



National Center for Healthy Housing

January 10, 2007

Senator Barbara Mikulski
United States Senate
503 Hart Senate Office Building
Washington DC 20510-2003

Dear Senator Mikulski:

On behalf of the National Center for Healthy Housing, I am writing to ask for your help restoring critical funding for public housing agencies. As you know, the nation's public housing units provide affordable homes to about 1.1 million low-income households, approximately half of which are headed by people who are elderly or have disabilities. In recent years, the amount of funding Congress has provided for public housing operating subsidies has been inadequate to bridge the gap between rents and operating costs, with the shortfalls increasing with each passing year. Rising utility rates are a major factor behind the growing shortfalls.

The Department of Housing and Urban Development (HUD) did not request funding for fiscal year 2007 to reflect growth in utilities and other operating costs since the start of 2005. As a result, the 2007 HUD appropriations bill passed by the House — which provides the funding level HUD requested — provides agencies with only *76 percent* of the public housing operating subsidies for which they are legally eligible under the federal formula for determining operating subsidy needs. This is the deepest shortfall in operating subsidy funding in more than 25 years. A version of the bill passed by the Senate provides almost \$100 million more than the House bill but still falls well short of need. The House bill also includes an 11% cut in Capital Funds and a \$69 million cut in HOPE VI. Under the current Continuing Resolution, these are the funding levels for public housing in 2007.

Congress could reduce the severity of housing agencies' shortfall for 2007 by providing at least \$300 million beyond the funding level in the House bill to cover the surge in utility prices that HUD's budget request ignored.

Failure to restore funding for public housing agencies will have a serious detrimental impact on public housing residents and runs counter to the mission of the program to provide decent, safe, and sanitary housing for our nation's most needy families. Nearly half of the non-utility operating costs that housing agencies incur for public housing developments are costs for maintenance. As a result, a growing number of housing agencies may feel compelled to scale back maintenance expenditures to cope with deficits. According to press reports, a number of housing agencies, including the Camden (NJ) Housing Authority and Mobile (AL) Housing Authority, are already planning to reduce spending on public housing maintenance.

In some cases, maintenance cutbacks could leave serious safety hazards unaddressed, such as defective locks and fire protection systems or broken heaters during the winter. The St. Paul

Building a healthy home environment

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Housing Agency, for example, has deferred installing automatic sprinkler systems in high-rise housing developments for the elderly. Other agencies may opt to reduce spending for upkeep of grounds and building exteriors, which could harm local communities by leading to neighborhood blight.

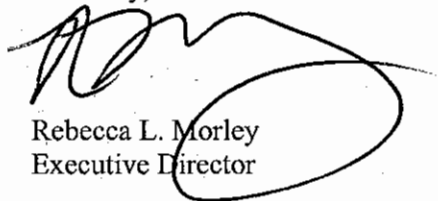
Furthermore, reducing maintenance often will raise costs over the longer term. If an agency has fewer maintenance staff, preparing vacant units for new occupants will take longer, which in turn will reduce the agency's rent revenue (as well as leave needy applicants languishing on public housing waiting lists for longer periods). In addition, deferring minor repairs, such as for water leaks, can result in more serious damage later on.

A 2005 study by the Urban Institute examined the relationship between housing quality and health status for people in five public housing developments (before HOPE VI redevelopment) around the country. The health status of the surveyed residents was decidedly worse than for others in assisted housing and other poor people, despite their similarity in terms of economic deprivation. The difference in the level of asthma prevalence, a condition that has been tied to various measures of housing quality, is especially pronounced. Further reductions in operating subsidies and HOPE VI funding will only further exacerbate the pronounced disparities in health for public housing residents.

We simply cannot expect families, and especially children, residing in public housing to do well in school or at work if they do not have their basic needs of decent and safe housing met.

We applaud your long-standing advocacy on behalf of children and affordable housing and urge your help and involvement with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca L. Morley', is written over a large, circular, stylized scribble or flourish.

Rebecca L. Morley
Executive Director