



April 16, 2021

ATTORNEY GENERAL RAOUL CALLS ON CONGRESS TO INCREASE FUNDING FOR PUBLIC HOUSING

Raoul, Coalition Push Congress to Increase Funding in President Biden's \$2.3 Trillion Infrastructure Plan to Retrofit Existing Public Housing

Chicago — Attorney General Kwame Raoul, as part of a coalition of 14 attorneys general, today urged Congress to invest in the nation's public housing systems. In a letter to congressional leadership, Raoul and the coalition express concern that while the \$40 billion in funding for public housing allocated as part of President Joe Biden's \$2.3 trillion infrastructure plan is a good start, it is still insufficient to address the years of neglect and underfunding towards the nation's public housing systems. Raoul and the coalition estimate that the nation's public housing portfolio requires at least \$70 billion for capital needs to return to a good state of repair, growing to \$90 billion through 2030.

"More than 1 million American families live in public housing, and they have a right to safe, well-maintained homes where they can thrive," Raoul said. "I encourage Congress to increase funding for public housing programs to help agencies address the shortfalls they have faced over the past few decades, and allow them to make needed repairs and safety improvements."

Because of its reach and its ability to serve low-income families who might otherwise become homeless, public housing is a vital resource for cities, neighborhoods and the 1.2 million families who call it home. To keep public housing units affordable for low-income families, federal regulations cap rents at 30 percent of a family's income. While this cap ensures affordability, the amount of rent collected by the nation's 3,300 public housing agencies (PHAs) is insufficient to cover the costs of operating and maintaining the properties they oversee.

When the federal public housing program was created in 1937, it was understood that PHAs would need ongoing operating and capital support from the federal government to close the gap between the rents charged to residents and the actual cost of building operations and maintenance. The amount that each PHA is entitled to receive from the federal government is set each year by the U.S. Department of Housing and Urban Development (HUD) through a formula. However, Congress appropriates money to these funds, and, in most years, the appropriation does not match the total amount that PHAs require for maintenance and operations.

In recent years, Congress has not fully funded the gap between public housing rent and the cost of building operations and maintenance. For example, the amount appropriated by Congress has only matched the need, as stated by HUD, twice between 2000 and 2018. In some years, the amount appropriated has been less than 85% of the need. Further, in the past 10 years alone, the Public Housing Operations budget has been reduced by nearly \$1 billion. This has resulted in a massive backlog in necessary repairs and maintenance, and has led to deteriorating and damaging conditions for the families living in public housing.

[In today's letter](#), Raoul and the coalition call on Congress to allocate sufficient funds to address the repair backlog, a forward-facing commitment to fund capital funding gaps, and a dedicated fund for lead remediation.

Joining Raoul in sending the letter are the attorneys general of Connecticut, Delaware, the District of Columbia, Iowa, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New Mexico, New York, Vermont and Virginia.



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

LETITIA JAMES
ATTORNEY GENERAL

EXECUTIVE OFFICE

April 8, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20510

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
U.S. House of Representatives
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McConnell, and Congressman McCarthy:

Last week, President Biden announced an ambitious \$2.3 trillion infrastructure plan that, rightly, has been lauded for its goal of remediating inequities perpetuated by years of regressive policies. The plan couples a vision of investing in jobs and support for vulnerable communities with the goal of rebuilding our nation's physical infrastructure. In accordance with those twin goals, it calls for \$40 billion to repair and upgrade public housing. The proposed commitment is a good start, but it does not go far enough. Forty billion dollars is insufficient to address years of neglect and underfunding and absent a forward-looking component, will leave public housing residents in the state of degradation they now experience in a few short years. There must be a national commitment to funding the gap between an affordable rent for low-income families and the amount necessary to keep that housing safe and habitable. The time for bold change is now.

The nation's stock of public housing is a vital resource for cities, neighborhoods, and the 1.2 million families that call it home. Because of its reach, its unique ability to serve very low-income families, and the housing stability that it provides to those that might otherwise become homeless, public housing is an important component of any city or region's housing stock.

A few facts about the public housing program:

- The public housing program is the second-largest form of federal housing assistance, after the Section 8 portable voucher program.

- The average household income of public housing residents in 2017 was \$14,312, and the average rent was \$339.¹
- Over half of the households living in public housing are headed by a senior or an adult with a disability.²

Public housing agencies across the U.S. face daunting challenges. These challenges are rooted in the socio-economic policies that, over the span of decades, have marginalized low-income communities and neighborhoods. In the case of public housing, the policy was of neglect, a failure to support public housing with the funds necessary to operate and maintain them.

In order to keep public housing units affordable for low-income families, federal regulations cap rents at 30 percent of a family's income. While this ensures affordability, the amount of rent collected by the nation's 3,300 Public Housing Authorities (PHAs) is insufficient to cover the costs of operating and maintaining the properties they oversee. When the federal public housing program was created in 1937,³ it was understood that PHAs would need ongoing operating and capital support from the federal government, and the program was designed with this in mind. However, in recent years, the political will has not existed to fully fund the gap between rents and the cost of building operations and maintenance. In the past ten years alone, the Public Housing Operations budget was reduced by \$998 million.⁴

The result is a massive backlog in necessary repairs and maintenance and deteriorating conditions for the families living in public housing. While HUD has not officially updated its capital needs assessment since 2010, it is estimated that the nation's public housing portfolio requires \$70 billion to get to a good state of repair, growing to \$90 billion through 2030. Deferred maintenance has led to acute hazards such as mold and lead, unreliable elevators, and sporadic heat and hot water.

We urge the federal government renew its commitment to supporting public housing and the individuals, cities, and states that rely on it for stability. This commitment must include funds sufficient to address the repair backlog, a forward-facing commitment to fund capital funding gaps, and a dedicated fund for lead remediation.

The federal government provides funds for PHAs primarily through the Public Housing Operating Fund and the Public Housing Capital Fund. The amount that each PHA is entitled to receive from the federal government is set each year by HUD through a formula. However, it is Congress that appropriates money to these funds, and most years the appropriation does not match the total amount that PHAs require for operation under the formula. The amount appropriated by Congress for the Operating Fund has only matched the need as stated by HUD twice between 2000 and 2018, and in some years the amount has been less than eighty-five

¹ PUBLIC AND INDIAN HOUSING PUBLIC HOUSING OPERATING FUND 2017 Summary Statement and Initiatives, https://www.hud.gov/sites/documents/9-PUBLIC_HSNG_OPS_FUND.PDF

² <https://www.urban.org/urban-wire/our-aging-public-housing-puts-older-americans-risk>

³ <https://nlihc.org/resource/public-housing-history>

⁴ <https://nlihc.org/federal-budget-and-spending>

percent of the need. Any plan to fund repairs must include full future funding of public housing through the Operating Fund and the Capital Fund.

Finally, HUD estimates that 62,000 public housing apartments need lead abatement.⁵ But the amount of funding made available to PHAs for abatement has been a mere drop in the bucket. For example, in 2019, \$27.8 million was awarded to 38 public housing agencies⁶ but these grants came out of the existing Capital Fund, which is already insufficient to meet existing capital needs. The federal government should commit to providing a dedicated fund for PHAs that need lead abatement to ensure the health and safety of children living in public housing.

CC: Hon. Marcia Fudge, Secretary of Housing and Urban Development
New York State Congressional Delegation

Sincerely,



Letitia James
New York Attorney General

⁵ <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>

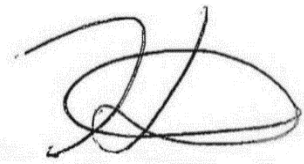
⁶ <https://archives.hud.gov/news/2019/pr19-124.cfm>



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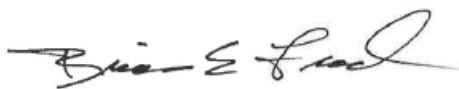
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