ways that Congress and HUD can help residents and PHAs across the country to not only get through this pandemic, but to thrive long after it has passed.

[The prepared statement of Mr. Gage can be found on page 43 of the appendix.]

Chairman CLEAVER. Thank you, Mr. Gage, for your testimony.

The Chair now recognizes Mr. Mohamud for 5 minutes.

**STATEMENT OF TAMIR ALI MOHAMUD, COMMISSIONER AND VICE-PRESIDENT, MINNEAPOLIS HIGHRISE REPRESENTATIVE COUNCIL (MHRC)**

Mr. MOHAMUD. Thank you, Chairman Cleaver, for the opportunity to testify today. My name is Tamir Mohamud, and I serve as the vice president of the Minneapolis Highrise Representative Council, the City-wide public housing highrise tenancy organization which represents the interests of over 5,000 residents in 42 Minneapolis Public Housing Authority (MPHA) highrises. I am also a resident commissioner on MPHA's Board of Commissioners, the president of my resident council, and I serve on the Minneapolis Highrise Health Alliance.

I was born in Mogadishu, Somalia. I worked as a high school history teacher. In 1990, the Somali government collapsed, and when the civil war erupted, it was a sad moment for all Somali people to see such tragedy where all institutions failed to function. I fled my homeland and was forced to live as a refugee in neighboring Kenya. There, I worked for the United Nations High Commission, providing English/Somali translation. Life in the resettlement camp was difficult. People lived in tents. It was crowded, lonely, and cut off from the outside world.

In 2001, I moved to Minneapolis. I came to the United States to be close to family, for job opportunities, and to live the American Dream. The United States has a long tradition of welcoming people from all backgrounds and cultures and is a great place for people who must look to live outside of their home country. I lived with my daughter and her husband until I moved into the public hous-

ing highrise at 1515 Park Avenue South. I moved into public housing in order to have my own place and independence. Moving into my highrise meant becoming neighbors with a widely diverse community of people and it was the start of the opportunity to become more involved in my community. It presented me the opportunity to become a resident leader, all because MPHA provided me with a safe and stable home so that I could then focus on helping my community.

My involvement in public housing has given me the opportunity to meet and work with many people from different backgrounds. In my own building, I have gotten to know many of my East Indian neighbors by working side by side in the community vegetable garden at our highrise.

Public housing is a valuable resource to the City of Minneapolis, as it means safe and affordable housing for the members of our community who have the greatest need. Homelessness has grown in Minneapolis. We see tent cities springing up all around us and there are not enough shelter beds to meet the need. Public housing is one answer to the housing shortage.

Public housing has also been a lifeline for my neighbors and me during COVID. MPHA provided food, hygiene products, and masks to residents when the pandemic hit. MPHA organized psychological testing throughout the pandemic and offered on-site flu shots in the fall. This month, MPHA and the City Health Department began vaccinations in highrises, and today, nearly all of the first round of COVID vaccination clinics have been completed at all 42 highrises at MPHA.

It is critical that public housing is preserved and increased. We depend on Congress to provide enough funding to preserve and expand public housing. It has failed in this role for too long. MPHA continues to seek production in the amount we will save or the funding we need to do improvements to our public housing units. Public housing has been central to my success in America. I hope you will preserve it for others in the future. Thank you for this opportunity to testify. I am happy to answer any questions you may have.

[The prepared statement of Mr. Mohamud can be found on page 61 of the appendix.]

Chairman CLEAVER. Thank you, Mr. Mohamud for your testimony.

Mr. Duran, you are now recognized for 5 minutes.

**STATEMENT OF OSCAR DURAN, EXECUTIVE DIRECTOR,  
MUNICIPAL HOUSING AGENCY OF COUNCIL BLUFFS (MHACB)**

Mr. DURAN. Thank you, sir. My name is Oscar Duran, and I would like to first thank the subcommittee for this opportunity to testify today about the importance of our public housing program, and our nation's commitment to families who need this essential program.

In my short tenure serving at a public housing authority, I have heard many opinions regarding the challenges and even modern relevance of administering a public housing program. And although I can say I have less than one year of service to my local PHA, I can confirm that the challenges are indeed real. Operating a public

housing program is very tough. But then again, I would ask everyone to challenge themselves and to find and name a legal housing program or any social program out there that exists without operational challenges.

I began my journey here in public service when I was 24-years-old, when I was just a neighborhood advocate who wanted to make my neighborhood better. I spent countless hours with neighbors processing applications, loan applications, working with them to look at their credit scores, and advocating about how to just keep motivating to push forward to have a better living condition for their family. Little did I know that 15 years in the future, I would one day get that privilege, to be able to serve in this role and continue to help families with housing.

So, how does this relate to the relevance of public housing today? The answer is very simple to me. There is a common practice in private development of utilizing credit scores as a universal qualification for people who just want a decent home for themselves and their families.

As a housing advocate, I regularly appreciate the design and accessibility of the public housing program, because as PHAs, we don't need to use credit scores to determine a human being's access to housing. And then, when you pair that with the rapidly growing under-supply of affordable housing across our country, and then the overreliance on the public market to ease our national housing needs, in my opinion, the public housing program continually demonstrates its vitality and place in our nation. It remains the single constant program available in many communities across our nation, which will house people regardless of their FICO score.

For this primary reason, I would recommend and advocate to the Members of Congress and this great subcommittee to please continue to fight tirelessly to preserve this essential program and provide additional funds so we can continue to support our neighbors in need.

In our PHA in Council Bluffs, Iowa, we have 295 affordable homes that we offer to our community. Now, that might not seem like a lot, but it has an impact on our community. Split between two public housing communities, these homes continue to demonstrate their worth and impact by housing over 300 neighbors in our area, many of whom who are disabled, elderly, and near homelessness. And as such, maintaining these properties to the high standards that we would be proud to live in ourselves is of the utmost importance to us. Our capital improvement plan spans over 5 years into the future, and lists a ton of different strategic lists of repairs needed to maintain these facilities to serve our residents and the larger community.

Now, like most PHAs, as you are going to hear today, operating these communities through the pandemic unearthed a variety of additional large-scale improvements needed to improve the lives of our residents. Just to name a few, we need additional personnel resources to aid residents in communicating to the outside world and obtaining additional supplies. We need an overhaul of our digital communication tools and standards and more features for added health and safety measures in our facilities. Any infusion of significant capital funding would allow our agency and other PHAs in our

country to begin to properly address these findings that relate to the pandemic and continue to prepare our facilities and our neighbors, our residents to maintain a higher quality of life standards during this pandemic, any future pandemic or any other social crises in the near future.

In pondering different ways our nation's leadership could continue to support PHAs, one policy that quickly comes to mind is another round of CARES waivers and public housing funds. We have already kind of alluded to that. And specifically on the waivers, in my mind, our PHA prides itself in continually receiving a, "high performer" designation, which directly attributes to our subsidy and capital funds allocations.

Now, compare that with the fact that HUD has a lot of new, very aggressive, and very great programming, new changes, specifically new National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection standards, new Section 3 requirements, and new, overhauled capital funds program administrative standards, all of this is wonderful, but I feel that if we can have an additional waiver to maintain our pre-COVID, Section 8 Management Assessment Program (SEMAP) and Physical Assessment Subsystem (PASS) scores, it will really help us, and it will be beneficial to be able to still go through the new inspection standards, adapt to the changes needed, and give us time to fix it without having to have those financial resources to serve our families.

Thank you. I am excited to present today, and I welcome any questions you may have.

[The prepared statement of Mr. Duran can be found on page 39 of the appendix.]

Chairman CLEAVER. Thank you, Mr. Duran. I have appreciated very much your comments.

Mr. Hendrix, you are now recognized for 5 minutes to give an oral presentation of your testimony.

#### **STATEMENT OF MICHAEL HENDRIX, DIRECTOR, STATE AND LCOAL POLICY, MANHATTAN INSTITUTE**

Mr. HENDRIX. Chairman Cleaver, Ranking Member Stivers, and members of the subcommittee, thank you for inviting me to participate in today's hearing. My name is Michael Hendrix, and I am the director of state and local policy here at the Manhattan Institute. Along with my colleagues, we seek to advance freedom and opportunity in America's communities.

The pandemic showed us the reality, the failed reality of public housing in America and the need for a better deal for Americans in need of a safe place to call home. Nowhere is this clearer than with the New York City Housing Authority, or NYCHA, the nation's oldest and largest public housing system, long held up as the greatest example of what government-led housing can achieve.

Through the example of NYCHA, we must see how poorly-run local housing authorities are: first, failing to care for the well-being of their tenants; second, actively harming the health and safety of those under their roofs; and third, too often doing little to integrate residents into the broader economy of their community. These are not failures of funding alone, but inescapable flaws of public hous-

ing itself, which robs Americans of safe and equitable choices in shelter.

NYCHA's example should be a warning to local housing authorities across the country. Whether the fault of Washington and its appropriators, the reality of public housing across America is that it is a social engineer's dream often turned into a nightmare for actual residents. We know that public housing routinely fails to provide for and protect the well-being of its residents.

In 2020, New York City's public advocate ranked NYCHA as the City's worst landlord, public or private, for the third year in a row. The rest of the country's public housing also consistently fails to provide for the well-being of low-income residents. No one can look at the public housing we actually have and say it is the housing we want. And more of the same failed ideas are unlikely to truly help those in need.

This reality became clear in light of the failures of public housing during the pandemic of COVID-19, as well as ongoing struggles with lead, asbestos, toxic mold, and crime, among a host of other troubling woes. One of the deadliest places to be in New York City, in fact, during the pandemic, was in a New York City Housing Authority apartment. For far too many residents during the pandemic, public housing was less of a lifeline, and too often, more of a death sentence.

This is not to question the intent of public housing authorities, but rather their reality and their results. Worse yet, public housing's legacy of segregation persists to this day, preventing residents from building equity or integrating into the broader community or economy. Far too much of today's public housing still bears the legacy of having trapped generations in poverty. The truth is that the typical household in public housing will come in poor and leave poor.

Rather than trapping Americans in unhealthy, unsafe, and often segregated public housing, we should offer those in need an equitable and available choice in housing. Rather than losing out by moving out, housing supports should follow those in need and in search of opportunity. And we should question whether public housing is the right tool for answering calls for shelter injustice in this country today.

The implicit subsidy provided to public housing's residents would likely be better used explicitly in their pockets, leaving them free to move into neighborhoods of real opportunity by their own choice, and with local housing agencies existing as resources rather than simply as landlords of last resort. While there is no guarantee that directly helping people afford decent housing will improve their lives overnight, we would surely be doing far better than doubling down on America's failed experiment in social housing. Thank you.

[The prepared statement of Mr. Hendrix can be found on page 49 of the appendix.]

Chairman CLEAVER. Thank you very much, Mr. Hendrix, for your comments.

We will now begin our questioning, and I will recognize myself for 5 minutes.

I have been accused, throughout my political career, of being "Pollyanna-ish," so I want to put that aside just a little in terms

of asking the panel a question. I have been around for a while. Mr. Green and I were among the Members, along with Chairwoman Waters, who went down into New Orleans immediately after the terrible flood of Hurricane Katrina. And we saw what had been done in that project, and then looked at what needed to be done.

I think about this, and not only as I look at and recall Katrina, but back when we did the ARRA funding, it was just under a trillion dollars. It should have been more. That is another whole meeting that we can discuss. But we did something that had not been done in years, in decades, which is that we recognized that affordable housing was a valuable part of our national housing infrastructure and put into that affordable housing project \$4 billion to address the capital needs of public housing.

And if you look at what happened, I understand those funds generated an additional \$12.5 billion in economic activity. So, here is what I am saying. Even if you don't like public housing, even if you don't like the government putting money into trying to help poor folks live in public housing, a \$12.5 billion injection into the U.S. economy as a result of working on eliminating the blight of public housing that, in and of itself, I think, would demand that any future infrastructure program should have something in there similar or superior to what we did way back in 2009.

How many of you on the panel agree?

Mr. GAGE. Mr. Chairman, thank you for asking the question. I do agree. In Akron, we have \$300 million worth of backlog in multiple projects. We can get people to work and repairing our inventory right away.

Chairman CLEAVER. Anyone else?

Mr. BANNA. I would agree as well, with the opportunity for the rehabilitation of the current public housing stock and also the opportunity to build new units. In many places, there are shovel-ready projects that are ready to go once the funding is available, which will help the community, and the economic stability of those communities.

Mr. DURAN. I would also concur. In Council Bluffs, Iowa, we had, pre-pandemic, 15 percent of our families at or below the poverty line, and 30 percent by and lower. The sheer 295 units we can offer is just not enough. We are doing, I feel, an exceptional job maintaining them, but we need to do something more. Meanwhile, the market is just responding to units that are only accessible [inaudible] by enough. So we absolutely would [inaudible].

Chairman CLEAVER. Anyone else? Well, thanks for your responses. Now, you have mentioned—I think it was you, Mr. Duran, who mentioned we had a backlog and we need to build new units. Up until today, we did build new units in New Orleans—I can't remember the name of that housing project. Mr. Green is about 30 years younger than me, so he will recall the name of the project that we looked at, and the time that we spent with twin sisters who had lived in the units together.

But my question is, so far, all we have done, as you all know quite well, is one-for-one replacement. That is what we have been doing for decades, and I am wondering, and some of this is political, but some of this would be also in our local communities, how do we go beyond the one-to-one replacement? That is going to be

a tough deal, particularly in local communities where they don't want any additional public housing.

Mr. DURAN. Fantastic question. One of the partnerships we are doing right now in our small community is with a group called—it is a local shelter. And we are talking about how we can get just four small units, four units that will be in an area, a part of town that we are not, and how can we help the poor, single parents who want to be housed in this type of public housing to truly transcend poverty.

Now, what that means is it is going to be small pieces, units at a time, but what we need to also begin to show is that these little differences can begin to build a new model for the future of how to grow more affordable housing units in our community.

Chairman CLEAVER. Thank you, Mr. Duran.

Ranking Member Stivers, you are now recognized for 5 minutes.

Mr. STIVERS. Thank you, Mr. Chairman. I really look forward to working with you on a lot of these initiatives, and I appreciate your questions.

The first question I have is for the folks who work in housing authorities, Mr. Gage, Mr. Duran, and Mr. Mohamud. The first thing I talked about is more flexibility. Several of you mentioned more flexibility. Do all of you agree that more flexibility for housing authorities would be a good thing, given that of our 3,300 housing authorities across the United States, they are all unique?

Mr. GAGE. Ranking Member Stivers, yes, I do agree with you that flexibility is important especially when trying to address local issues. Each City, from Kansas City to Columbus to Kenosha, has their own different issues that they have to deal with. Here in Akron, we have a different market than you have down in Columbus, so we have our own challenges here, and we would like to be able to customize our programs and have the flexibility to promote efficiency and effectiveness in serving our community.

Mr. STIVERS. Thank you.

Mr. Duran, Mr. Mohamud, do you agree with that?

Mr. DURAN. I absolutely do, as well. The larger percentage of our families who utilize our public housing program, compared to our Housing Choice Voucher (HCV) program, are on really fixed incomes, a lot of elderly people, and disabled families, who actually wouldn't be able to utilize the housing choice voucher program because they have mobility issues. Really, we are the single point, aside from homelessness, which can house those families who wish to stay in their local communities. So, more flexibility for us to not be grouped in with different areas, because Omaha is our sister City right next door, with a very large PHA. We are also referred to as a PHA, a large one, but we don't have 18 towers; we have 2 towers. So, I agree that more flexibility would be tremendously helpful.

Mr. STIVERS. Mr. Mohamud, do you agree with that as well?

Mr. MOHAMUD. Yes, I agree.

Mr. STIVERS. Thank you. That is helpful.

And I think each of you addressed it in your own way, but building self-sufficiency, is that something you aspire to in your housing authorities, and what are you doing to actually help with self-sufficiency and building self-sufficiency over time? What do you think



of the idea like they have in the United Kingdom of allowing somebody who has paid rent for years and years and years to potentially gain some equity through the ability to start to live the American Dream and have homeownership? What do you think about those ideas? And in any order address—

Mr. GAGE. Thank you. I will go first and then defer to my colleagues. We are very big supporters in Akron of the Family Self-sufficiency Program. Last year, we graduated 17 families, giving out over \$150,000 in escrow. We also are the recipients of a Jobs Plus grant that is helping one of our communities get people to employment, and make them more self-sufficient.

The Expansion Act of a few years ago was a small move to expand family self-sufficiency. I think that could be greater, and expanded a little bit more, as well as the Resident Opportunities and Self-Sufficiency (ROSS) program and other programs that promote self-sufficiency.

Mr. STIVERS. That is a great answer. Thanks, Mr. Gage.

To Mr. Duran and Mr. Mohamud, let me redirect you a little bit to something that Mr. Gage didn't mention. Do you have an issue with the benefits cliff where, as you are trying to build self-sufficiency, they can't build enough self-sufficiency before they lose their housing assistance because of the benefits cliff? Either Mr. Mohamud or Mr. Duran?

Mr. DURAN. Absolutely. The benefits cliff is extremely real. It is a delicate situation and conversation because I believe in family self-sufficiency and everybody's right to pursue homeownership. If that is what they want, then that is what they should achieve. But the reality is there are families, and I can think of 40 really quickly in my head, for whom that is just not where they want to go. They want to be able to age out and pass in peace in a safe, quality home in something like public housing.

I think to make it a more holistic argument—

Mr. STIVERS. That gets back to flexibility, but today, too many folks in public housing have no option and no path to homeownership. That is the real problem right now, isn't it?

Mr. DURAN. Absolutely. It is a huge part of the problem and one that we are proactively tackling. Prior to arriving at MHA, we solidified a partnership with the Omaha Partnership Authority and Habitat for Humanity of Omaha to transition 100 of their scattered site homes to first preference home-ownership opportunities for families on the other side of the river. And I fully intend to build a similar program—

Mr. STIVERS. Thanks for that. That is great. That is a great program and helps generate great wealth for those families and helps them live the American Dream. I yield back. And let us do a second round, if it works.

Chairman CLEAVER. Thank you, Mr. Stivers.

The Chair now recognizes Mr. Green of Texas.

Mr. GREEN. Thank you, Mr. Chairman, and I do recall our visit to New Orleans with Chairwoman Waters, and my recollection is that it was the Desire Project, but there were several projects that we did and it may not have been Desire. So, that is my recollection. And while I appreciate you being kind about the age—

[laughter]

Mr. Chairman, this hearing is absolutely necessary and some of the evidence that we are receiving is overwhelming. The fact that seniors and people with disabilities, families with approximately 597,000 children comprise more than 37 percent of public housing households. That is a pretty significant number. And when I look at some of the other numbers—a \$70 billion backlog needed for capital repairs, and more than 10,000 public housing units lost each year because of disrepair—it is obvious that this hearing is one that we absolutely should take to heart.

And I remember the first time I heard the term, “one-for-one replacement,” was when we were with Chairwoman Waters and she was—this was shortly after Hurricane Katrina. We were in New Orleans, and she was insisting on one-for-one replacement. And she has been consistently insisting upon one-for-one replacement. With losing 10,000 units per year, in great disrepair, and a \$70 billion backlog needed to take care of these capital improvements, my point and my question is going to be a very simple one.

The units are disappearing, but my belief is that the need is not disappearing. In fact, it seems to be increasing. Having been to Skid Row, having just looked at the evidence in my own city of people living under bridges, people getting tents and camping out downtown, people making some sort of lean-to so that they can have some degree of shelter, I am just very much concerned about what the solution is going to be ultimately to the units that are being lost.

We talked about one-for-one replacement, but because of the lack of funding, that is not taking place, and notwithstanding the Faircloth Amendment, we still have a lack of funding to deal with. So with this said, let me just ask one of our persons who is an expert, Mr. Hendrix, what do we do given that the need is being enhanced and the units are being lost?

Mr. HENDRIX. Thank you, Congressman. That is a terrific question, and it is absolutely true that throughout this country, we need more housing, more housing of all types for people of all backgrounds and all needs. I think my only question is, should we have a one-size-fits-all approach of just public housing, or should we give local public housing authorities the flexibility they need to offer a variety of housing solutions for people. And should we be working with localities and municipalities to make it more flexible for more private sector, even naturally-affordable housing solutions to be offered, because the same barriers that exist to private market-rate housing being built, unfortunately also exist for public housing to be built.

Mr. GREEN. Let me just share this with you, and I don't mean to be rude. But it looks to me like building these complexes, regardless of flexibility, requires dollars. It looks like there will have to be some money involved in it, and that is my concern. If we don't allocate the funds, we continue to lose the 10,000 units per year. And I have no quarrel with flexibility, especially if I am defining flexibility. But since I am not, it looks like money may be a part of the solution. Your thoughts on money as a part of the solution?

Mr. HENDRIX. The Obama-era Rental Assistance Demonstration Program is a key source for leveraging private resources. Because, as we all agree, there is a need for more resources for housing in

America of all types. And leveraging those private-sector resources the Obama Administration created is a critical tool for public housing authorities.

Mr. GREEN. It is critical, but we are still losing 10,000 units per year, notwithstanding the good intentions of that program—

I know that my time is up, Mr. Chairman. I just want to make this final comment. The greatness of America is determined not by how we treat people who live in the suites of life, but how we treat people at the bottom of life, children, and how we treat seniors in the twilight of their life. This is not what we want to see our country look like. I yield back. Thank you.

Chairman CLEAVER. Thank you, Mr. Green.

The Chair now recognizes Mr. Posey of Florida for 5 minutes.

Mr. POSEY. Thank you very much, Mr. Chairman, for holding this hearing today.

Looking at this hearing and the legislation appended to this hearing, I am tempted to view this hearing as public housing, back to the future. And given the enthusiasm of some, it is as if public housing had never been tried in this country before. Obviously, it was tried, often with disastrous results. And while there may be many places where it was successful, many of us are old enough to remember that many public housing projects became poster children for urban decay, crime, and drugs. It's not the ideal place where you would expect anybody to prosper. We moved away from public production of housing to tenant-based housing that provided income to low-income families to purchase market-provided housing. I believe we left the public housing behind for tenant-based market programs for good reason. And we can, and we should certainly look to improve conditions that thwart affordable housing like crippling costs and increasing overregulation, and try to drive down the cost of housing, but I really don't think going back to the future with public housing is the answer.

Some people don't want to hear this, but I tend to think that President Trump's economic policies, which resulted in the lowest minority unemployment rates in history and increased the economic value of every single person in the workplace because you had more job openings than you had people looking for work, were steps in the right direction to helping more people become able to afford the American Dream of homeownership.

Mr. Hendrix, what does your research tell you about the cost-effectiveness of providing low-income housing with the public housing model versus the tenant-based model that currently dominates Federal assistance?

Mr. HENDRIX. Thank you very much for that question. One of the things that we have learned over time is that shifting towards a more modern rental-assistance programs helps more people and delivers better results. A great example of that is the Section 8 tenant-based voucher program. It is a more streamlined program that gets money directly to the people in need.

Meanwhile, the public housing that we do have—take Philadelphia's Housing Authority, just 6 percent of their annual budget actually comes from tenant rents. The rest of it has to come from subsidies somewhere, and increasingly it has been at higher and higher levels of government and even that has never been enough.

The truth is, there will never be enough dollars for the public housing that we have. It wasn't enough in the 1950s, and it is never enough today, so we need to look to better, more modern approaches. We started doing that decades ago. We should not back-track on the advances and gains that we have already made.

Mr. BANNA. If I could just jump in?

Mr. POSEY. Could you comment on how regulations are currently driving up the cost of affordable housing and how much the regulations add to the cost?

Mr. HENDRIX. In the case of a City like San Francisco, the cost of regulation, almost a regulatory tax, easily adds hundreds of thousands of dollars per unit that is built. And by the way, that also raises the cost of building affordable housing units. It can add hundreds of thousands of dollars, and up to a decade of delays to the cost of those units. And it means that we have a shortage of anywhere from six to seven million units across this country. Again, if that applies to private housing, it surely applies to public housing too. And we can work, even at the Federal level, with localities to loosen those regulations so that we can have more housing for more people where there is demand.

Mr. POSEY. Yes. We have had committee hearings on this before, and kind of tried to offer some kind of a Federal carrot, if you would make housing more affordable for people. How do you think we would best convince local governments to do that?

Mr. HENDRIX. First of all, just providing information helps. I would also state there is a bipartisan Quimby Act that has been discussed for quite some time now. I would say, too, having a race to the top where localities and jurisdictions can compete for resources and demonstrate that they are doing everything they can to increase the availability and affordability of housing so that you can not only provide those carrots, but also celebrate those jurisdictions that are not being incredibly exclusive or keeping people out who want to live in neighborhoods of opportunity, which include those who are voucher holders as well.

Mr. POSEY. Is there a database available, readily available, that shows the added non-value-added cost of housing?

Mr. HENDRIX. HUD has some data, but there is much work to be done.

Mr. POSEY. Thank you. I yield back.

Chairman CLEAVER. The gentleman's time has expired.

The Chair now recognizes the gentleman from Florida, Mr. Lawson.

Mr. LAWSON. Thank you very much, Mr. Chairman. It is really an honor to be on this subcommittee, and I would like to welcome all of the witnesses to this panel.

I have a unique-type situation, and what I mean by that is that for many years I was involved in college coaching. I recruited in Chicago, New York, Atlanta, and Miami, and most of the time we were recruiting in housing facilities, housing projects. So, I have been to a lot of them over the years, quite a few, and I have seen the conditions, and I always really wanted to see if there was something that I could have done to help out.

So my question today is to all of the panel, Public housing is an important asset to communities across the nation and in the home

of millions of American seniors, people with disabilities, and families sharing decades. However, Congress has underfunded public housing for some reason or another. Today, it is estimated that there is a \$70 billion backlog of capital needs for our public housing stock. Each year we lose about 10,000 units of public housing due to this disrepair. That is, the 10,000 affordable housing units that could have prevented evictions and homelessness of 10,000 households are gone. Without an investment in public housing infrastructure, these are important assets and the Federal dollars that have gone into building or preserving them will be a huge loss.

Due to the lack of Federal investment in public housing, families are suffering from minor to serious maintenance issues that have sometimes caused health hazards. What is the human cost of not repairing public housing infrastructure? I have seen it over and over and over again in the big cities when I was coaching. In my district, I still look and see some of the same type situations that still exist.

And so my question to the panel is, please give me your opinion on what is the human loss? And also, I want to say one other thing. I know my own timeout. I have been thinking about doing housing IRAs for people living in public housing to be able to save money on a tax-free basis to be able to eventually come out of public housing. I know I have said a whole lot, leaving you with limited time to respond, but you all are welcome to comment on it.

Mr. BANNA. I would like to jump in. Excellent question, Representative Lawson. Absolutely. We don't believe public housing is the sole solution, but it is the fabric of our affordable housing network that needs to be preserved, and needs to be solidified going forward. The families who live in public housing need the commitment from Congress and from the Administration to find and bring those units up to a modern standard.

Absolutely, vouchers are great, and we want to see an expansion of the voucher program, however, there are not enough available units to utilize the vouchers as readily in many communities as there are needed, but public housing is there. It is hard units that are locally owned. And so absolutely, the local communities need to decide and have the option, actually, to make the decisions of what is the best affordable housing for their community, and public housing can be one of those.

We are talking about housing that fits into a local community. We are not putting highrise units into single-family-home communities. Public housing can fit into the community through single-family, duplex, or townhouse, row-house styles. So, the public housing can be modernized to fit into local communities, and that is what must be done and must be committed to be done.

Mr. LAWSON. Would anyone else care to comment? I have about 50 seconds left.

Mr. DURAN. Yes, Representative Lawson, Oscar Duran here. I am really grateful that you asked about human law. The reality is for me and my experience is the challenge is a lot of judgment goes towards specifically into the housing program and the human law, in my opinion, in answer to your question, in the multiple amount of housing programs and strategies to make a holistic pattern to look and serve every human and not leave anyone behind. I think

that public housing is usually judged as a program because, unfortunately, it puts the amount of segregation and poverty in our current base and in concentrated poverty.

I get concerned with the idea of just saying, how do I take some of my elderly families who can't access units, so they don't want it, and I have to give them a voucher and now I just don't have to look at their poverty.

We need a program like public housing, like HCV and other tools that we don't know about yet, to serve holistically our entire community. Thank you, Congressman.

Mr. POSEY. Thank you.

Chairman CLEAVER. Mr. Hollingsworth from Indiana is now recognized for 5 minutes.

Mr. HOLLINGSWORTH. Good afternoon, and I really appreciate everyone joining this great hearing. Affordable housing is something I have been passionate about since long before I came to Congress, but I have grown even more passionate about it while in Congress. Increasing affordable housing access has been a top priority. And, in fact, although it was mentioned, I think after Mr. Posey's questions earlier, I was the one who introduced, with our former colleague, Mr. Heck, now Lieutenant Governor of the great State of Washington, the Yes in My Backyard Act, which passed the House last year with strong bipartisan support.

It is my fervent belief that affordable housing is an issue that impacts rural Americans, suburban Americans, and urban Americans. And the answer to how do we make housing within reach of very American family, it is ultimately to increase the supply of housing to make sure that more housing can come online in a wider variety of areas and a wider variety of types of housing.

And so, Mr. Hendrix, I wanted to focus on you for a second, because something I have continued to hear in my conversations across the district with home builders and my conversations across the district with those who want to buy homes is, gosh, it feels like the regulatory barriers at the local level are really inhibiting supply growth, and thus we are seeing in an increasing demand environment, crises escalating out of control of American families. Talk to me a little bit about what you are seeing in terms of local regulatory control and barriers to entry?

Mr. HENDRIX. Congressman Hollingsworth, that is an excellent question. I couldn't agree more that relative to the demand that we have for housing in America, supply is just not keeping up. And more often than not, it is because of local limits on where and how and how much you can build of housing.

And as I have said before, this applies not only to private housing, but to public housing too. These regulatory barriers—among them land-use and zoning rules, but also local impact fees—prevent millions of new houses from being built across this country. And these are not just sticks, stones, and bricks. These are homes, places for people to call home, to build a new future, to gain equity, something that you don't get in public housing, and to be able to actually provide a roof and a shelter for their families and to have a future.

These regulatory barriers can easily add hundreds of thousands of dollars to the cost of building a new home. And this is something

that local jurisdictions should take the lead on fixing, but States and even government can help provide incentives and information, and in the case of States, take the lead in saying, regulate this and then go no further. And this is absolutely critical for our growth and for fighting inequality in America. This should be a bipartisan agreement.

Mr. HOLLINGSWORTH. Mr. Hendrix, I couldn't agree more, and certainly in my district, I hear about this every single day. We have seen great disparities in outcomes, and frankly, for families just by the difference in regulatory environment, one county compared to the next. And I tell people all the time, we don't have an inability to build homes in this country. We have restrictions that are keeping us from exercising more of that ability to build homes.

You wrote a recent article, I think it was in Bloomberg, talking about making zoning hyperlocal. Forgive me for not knowing, and hopefully educate us a little bit. What do you mean by making zoning hyperlocal?

Mr. HENDRIX. What I mean is that individual streets or blocks could be designated to have the freedom to increase housing where there is demand and where people want it. Right now, these decisions on what is called upzoning, taking zoning restrictions and increasing the amount to be built, are often made at a community level, and various community members may fear the cost of increased traffic, even though at the individual level, individual property owners are better off. And it also allows for greater fairness in communities when we add more housing.

So giving individual streets or blocks the freedom to be able to increase the value of their property, to add more units where there is demand. There is an incredible opportunity in that just being able to add an accessory to a unit in a backyard garage apartment could increase housing in high-demand places like California.

Mr. HOLLINGSWORTH. Yes. And just to be clear, because I want to make sure everyone understands, you are not talking about, hey, this block could say, let us allow a chemical plant to build right here. You are not talking about the release of all zoning restrictions being made. But instead, allowing for more upzoning within specific boundaries within specific parameters, right?

Mr. HENDRIX. That is right. The same standards apply. The same nuisance rules apply. This is saying, we want more of the housing that we love in our neighborhood.

Mr. HOLLINGSWORTH. Yes. And this is a great opportunity for every American family to decide if they want a little bit denser environment around them, more locally, more clearly related to them. So, I thank you for that approach. I am going to send around this article for my colleagues to read. Thank you for being here, and have a great rest of your day.

Mr. HENDRIX. Thank you.

Mr. HOLLINGSWORTH. I yield back.

Chairman CLEAVER. Thank you, Mr. Hollingsworth.

The Chair now recognizes the gentlewoman from Iowa, Mrs. Axne.

Mrs. AXNE. Thank you so much, Mr. Chairman, and thank you to the witnesses for being here.

Mr. Duran, I especially want to thank you for the work that you have done in keeping people in my district in Council Bluffs with a roof over their heads during this really difficult time. Of course, the pandemic has been the worst time to put people out on the streets. And as you are probably aware, research has found that the eviction moratoria reduced COVID deaths by 11 percent. I think that is a great statistic that we need to really be taking into consideration about how important it is to keep a roof over people's heads, and we could have even done more.

I know what you have done, and for folks like you it hasn't been easy, and that you can't help everyone who needs it. But so many Iowans truly do appreciate what you are doing. So I just really first wanted to start by asking, what is the number-one thing that we could be doing to support you in helping people find housing?

Mr. DURAN. We need more collaborative aspects as a community. We need more partnerships with our fellow agencies, or providers, or for-profit developers. We talk this game as a community that we will work together, but when the brick hits the road or whatever that saying is, we fail to really make a consistent pattern together. And I'll give you an example: due to the pandemic, we had to stop doing inspections. And we are starting to get a lot of roaches and bedbugs, and we are trying to get them under control, but we have some elderly residents who can no longer get care from their providers because they don't want them to come in with the infestation. But the reality is some of our families utilizing the public housing program now need dependent living, not independent living. But there is nowhere and no partner where I can send them.

So the biggest support we really could have is, of course, always going to be financial, but we need a more collaborative effort across our different agencies and partners in the community to really fix and address these systemic poverty issues for every facet of every person in our community.

Mrs. AXNE. I appreciate you bringing that up. And of course, having a strategic, unified approach to it is going to move us a lot further. So, that is a really great point that we haven't spent as much time talking about in the Financial Services Committee, so I appreciate that.

I do know that nationally, only one in four people eligible for housing vouchers actually gets one. Can you walk us through the resources you have to help Iowans find housing right now and how does that compare with the demand that you are dealing with?

Mr. DURAN. Absolutely. The two biggest ones, and now we are speaking about our housing choice voucher program. We have what is called a Family Self-Sufficiency (FSS) Program. We don't have a lot of participants. We have had the majority graduate. The best we can do right now with trying to build a good relationships with the landlords is to continue to welcome them and ask, how can we support you, offering more opportunities for our participants? And so, that is all we can do right now.

But I can tell you there is a shortage, and so we had to change our income standards as well, because one of the things that we did in December so that people could have a larger amount to look for just two and three bedroom units, in our county, I had over 80 families who, after being 16 months on the waiting list, got there



and there was no housing stock available for them. And it really, literally broke my heart that there was nothing available. We quickly tried to partner with our surrounding PHAs to see if we could port them out, but they, too, had a backlog.

So as others, like Mr. Hendrix, just pointed out, there is a dire need for this housing across-the-board, but unfortunately, all of the development we are seeing is for a specific AMI, and they call it affordable housing, but it is 129 AMI and up, not our low-income populations. Sorry. My tangent.

Mrs. AXNE. No, no, no. Listen, I appreciate that, and I know that you have a smaller housing agency. And are there things that make it even more difficult, from the area that you are trying to help with folks and the size of your agency? And could we be more focused on that?

Mr. DURAN. Absolutely. And I am going to say that we are at the max, because we only have two buildings, two public housing communities, with 295 vouchers between them, with zero studios and one-bedrooms. That means we have no families with children in our thing, not by design, but by sheer size. Where are the low-income families living who need programs like ours? Where are they? We know they need the assistance, but we don't have the resources available to build more low-income housing for them. And so, that is kind of the next step, we really need to say, how do we talk about that housing shortage for those different family sizes?

Mrs. AXNE. I appreciate that, and I think that is another reason why we also need to address temporary housing as part of this whole structural piece as well. Lastly, though, I know you have B-Link in Council Bluffs which, for those of you who aren't aware, this is a community-based internet service. Has that been helping people that you are serving?

Mr. DURAN. A little bit. It [inaudible] keeping our [inaudible] so we invested in our [inaudible] in my testimony. We could not spend the [inaudible] amount for our public housing community, so it is not the best, but that is one of the big demands [inaudible], better signal [inaudible].

Mrs. AXNE. I appreciate that. Thank you so much.

I yield back.

Chairman CLEAVER. Thank you, Mrs. Axne.

The Chair now recognizes the gentleman from Texas, Mr. Taylor, for 5 minutes.

Mr. TAYLOR. Thank you, Mr. Chairman. I appreciate that. Mr. Hendrix, I really appreciate your perspectives on this as I think about my own private career in commercial real estate. I saw oftentimes where zoning restrictions, requirements, drove up the price of housing. And literally in some communities drove pricing to the point where people who worked for the city, for example, police officers, literally couldn't live in the city that they were serving because prices had been driven up by zoning laws that were well-intended, but over time just drove up prices. And then, there is literally no affordable housing. And when I say affordable, I don't mean for low-income, I mean for medium-income families.

As you think about this at the Federal level, and you have already given us some ideas on this, does it make sense for the Federal Government to continue to subsidize housing in communities

that have driven the cost of housing to the point that no one there can afford it?

Mr. HENDRIX. It is absolutely a fair question to ask if we are sending community development block grants to communities that will really only allow housing for those who, say, are in six figures or more. Is that really what we should be supporting? Is that really creating communities of opportunity?

As some of my fellow witnesses have said, if you are having exclusive housing communities, that means that providing vouchers to somebody, providing money for more vouchers will be ineffective. So while we look to provide more support directly to the people who need it, I would also encourage us to look at how we can allow flexibility to add more housing so that a voucher can meet shelter needs in the marketplace.

Mr. BANNA. And I think to solve that issue, one of the options is public housing that is already owned locally, affordable housing, permanent affordable housing. Vouchers, again, we need to fix the stock issue and make sure there are more units. And to get there, we have current units in place. They need to be invested in because we know those will be available for the police officers, for the teachers, for the low-income families in the community so they can live in the communities where they work, where they shop, and be a strong economic backbone to that community.

Mr. TAYLOR. I appreciate that perspective, but again, the concern is, are we, as Congress, subsidizing and encouraging a zoning strategy which then drives the housing stock to the point that the housing authority is the only place to get it? And so, you are literally helping create this environment which makes it prohibitive to build this stock, which then drives out lower-income people from the community where the only place they can go is a housing authority.

And I am not sure that is really just. To me, what is just is having a level playing field. I am fortunate to live in Plano, Texas, where we have relatively straightforward zoning requirements and it is relatively inexpensive to build new space. And that has been a tremendous recipe for success for my community. We have been very economically successful. There are, in fact, lots of new companies, and they continuously cite the low cost of housing as one of the biggest—it's not the number-one thing they say, but it is certainly on the list of things. It comes up over and over again, hey, you have affordable housing.

But the reason we have affordable housing—we have land like everybody else does—is because we have reasonable zoning, where there is cooperation. And again, I just worry about creating the wrong incentives that say, oh, you have created zoning that makes it really expensive. We are going to throw extra money to you because you have a real housing problem. And they have a housing problem, but it is not the market that has created that. It is because of zoning decisions that are made by the leaders there.

Mr. HENDRIX. And speaking—

Mr. TAYLOR. Mr. Hendrix, I will give you—

Mr. HENDRIX. —of the native of North Texas, I appreciate the natural affordability of North Texas and the decisions that they have made. Look, being able to not just have public housing be a housing of last resort or be the only choice that is available to peo-

ple, I think is absolutely critical. Investing in more housing and more housing choice is the answer to creating more housing opportunity in this country. Whether you buy or rent, you should be able to know that, as one of my fellow witnesses here said, it is not just housing that is suffering from, potentially, roaches and bed bugs that is your only choice available, but a choice that is in the private sector, is in the market, and is in places of opportunity, neighborhoods of opportunity is absolutely critical.

Mr. TAYLOR. Thank you, Mr. Hendrix.

Mr. Chairman, I yield back.

Chairman CLEAVER. The gentleman yields back.

All of the members of this subcommittee are vital, and I appreciate all of the testimony that you have given today, whether you live in public housing or not. I am also very pleased that the next gentleman, who is new to the committee, Mr. Torres from New York, also, like three others of us, grew up in public housing and brings a lot of information experientially to the table.

The gentleman from New York, Mr. Torres, is now recognized for 5 minutes.

Mr. TORRES. Thank you, Mr. Chairman. I would not be in the United States Congress were it not for public housing and the stability it gave me and my family. So the subject of public housing strikes close to home for me. I am a product of the New York City Housing Authority, which is the largest provider of affordable housing in the United States. If NYCHA were a city unto itself, it would be the largest city of low-income Black and Brown Americans in the United States.

Despite the critical safety net that it provides, NYCHA has been so savagely starved of funding at the hands of the Federal Government, that it has \$40 billion worth of capital needs. I have seen children who have been poisoned by lead, who have sustained brain damage that will haunt them for the rest of their lives. I have seen senior citizens who, in the cold of winter, have left their ovens on, risking death from carbon monoxide exposure in order to get the barest amount of heat in their apartments.

These are but a few examples of how the Federal Government has endangered the lives of public housing residents. Nowhere has the Federal Government shown a greater disregard for human life than in public housing, where tenants often languish in conditions of mold and mildew, leaks, lead, vermin, and rodents with no consistent heat and hot water in the winter.

My first question is for Mr. Banna. What is the overall capital need for public housing in the United States?

Mr. BANNA. Actually, that's an excellent question. By our calculations, and using HUD data and HUD formulas, we gather it is about \$70 billion, and probably greater at this point.

Mr. TORRES. You said \$70 billion?

Mr. BANNA. \$70 billion, yes.

Mr. TORRES. \$70 billion. And how much do you receive in capital funding from the Federal Government?

Mr. BANNA. It is in the high \$2 billions for all housing authorities across the country in the last few years, and the annual accrual rate that HUD determined was \$3.4 billion per year.

Mr. TORRES. You said about \$2 billion?

Mr. BANNA. \$2.7-, \$2.8 billion.

Mr. TORRES. \$2.8 billion, okay. So, you have a capital need of \$70 billion, yet you only receive \$3 billion in capital funding from the Federal Government? And is it fair to say that the capital need is so overwhelming that only the Federal Government realistically has the funds to address it?

Mr. BANNA. Yes. Due to the disinvestment and the lack of funds over a number of years and decades, we believe it is the responsibility of the Federal Government and Congress to fund that and re-invest in public housing.

Mr. TORRES. Public housing is primarily regulated by the Federal Government, primarily funded by the Federal Government, primarily established by Federal law, the Housing Act of 1937. Is it fair to say that public housing is therefore a Federal obligation?

Mr. BANNA. I think that is fair. The Federal responsibility for public housing is there. Housing authorities are working very diligently to improve conditions and maintain their public housing using any resources they have available to them at this time, but they need the Federal Government to step in.

Mr. TORRES. There is a sense in which the Federal Government has the same responsibility for public housing that a private landlord would have for private housing. And what would happen if a private landlord did to his privately-owned housing what the Federal Government has done to public housing? What do you think would happen to that private landlord?

Mr. BANNA. Probably, in most jurisdictions, they wouldn't be allowed to rent that unit.

Mr. TORRES. They would probably face civil and criminal penalties. And yet, when the Federal Government endangers the lives of public housing residents, there are no consequences. There is a double standard. The Federal Government has the resources. We invest well over \$100 billion annually in housing. Do you know where most of those housing dollars go?

Mr. BANNA. There are a number of programs. The voucher program does receive considerable funding. Public housing does receive funding, just not enough funding at this time.

Mr. TORRES. Let me answer that question for you. It is the mortgage interest deduction, about \$100 billion a year, which is more than the capital needs of all of the public housing in the United States. So the Federal Government, via the mortgage interest deduction, is willing to generously subsidize homeownership for a wealthier population, but has not been willing at all to properly fund public housing for poor people of color.

And it is worth noting that the systematic defunding of public housing is a bipartisan tradition. It has been defunded under both Democratic and Republican Administrations and under both Democratic and Republican Congresses. The defunding of public housing is a textbook example of starving the beast. You defund public housing, thereby causing it to fail, and you thereby claim that the failure is the inevitable result of government incompetence, and government mismanagement.

Do you share my view that the humanitarian crisis in public housing is primarily a consequence of Federal disinvestment?

Mr. BANNA. I do, and I think now is the time to change that.

Chairman CLEAVER. The gentleman's time has expired. Thank you very much for your response.

The Chair now recognizes the gentlewoman from Ohio, Mrs. Beatty, who is also the Chair of our Subcommittee on Diversity and Inclusion, as well as the Chair of the Congressional Black Caucus.

Mrs. BEATTY. Thank you so much to my chairman, and also to our ranking member. I don't think I could have planned a better segue into my comments. I am going to have one question, but I am going to drop a question to make a comment after listening to Congressman Torres.

We all get to this committee in a variety of ways as we are talking about public housing, some, as you have heard, because they grew up in public housing. I worked in public housing and as a part of the movement. But what is interesting is that after listening to Congressman Torres, I need to tell my story.

My mother wanted to live in public housing when my father was serving in the war, but his pension to her with two babies was too much. And it was predominantly White and it was Desoto Bass. It was the best place we had ever seen. It was brick. It had beautiful shrubberies around it. It had a front door and a back door, and it was amazing. And we were denied to live in public housing.

Fast-forwarding as I became a young adult, my first job was at Dayton Metropolitan Public Housing. And I can tell you over a 25-year period, it didn't look the same. And it speaks to all of the things that Congressman Torres and others have talked about. So when I think about the rich history we have, and I am going to date myself, this is not new. If you go back to 1966, in Chicago with the Housing Authority and HUD was sued for alleging that public housing had been built purposefully to keep Black families segregated from the White neighborhoods.

And then, less dollars were put into it, and it became a stigma to live in public housing. Some of the best and brightest individuals I know were my friends, and I look to this committee. We have chairmen, we have Members of Congress who grew up and lived in public housing. So I guess when I look at Economist Raj Chetty, who found in his Moving to Opportunity experiment that a child's long-term economic outcome is tied to a Zip Code, we do disservice oftentimes to that individual. So when we cut funds, when we don't make investments in public housing, it gives me great pause to ask why?

Now, let me go to my question, and this is for you, Mr. Gage. Over the past several years, the Columbus Metropolitan Housing in my district has been converting their public housing units to project-based vouchers through the Rental Assistance Demonstration (RAD) Program. In your streamlined annual PHA plan for 2020, your housing authority said it was evaluating its public housing properties to convert them to rent. Why would housing authorities such as yours look to converting its public housing to project-based housing through RAD? What are the benefits for it, and how much of your 4,300 public housing units do you anticipate converting?

Mr. GAGE. Thank you, Representative Beatty. We did go through that analysis and we are finalizing it right now. We looked at it really because it was the only option to recapitalize. Capital funds

were dwindling. There is no public housing production program. The only production program that exists, the only avenue, is through the Low-Income Housing Tax Credit Program. So if we are talking about flexibility of options, right now we only have one option and that is to pair with the Low-Income Housing Tax Credit Program and utilize RAD conversion.

So given that that is kind of our last resort of how to take care of these public housing properties, we did that analysis and we found that there was a handful, five or six, especially since the new legislation passed with the 4 percent floor on tax credits, that actually kind of worked, doing a recapitalization under the RAD program. But there is a substantial subset, probably more than half of our portfolio, that won't even work under that scenario and it is because in order to work with the 4 percent tax credit program, you need to have high property values like you do in Columbus and like you do in large cities so you can access the acquisition credits. And in Akron, and in rural areas with low acquisition costs, you can't access those 4 percent credits and really make it work.

Mrs. BEATTY. Okay. I yield back. We need to have further discussions about how we fund and what we should do in Congress for public housing, because we know we still have a wait list. We still have people who are trying to get Section 8 and haven't been able to get it, and consequently, are still in public housing.

Thank you, Mr. Chairman.

Chairman CLEAVER. Mr. Steil is now recognized for 5 minutes.

Mr. STEIL. Thank you. Thank you very much, Chairman Cleaver, and I appreciate you having today's hearing, and having me on. I want to thank Chairwoman Waters and you, Chairman Cleaver, for holding today's hearing. And I want to state that we share the goal of ensuring that every American family has a safe place to live in our community and a job and opportunities. And even before the pandemic, what we really saw was housing and how vitally important it is to communities across the country.

I have said and I have some concerns maybe about the specific focus of this hearing being just public housing. It is not clear to me that public housing is an effective lifeline for a lot of our struggling families across the country.

Mr. Hendrix, you wrote in your testimony that the lived reality of public housing across America is a social engineer's dream turned nightmare. Could you add a little color to what you mean by that?

Mr. HENDRIX. Thank you very much for the question. Unfortunately, just looking at the example of New York City's Housing Authority, which is in the back yard of the Manhattan Institute, really illustrates that. You have housing administrators who provide housing that one tenant described in a lawsuit later filed, "resembled a Third World country." They deal with toxic mold and asbestos. They are not kept safe. They are not kept healthy. Their children are poisoned with lead.

This is something that certainly is part of the deferred maintenance and the backlog. We talk about billions of dollars, but these are hundreds of thousands of lives that are also at risk here. And the fact is that this is a problem, not just of money, but of actual lack of care, a lack of care by NYCHA, and this is not just my opin-

ion. This is the opinion of judges. This is the opinion of the Federal Monitor. It's the opinion even now of the new chairman of NYCHA, and we need to take those warnings seriously because they represent the actual lived reality in the largest public housing complex and project in America.

Mr. STEIL. So to dig in, I have heard others say that public housing in particular, not other aspects of housing, but public housing has been a lifeline during the pandemic. Do you think that is an accurate statement?

Mr. GAGE. Actual public housing in New York was more likely to lead to you getting a case of COVID-19 and more likely to leave you dying of COVID-19 than not living in public housing. So I am not sure that is entirely fair, and it is not just catching it, being hospitalized, and potentially dying of COVID-19 that was a threat. It was everything else that came with it. NYCHA administrators just stopped keeping up care for apartments that were barely being paid for before. Elevators just simply stopped working, ventilators weren't repaired, pipes continued to leak. Some pipes, by the way, in NYCHA apartments have been leaking for 30 years and—

Mr. STEIL. So, there are a lot of examples. It sounds like you and I share a lot of concerns about public housing. Another question is, how do we help people who are in need in our community. How do we make sure people have safe, affordable housing that allows them to live a productive life, to live out the American Dream? I look at some other opportunities that are out there in large part thanks to the Trump/Ryan tax reforms that we saw, in particular, what I call the opportunity of Opportunity Zones that we are seeing starting to build up across the country.

Can you talk a little bit about how Opportunity Zones can help encourage more affordable housing, in particular in some of our most challenged neighborhoods across the United States as an alternative to what I view as the old model of public housing?

Mr. GAGE. That is right. What you are trying to do is get more housing to pencil out. So by decreasing the tax burdens that come from investing in low-income communities as the Opportunity Zones do, and decreasing that tax burden not just over 1 or 2, but 5 or 10 years or even longer periods of time, that means that more affordable housing can easily pencil out. This could be simply straight-up affordable housing. It could also just be smaller microunits. Whatever it is, we are making it more profitable and more available to build more housing, and we should get more of that. I also believe that as much—

Mr. STEIL. Expanding and encouraging further some of these Opportunity Zones, in your analysis, would provide for a greater opportunity for additional affordable housing in some of our more challenged neighborhoods across the United States?

Mr. GAGE. Absolutely. This is a bipartisan solution and we should, in a bipartisan way, seek their success in Opportunity Zones.

Mr. STEIL. And one other area that I don't think we talk enough about—we talk about it some, but not enough—is the high cost of housing, particularly when you look at Los Angeles, and you look at New York City, and the zoning that is associated with that. You

know we—it will be for another time. I appreciate your time, and I yield back.

Chairman CLEAVER. Mr. Steil, thank you very much.

And let me now thank all of our witnesses for bringing us testimony today, and for your generous responses to our questions.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

Mr. STIVERS. Thank you, Mr. Chairman. Great job.

Chairman CLEAVER. I'm looking forward to sitting down and talking. I don't know who else is still around, but what we might want to sit down and do is come up with a list of some of the better ideas, and obviously that is subjective, but the better ideas, and see if we can actually move some of these better ideas that we all agree could be corrective steps.

Mr. STIVERS. That is a great first step, Mr. Chairman. I will look forward to that when we get back in D.C., and are together, and I hope we can do more hearings and meetings in person now that a lot more people are vaccinated.

Chairman CLEAVER. Yes. I think almost all of us are, but, yes. I am excited about it. If we did some kind of a pilot project, then we wouldn't have to tap legislation to do something nationwide. For example, a unit on the [inaudible] shelf. I would be a little hesitant to want to do that nationwide, because there is a collapse. It would be herculean. But anyway, you and I have worked together. I think we might be able to do something. We have Mr. Torres, who grew up in public housing. He is very knowledgeable about what is going on, but you don't necessarily need to have lived in public housing to come up with good ideas about it. So, I'm looking forward to that when we get back.

Mr. STIVERS. I think it will be great. A lot of common ground, Mr. Chairman. Thank you.

Chairman CLEAVER. Thanks, everybody.

This hearing is adjourned.

[Whereupon, at 1:45 p.m. the hearing was adjourned.]



# **A P P E N D I X**

March 24, 2021



**National Association of Housing and Redevelopment Officials**  
 630 Eye Street NW, Washington DC 20001-3736  
 (202) 289-3500 Toll Free: (877) 866-2476 Fax: (202) 289-8181

**Testimony by  
 Georgi Banna  
 Director of Policy and Program Development  
 National Association of Housing and Redevelopment Officials**

**U.S. House of Representatives  
 Committee on Financial Services  
 Subcommittee on Housing, Community Development and Insurance**

**“Preserving a Lifeline: Examining Public Housing in a Pandemic.”**

**March 24, 2021**

The COVID-19 pandemic has stretched resources for Public Housing Authorities (PHAs) and their residents to the maximum. While Congress has allocated relief funds to housing programs and households across the country, the pandemic has only intensified an already staggering need for stable, healthy, affordable housing. Public Housing is critical to our nation’s housing infrastructure and helps communities meet these needs. Public Housing must be protected.

The history-making rise in unemployment caused by the COVID-19 pandemic has led to an increase in housing insecurity and may lead to unprecedented levels of homelessness in the United States if we do not act. The U.S. Department of Housing and Urban Development’s (HUD’s) 2020 Annual Homeless Assessment Report (AHAR) to Congress<sup>1</sup> documented that homelessness increased by 2 percent from the previous year, with 580,000 persons experiencing homelessness on a single night in 2020. In a recent study, Columbia University economics professor Dr. Brendan O’Flaherty drew the connection between unemployment and homelessness and estimated that with a 16% unemployment rate, homelessness could increase by almost 250,000 people. This means the homeless population in the United States could grow to more than 800,000 people because of the pandemic.<sup>2</sup>

<sup>1</sup> The 2020 Annual Homeless Assessment Report (AHAR) to Congress Part I, <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>, January 2021.

<sup>2</sup> *Analysis on Unemployment Projects 40-45% Increase in Homelessness This Year*, Community Solutions, <https://community.solutions/analysis-on-unemployment-projects-40-45-increase-in-homelessness-this-year/>, May 11, 2020.

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e-mail: [nahro@nahro.org](mailto:nahro@nahro.org)

website: [www.nahro.org](http://www.nahro.org)

Twitter: @NAHROnational

The social costs of the pandemic will aggravate an already challenging affordable housing problem. According to a 2020 Urban Institute report, only one of five households that qualify for federal housing assistance received assistance.<sup>3</sup> This makes clear that our nation's housing and housing supply crisis existed prior to the first wave of lay-offs and furloughs that cut deep into the working and middle class, triggering federal, state, and local eviction moratoria, Economic Impact Payments across the country, and federal supplements to unemployment payments.

Additional research further demonstrates the housing insecurity that existed prior to the pandemic. According to HUD's 2019 Worst Case Needs<sup>4</sup> report, 7.7 million low-income, unassisted renter households pay more than 50% of their income on rent or live in severely inadequate conditions. Furthermore, according to the National Low Income Housing Coalition, a worker earning the federal minimum wage of \$7.25/hour must work 127 hours each week on average to afford a 2-bedroom rental unit. The persistent shortfall in new housing supply compounds the pressures on housing affordability across the country. Harvard's 2020 *State of the Nation's Housing* reported that, while rental vacancies have increased slightly during COVID-19, we are still experiencing an extremely low number of available rental units.<sup>5</sup> The Urban Land Institute estimates the current production of new affordable multifamily units, 100,000 annually, is not enough to meet existing needs.<sup>6</sup>

Recent protests across the country have called needed attention to racial and ethnic inequities – inequities that were exacerbated and further exposed by the pandemic. Using data from the Census Bureau's Household Pulse Survey, the Urban Institute found that people of color will be more likely to experience housing instability in the future. About 25% of Black and Latino renters who responded to the survey did not pay or deferred rent in May, compared with 14% of white renters. Nearly 50% of Black and Latino renters expressed concerns about June's rent, compared with 25% of white renters.<sup>7</sup>

The pandemic has demonstrated the critical role that Public Housing plays in communities across the country. As Minneapolis Highrise Representative Council Vice President Tamir Mohamud describes in his testimony, communities have used Public Housing as a hub to distribute food, health care, and other necessities of daily life to their most vulnerable community members. This asset must be preserved. But like much of America's infrastructure, public housing needs significant investments for modernization and repair. Based on a 2010 HUD study, NAHRO estimates the backlog of needed repairs to our public housing stock is upwards of \$70 billion. NAHRO supports efforts by Congress to resolve this chronic underfunding of our housing infrastructure, including the Public Housing Emergency Response Act (H.R. 235; S. 598) and the Broadband Justice

<sup>3</sup> *How Much Assistance Is Needed to Support Renters through the COVID-19 Crisis?*, Urban Institute, [https://www.urban.org/sites/default/files/publication/102389/how-much-assistance-is-needed-to-support-renters\\_1\\_1.pdf](https://www.urban.org/sites/default/files/publication/102389/how-much-assistance-is-needed-to-support-renters_1_1.pdf), June 2020.

<sup>4</sup> *Worst Case Housing Needs 2019 Report to Congress*, <https://www.huduser.gov/portal/sites/default/files/pdf/worst-case-housing-needs-2020.pdf>, June 2020.

<sup>5</sup> *The State of the Nation's Housing 2020*, Joint Center for Housing Studies of Harvard University, [https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2020\\_Report\\_Revised\\_120720.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf), 2020.

<sup>6</sup> *Preserving Multifamily Workforce and Affordable Housing: New Approaches for Investing in a Vital National Asset*, Urban Land Institute, <https://uli.org/wp-content/uploads/ULI-Documents/Preserving-Multifamily-Workforce-and-Affordable-Housing.pdf>, 2015.

<sup>7</sup> *New Data Suggest COVID-19 is Widening Housing Disparities by Race and Income*, Urban Institute: Urban Wire blog, <https://www.urban.org/urban-wire/new-data-suggest-covid-19-widening-housing-disparities-race-and-income>, June 2, 2020.

Act (H.R. 1094). NAHRO also supports the provisions included in the Housing is Infrastructure Act (H.R. 5187) that was passed by the 116<sup>th</sup> House of Representatives.

Despite these seemingly negative and adverse conditions, NAHRO is optimistic. NAHRO's members, including thousands of public housing authorities (PHAs), have responded with passion and compassion by acting as a community hub by providing essential services and maximizing the Public Housing units they own as community assets. PHAs continue to be on the front lines in addressing local affordable housing needs and are ready and able to assist their local communities and families find stability. Funding and creativity during and after the pandemic are needed so PHAs can devise housing solutions that meet short-term and long-term local needs.

Below I share some critical examples of community actions that PHAs have recently implemented to help weather the storm. I also share actions that PHAs can take, though they will need the support and resources of Congress and the Administration to maximize their impact in providing resilient, safe housing for all.

### **Public Housing as a Community Hub**

#### Internet Access for Work and Education

The Department of Housing and Urban Development has the regulatory authority to ensure that utility allowances cover the costs of accessing the internet. In the twenty-first century, internet access is as much a basic utility as electricity and water. Throughout the COVID-19 pandemic, the need for national internet access for every family has become more acute.

When schools transitioned to remote learning in Alabama last spring, Opelika Housing Authority saw an immediate need for expanded internet service. Agency leadership bridged the "digital divide" by providing internet access at no cost to residents. They built the new service into their operational budget.

HUD recently issued guidance to allow PHAs to use Operating Funds to provide internet services to residents of public housing units. This flexibility allows funding to be used both in public housing units and in common areas.<sup>8</sup> Additionally, HUD must be encouraged to use its regulatory authority to allow PHAs, if they choose, to incorporate costs of internet connectivity into their Housing Choice Voucher program utility allowances. Congress and the Administration should work to determine additional methods to ensure that assisted families have meaningful access to the internet.

#### Food Insecurity

Low-income families across the country confront food insecurity and food deserts daily. Many PHAs help families access food by partnering with local non-profits and local governments. These partnerships have brought food pantries to families and seniors that need them most and have also led to the creation of community gardens that grow needed vegetables and provide information on healthy nutrition, land stewardship, and environmentally sustainable growing methods.

The Tampa Housing Authority in Florida opened Meacham Urban Farm this February. The garden spans nearly 2 acres and is expected to yield 30 dozen eggs per week and

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<sup>8</sup> See *Use of Public Housing Funds to Support Internet Connectivity for Residents*, <https://www.hud.gov/sites/dfiles/PIH/documents/PublicHousingFundingSupportInternetConnectivityResidents.pdf>, January 19, 2021.

60,000 pounds of produce per year. Residents of Public Housing in downtown Tampa now have greater access to fresh produce all because of the Tampa Housing Authority's efforts.

While these projects are successful, they only scratch the surface of the food insecurity many low-income families face. COVID-19 has made food insecurity worse, and action is required. HUD regulations, especially in the Public Housing and Housing Choice Voucher programs, are unreasonably restrictive in allowing funds to be used for food. PHAs can pay for the transportation and delivery of food but cannot pay for the actual food itself. The Administration must advocate for and Congress must pass increased resources and flexibilities for PHAs to help eliminate food insecurity for low-income families and their children. HUD and the U.S. Department of Agriculture should be encouraged to work together to end food insecurity in subsidized housing.

#### Health and Economic Stability Outreach

The pandemic has exposed the need for more resiliency in communities across the country. PHAs are well-positioned to help make this happen and are already supporting the health and wellbeing of the people they house during the pandemic. This month, the Worcester Housing Authority in Massachusetts organized public health clinics to distribute the COVID-19 vaccine. Nearly 120 residents of Belmont Towers received their first dose. Housing authority staff reached out to residents directly to answer their questions and escort elderly residents to the clinic. Other PHAs across the country are doing the same, hosting vaccination clinics and serving as health hubs for their residents.

Housing Alliance and Community Partnerships (HACP), formerly known as the Housing Authority of the City of Pocatello, Idaho, is led by NAHRO President Sunny Shaw and a very dedicated team. Just like other PHAs, HACP continued to serve its residents and its community throughout the pandemic while never shutting down operations. HACP did this even when at one point in October of last year 14 of their 15 staff contracted COVID-19. While taking care of themselves, the HACP team continued to serve their community by safely checking in on residents and maintaining essential operations.

The examples above are a small sample of the many initiatives implemented by PHAs across the country; they also demonstrate the level of care and service undertaken by PHA staff despite not having direct access to resources dedicated to supportive services. This is one reason why PHAs need additional support, including the expansion of HUD's existing competitive service programs.

The Family Self-Sufficiency (FSS), Jobs Plus, and Resident Opportunity and Self Sufficiency (ROSS) programs help PHAs provide residents with important supportive services, resident empowerment activities, and upward economic mobility. These programs allow PHAs to develop local approaches for residents to increase earnings, advance employment outcomes, save money, and start their own businesses. Community Development Block Grants (CDBG) provide critical community amenities that support thriving neighborhoods and families, such as health care centers, business incubators, quality educational and after-school programming, and other community determined needs. As the country reopens and residents who lost their employment due to the pandemic look to reenter the job market or explore new career paths, these programs will provide vital assistance. Congress must provide additional program streamlining and funding to FSS, ROSS, Jobs Plus, and CDBG programs so that PHAs can strengthen the programs and serve more residents.

## **Public Housing as a Community Asset**

### Capital Funding to Preserve and Modernize Public Housing

Public Housing units are the only permanently affordable hard units of housing in our country, and must be protected. Chronic underfunding of the Public Housing Capital Fund program has placed the inventory at risk, and Capital Fund appropriations lag dangerously behind accruing modernization needs. In 2010, the national Public Housing Capital Needs Assessment showed that the total backlog for public housing capital funding was \$26 billion, with a projected growth rate of 8.7% for each year during which the capital backlog is not adequately addressed. In 2021, even when accounting for other federal capital programs like the Choice Neighborhood Grants and Rental Assistance Demonstration (RAD), NAHRO estimates the Capital Fund backlog is upwards of \$70 billion.<sup>9</sup> Investing enough funding in the Capital Fund to address the backlog will ensure that these units remain a quality community asset.

### New Construction to Meet Housing Need

Since 1999, almost 300,000 affordable units were removed from the public housing inventory through repositioning, demolition, and disposition. Additional permanent, affordable housing must be part of the solution of the affordable housing crisis that we face. As such, NAHRO recommends Congress fund the construction of 300,000 new units of permanently affordable housing across the country. Interested PHAs may make the units available at affordable rents that meet local needs and/or subsidize units with tenant-based rental assistance, project-based rental assistance, public housing subsidy, or a state or local housing subsidy. Congress must support new housing construction to increase the supply of hard units and mitigate housing insecurity.

### New Subsidy to Help the Most in Need

According to HUD's Picture of Subsidized Households (POSH) data, 286,367 public housing units have gone offline since 1999, predominantly through public housing repositioning. As such, NAHRO recommends Congress fund the monthly operating subsidy of new housing units for low-income families up to the 1999 level of units. Applying the lessons learned from several decades of administering low-income units, these units would be sited in environmentally safe locations with the goal of promoting thriving, diverse communities. These 286,367 units of new, permanently affordable housing across the country will provide safe and healthy homes to more than 600,000 low-income people. For them to remain permanently affordable and well maintained, a monthly operating subsidy is required.<sup>10</sup> Congress and the Administration must support these units and provide the subsidy to operate them.

### Additional Vouchers Managed by PHAs

Beyond Public Housing, the Housing Choice Voucher (HCV) program is greatly underfunded and should be expanded to cover every qualified individual. As stated earlier, the COVID-19 pandemic has only increased the need for affordable housing. With only one in five eligible households receiving rental assistance, a significant and bold investment must be made.

<sup>9</sup> NAHRO Capital Fund Backlog One-Pager, [https://www.nahro.org/wp-content/uploads/2020/04/CAPITAL\\_FUND\\_BACKLOG\\_One-Pager.pdf](https://www.nahro.org/wp-content/uploads/2020/04/CAPITAL_FUND_BACKLOG_One-Pager.pdf), 2019

<sup>10</sup> HUD Picture of Subsidized Households, 2019 Based on 2010 Census, U.S. Total, Public Housing, Average HUD Expenditure per month, <https://www.huduser.gov/portal/datasets/assths.html>, July 9, 2020.

In addition to increased voucher funding (including full funding for administrative fees), there must be services provided with the HCV program. PHAs will manage these services, which will allow program participants to effectively find and lease units in neighborhoods of their choice, irrespective of age or disability.

Services should include the following:

- Search assistance (including help preparing rental documents, information about neighborhoods, help identifying units, and connecting with landlords),
- Increased landlord engagement (including explaining the program to landlords, a damage mitigation fund, and an expedited inspection and lease-up process), and
- Short-term financial assistance (including funds for application screening fees, security deposits, other financial impediments, etc.).

PHAs excel at serving the families that are most in need in their communities. In many cases, they do this by coordinating housing and social services needed for successful and stable housing. The Administration has shown support for, and Congress must also support, an additional 8.2 million new permanent Housing Choice Vouchers, resources to administer these vouchers, and services to ensure families find and maintain housing, and to assist agencies in providing other services that will help families and seniors thrive.<sup>11</sup> In addition to Public Housing, an expanded Housing Choice Voucher program and a strong Project-based Rental Assistance program are essential tools to meet the housing needs of all Americans.

#### Program Flexibility Allows PHAs to Meet COVID-19 Head-on

The CARES Act has provided HUD with broad and sweeping statutory and regulatory waiver authority to allow PHAs to quickly meet the changing conditions on-the-ground. HUD has waived and relaxed several Public Housing and Housing Choice Voucher statutory and regulatory program requirements and is discussing additional waivers to provide to agencies. PHAs are using these waivers to serve their residents and their communities with speed and efficiency. Agencies, and particularly smaller agencies, will need continued flexibility to focus on outcomes moving forward.

Re-imagined inspection protocols, document requirements for tenants, and reporting needs will help agencies in the future, just as they are helping them now during the pandemic. The current tenant rent calculation structure must also be modernized to remove confusion and complexity. Let us use this moment to refocus on what matters to families: access to quality, affordable housing, strong communities, and hope. Congress and HUD must provide streamlined program oversight that allows PHAs to be nimble and responsive to their communities while diligently protecting precious federal funds.

#### **Conclusion**

It is NAHRO's goal to advocate for additional resources and common-sense changes to existing housing programs so that housing agencies have the fundamental tools they will need to create long-term housing solutions. We need solutions that can be scaled to respond to housing insecurity pre- and post-pandemic, to create vibrant, resilient communities, and to use housing as one path towards racial equity. Families need immediate access to rental assistance and housing agencies need additional stopgap

<sup>11</sup> Cunningham, Mary, Urban Institute, "It's Time to Reinforce the Housing Safety Net by Adopting Universal Vouchers for Low-Income Renters," <https://www.urban.org/urban-wire/its-time-reinforce-housing-safety-net-adopting-universal-vouchers-low-income-renters>.

funding. We have advocated for both. Public Housing is essential to local communities and Congress must support it so PHAs can continue to serve families most in need.

This is a watershed moment. It is time for bold, actionable, and resourced ideas -- ideas that, when actualized, will stem the long-term impact of our current public health crisis. It will require the political fortitude of the federal government and the innovation of localities. The time to act boldly is now!





**“Preserving a Lifeline: Examining Public Housing in a Pandemic.”**

**A Written Testimony**

**by**

**Oscar Durán**

**Executive Director**

**Municipal Housing Agency  
of Council Bluffs, Iowa**

**Presented**

**To the distinguished members of**

**The Subcommittee on Housing, Community Development, and Insurance Hearing**

**March 24, 2021**

### **A Call to Action: In Defense of Public Housing and its Relevance Today**

Members of the Subcommittee on Housing, Community Development, and Insurance, I wish to begin by first thanking you for the invitation to testify on the importance of the Public Housing program, our nation's commitment to families who need this essential program, and the challenges we continue to face serving our families during this pandemic.

In my short tenure serving a Public Housing Authority (PHA), I have heard many opinions regarding the challenges, necessity of, and even modern relevance of administering a Public Housing program. Though I am a mere one year in service to my PHA, I can already confirm, these challenges are real. Maintaining a Public Housing program is tough. But then again, I would challenge anyone to name a housing or any social program that exists without operational challenges. I mean anything worth doing is never easy.

I began my journey in public service as a young 24 year old who just wanted to help make my neighborhood a better place to live for everyone, regardless of their color or social position. As a young Latino male, from an optimistically lower middle class family, I sought out helping my neighbors in ways I wished someone had just helped my mother when I was young. Little did I know, that when I began my journey as then neighborhood advocate, it would lead to me to become a formally trained sociologist who quickly decided to dedicated a professional life to a singular cause, aiding neighbors with obtaining decent and affordable shelter for their families. Nearly 15 years, thousands of loan applications processed, and more than 500 neighbors served, I can attest, the Public Housing program is as ever relevant as when it was first conceived.

Prior to serving the Municipal Housing Agency of Council Bluffs, Iowa, I spent 10 years working with low to moderate income families who simply sought out safe and affordable homes for their families. I spent countless hours explaining credit reports, educating on income and debt. All the while, motivating them to keep pushing forward to improve their living conditions for their loved ones. During those 10 years, I learned that for the many individuals of our beautiful country, obtaining quality housing is predicated on two primary variables; access to some form of capital, and a decent credit score. How does this relate to the relevance of the Public Housing program of today? The answer is simple, the common practice of utilizing credit scores as a universal qualification tool for people who just desire a decent and safe home.

As a housing advocate, I regularly appreciate the design and accessibility of the Public Housing program. The saying, man, we just made stuff better back in the day, comes to my mind. Operating a true social housing programs, PHAs do not need to use credit scores as metric to determine access to housing. With the rapidly growing under supply of affordable housing and an over-reliance on the private market to ease our national housing needs, the Public Housing program continually demonstrates its vitality and place in our nation. It remains the single constant program available in many communities across our nation, which will house people regardless of their credit score. For this primary reason, I would recommend and advocate to members of Congress and this committee to please, fight tirelessly to preserve this essential program and provide additional funds so we can continue to support our neighbors in need.

### **Supporting Neighbors in Need During the Pandemic**

Our PHA offers 295 truly affordable homes to our community. Split between two Public Housing communities, these homes continually demonstrate their impact by housing more than 300 neighbors. Neighbors of our community whom are, more often than not, elderly, disabled, and or near homelessness. Maintaining these properties is of the utmost importance to operating a quality Public Housing program. As such, our Capital Improvements plan spans 5 years out with a strategic list of repairs needed to maintain these essential properties for our residents and the larger community.

Like most PHAs, operating these communities through the pandemic unearthed a variety of additional large scale improvements needed to improve the lives of our residents, especially through a pandemic. Just some of the newly identified improvements include; added health and safety measures and tools, additional personnel resources to aide residents in maintaining an outside connection to other community resources, and an essential overhaul of our digital communication tools and standards. An infusion of significant capital funding would allow our agency and others across our country, to begin to properly address these findings and continue to prepare our facilities to maintain higher quality of life standards during any future pandemic or other social crises.

### **How the Committee, Congress, and HUD can Help Public Housing Authorities**

In pondering ways our nation's leadership could continue to support PHAs, one policy that quickly comes to mind would be an additional round of CARES waivers and Public Housing funds. For example, an additional grace year in PHA's maintaining their pre pandemic PASS and SEMAP scores. These scores have a direct correlation to our Capital Funds and Operating Subsidy awards, which ultimately impact our financial ability to serve our families in need. Our agency prides itself in continually receiving a "High Performer" designation from HUD. However, with the added physical pressures to our facilities ensued from having to cease inspections of units to protected health of our residents through the pandemic paired with the several large scale changes arriving down the pipeline, such as new NSPIRE inspection standards, new Section 3 Requirements, and new overhauled Capital Funds Program administrative standards. Additional time to adapt would setup agencies for success as we work to understand the new standards while allowing us ample time to address any findings that are discovered in our upcoming assessments. Additionally, another round of CARES funds specifically for Public Housing communities, would go a long way. Like most our fellow PHAs, our agency urgently and diligently worked to identify the best use of our limited CARES funds to serve our families through the pandemic. Only now, and after we have expended our limited but impactful CARES funds, have we fully reached an understanding of additional critical limitations of our facilities operating through a pandemic.

An additional idea to potentially increase the availability of Public Housing long term, would be to see more incentivizes offered to corporations and market rate property developments to include a percentage of funds from their development or operating budgets to be allocated to Public agencies in increase the availability of low income and workforce housing.

### **Public Housing and a Holistic Approach to Responding to our Nation's Affordable Housing Crisis**

As described earlier, I see the Public Housing program to continue to serve as an essential and highly impactful program which aides our nation in driving and maintaining a holistic approach to addressing our nation's housing crisis. The HCV program, which we also utilize, and its partnership with the private sector is extremely beneficial to serving our community. However, it only represents a segment of the population to be served with adequate housing. By supporting PHAs in offering subsidized Public Housing, we quite frankly, can do things Private Sector developments and property owners simply cannot afford to do on a mass scale. Case in point, moving past a need to rely on credit scores of families in need to qualify for decent affordable housing.

### **Impact of a Voluntary Accreditation Program in the Public Housing Industry**

As practice, I am an advocate for accreditation standards of most public and private sectors. I feel that housing development is part of a larger fragmented sector of neighborhood development. A fragmented sector rarely which rarely communicates amongst itself. Accreditation standards would be a step towards achieving this however, I am skeptical it would alleviate administrative burden by HUD. My hope is that it would heighten standards in our sector and allow our HUD support staff, who I feel do an amazing job, support our agencies in new and innovative ways.

### **An Increased Reliance on Technology**

Over the last year, we have found it increasingly necessary to use technology as a more robust way to adequately serve our families through the pandemic. One year in, we have grown to intimately understand several key obstacles while serving our families. The obstacles include (1) residents' perceived confidence in being able to use the technology or rather a simple willingness to utilize said technologies and (2) the accessibility of a quality internet signal in our Public Housing communities. During the pandemic, we quickly realized the limitations of our publicly available Wi-Fi within our Public Housing communities.

Two recommendations which could begin to properly begin to address these obstacles would include First, new digital communication standards and second, financial support for this imperative piece of our workflow. IE, perhaps one day, there are new specific Capital Funds allocations, or additional Operating Subsidies which are created with the sole purpose of investing in the necessary infrastructure for assisting PHAs and our residents to the newly set communication standards.

Sincerely,



**Oscar Durán**  
**Executive Director**

March 24, 2021

**Written Testimony of Brian Gage**  
**Executive Director of the Akron Metropolitan Housing Authority**  
**The Subcommittee on Housing, Community Development, and Insurance Hearing:**  
**“Preserving a Lifeline: Examining Public Housing in a Pandemic.”**

Chair Cleaver, Ranking Member Stivers, and distinguished members of the Subcommittee on Housing, Community Development, and Insurance, thank you, as well as Chair Waters and Ranking Member McHenry for the invitation to testify before you about public housing as a lifeline for low-income families during the coronavirus.

The Akron Metropolitan Housing Authority (AMHA) is a public housing authority (PHA) accredited by the Affordable Housing Accreditation Board<sup>1</sup> and recognized by the United States Department of Housing and Urban Development (HUD) as a High Performer for our stewardship of the federal public housing and housing choice voucher programs in Summit County, Ohio. Our public housing program consists of 4,321 apartments and single-family homes that receive federal rental subsidies for low-income families, elderly households, persons with disabilities, and veterans. The agency owns or manages 492 units that are federally subsidized or financed with low-income housing tax credits and/or tax-exempt bonds. AMHA also administers rental subsidy through the housing choice voucher program to 5,366 households. Through the last year, we maintained greater than 98 percent occupancy of our public housing units and set a historic high for utilization of the voucher program.

In March of 2020, our nation faced a public health emergency, and AMHA called upon our essential frontline employees to protect and serve the families living in our communities. We transitioned swiftly into a remote work environment with flexible schedules to ensure staff was safely performing their service to the community. AMHA took direction from federal, state, and local health agencies in addressing the effects of the coronavirus. As health departments, health professionals, first responders and non-profit organizations focused on addressing the virus and preventing the spread of the coronavirus, AMHA and housing authorities across the country focused on meeting the immediate needs of residents in our developments.

Unlike many property owners, public housing agencies are required to provide much more than just housing to a much different population. Most of the public housing population is older, and many have a disability, or are suffering from underlying health conditions and are therefore particularly vulnerable to the coronavirus. The pandemic is disproportionately affecting our communities' vulnerable populations. At AMHA, we witness first-hand how fragile the social safety net is for our low-income families, senior citizens, and families with disabilities. The charge of the public housing program is to not only provide a safe and healthy home for our families to live, but also coordinate the provision of other basic needs for the senior citizens, persons with disabilities and families whom

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<sup>1</sup> Housing Accreditation is a voluntary process that recognizes the quality of a housing organization and assists in its improvement by evaluating it against eight industry standards. Affordable Housing Accreditation brings together organizations, residents, community stakeholders, business partners, and regulators to improve governance, management and service delivery, ultimately benefiting the affordable housing industry and the public. Accreditation of affordable housing organizations rests on the belief that public and affordable housing is a necessity to the health and welfare of the population and the economic health of the communities where they exist, and that it requires national standards.

we serve. This includes coordination of the delivery of food, medical care, transportation, and personal protective equipment. Our families regularly call upon us to assist with their financial and mental health.

#### **Efforts to Assist Residents Related to the Coronavirus**

Immediately after the onset of the national health emergency, AMHA was able to secure and distribute personal protective equipment for our residents. Over the last year, we provided 4,800 health and wellness bags, including sanitizer and masks. We also realized that many residents were facing transportation challenges and did not want to risk their exposure on mass transit for short trips, for example, a trip to the grocery store. AMHA responded by facilitating 377 food or supply distributions, making available over 70,000 meals or food bags.

While this world was already moving to a more digital culture, the pandemic accelerated the needs of our nation's most vulnerable individuals. Many residents, including senior citizens and families with disabilities, found themselves without digital access as many health care visits went virtual. We also heard from families and school systems that there was a need for connectivity to facilitate remote schooling options. We responded quickly by providing 230 hotspots for families with students to connect, as well as earbuds and headphones to help children concentrate. We are now in the process of providing wireless access in all of the units at four of our properties, and hope to secure funding to provide access to all senior citizens and families living in our public housing.

Through the last few months, it has become apparent that the success of AMHA's efforts to protect public housing residents required government agencies to collaborate and coordinate. Partnering with Summit County Public Health, we provided six sites in the last month for coronavirus testing and vaccination of 524 individuals, including public housing senior citizens and individuals with disabilities. AMHA partnerships with local governments and non-profits resulted in providing \$153,780 of CARES Act Rental Assistance to 159 families that were at risk of eviction or homelessness. AMHA has fostered and perpetuated these relationships through decades of work and collaboration with the community; these partnerships are what makes public housing more than just housing.

The funding that public housing agencies received under the CARES Act facilitated this level of response. On behalf of the residents of AMHA, the Board of Trustees of AMHA, and myself, I want to express gratitude to members of Congress for providing these resources to respond to the pandemic.

As we turn the page from response to recovery, there is a significant workload that has developed because we have been focused on more urgent needs. We estimate that some work will take months to address while other greater capital needs will take years. While we focused on sanitization and making sure that emergency work orders were completed, we accrued a backlog of routine maintenance items that we now must quickly address.

We also deferred routine inspections during the health emergency and are now back to conducting those inspections, which in turn generate more routine work orders. We expect that the next 12-18 months will be spent playing catch up to get our properties back onto a standard routine maintenance schedule. This surge in work orders post pandemic will result in a higher cost of operations as we progress through recovery. This provides great opportunity for housing agencies to expand our role

as job creators in our communities. Unfortunately, the current formula calculations for operating subsidy and capital funds for the upcoming years do not contemplate this additional work and the opportunity to get our communities back to work.

### **How the Committee, Congress, and HUD can Help Public Housing Authorities**

As the above-noted activities demonstrate, passage of the CARES Act enabled PHAs to address the pandemic through expanded critical services to residents and through adjustments in work protocols. These funds have been critical to Housing Choice Voucher and Public Housing Operating accounts, providing the necessary support to agencies to quickly respond and continue to help residents throughout the pandemic. What we have not received that would also be extremely helpful is some level of emergency capital funding.

#### **1. *Capital Funding as Part of an Infrastructure Package***

Public housing is a unique and crucial affordable housing resource for nearly two million people in just over one million homes. In many cities and towns across the nation, senior citizens, veterans, persons with disabilities, and families with children rely on public housing. In some instances, no other source of housing could take its place more readily or affordably. Yet the rate of deterioration outpaces the rate of investment, and the amount needed to address annual accrual needs has far exceeded yearly federal appropriations. The total Capital Fund backlog estimate today is about \$70 billion, yet Congressional funding fails to meet even the annual accrual needs, estimated to be over \$3.4 billion.

Some level of emergency capital funding, similar to that provided under the American Reinvestment and Recovery Act of 2009 (ARRA), would be extremely helpful for PHAs to address immediate emergency capital needs around the country prior to any larger housing infrastructure investment. Under ARRA, PHAs were efficient, effective, and innovative in using allotted capital funds on projects that bolstered economic growth, created jobs, improved opportunities and quality of life for residents, and increased energy efficiency. The Government Accountability Office found that 99.9% of all public housing ARRA capital funds were obligated and expended under accelerated timeframes. With \$4 billion in capital funds, researchers found that agencies created 26 jobs for every \$1 million spent on capital projects and generated nearly \$12.5 billion in national economic activity.<sup>2</sup> Investing in public housing infrastructure helps to provide a decent quality of life for families, creates jobs, and acts as a regional economic stimulus.

These significant benefits to the economy are an additional reason for Congress to support housing as part of any infrastructure legislation and would be beneficial to AMHA's public housing infrastructure, which has been accumulating deferred capital needs for decades. Recently, AMHA conducted a portfolio-wide capital needs analysis that indicated \$300 million of capital needs in the next 10 years to replace systems that will be beyond their useful life. This recovery is a moment in time that could allow us to simultaneously spur employment and invest in public housing structures to assure the sustainability of our housing assets for the long term.

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<sup>2</sup> Public Housing Stimulus Funding: A Report on the Economic Impact of Recovery Act Capital Improvements, Commissioned by PHADA, CLPHA, and NAHRO with funding from the Housing Authority Insurance (HAI) Group, 2011.

AMHA recognizes the leadership of House Financial Services Committee Chairwoman Maxine Waters, and appreciates her sponsoring the Housing is Infrastructure Act of 2020, which calls for \$70 billion for the Public Housing Capital Fund. AMHA supports this legislation and strongly urges Congress and the Administration to work together to address this long overdue investment in public housing. By addressing housing as part of any infrastructure bill, legislators will also be addressing other national priorities, including:

**Coronavirus Pandemic.** Only one in five households eligible for federal housing assistance receives it. This situation is sure to grow worse as the coronavirus crisis continues, under which tens of millions of Americans have filed for unemployment. Preserving public housing units and returning to occupancy those units that have deteriorated and are therefore currently uninhabitable could allow housing authorities to quickly address the health and safety needs of many lower-income families. These resources will be critical through a protracted economic recovery period even after the pandemic ends.

**Racial Equity.** The Capital Fund has starved for over two decades, which has caused serious deterioration of hundreds of thousands of public housing units. HUD estimates that approximately 10,000–12,000 public housing units are lost annually due to chronic underfunding and the consequent accelerating deterioration. In Akron, two-thirds of the residents living in public housing are minorities, while nationally, half of all households residing in public housing are minorities, and this population has suffered disproportionately from the substandard condition of much public housing<sup>3</sup>. Making capital funding a priority will help address the disparate impact of deteriorated public housing on communities of color while providing additional decent, safe homes to lower income households. Addressing public housing capital needs also helps respond to the health disparities in many communities of color and will result in reduced health risks, including lead-based paint, mold, and allergy triggers, such as, rodent and insect infestation. A 2016 Brookings report found that substandard housing conditions disproportionately affect black families “...and lead to health problems such as asthma, lead poisoning, heart disease, and neurological disorders.”<sup>4</sup>

**Energy Efficiency and Conservation.** Investing in public housing infrastructure would result in the replacements of old systems that are expensive and not efficient to operate. AMHA has used public housing program financing under HUD’s Energy Performance Contracting program, as well as local utility program to install some energy efficient improvements, and while these help, they are not as effective where basic infrastructure needs go unmet. For example, efficient new boilers will not save what they should if the distribution piping is leaking, and taking advantage of solar energy is not possible on a deteriorated roof. Comprehensive modernization is truly the best answer for reduced consumption of fossil fuels achieved by a variety of measures, including more efficient HVAC, domestic hot water, and lighting systems; enhanced thermal barriers in building envelopes, including insulation and high efficiency windows and doors; increased utilization of non-carbon energy sources including solar, geo-thermal and wind; and energy efficient appliances. Other related enhancements that would be accomplished in infrastructure investments include water conservation measures; resilient design features that mitigate damage caused by extreme weather (including hurricanes and floods), which is occurring far more frequently; and design modifications to facilitate recycling.

<sup>3</sup> According to HUD’s Resident Characteristics Report, 50 percent of households residing in public housing are minorities while, according to the Census Bureau, only 40 percent of U.S. households are minorities.

<sup>4</sup> Time for justice: Tackling race inequalities in health and housing, Dana Bowen Matthew, Edward Rodrigue, and Richard V. Reeves, October, 2016



## 2. *HUD Waivers*

Since the start of the pandemic, industry associations and PHAs have worked to identify, clarify, and implement the much-needed waivers authorized by the CARES Act and the HUD Secretary. Many of the operational changes that PHAs have implemented in response to the pandemic have demonstrated alternative but effective means of managing programs, some of which were previously not permissible.

The waivers provided by the CARES Act and HUD have been crucial in allowing PHAs to continue fulfilling their mission on the front lines. PHAs appreciate the extensions, additional waivers, and clarifications provided by HUD (included in HUD Notice PIH 2020-33), but they are insufficient. One such issue relates to HUD's scoring of PHAs for annual Housing Choice Voucher Program inspections through HUD's Section Eight Management Assessment Program (SEMAP), which measures the performance of PHAs that administer the voucher program in 14 key areas.

Areas assessed under SEMAP include conducting annual inspections, selecting households from the waiting list, leasing households with vouchers, ensuring that rents paid to landlords are reasonable, establishing utility allowance schedules annually, and setting payments standards. The pandemic significantly affected responsibilities under the voucher program as agencies address more pressing health, safety, and other important daily needs of residents. The inspections issue is particularly sensitive for both PHAs and residents, the latter of whom generally wish to minimize the number of visitors to their homes. It would be extremely helpful if HUD would continue to delay scoring under SEMAP and issue advisory scores only. This is the approach used in public housing, and it is unclear why this is not the standard utilized for the voucher program.

The recent American Rescue Plan Act includes \$5 billion for emergency vouchers. In the time of recovery, it becomes important to reflect on what our agencies do well in both the public housing and voucher program. The Act leverages public housing agencies decades of experience in operating a voucher program. Addressing the needs of the community and avoiding displacement of families that have become at risk of homelessness, HUD should provide flexibility for the use of funding and extend waivers for implementation to ensure PHAs serve our families quickly and efficiently.

There are many other waivers that will help residents and PHAs continue to get through the pandemic safely. AMHA, along with other PHAs and industry associations, looks forward to working with HUD and Congress to take the necessary steps to improve the efficiency and effectiveness of our country's housing assistance programs.

## 3. *HUD Waiver on Self Inspections*

In addition to the previous section on waivers, AMHA supports the action of the Public Housing Authorities Directors Association (PHADA), of which AMHA is a member, in requesting that HUD provide an extension of the existing CARES Act Waiver PH-12, through 2021, to waive the requirement that each PHA conduct an inspection of each public housing unit annually.

While PHAs, including AMHA, are interested in returning to conducting inspections, making routine repairs, and other ongoing maintenance and management functions as soon as possible, protecting the

health and safety of residents, employees, contractors, and the general public takes precedence. Reinstatement of an across-the-board inspection requirement may create additional and unnecessary risk.

Despite recent progress, the pandemic is not yet controlled, and much remains unknown. Overwhelmingly, tenants want to minimize visits to their homes and inspectors are reluctant to enter occupied units. Their concerns and hesitancy are well founded and are supported by the advice and recommendations of the CDC and other public health advisors to minimize contacts, especially in indoor spaces. In this risky and constantly evolving environment, PHAs should be able to make their own determinations based on local health risk conditions, management assessments of property risk, and available resources, as to when and how to resume various inspection and maintenance protocols.

PHADA noted in correspondence<sup>5</sup> to HUD that HUD's Real Estate Assessment Center (REAC), which oversees the physical inspection processes of public housing, is not conducting third party inspections at most properties because of health and safety concerns for HUD contractors. Agencies and the industry associations believe this same standard should apply to PHA staff tasked with conducting self-inspections. In response to industry concerns, HUD has suggested alternative inspection protocols, including remote video inspections and/or grouping inspections near the end of the year, but these are not practical solutions for most PHAs.

#### **Closing Comments**

I want to thank the Chairman, Ranking Member, and the Subcommittee on Housing, Community Development, and Insurance for the opportunity to provide testimony on the important issues affecting residents and PHAs during the pandemic. AMHA is available for follow-up questions and to provide guidance to the subcommittee and HUD on best practices and the many ways Congress and HUD can help residents and PHAs across the country to not only get through this pandemic, but to thrive long after it has passed.

Respectfully Submitted,

Brian Gage  
Executive Director  
Akron Metropolitan Housing Authority

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<sup>5</sup> <https://bit.ly/3cBRnH4>

Testimony of:

**Michael Hendrix**

Director of State and Local Policy, Manhattan Institute

Hearing on:

**Preserving a Lifeline: Examining Public Housing in a Pandemic**

Subcommittee on Housing, Community Development and Insurance

U.S. House Committee on Financial Services

*March 24, 2021*

Chairman Cleaver, Ranking Member Stivers, and Members of the Subcommittee, thank you for inviting me to participate in today's hearing. My name is Michael Hendrix, and I serve as the director of state and local policy at the Manhattan Institute. Along with my colleagues, we seek to advance freedom and opportunity across America's communities.

The pandemic showed us the failed reality of public housing in America—and the need for a better deal for Americans in need of a safe place to call home.

Nowhere is this clearer than with the New York City Housing Authority (NYCHA), the nation's oldest and largest public housing system, and long held as the greatest example of what government-led housing can achieve. "A new day is dawning, a new life, a new America," declared then-New York Mayor Fiorello La Guardia at the 1936 launch of a campaign of development and slum clearance that would set the tone for public housing across this country.<sup>1</sup>

That "new dawn" is now long past. The "new life" turned into a dead end for millions of Americans. Through the example of NYCHA, we must see how poorly run local housing authorities are **(1) failing to care for the well-being of their tenants, (2) actively harming the health and safety of those under their roof, (3) and doing little to integrate residents into the broader economy or community.** These are not failures of funding alone, but inescapable flaws of public housing itself, which robs Americans of safe and equitable choice in shelter.

#### PUBLIC HOUSING, PAST AND PRESENT

New York City's housing authority is a city unto itself. With a population roughly the size of Cincinnati and home to one in 15 New Yorkers, NYCHA is by far the country's largest public housing authority. Its 365,806 authorized public housing residents live in some 169,820 units across 2,252 residential buildings.<sup>2</sup> NYCHA's units represent nearly eight percent of all housing in the Big Apple, and the authority itself employs over 10,000 people, including many residents.

<sup>1</sup> Glazer, Nathan. "Letter From East Harlem." City Journal, January 26, 2016. <https://www.city-journal.org/html/letter-east-harlem-12740.html>.

<sup>2</sup> "NYCHA 2020 Fact Sheet." New York City Housing Authority, March 2020. [https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Fact-Sheet\\_2020\\_Final.pdf](https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Fact-Sheet_2020_Final.pdf).

Such wealth and breadth of housing and employment was core to NYCHA's mission from its beginning. Founded in 1934 with the aim of providing "decent, affordable housing for low- and moderate-income New Yorkers," NYCHA was meant to be a safe alternative to the slums and a source of stable shelter and employment to a populace suffering from the Great Depression. The city's public housing was originally designed with public health in mind. The aptly named First Houses, erected in 1935, cleared the "Lung Blocks" on the Lower East Side of Manhattan congested with tuberculosis and other deadly maladies.<sup>3</sup> The New York Court of Appeals denied one tenement owner's challenge to the government's clearance of his building by citing the "unquestioned and unquestionable" evils of slums as "breeding places of disease."<sup>4</sup>

What was newly built then is now old and little changed; some 36 NYCHA buildings are now more than 70 years old.<sup>5</sup> Time would alter NYCHA's mission, from a European-inspired model housing service to socially engineered welfare state agency and finally to an affordable housing scheme on a grand scale.<sup>6</sup> But nothing, not even reality, truly shifted the expert's fundamental belief that NYCHA represented "one of the best public housing programs in the nation."<sup>7</sup>

The voices of actual NYCHA tenants should disabuse us of that notion. In February 2018, a lawsuit filed on their behalf decried the housing authority's squalid conditions, claiming the agency "failed to provide tenants with heat and hot water, keep residents safe from lead, involve tenants in policy-making, and hire residents, as required under federal law."<sup>8</sup> In June of the same year, after NYCHA's chairwoman resigned in disgrace, federal prosecutors filed their own complaint accusing the authority of "violating basic health and safety regulations" and exposing children to lead paint.<sup>9</sup> NYCHA quickly admitted to the truth of these allegations and

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<sup>3</sup> Price, Richard. "The Rise and Fall of Public Housing in NYC." *Guernica*, November 25, 2016. <https://www.guernicamag.com/the-rise-and-fall-of-public-housing-in-nyc/>.

<sup>4</sup> Service Charges on Federal Slum Clearance Projects: Hearings Before a Subcommittee on H.R. 10551, H.R. 10554. United States: n.p., 1936.

<sup>5</sup> "NYCHA 2020 Fact Sheet." New York City Housing Authority, March 2020. [https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Fact-Sheet\\_2020\\_Final.pdf](https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Fact-Sheet_2020_Final.pdf).

<sup>6</sup> Bloom, Nicholas Dagen. *Public Housing That Worked: New York in the Twentieth Century*. United States: University of Pennsylvania Press, Incorporated, 2014.

<sup>7</sup> Academic Perspectives on the Future of Public Housing: Hearing Before the Subcommittee on Housing and Community Opportunity of the Committee on Financial Services, U.S. House of Representatives, One Hundred Eleventh Congress, First Session, July 29, 2009. United States: U.S. Government Printing Office, 2009. See also: Schill, Michael H. *Housing and Community Development in New York City: Facing the Future*. United States: State University of New York Press, 1999, pg. 139.

<sup>8</sup> Mays, Jeffery C. "Tenants Sue New York City Housing Authority: 'We Have Let Other People Speak for Us for Too Long'." *The New York Times*. The New York Times, February 27, 2018. <https://www.nytimes.com/2018/02/27/nyregion/nycha-lawsuit-nyc-housing.html>.

<sup>9</sup> *United States of America v. New York City Housing Authority* (U.S. District Court, Southern District of New York June 11, 2018). <https://www.justice.gov/usao-sdny/page/file/1074866/download>.

agreed to oversight by a federal monitor.<sup>10</sup> One critic labeled this measure the “equivalent of nailing a 2-by-4 to a collapsing building.”<sup>11</sup>

The edifice of public housing is indeed collapsing across New York City, literally and figuratively. Its example should be a warning to local housing agencies across the country; whatever the fault of Washington and its appropriators, the lived reality of public housing across America is a social engineers’ dream turned nightmare by design. Units are thrown up with little care for how they will be maintained in perpetuity, designed by committee and on the cheap in order to capture as many in need as possible, and once filled with desperate residents becoming a trap of ill health, high crime, endemic poverty, and rampant segregation. The implicit subsidy provided to public housing’s residents would likely be better used explicitly in their pockets—free then to move into neighborhoods of real opportunity by their own choice—and with local housing agencies existing as resources rather than as landlords of last resort.

But, then again, America has already invested enormous sums in the public housing status quo. As of 2016, this country’s more than 3,000 public housing agencies (PHAs) managed more than one million units across nearly 7,000 properties housing some 2.1 million residents.<sup>12</sup> The vast majority of public housing tenants (91%) meet the Department of Housing and Urban Development’s (HUD’s) definition of “very low income” (earning below 50% of the area median income, or AMI) and 72% of residents qualify as “extremely low income” for making below 30% of AMI. The typical household in public housing pulls in an annual income of just \$14,444.<sup>13</sup> Their rents come to 30% of household income—HUD’s definition of affordability—with a minimum rent of \$50 per month (thereby ensuring that public housing is unsustainable on rents alone). Those with disabilities as well as seniors and working families receive priority by housing authorities when filling vacant units.

More than half of the nation’s public housing units were built before 1975.<sup>14</sup> Their maintenance backlog is enormous: one estimate puts a price tag of \$70 billion for rehab and repair.<sup>15</sup> More than 8% of units inspected by HUD recently received failing scores, and another 20% of units

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<sup>10</sup> Weiser, Benjamin, and J. David Goodman. “New York City Housing Authority, Accused of Endangering Residents, Agrees to Oversight.” *The New York Times*. The New York Times, June 11, 2018.

<https://www.nytimes.com/2018/06/11/nyregion/new-york-city-housing-authority-lead-paint.html>.

<sup>11</sup> Benfer, Emily A. “Opinion | New York’s Public Housing System Is the Size of a City. It’s Failing Children.” *The Washington Post*. WP Company, February 11, 2019. [https://www.washingtonpost.com/opinions/new-yorks-public-housing-system-is-the-size-of-a-city-its-failing-children/2019/02/11/458f63c2-2bb7-11e9-984d-9b8fba003e81\\_story.html](https://www.washingtonpost.com/opinions/new-yorks-public-housing-system-is-the-size-of-a-city-its-failing-children/2019/02/11/458f63c2-2bb7-11e9-984d-9b8fba003e81_story.html).

<sup>12</sup> Docter, Benny, and Martha M. Galvez. “The Future of Public Housing: Public Housing Fact Sheet.” *Urban Institute*, December 17, 2020. <https://www.urban.org/research/publication/future-public-housing-public-housing-fact-sheet>.

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> “Public Housing: Where Do We Stand?” *National Low Income Housing Coalition*, October 17, 2019. <https://nlihc.org/resource/public-housing-where-do-we-stand>.

had near-failing scores.<sup>16</sup> To help remedy this, HUD's annual award from its Capital Fund Program "to build, renovate, and/or modernize the public housing" now totals \$2.7 billion.<sup>17</sup> But, as the department's inspector general has noted, "PHAs often operate with little oversight" and "officials have few or no qualifications to effectively discharge their responsibilities."<sup>18</sup> And public housing in America continues its decades of decline.

#### FAILURE OF CARE

Public housing routinely fails to properly provide for and protect the well-being of its residents. Take NYCHA, where residents often endure abysmal living conditions. Judge William Pauley, in his decision against New York's public housing agency that soon led to the appointment of a federal monitor, found that:

*"NYCHA's size is paralleled by its organizational disarray in providing any semblance of adequate housing for some of [society's] most vulnerable members and its systemic cover-up of a host of fundamental health and safety issues."*<sup>19</sup>

Merely walking around the typical New York City housing project shows broken lights, decrepit playgrounds, and decaying facades, among other woes. Inside is hardly any better, from the failing elevators and smoke alarms to broken pipes and cracked tiles. One tenant who joined a lawsuit against NYCHA stated that "We are living as if it's a third world country."<sup>20</sup> Even New York Gov. Andrew Cuomo joined the chorus, stating that "the conditions of habitability at NYCHA-managed residential properties constitute a public nuisance affecting the security of life and health in the City of New York."<sup>21</sup> In 2020, the New York City's public advocate ranked NYCHA as the city's worst landlord for the third year in a row.<sup>22</sup>

<sup>16</sup> Docter, Benny, and Martha M. Galvez. "The Future of Public Housing: Public Housing Fact Sheet." Urban Institute, December 17, 2020. <https://www.urban.org/research/publication/future-public-housing-public-housing-fact-sheet>.

<sup>17</sup> "HUD Awards \$2.7 Billion to Improve, Preserve Nation's Public Housing: HUD.gov / U.S. Department of Housing and Urban Development (HUD)." Department of Housing and Urban Development. Accessed March 23, 2021. [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_21\\_030](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_030).

<sup>18</sup> "Evaluating Public Housing in the U.S.: Reining in Waste, Fraud, Abuse and Mismanagement at Public Housing Authorities." Hearing before the Subcommittee on Government Operations, May 22, 2014. <https://www.govinfo.gov/content/pkg/CHRG-113hhrg88247/html/CHRG-113hhrg88247.htm>.

<sup>19</sup> Husock, Howard. "How New York Can End the Public Housing Trap." City Journal, March 14, 2021. <https://www.city-journal.org/new-york-public-housing-trap>.

<sup>20</sup> Henry, Jacob, and Rich Calder. "Tenants at Two Dilapidated NYCHA Complexes Sue over Living Conditions." New York Post. New York Post, December 14, 2019. <https://nypost.com/2019/12/13/tenants-at-two-dilapidated-nycha-complexes-sue-over-living-conditions/>.

<sup>21</sup> Ferré-Sadurní, Luis, and J. David Goodman. "Cuomo Creates Monitor to Oversee Repairs to City's Public Housing." The New York Times, April 3, 2018. <https://www.nytimes.com/2018/04/02/nyregion/cuomo-nycha-state-of-emergency.html>.

<sup>22</sup> Public Advocates Office. "PUBLIC ADVOCATE WILLIAMS UNVEILS 2020 WORST LANDLORD WATCHLIST." Office of the New York City Public Advocate, December 15, 2020. <https://advocate.nyc.gov/press/public-advocate-williams-unveils-2020-worst-landlord-watchlist/>.

The list of needed repairs and renovations is long for New York's public housing stock. There are now more than 500,000 open work orders as of February 2021.<sup>23</sup> Worse yet, maintenance performance is declining; a repair that would've taken NYCHA staff or contractors an average of 148 days to complete in February 2020 now takes an average of 253 days. Some projects take longer than others—a painter demands well over a year to finish their task (389 days) as does a carpenter (391 days). But at least some of those repairs are like wet rags to a flooding dam—more help is likely needed for NYCHA's overwhelming backlog of deferred maintenance. NYCHA's chairman, Greg Russ, pegs the total cost of repairs as high as \$40 billion.<sup>24</sup> That sum is nearly 15 times the size of HUD's annual disbursement through its Capital Fund Program, which is tasked with helping pay for deferred maintenance needs, and more than ten times the annual budget of NYCHA itself.<sup>25</sup> Even then, according to Russ, these dollars would only bring NYCHA's housing up to a "decent and livable standard"—a far cry from the authority's heady origins.

While the resident of a private housing unit is free to hire their own contractor or, in the case of a rental unit, demand a landlord make repairs under threat of government penalty, a New Yorker living in a NYCHA unit has no such recourse. They may contact NYCHA's Customer Contact Center to initiate a work ticket or file a complaint about a code violation, but there's no penalty for work that's never done and no public accounting of violations. Unlike a private landlord, NYCHA can't be fined for shoddy work—or no work at all, such as a leak that's gone unfixed for three decades.<sup>26</sup> Worse yet, tenants aren't allowed to make their own repairs, and are held to a fair higher standard of conduct than NYCHA itself.<sup>27</sup> Such inequities might be addressable were it not for inflexible union contracts, where maintenance tasks are more useful as job creation schemes than as an actual means for making repairs, ultimately costing NYCHA more while doing less for tenants.<sup>28</sup>

The rest of the country's public housing also consistently fails to provide for the well-being of low-income residents. Their housing complexes, though varying in nature across the country, are still far more dangerous and unhealthier than is otherwise typically found in the neighborhoods in which they're located. Boston's public housing residents, for instance, were more likely to report poor health than the surrounding population or similar residents found in

<sup>23</sup> NYCHA Metrics. February 2021. <https://eapps.nycha.info/NychaMetrics>

<sup>24</sup> Hicks, Nolan. "NYCHA Chief Eyes New Private Partnerships as Repair Bills Hit \$40B." New York Post. New York Post, January 14, 2020. <https://nypost.com/2020/01/14/nycha-chief-eyes-new-private-partnerships-as-repair-bills-hit-40b/>.

<sup>25</sup> "HUD Awards \$2.7 Billion to Improve, Preserve Nation's Public Housing: HUD.gov / U.S. Department of Housing and Urban Development (HUD)." Department of Housing and Urban Development. Accessed March 23, 2021. [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_21\\_030](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_030).

<sup>26</sup> Telegrafi, Flonia, and Sarah Grile. "Housing Authority Tenants Do Their Own Repairs." Mott Haven Herald, March 17, 2012. <https://www.motthavenherald.com/2012/03/17/housing-authority-tenants-do-their-own-repairs/>.

<sup>27</sup> La Mort, Justin R. "Public Housing and Public Health: The Separate and Unequal Protection of Private and Public Housing Tenants' Health in New York City." *Journal of Affordable Housing* 27, no. 2 (June 4, 2018).

<sup>28</sup> Goldenberg, Sally, and Joe Anuta. "NYCHA Monitor's First Report Paints Bleak Picture of Public Housing Conditions." POLITICO, July 22, 2019. <https://www.politico.com/states/new-york/city-hall/story/2019/07/22/nycha-monitors-first-report-paints-bleak-picture-of-public-housing-conditions-1113984>.

non-public housing (and not necessarily for a lack of services<sup>29</sup>).<sup>30</sup> Broader studies of public housing nationwide found little evidence that living in public housing improved resident's health—at times, quite the opposite, particularly for the health of mothers.<sup>31</sup> The well-being of the elderly or disabled, who together make up roughly half of all public housing residents, also fare poorly.<sup>32</sup> Only 3% of the disabled living in public housing reside in accessible units, and few who ask for these features receive them.<sup>33</sup>

While it is true that public housing in America has too often suffered from decades of neglect and mismanagement, as early as the 1950s maintenance woes were already appearing.<sup>34</sup> By the 1960s, rent from poor tenants were in many cases no longer sufficient to pay for the management let alone the upkeep of America's aging public housing stock. Time—and need—has not brightened this picture, nor has the underlying assumption that the federal government would across time and presidential administrations pay for rapidly increasing levels of subsidy to local public housing agencies. Still, HUD has given these agencies, including NYCHA, billions of dollars annually for capital expenses, and now pays for at least 60% of the operating budget of New York's housing authority.<sup>35</sup> No matter how much Washington spends on public housing or which decade we are in, the ask is always for “more”—no additional dollar for government-run housing has ever been or likely will ever be enough.

No one can look at the public housing we actually have and say it's the housing we want. And more of the same failed ideas are unlikely to help those truly in need. This reality becomes clearer in light of the failures of public housing during the pandemic of Covid-19, as well as its ongoing struggles with lead, asbestos, toxic mold, and crime—among a host of other deeply troubling woes.

#### HEALTH & SAFETY

Not only are public housing agencies too often failing to care for their residents, in some cases they are actively harming their tenant's health and safety.

<sup>29</sup> Digenis-Bury, Eleni C., Daniel R. Brooks, Leslie Chen, Mary Ostrem, and C. Robert Horsburgh. “Use of a Population-Based Survey to Describe the Health of Boston Public Housing Residents.” *American Journal of Public Health* 98, no. 1 (2008): 85–91. <https://doi.org/10.2105/ajph.2006.094912>.

<sup>30</sup> Ibid.

<sup>31</sup> Fertig, Angela R., and David A. Reingold. “Public Housing, Health, and Health Behaviors: Is There a Connection?” *Journal of Policy Analysis and Management* 26, no. 4 (2007): 831–60. <https://doi.org/10.1002/pam.20288>.

<sup>32</sup> Docter, Benny, and Martha M. Galvez. “The Future of Public Housing: Public Housing Fact Sheet.” Urban Institute, December 17, 2020. <https://www.urban.org/research/publication/future-public-housing-public-housing-fact-sheet>.

<sup>33</sup> Office of Policy Development and Research. “A Picture of Disability and Designated Housing.” PD&R Edge. Department of Housing and Urban Development. Accessed March 23, 2021. [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_research\\_092815.html](https://www.huduser.gov/portal/pdredge/pdr_edge_research_092815.html).

<sup>34</sup> Perry-Brown, Nena. “How Public Housing Was Destined to Fail.” Greater Greater Washington, June 23, 2020. <https://ggwash.org/view/78164/how-public-housing-was-destined-to-fail>.

<sup>35</sup> Barron, Seth. “De Blasio Needs a NYCHA History Lesson.” *City Journal*, January 15, 2020. <https://www.city-journal.org/de-blasio-new-york-public-housing-authority>.



One of the deadliest places to be in New York City during a pandemic is in a New York City Housing Authority apartment. As Covid-19 swept through Gotham in May 2020, NYCHA complexes reported death rates more than twice as high as the rest of the city.<sup>36</sup> The Cassidy-Lafayette complex in Staten Island reported an 88% death rate (out of eight cases, seven succumbed to the virus); in Harlem's Grant Houses alone some 22 residents passed away by that May.<sup>37</sup> It is likely that many more NYCHA residents have died of the virus than official tallies reveal—and even more infected and uncounted—because of spotty testing and inconsistent reporting.

What we do know is that, as *The New York Times* concluded, “The pandemic has trapped many poor New Yorkers in miserable living conditions in the city’s public housing system.”<sup>38</sup> As *The Times* found, many residents were forced into lockdown without central heat to stay warm or gas to cook food; repair calls went unanswered. Vendors were paid to sanitize complexes with little evidence they did so. Residents often found themselves crowded into the few remaining operable elevators in their complex; other buildings were without any elevator access at all, leaving the elderly and disabled stranded.<sup>39</sup> When winter came, many families went without heat or hot water.<sup>40</sup> Meanwhile, shootings in NYCHA complexes jumped an astonishing 103% in 2020 while murders rose by roughly 50%.<sup>41</sup> Two in every five violent crimes across New York City occur within a hundred feet of a NYCHA development. For far too many of its residents during the pandemic, New York’s public housing was less of a lifeline than a death sentence.

While the previous section noted NYCHA’s outstanding repairs, trapping residents at home during a pandemic threw these concerns into even sharper relief. As *The New York Times* found last year in 2020, “The most common work orders that have not been addressed are requests to fix paint, walls, ceilings, mold, kitchen cabinets, and lead.”<sup>42</sup> Ninety-six percent of the 47 NYCHA complexes with severe outbreaks of Covid-19 all report outdated mechanical ventilation

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<sup>36</sup> Cruz, David. “COVID-19 Death Rate In NYCHA Developments Far Outpaces That Of NYC.” *Gothamist*, May 20, 2020. <https://gothamist.com/news/map-covid-19-death-rate-nycha-developments-far-outpaces-nyc>.

<sup>37</sup> *Ibid.*

<sup>38</sup> Hu, Winnie, and Nate Schweber. “Trapped at Home in the Pandemic With Mold and a Leaky Roof.” *The New York Times*. December 15, 2020. <https://www.nytimes.com/2020/12/15/nyregion/nyc-public-housing-coronavirus.html>.

<sup>39</sup> Smith, Greg B. “Elevator Service’s Pandemic Plunge Strands Elderly NYCHA Residents.” *THE CITY*, August 9, 2020. <https://www.thecity.nyc/2020/8/9/21360831/elevator-nycha-pandemic-elderly-brooklyn-new-york-covid>.

<sup>40</sup> Cohen, Jason. “Seniors Demand Heat in NYCHA Building.” *Bronx Times*, February 9, 2021.

<https://www.bxtimes.com/seniors-demand-heat-in-nycha-building/>.

<sup>41</sup> Smith, Greg B. “How Shootings Spiked at NYCHA Complexes Targeted in De Blasio Crime Prevention Campaign.” *THE CITY*, February 1, 2021. <https://www.thecity.nyc/2021/1/31/22258847/nycha-crime-prevention-shooting-spike-map-nypd-de-blasio>.

<sup>42</sup> Hu, Winnie, and Nate Schweber. “Trapped at Home in the Pandemic With Mold and a Leaky Roof.” *The New York Times*. December 15, 2020. <https://www.nytimes.com/2020/12/15/nyregion/nyc-public-housing-coronavirus.html>.

systems.<sup>43</sup> NYCHA has long been shielded from liability at the state and local levels for its lack of repairs, leaving it to the federal government to enforce. It is only recently that any level of government has taken these concerns seriously in New York.

Take lead, for instance. Some 135,000 NYCHA housing units were built before lead paint was banned in 1978.<sup>44</sup> New York City legally requires its landlords, both public and private, to annually inspect every apartment where a young child resides for lead paint, while HUD mandates its own inspections for all public housing units nationwide. NYCHA simply stopped these inspections—and then lied about it to federal authorities.<sup>45</sup> As reports emerged of children with alarmingly high levels of lead in the blood, NYCHA continued its coverup. Lead poisoning leads to a host of ailments that can last a lifetime, including brain damage.<sup>46</sup> After NYCHA admitted its fault in the face of a federal lawsuit, New York City's Health Department claimed that just 19 children had tested positive for elevated levels of lead in their blood; health officials later admitted the number of poisoned children was closer to 1,100.<sup>47</sup> Meanwhile, NYCHA claimed that just 3,000 apartments with lead paint housed children under the age of six, though the number was at least twice as high.<sup>48</sup>

NYCHA's health problems don't stop with lead. Mold and asthma remain endemic in New York City's public housing. Children living in NYCHA complexes report asthma rates that are twice as high as their classmates in private housing.<sup>49</sup> Tenants report bubbling paint, spreading mold, and water stains on walls and ceilings; sometimes, pooling rainwater pours from the roof straight into apartments.<sup>50</sup> Inspectors working for NYCHA's federal monitor discovered in one instance a leaky pipe that had been "cascading putrid liquid" for two months and a "lone worker ... trying to stem the tide with a mop."<sup>51</sup> NYCHA officials promised in 2013 to remedy

<sup>43</sup> Smith, Greg B. "A Perfect Storm": Seniors in NYCHA Buildings with Poor Ventilation Slammed by COVID-19." THE CITY, October 7, 2020. <https://www.thecity.nyc/coronavirus/2020/10/6/21505183/seniors-nycha-buildings-ventilation-covid-health-nyc>.

<sup>44</sup> Smith, Greg B. "NYCHA Falsely Certified This Brooklyn Child's Apartment Lead-Free. Now He Has Lead Poisoning - and He's Not Alone." THE CITY, January 12, 2021. <https://www.thecity.nyc/2021/1/11/22221322/nycha-falsely-certified-brooklyn-child-apartment-lead-free>.

<sup>45</sup> Ibid.

<sup>46</sup> "NTP Monograph on Health Effects of Low-Level Lead." U.S. Department of Health and Human Services/National Institutes of Health. 2012. [https://ntp.niehs.nih.gov/ntp/ohat/lead/final/monographhealtheffectslowlevellead\\_newissn\\_508.pdf](https://ntp.niehs.nih.gov/ntp/ohat/lead/final/monographhealtheffectslowlevellead_newissn_508.pdf).

<sup>47</sup> Hicks, Nolan, Yoav Gonen, and Max Jaeger. "More than 1K NYCHA Kids Tested Positive for Lead." New York Post, August 31, 2018. <https://nypost.com/2018/08/30/nycha-developments-poisoned-nearly-1400-kids/>.

<sup>48</sup> Smith, Greg B. "NYCHA'S Lead Paint Crisis Explodes as Known Number of Apartments Where Kids Risk Exposure Triples." THE CITY, October 22, 2020. <https://www.thecity.nyc/housing/2020/10/22/21528781/nycha-lead-paint-more-apartments-identified>.

<sup>49</sup> Northridge, Jennifer et al. "The role of housing type and housing quality in urban children with asthma." Journal of Urban Health: Bulletin of the New York Academy of Medicine, 87, no. 2. (2010): 211-224. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2845835/>.

<sup>50</sup> Hu, Winnie, and Nate Schweber. "Trapped at Home in the Pandemic With Mold and a Leaky Roof." The New York Times, December 15, 2020. <https://www.nytimes.com/2020/12/15/nyregion/nyc-public-housing-coronavirus.html>.

<sup>51</sup> Schwartz, Bart M. "MONITOR'S FIRST QUARTERLY REPORT." New York City Housing Authority, July 2019. <https://nychamonitor.com/wp-content/uploads/2019/07/NYCHA-First-Report-7.22.19.pdf>.

mold cases in two weeks or less, but there's no sign the authority ever met its goals.<sup>52</sup> The previously mentioned ventilation challenges in the city's public housing, which may have worsened its outbreaks of Covid-19, also likely contribute to its high rates of asthma.

These problems are not just New York's problems. HUD estimates that more than 62,000 public housing units nationwide require lead abatement.<sup>53</sup> Many more tenants suffer for want of heat and hot water or bear health issues from invading mold. Worse yet, HUD inspectors often gave passing grades to public housing complexes showing clear signs of toxic mold, asbestos, and lead paint, or where raw sewage regularly backed up and boilers gave out in the dead of winter.<sup>54</sup> And as if all of that is not bad enough, more than 18,000 federally funded housing developments are located within a mile of toxic Superfund sites; as the *Washington Post* reported, "of the 7,676 properties that the EPA had flagged as the highest priority, HUD decided to focus on seven."<sup>55</sup>

There is little evidence that public housing makes residents healthier or safer, nor that extending its reach would improve matters. While some argue that these challenges call for public housing authorities to provide greater wraparound services, it's unclear if agencies that have struggled to provide safe and healthy housing should be trusted with the healthcare of their residents.

#### INEQUITABLE HOUSING

Public housing's legacy of segregation persists to this day, preventing residents from building equity or integrating into the broader community and economy.

NYCHA's earliest housing developments built from the ground up were segregated by race; one in Harlem for black tenants and another in Williamsburg for whites.<sup>56</sup> It took the city's housing authority until 1964 to end its practice of setting aside apartments for white tenants.<sup>57</sup> Even

<sup>52</sup> La Mort, Justin R. "Public Housing and Public Health: The Separate and Unequal Protection of Private and Public Housing Tenants' Health in New York City." *Journal of Affordable Housing* 27, no. 2 (June 4, 2018).

<sup>53</sup> Wiltz, Teresa. "HUD Spends Millions on Lead Abatement. Why Are Public Housing Authorities Still Struggling?" Stateline. Pew Charitable Trusts, December 17, 2019. <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2019/12/17/hud-spends-millions-on-lead-abatement-why-are-public-housing-authorities-still-struggling>.

<sup>54</sup> Parker, Molly. "'Pretty Much a Failure': HUD Inspections Pass Dangerous Apartments Filled With Rats, Roaches and Toxic Mold." *ProPublica*. The Southern Illinoisan, November 16, 2018. <https://www.propublica.org/article/hud-inspections-pass-dangerous-apartments-with-rats-roaches-toxic-mold>.

<sup>55</sup> Jan, Tracy. "Internal Report Cites HUD for Lead Poisoning in East Chicago, Ind., Children. More Could Be at Risk." *The Washington Post*. WP Company, February 17, 2021. <https://www.washingtonpost.com/business/2021/02/17/hud-toxic-superfund/>.

<sup>56</sup> Lasner, Matthew Gordon. Bloom, Nicholas Dagen. *Affordable Housing in New York: The People, Places, and Policies That Transformed a City*. United Kingdom: Princeton University Press, 2016. Sribnick, Ethan G. "Public Housing in New York City." *Uncensored*. Institute for Children, Poverty & Homelessness, June 1, 2012. [https://www.icphusa.org/wp-content/uploads/2015/01/ICPH\\_UNCENSORED\\_3.2\\_Summer2012\\_ExcludingThePoor.pdf](https://www.icphusa.org/wp-content/uploads/2015/01/ICPH_UNCENSORED_3.2_Summer2012_ExcludingThePoor.pdf).

<sup>57</sup> Kihss, Peter. "HOUSING POLICY OF CITY CHANGED; Apartments Not Being Held for Integration Purposes." *The New York Times*. The New York Times, January 27, 1964.

then, maps of housing projects built across Manhattan resemble a dividing line between black and white neighborhoods. NYCHA developments were named after figures like Frederick Douglass or Jackie Robinson, Marcus Garvey and Louis Armstrong, not-so subtly hinting at who these projects were built to house.<sup>58</sup> Neighborhoods housing poorer or minority New Yorkers were deliberately prioritized for demolition, and residents who were promised new government-built apartments in return were often left bitterly disappointed.<sup>59</sup>

Similar disparate impacts by race were repeated across America in the development of public housing and serve as the foundation for the system we have today. Of the more than 10,000 public housing units built in Chicago from 1954 to 1967, all but 63 were built in poor and racially segregated neighborhoods.<sup>60</sup> Richard Rothstein, author of *The Color of Law*, observed that housing programs established during the New Deal amounted to a “state-sponsored system of segregation.”<sup>61</sup> To this day, public housing is overwhelmingly found in poorer and minority areas; census tracts containing such units have an average poverty rate of 33% and are 61% non-white.<sup>62</sup> By segregating similarly poor and minority residents in these public units, such projects amount to the perpetuation of government-backed ghettos. Worse yet, public housing is all too often placed farther away from jobs and public transportation, resulting in ever deeper economic and social isolation.<sup>63</sup>

Far too much of today’s public housing bears the legacy of having trapped generations in poverty. Families are condemned to being renters rather than owners, missing out not only the chance to build equity but to earn their own rental income. Such realities also do little to address the racial wealth gap. Before being bulldozed in the 1950s and seeing many of its residents relocated to housing projects, Detroit’s Black Bottom neighborhood had owner-rental rates of between 27% and 54%, similar to rates found in minority areas targeted for slum

<sup>58</sup> Husock, Howard. “How New York Can End the Public Housing Trap.” *City Journal*, March 14, 2021.

<https://www.city-journal.org/new-york-public-housing-trap>.

<sup>59</sup> Caro, Robert. *The Power Broker: Robert Moses and the Fall of New York*. New York: Vintage Books, 1975.

<sup>60</sup> Walsh, Emily. “The Effects of Low-Income Housing on Health.” UAB Institute for Human Rights Blog. The University of Alabama at Birmingham, January 22, 2020. <https://sites.uab.edu/humanrights/2018/10/01/the-effects-of-low-income-housing-on-health/>.

<sup>61</sup> Gross, Terry. “A ‘Forgotten History’ Of How The U.S. Government Segregated America.” NPR. NPR, May 3, 2017. <https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america>.

<sup>62</sup> Docter, Benny, and Martha M. Galvez. “The Future of Public Housing: Public Housing Fact Sheet.” Urban Institute, December 17, 2020. <https://www.urban.org/research/publication/future-public-housing-public-housing-fact-sheet>.

<sup>63</sup> Rosenblith, Gillet. “Perspective | Covid-19 Has Exposed the Consequences of Decades of Bad Public Housing Policy.” *The Washington Post*. WP Company, September 8, 2020. <https://www.washingtonpost.com/outlook/2020/09/08/covid-19-has-exposed-consequences-decades-bad-public-housing-policy/>.

Bertaud, Alain. *Order Without Design: How Markets Shape Cities*. Cambridge: The MIT Press, 2018.

clearance in Chicago and St. Louis.<sup>64</sup> As the Philanthropy Roundtable's Howard Husock observed,

*A major problem with public housing is that, by definition, it is publicly owned. That means that it denies poor households one of the key means of asset accumulation in America: homeownership, including ownership of two- or three-family homes, whose rental income helps fuel upward mobility.*<sup>65</sup>

Once segregated in low-income housing, residents are disincentivized to get ahead in life or move to better housing. For one thing, rents rise along with their earnings, by law. And for those who do end up earning “too much” to qualify for public housing in the first place, they are rarely encouraged to move for better opportunities. While the typical public housing resident stays for roughly six years, the average tenure in a NYCHA unit is now over two decades (23.5 years).<sup>66</sup> In fact, nearly two-in-five New York public housing tenants have been there for over four decades.<sup>67</sup> Particularly as market-rate rents rise, the implicit subsidy tied to each public housing unit becomes too valuable for many to give up. Despite a shortage of units, NYCHA residents can essentially stay indefinitely, much as it is elsewhere in the country. A HUD audit found that one family in New York public housing unit earns nearly \$500,000 a year yet pays just \$1,547 in rent for their three-bedroom apartment.<sup>68</sup> The truth though is that the typical household in public housing will come in poor and leave poor.

#### EQUITABLE CHOICE

Rather than trapping Americans in unhealthy, unsafe, and often segregated public housing, we should offer those in need an equitable and available choice in housing. Rather than losing out by moving out, housing support should follow those in need and in search of opportunity, much as today's Section 8 housing vouchers are meant to do. And we should question whether public housing is the right tool for answering calls for shelter and social justice in this country.

As it stands, far more American households qualify for public housing than receive such units. Providing those in need of subsidized shelter a flexible and generous housing voucher—ideally instead of failed public housing—would go a long way to helping millions of our neighbors find

<sup>64</sup> Husock, Howard. “Public Housing Becomes the Latest Progressive Fantasy.” The Atlantic. Atlantic Media Company, November 25, 2019. <https://www.theatlantic.com/ideas/archive/2019/11/public-housing-fundamentally-flawed/602515/>.

<sup>65</sup> Ibid.

<sup>66</sup> “NYCHA 2020 Fact Sheet.” New York City Housing Authority, March 2020.

[https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Fact-Sheet\\_2020\\_Final.pdf](https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Fact-Sheet_2020_Final.pdf).

McClure, Kirk. “Length of Stay in Assisted Housing.” Office of Policy Development and Research, U.S. Department of Housing and Urban Development, October 2017.

<https://www.huduser.gov/portal/sites/default/files/pdf/lengthofstay.pdf>.

<sup>67</sup> Ibid. (NYCHA Fact Sheet 2020)

<sup>68</sup> Rein, Lisa. “Why It Actually Won't Be Easy to Kick out Public Housing Tenants Who Earn Too Much.” The Washington Post. WP Company, April 6, 2019. <https://www.washingtonpost.com/news/federal-eye/wp/2015/08/20/it-will-be-very-hard-to-kick-out-tenants-who-earn-too-much-from-public-housing-heres-why/>.

a safe place to call home. And as Emily Hamilton of the Mercatus Center has suggested, such vouchers could even be turned into direct cash benefits in order to counter discrimination.<sup>69</sup> Coupled with freer rules on land-use, Americans would enjoy an even greater choice in more affordable housing.<sup>70</sup> When groups propose spending upwards of \$200,000 per unit to fix up NYCHA as a “Green New Deal for Housing,” the casual observer should wonder whether such dollars, if they are to be spent, would be of greater benefit to the *dweller* than the dwelling.<sup>71</sup>

While there is no guarantee that directly helping people afford decent housing will improve their lives overnight, we would surely be doing far better than doubling-down on America’s failed experiment in socialized housing.

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<sup>69</sup> Hamilton, Emily. “Opportunities for Better Federal Housing Policy: How the Biden Administration and Congress Can Improve Housing Affordability.” Mercatus Center, February 5, 2021.

<https://www.mercatus.org/publications/housing/opportunities-better-federal-housing-policy-how-biden-administration-and->

<sup>70</sup> Hendrix, Michael. “The Pandemic Isn’t Killing Cities. Housing Regulations Are.” National Review. National Review, November 18, 2020. <https://www.nationalreview.com/2020/11/the-pandemic-isnt-killing-cities-housing-regulations-are/>.

<sup>71</sup> Cohen, Daniel Aldana, et al. “Green New Deal For Public Housing - NYCHA.” Data For Progress. McHarg Center. Accessed March 23, 2021. <https://www.dataforprogress.org/green-new-deal-public-housing-nycha>.

**Testimony by  
Tamir Ali Mohamud**

**U.S. House of Representatives  
Committee on Financial Services  
Subcommittee on Housing, Community Development and Insurance**

**“Preserving a Lifeline: Examining Public Housing in a Pandemic.”  
March 24, 2021**

My name is Tamir Ali Mohamud, I serve as the Vice-President of the Minneapolis Highrise Representative Council, the independent city-wide public housing high rise tenant organization which represents the interests of over 5,000 residents in forty-two Minneapolis Public Housing Authority (MPHA) high rises. I am also a Resident Commissioner on MPHA's Board of Commissioners and the President of my resident council at 1515 Park Avenue South.

I was born in 1946 in Mogadishu, Somalia. Raised in a traditional extended family, I was educated in Mogadishu, the capital city of Somalia, from elementary to university level. I accomplished my intermediate school in 1976, and I joined a teacher's training skill. After graduation, I was assigned as a middle school science teacher where I worked for four years. After these four years of my middle school career, I joined a high level college of education to become a high school teacher. After I spent two years of degree preparation, I received a BA degree and became a high school history teacher.

In 1990 the Somali government collapsed when the civil war erupted. It was a sad moment for all Somali people to see such tragedy where all civil and government institutions failed to function. Because of this disaster, I fled my homeland and was forced to live as a refugee in neighboring Kenya. There, I worked for the United Nations High Commission providing English/Somali translation and interpretive services for individuals being processed to be with their families in other countries. Life in the resettlement camp was difficult. People lived in tents, it was crowded, lonely and cut off from the outside world. There were no televisions or radios. The camp was surrounded by a large fence, but people did not feel safe. The Kenyan police protecting us were often harassed.

On March 21, 2001, I came to Minneapolis after being sponsored by my daughter, who came to the USA before me. I came to the United States to be close to family, for job opportunities and to live out the "American Dream." The United States has a long tradition of welcoming people from all backgrounds and cultures and is a great place for people who must look to live outside of their home country.

I lived with my daughter and her husband until I moved into the public housing high rise at 1515 Park Avenue South. I moved to have my own place and independence. I live in a one-bedroom apartment in an eighteen-story high rise, home to over 200 residents. Moving into my high rise meant becoming neighbors with a diverse community of people and it was the start of the opportunity to become more involved in my building, in my neighborhood, and in the larger community. It presented me the opportunity to become a resident leader. MPHA provided me with a safe and stable home so that I could then focus on helping my community.

I was a teacher in my home country, and it was natural for me to want to get involved and help my community. I started out by getting involved with my Resident Council and got elected as Resident Council Treasurer. I quickly got involved in various aspects of community life, including teaching ESL classes in my building, and being a liaison between residents and management.

I wanted to share education and information with the Somali community, so I became an anchor on a Somali-language cable TV program with the Minneapolis Television Network. We discussed family and cultural issues, as well as topics related to housing and housing law.

Over the years my involvement has grown. I have served in various capacities on my Resident Council (I am currently the president of my resident council) and was also elected to be a Minneapolis Highrise Representative Council (MHRC) board member. With the MHRC, I have an opportunity to be a tenant advocate on important city-wide issues. I serve on several committees, including the Active Living Advisory Committee, the Security Advisory Committee, and the Laundry Project Committee. I am currently Vice President of the MHRC. I am also a Project Lookout volunteer in my building. Project Lookout is volunteer resident security program operating in 28 MPHA high rises.

In November 2015, the MHRC Board voted to recommend to then Mayor Betsy Hodges that she appoint me as the new high rise resident commissioner on the MPHA Board of Commissioners. I still serve in that capacity.

I also am active with Elliot Park Neighborhood Organization. My high rise and two other public housing high rises are located within the Elliot Park Neighborhood. The MHRC encourages residents to become involved in their neighborhood organizations so residents can have a say in important neighborhood issues like safety and redevelopment activities. It also helps the neighborhood be more aware of high rise residents and resident concerns.

Several years ago, I, along with other 6th Ward Resident leaders, helped to organize a successful town hall meeting with former Minneapolis City Council Member Abdi Warsame



(currently MPHA ED/CEO) and the Minneapolis Police Department to discuss neighborhood safety concerns. Resident leaders met several times to plan the agenda and the questions for the meeting and worked to ensure a high resident turnout. Events like these have helped elected officials and residents know one another and have helped residents hold elected officials accountable.

My involvement in my public housing highrise and in the larger community has given me the opportunity to meet and work with many people from different backgrounds. In my own building, I have gotten to know many of my East Indian neighbors by working side by side in the community vegetable gardens at our highrise. We work together to prepare the soil and plant in the spring, and water and weed the garden throughout the summer. In the fall we harvest together and invite all residents to come to the community room to share the healthy produce that was harvested.

In July 2020, MPHA launched the Highrise Health Alliance as a partnership between MPHA residents via the MHRC, the city, county, mental health providers, social service agencies, public health, government, and philanthropy. The Alliance uses health data and residents' lived experiences to develop a shared vision, determine priorities, and deploy strategies that align each sector's unique contributions toward this common purpose. MHRC is a member of this Alliance and I serve on its leadership team. The priorities of the Alliance are jointly decided by the partners and are based on resident surveys, focus groups, and discussions at MHRC Active Living Committee meetings and MHRC board meetings. The outcomes we expect to see will be better medication management, increased attention to and assistance provided to residents experiencing mental health concerns or mental health crises and better coordination between agencies providing services to residents.

When the pandemic hit and Gov. Walz issued the first stay-at-home order last March, MPHA closed the high-rise community rooms and asked residents to stay in their apartments and only go out for appointments, necessary shopping and exercise.

MPHA stopped staff from entering resident apartments for routine maintenance and instead had them do extra cleaning of building entrances and elevators. MPHA provided food boxes and boxed meals by working with community partners when congregate dining and mobile food shelves had to close, including providing halal meals during Ramadan. MPHA hosted a mask drive and through community donations, including Dunwoody Institute, they were able to provide masks for all residents and staff when that became a recommendation for preventing COVID. Through community donations and a grant from the Pohlad foundation, MPHA organized delivery of personal hygiene products to residents after many stores were looted and burned following the police killing of George Floyd in May.

MPHA posted informational signs about mask wearing and physical distancing and worked with Resident Council members and Security to enforce mask mandates. MPHA also restricted the number of visitors that could come into the buildings and added extra security guards to help

control traffic and enforce the mask-wearing rules. Throughout the year, MPHA staff shared information and answered questions at on-going resident meetings held via teleconference due to the pandemic.

MPHA organized on-site COVID testing throughout the pandemic and offered on-site flu shots in the fall. On March 8, MPHA, through its collaboration with the city health department, began vaccinations in high rises and today nearly all 1<sup>st</sup> round of COVID vaccination clinics have been completed at all 42 high rises at MPHA.

Not only has MPHA provided me with stable housing, MPHA has been an important partner with residents. Through resident councils and MHRC board and committee meetings, residents regularly communicate and problem solve with MPHA staff on individual highrise and city-wide issues, like safety and building maintenance. This partnership and cooperation has been invaluable in improving the quality of lives of people living in public housing highrises.

Public housing is a valuable resource to the city of Minneapolis as it means safe and affordable housing for the members of our community who have the greatest need. Homelessness has grown in Minneapolis. We see “tent cities” spring up all around us and there are not enough shelter beds to meet the need. Public housing is one answer to the housing shortage. It is critical that it is preserved and increased. We depend on Congress to provide enough funding to preserve and expand public housing. It has failed in this role for too long. It’s time to provide sufficient funds so that existing public housing homes are no longer lost to disrepair and it’s time to end the prohibitions on construction of new public housing.

Thank you for this opportunity to testify today.

