

June 22, 2018

Good morning Subcommittee Chairman Sean Duffy, Ranking Member Emanuel Cleaver and Honorable Subcommittee Members:

My name is Julie Brewen and I am the CEO of Housing Catalyst – the housing authority of the City of Fort Collins, Colorado. Fort Collins is a city of 170,000 people about 65 miles north of Denver. We own and operate about 1,200 units of affordable housing, administer about 1,200 Housing Choice Vouchers, and operate a number of other successful properties and programs. Housing Catalyst is committed to creating vibrant, healthy, sustainable properties for our community’s most vulnerable families.

Housing Catalyst was formed in 1971, at which time it acquired 154 units of scattered-site housing for its public housing portfolio. Units included single-family detached homes, some of which were deemed “historic,” duplexes, and small multiplex properties. These properties now range from 40 to 126 years old.

I am also a board member for the National Association of Housing and Redevelopment Officials (NAHRO). This year, NAHRO celebrates its 85th anniversary as a membership organization for the affordable housing and community development industry. In 1933, the founders of NAHRO created the association to address their common concern for the nation’s housing needs, and were determined to develop programs to address those needs. That remains NAHRO’s charge today. Twenty thousand NAHRO members provide homes for more than 7.6 million people across the country in urban, rural, and suburban America.

Thank you for taking the time and having interest in the issue of lead and mold in our nation’s public housing properties. We all know from data that lead is a serious health concern for all of us, but particularly for our most vulnerable families who must rely on public housing and other affordable housing programs.

Housing Catalyst, along with other public housing authorities (PHAs) across the country, remains steadfast in ensuring that children in U.S. Department of Housing and Urban Development (HUD)-assisted housing are not exposed to lead-based hazards. In fact, PHAs have been more than successful over the years in minimizing and eradicating lead-based hazards from their properties. A joint report by HUD and the Centers for Disease Control (CDC) released in September of 2016 in the *American Journal of Public Health* found that the average amount of potentially harmful lead in the blood of children in

low-income families living in federally-assisted housing is significantly lower than comparable children not living in federally-assisted housing.¹ According to the report, “children living in federally supported housing have approximately 20 percent lower blood lead levels on average, than similar children in low-income families living in homes where there is no federal assistance.” Although this demonstrates considerable progress, PHAs continue to work tirelessly to ensure that their properties remain free of lead-based hazards.

In the mid-1990s, national assessment was conducted on public housing units to determine if lead was present. Local mitigation plans were created and implemented using what was HUD’s public housing Comprehensive Improvement Assistance Program (CIAP). Some homes only required minor modifications like removing shelving material from closets, while others were substantial – such as full encapsulation of exterior siding on historic single family homes.

Housing Catalyst is committed to ensuring the health and safety of the families we serve. We know that even low levels of exposure to lead and other toxins can cause children permanent damage. We have adopted a comprehensive “Green Operations and Maintenance Manual” for our ongoing operations, which includes using only low-Volatile Organic Compounds(VOC) paints, non-toxic cleaning products, and other items related to ensuring indoor air quality. Maintenance staff members are trained to fully understand and utilize HUD’s Uniform Physical Condition Standards (UPCS), which includes assessing and reporting paint conditions for any chipping, peeling, or caulking paint. All of our Housing Quality Standards inspectors for the Housing Choice Voucher program are formally trained and directed to look closely for chipping, peeling, or caulking paint in the privately owned properties participating in our Housing Choice Voucher program. Key staff members are also trained in Lead Safe Work Practices.

Last year HUD published the “Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Response to Elevated Blood Lead Levels” (lead-free) final rule. The final rule amended HUD’s lead-based paint regulations on reducing blood lead levels in children under age six who reside in federally-owned or -assisted housing that was built pre-1978, and formally adopted the CDC definition of “elevated blood lead levels” (EBLLs) in children under the age of six. Under the final rule, PHAs are required to conduct an environmental investigation of the dwelling unit in which a child with an EBLL lived at the time the blood was last sampled and of common areas servicing that unit. The rule applies to project-based assistance provided by non-HUD federal agencies, project-based assistance, HUD-owned and mortgagee-in-possession multifamily property, public housing, and tenant-based rental assistance. The final rule also included

¹ <http://aiph.aphapublications.org/doi/abs/10.2105/AJPH.2016.303432>

a new protocol for responding to a case of a child under age six that has an EBLL to ensure quick remediation of the lead-based hazard. PHAs have been required to be in compliance with this final rule as of July 13, 2017.

The lead-free rule also directs local health departments to share addresses of properties where children with elevated lead levels were residing so that PHAs can cross reference with Housing Choice Voucher program landlords. While we have highly trained Housing Quality Standards inspectors who are focused on identifying any chipping peeling, or caulking paint, we are committed to the safety and health of our community's children and we appreciate this connection to our local and state Health Departments. Lead exposure can occur from a variety of non-housing factors, including take-home exposures from the work place, water sources, and soil. Eradicating lead exposure to children requires collaboration across multiple sectors. As some of these environmental factors that may lead to an EBLL remain outside the scope of the PHA, it is critical that Public Health Departments, Environmental Agencies, and Labor Departments work together to ensure residents of HUD-assisted housing are not exposed to lead hazards. These partnerships are critical for the successful eradication of lead-exposure for residents of HUD-assisted properties, and as such, the responsibility to identify lead-based hazards must be shared by all agencies.

Partnerships are the key in the continued battle to reduce and eliminate Elevated Blood Lead Levels. PHAs must work closely with everyone at the table when dealing with lead. They may also have to bring some new partners to the table. The Office of Lead Hazard Control and Healthy Homes has been a primary partner in providing guidance and a road map. Local Health Departments are also important partner not only in identifying cases of EBLL but also in education process of the PHA and the families the PHAs serve concerning the hazard of Elevated Blood Lead Levels. Education is also an area where partnerships can be forged. Many of the children that PHAs serve spend large amounts of time in early education programs, such as Headstart and even daycare programs, as well as kindergarten. Our children's educators are important links to educating parents of the consequences of lead exposure and additional sources of lead exposure. All of us as stakeholders need to reach out and strengthen the ties we have with our education partners to ensure that our children are learning in a lead-free education environment.

The most important factor in ensuring that PHAs are able to provide safe and secure lead- and mold-free public housing for their residents is full funding of the Public Housing Capital Fund and the Public Housing Operating Fund. The public housing inventory faces a mounting capital needs backlog, but Capital Fund appropriations continue to lag dangerously behind accruing modernization needs. At the same time, funding for operations has endured deep cuts, forcing PHAs to forego critical maintenance functions and further jeopardizing the long term sustainability of many properties. Each year, PHAs receive enough funding to address only about half of their

newly occurring physical needs. Recent unfunded regulations from HUD have increased PHAs' challenges in meeting the needs of their residents and properties. This chronic underfunding has a huge impact on the health and safety of residents who live in public housing. It is critical that PHAs receive proper funding to ensure that they are able to provide adequate lead and mold remediation while continuing to provide necessary capital needs upgrades to public housing properties.

In 2011, a full capital needs assessment of Housing Catalyst's public housing portfolio confirmed what we knew anecdotally; that the capital needs and routine expenses of operating scattered site public housing was not viable long-term given the operating subsidy formula. Significant capital needs far outweighed the average \$204,000 per year in capital funds Housing Catalyst was receiving, and we were beginning to make trade-offs between roof replacements, sidewalk safety, failing windows, etc. With respect to lead, we had to encapsulate some homes with exterior lead present in the 1990s. This encapsulation has a life span of 20 years. Today, it would cost \$50,000 to address the needs of just one of these houses, or roughly a quarter of our annual average capital fund subsidy on just one of the 154 units.

In light of these financial limitations, Housing Catalyst applied and was accepted to participate in HUD's Rental Assistance Demonstration Program (RAD), which allowed the agency to acquire new or substantially renovated multi-family properties, properties that meet our high standard for health and safety for the families we serve. In our case, we have utilized the Low Income Housing Tax Credit Program for these new units. We are the owner, developer and property manager. I believe that for many housing providers like us, RAD and the newly updated Section 18 Demolition and Disposition regulations, provide a mechanism to help ensure healthy homes for our community's most vulnerable families with children. When we design and build new properties or acquire and substantially rehabilitate existing properties, we focus on healthy building practices, which among other things include:

- Construction design, materials and continuous mechanical ventilation for indoor air quality and energy efficiency
- High efficiency, sealed combustion tankless water heaters
- High performance windows that improve air quality and provide energy efficiency
- Hard surface flooring to improve indoor air quality and keep carpet out of the landfill
- Low flow plumbing fixtures to conserve water use
- 100% built-in LED or CFL lighting conserves energy
- High tech thermostats
- All zero VOC paint and no formaldehyde wood products for indoor air quality

- Continuous mechanical ventilation for indoor air quality

We also focus on resident amenities that improve health. We include fitness equipment for residents to encourage exercise, walking trails throughout properties and connecting with adjacent neighborhoods to support active lifestyles, community garden for growing produce and building a sense of community and pride, playground equipment and open play areas that encourage children to be active, bicycle amenities to encourage biking such as covered bike parking, bike repair stations, easy access to bicycle routes, and close access to public transit.

Again, our commitment to the health of the families we serve aligns with your concerns about lead and mold hazards, and I applaud the Subcommittee and Secretary Carson at HUD for focusing on this issue. However, it is critical that Congress and HUD take a common-sense approach toward lead and mold abatement and remediation. Mandated full abatement of lead in public housing properties without adequate funding is impossible. It becomes impossible to prioritize a new roof vs. lead abatement vs. heaving sidewalk replacement when the deferred capital items far exceed the available and declining funding. Since 2001, Housing Catalyst has experienced cuts of \$1,660,557, which is significant for our public housing portfolio. Had we not been accepted into the RAD program, or had the RAD program not been a viable option for our agency – and it is not viable for all agencies - the choices we would have had to make for our portfolio would have become more and more difficult.

PHAs need adequate funding to ensure units remain lead- and mold-free. In FY 2018, Congress appropriated \$2.750 billion for the Capital Fund. This is enough to subsidize only 80 percent of capital needs estimated to accrue during the fiscal year according to HUD's 2010 Capital Needs Assessment. Although this is a significant improvement in funding levels compared to previous years, Congress needs to ensure responsible levels of funding are provided to the Capital Fund in years to come. Adequate funding of the Capital Fund will help ensure children who live in HUD-assisted housing remain safe from exposure to lead and mold in their homes. The public housing program is a critical component of our national infrastructure that provides homes to low-income families across the nation. It is imperative that PHAs are able to ensure that these homes are safe and secure.

In closing, I should mention that there are many housing authorities across the country like Housing Catalyst who are working hard in proactive ways to focus on the health of the families we serve, particularly those with children for home lead and mold pose a great threat.

Again, I appreciate your interest and concern, and I encourage you to continue to address this issue in with a common-sense approach. Thank you for the opportunity to address the subcommittee today.