

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

**“A Future Without Public Housing? Examining The Trump
Administration’s Efforts to Eliminate Public Housing”**

February 5, 2020

Members of the Committee, thank you for opportunity to testify today on the topic of the nation’s remaining but critically vital supply of public housing. My name is Katherine Walz and I am the Vice President of Advocacy at the Shriver Center on Poverty Law, a national non-profit law and policy organization based in Chicago, Illinois. The Shriver Center is leading the fight for economic and racial justice. Our goal is to build a future free from racism, poverty, and the interlocking systems designed to keep those inequities alive. To achieve that goal, we work at the intersections of race, housing, health, economic justice, and community justice.

For the past 18 years I have represented thousands of current and former public housing residents fighting to save their homes and communities and seeking to improve their living conditions. Most importantly, they seek a say in any decisions to be made about the future of their homes.

In 2016, African-American public housing residents who lived in two family developments operated by the Alexander County Housing Authority in Cairo, Illinois, reached out to my office for assistance. They were experiencing deplorable housing conditions, including pervasive mold, broken appliances, peeling paint, and rat and mice infestation so severe that children, terrified of stepping on a rat or mouse, would wet their beds rather than get up in the middle of night. After six years of effort to bring the housing authority into compliance, including after determining that the housing authority was discriminating against its black employees and segregating its public housing by race, HUD took over the Alexander County Housing Authority in 2016, placing it into administrative receivership.

However, HUD’s administrative receivership did not improve the housing conditions at the two developments. Residents continued to experience terrible housing conditions, often waiting just as long for work orders to be addressed. In 2017, HUD announced it would close the developments and issue housing choice vouchers. This outcome meant not only that the families would lose their homes but that families in Cairo and the surrounding communities in need of and eligible for public housing would have no opportunity to secure it. As it was documented in a July 24, 2018 report from HUD’s Office of the Inspector General (“OIG”), HUD appeared ill-prepared to do much more than move the public housing to demolition.

At the time the OIG report issued, approximately 50 other public housing authorities around the country were designated as troubled, meaning that more needed public housing units could be lost without proper intervention and assistance by HUD, including a focus on preserving public housing units where possible so that current residents and households in need can continue to rely on this important supply of deeply affordable housing.

What is often left out of the discussion is that the loss of public housing units not only impacts the families who will lose their homes, but it also strips the local community of a critically needed supply of affordable housing. While the families who live in public housing will either receive a Housing Choice Voucher or another public housing unit, nothing is offered to families who have sometimes languished for years on waitlists hoping for a chance to finally secure an affordable home. Thus, what policies considered here must consider not just the wellbeing of the families who live in public housing throughout this country but the plight of millions who need public housing but their chances of securing it are increasingly dashed by the failure to financially support, maintain, and preserve our nation's supply of public housing.

In November 2018, HUD's Office of Public and Indian Housing (PIH) sent a letter to PHAs outlining the agency's efforts to reposition or convert public housing to other forms of assistance, likely vouchers, impacting more than 200,000 public housing units. These repositioning efforts are deeply troubling, as they appear to come with pressure by HUD staff to move public housing developments into demolition or disposition, before other options, including full or partial preservation, the needs of the existing residents and the community, are fully considered. The demolition, disposition, or conversion of this public housing has the effect of permanently reducing the supply of critically important affordable housing in this country and ignores existing needs in communities, small and large, for affordable housing.

One example of a housing authority pressured by HUD to demolish came from Wellston, Missouri. The Wellston Housing Authority was in HUD receivership for more than 20 years. Shortly exiting receivership, HUD staff actively pushed for the housing authority to demolish all 201 units of public housing, even though the community was in desperate need of affordable housing and HUD's two decades long receivership should have stabilized the housing authority. Only after zealous advocacy by the tenants, their advocates, local officials, and their congressional representatives, did HUD agree to a plan that provides for the partial redevelopment of the affordable housing and the project-basing of tenant-based vouchers. But not all housing developments have such champions and nor does this victory signal a change in HUD's national repositioning policy.

It is also critically important that what national policies are advanced prioritize preserving units from both large and small public housing authorities in rural and larger metropolitan areas. Currently, the Rental Assistance Demonstration, which can preserve housing by allowing for the conversion of public housing units to project-based subsidies, is often unavailable to smaller and more rural public housing authorities or those with significant

capital needs. Our experience with RAD is that there is a significant lack of oversight in the program's administration, resulting in residents either potentially being displaced from their housing or experiencing other challenges, including being offered inaccessible units.

So what policies are needed to save this nation's important supply of public housing?

1. The Public Housing Tenant Protection Act of 2020 is a promising start. The bill would require one-for-one replacement of demolished or disposed of public housing, protect tenants through the process, including any relocation, and devise a system to allow housing authorities to attract private investment to rehabilitate public housing which have long been underfunded under the Public Housing Capital Fund program.
2. A revisioning of the Rental Assistance Demonstration program to provide detailed oversight, including ensuring that tenants impacted by RAD conversions are protected.
3. An effort to strengthen HUD's oversight of distressed public housing properties, and when HUD takes a property into administrative receivership, the focus being on the preservation and improvement of that housing rather than its demolition or conversion. The Averting Crisis in Housing Assistance Act is a promising start to that effort.
4. Finally, there must be a commitment to address the dire backlog of public housing capital funds, which housing authorities rely upon to preserve and maintain public housing. H.R. 5187, the "Housing Is Infrastructure Act of 2019" could fully address the backlog.

Thank you.