

United States House of Representatives
Committee on Financial Services
2128 Rayburn House Office Building
Washington, D.C. 20515

March 24, 2021

Memorandum

To: Members, Committee on Financial Services

From: FSC Majority Staff

Subject: March 24, 2021, HCIDI hearing entitled “Preserving a Lifeline: Examining Public Housing in a Pandemic”

The Subcommittee on Housing, Community Development, and Insurance will hold a hearing, entitled, “Preserving a Lifeline: Examining Public Housing in a Pandemic,” at 12:00 p.m. on Wednesday, March 24, 2021, via the virtual meeting platform, Cisco Webex. This hearing will have one panel with four witnesses:

- **Georgi Banna**, Director of Policy and Program Development Director of Policy and Program Development, National Association of Housing and Redevelopment Officials
- **Brian Gage**, Executive Director, Akron Metropolitan Housing Authority
- **Tamir Mohamud**, Commissioner and Vice-President, Minneapolis High-Rise Representative Council
- **Oscar Durán**, Executive Director, Municipal Housing Agency of Council Bluffs
- **Michael Hendrix**, Director of State and Local Policy, Manhattan Institute

Introduction

Public housing has served as an important lifeline for low-income families during the coronavirus pandemic by ensuring residents have an affordable home and by providing important services to help residents stay healthy and connected to their communities. The coronavirus pandemic has posed major threats to public housing communities and residents, many of whom are older or have a disability or underlying health condition and are therefore particularly vulnerable to the coronavirus. Studies have shown that seniors living in public housing have greater challenges performing routine daily activities and have higher rates of obesity and diabetes.¹ Additionally, people of color, who are at an increased risk of experiencing serious illness or facing structural barriers to receiving treatment once diagnosed, head a disproportionate number of public housing households.² The challenge of keeping public housing residents safe has been particularly critical for public housing authorities managing properties with shared common spaces, elevators, staircases, mailrooms, hallways, and laundry rooms where the virus may be easily spread. The pandemic has also posed new challenges for residents who depend on regular services, such as medical check-ups and assistance from aides, that bring residents in contact with

¹ Robert Wood Johnson Foundation and The Pew Charitable Trusts, [Connecting Public Housing and Health: A Health Impact Assessment of HUD’s Designated Housing Rule](#) (June 16, 2015).

² Samantha Artiga et al, Kaiser Family Foundation, [Communities of Color at Higher Risk for Health and Economic Challenges due to COVID-19](#) (April 7, 2020). See also HUD, [Assisted Housing National and Local Dataset](#)

staff or others who may have been exposed.³ Public housing authorities (PHAs) operating through the pandemic have been called upon to protect the health of public housing communities and residents, and to adapt operations to continue to provide shelter and services to vulnerable residents.⁴

The State of Public Housing

The Public Housing program plays a central role in addressing America's affordable housing needs. Under this program, the Department of Housing and Urban Development (HUD) provides grants to local PHAs that collectively own and manage roughly one million permanently affordable housing units. Public housing is home to approximately 1.7 million low-income seniors, people with disabilities, families with children, and other individuals.⁵ Over half of public housing households are headed by seniors and people with disabilities; families with approximately 597,000 children comprise more than 37% of public housing households.⁶ The average income of a household living in public housing is \$15,489 per year, and 82 percent of public housing residents are extremely or very low-income.⁷ In order to ensure affordability, rent for public housing residents is generally capped at 30 percent of household income.

Providing vulnerable individuals with access to public housing provides benefits that cannot be fully replicated through other forms of housing assistance. For example, public housing is more likely to be accessible to people with disabilities than apartments that are available to Housing Choice Voucher (HCV) holders.⁸ Additionally, landlord participation in the HCV program is generally voluntary and households with HCVs often face challenges finding landlords who will accept their voucher.⁹ In cities with tight rental markets, on average, it takes a voucher holder 94 days to find an apartment, while only 61 percent of voucher holders ultimately find a landlord who will accept it.¹⁰ Furthermore, unlike Section 8 project-based rental assistance (PBRA) properties that are owned by private owners, public housing is permanently affordable; whereas, after a PBRA owner's contract expires, the owner can choose to exit the program and begin charging market rents for their units. In many communities, no other source of housing is more affordable or readily available to low-income individuals than public housing.

Federal Funding of Public Housing

Over the past few decades, funding for the public housing program has decreased significantly, with funding for capital repairs falling by 35% between 2000 and 2018.¹¹ Congress provides funding for public housing through the Capital Fund, which primarily is used to address

³ Mica O'Brien et al, Urban Institute, [How Public Housing Authorities Are Supporting Vulnerable Residents During COVID-19](#) (April 17, 2020)

⁴ HUD, [COVID-19 FAQs for Public Housing Agencies](#)

⁵ HUD, [Resident Characteristics Report](#).

⁶ *Id.*

⁷ *Id.* Households with income at or below 50% of AMI.

⁸ *Id.*

⁹ Alison Bell et al., Center on Budget and Policy Priorities, [Prohibiting Discrimination Against Renters Using Housing Vouchers Improves Results](#) (Dec. 20, 2018).

¹⁰ Doug Rice, Center on Budget and Policy Priorities, [Agencies Generally Use All Available Voucher Funding to Help Families Afford Housing](#) (March 4, 2019).

¹¹ Alison Bell and Doug Rice, Center on Budget and Policy Priorities, [Congress Prioritizes Housing Programs in 2018 Funding Bill, Rejects Trump Administration Proposals](#) (July 19, 2018)

physical needs of public housing properties, and through the Operating Fund, which is used for day-to-day operating costs. Both the Capital Fund and the Operating Fund are administered through HUD's Office of Public and Indian Housing. As a result of this chronic underfunding, there is at least an estimated \$70 billion backlog in needed capital repairs to fix tenants' homes from substandard and unsafe conditions, and more than 10,000 public housing homes are lost each year due to disrepair.¹² This represents a permanent loss of our public housing stock due to the Faircloth Amendment, which prohibits PHAs from constructing any new public housing units if it results in a net increase to their overall stock.¹³

The inability to perform necessary maintenance and repairs on an aging public housing stock has created additional health risks for residents.¹⁴ National incidents of rodent presence, boilers in disrepair, lead, and mold have a negative effect on the health and safety of public housing residents.¹⁵ HUD is legally required to reduce the risk of lead paint hazards in HUD-assisted housing, however, a recent GAO report found that HUD has not done a comprehensive risk assessment to identify the properties posing the greatest threat to young children.¹⁶ Exposure to lead paint can cause brain damage and slow development in children under 6 years old.¹⁷ In light of COVID concerns, important questions have also been raised about the indoor air quality in public housing properties.¹⁸

Public Housing Response to the COVID-19 Pandemic

In response to the pandemic, PHAs have had to adjust their operations and supplement the services they provide to meet the health and safety needs of both residents and employees. To comply with social distancing requirements, PHAs have adopted the use of technology to perform business operations usually done in person, such as income recertifications for residents who have experienced a loss in income and need their rent adjusted.¹⁹ Some PHAs have also provided residents with personal protective equipment (PPE) hand sanitizer, and other cleaning products to reduce community-wide transmission of the virus.²⁰ To meet the needs of seniors and other vulnerable residents, some PHAs have utilized existing partnerships with service providers to expand meal delivery services and have COVID-19 testing and vaccinations offered to residents onsite to reduce their risk of exposure to the virus.²¹ Some PHAs have also increased wellness checks and have provided resources to connect residents to mental health services.²² PHAs have

¹² National Low Income Housing Coalition, [Public Housing: Where Do We Stand?](#) (October 2019).

¹³ *Id.*

¹⁴ Mica O'Brien et al, Urban Institute, [Our Aging Public Housing Puts Older Americans At Risk](#) (January 30, 2020).

¹⁵ Molly Parker, ProPublica, [Pretty Much a Failure: HUD Inspections Pass Dangerous Apartments Filled with Rats, Roaches and Toxic Mold](#) (November 16, 2018).

¹⁶ GAO, [Report to Congressional Committees: Lead Paint in Housing](#) (December 2020).

¹⁷ *Id.*

¹⁸ Greg Smith, The City, [NYCHA Backs Look at Fan Plan to Head Off New COVID Wave in Public Housing](#) (November 17, 2020).

¹⁹ See Council of Large Public Housing Authorities, [CLPHA Members Respond to the COVID-19 Pandemic](#) (April 24, 2020).

²⁰ *Id.*

²¹ *Id.* See also CBS Los Angeles, [Mobile Coronavirus Testing Being Deployed To All LA Public Housing Sites](#) (June 24, 2020); NPR, [A New Medical Van Wants To Connect People In Public Housing With Healthcare Providers](#) (Sept. 30, 2020); New York City Housing Authority, [COVID-19 FAQ](#) (Dec. 29, 2020); Mass Live, [Springfield Housing Authority and city partner to provide COVID vaccines to public housing residents](#) (March 9, 2021); Spectrum News, [RHA, Trillium Health Offer Public Housing Residents Free Vaccines](#) (March 4, 2021); Yahoo News, [NAACP, Rite Aid team up for vaccine clinic at Pottsville Housing Authority](#) (March 10, 2021).

²² Council of Large Public Housing Authorities *supra* note 25.

also worked to increase internet access within their communities and have partnered with organizations to provide electronic devices to ensure children can attend school virtually and seniors can connect with their doctors and families.²³

To support PHAs during the pandemic, Congress provided \$685 million for the Public Housing Operating Fund and \$1.25 billion for tenant-based rental assistance in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. On April 28, 2020, HUD issued guidance on the allocation and eligible uses of the \$685 million supplemental funding included in the CARES Act, as well as additional flexibilities provided to use previously appropriated Capital and Operating Funds to “prevent, prepare for, and respond to the coronavirus, including to provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by the coronavirus.”²⁴ Authorized uses of supplemental grant funds authorized under the CARES Act included public housing activities such as providing nutrition services, providing transportation services for eligible households to access medical care, educating households on ways to reduce the risk of contracting and spreading COVID-19, and costs relating to infection control measures such as PPE and other safety-related supplies for staff and assisted households.²⁵ However, PHAs have continued to report stretched Operating funds and Housing Assistance Payment budgets to cover costs of protecting residents and staff during the crisis, while also facing rent shortfalls and the necessity of deploying limited operating funds away from maintenance and repair to cover emergency expenses.

Legislative Proposals

- **H.R. _____, the “Public Housing Tenant Protection Act of 2021” (Waters)** is a discussion draft that would: 1) Require one-for-one replacement for any public housing units that are demolished or disposed of; 2) Provide additional protections for residents through the revitalization process, including stronger notification requirements, increased resident involvement in the planning and implementation stages, and more robust tenant protections regarding relocation; 3) Allow the Secretary of HUD to establish the Capital Fund Loan Guarantee, which would allow housing authorities to attract private investment to rehabilitate public housing properties; and 4) support public housing residents through job training to provide for increased earnings and positive life outcomes.
- **H.R. _____, the “Supporting Seniors and Tenants in Subsidized Housing Act” (Clever)** is a discussion draft that would provide additional protections for public housing residents during the coronavirus pandemic and would provide supplemental funding for supportive housing for the elderly.
- **H.R. _____, the “Public Housing and Section 8 Operational Response Act for COVID-19” (Velazquez)** is a discussion draft that would provide \$5 billion for the Public Housing Operating fund and \$3.5 billion for tenant-based rental assistance to respond to the coronavirus pandemic.
- **H.R. _____, the “Choice Neighborhoods Initiative Act of 2021” (Clever)** is a discussion draft that would permanently authorize the Choice Neighborhoods Initiative Program.

²³ *Id.*

²⁴ HUD, [Implementation of Supplemental Guidance for the Federal Fiscal Year 2020 Operating Fund Appropriations](#)

²⁵ HUD, [Planned Use of CARES Act Funding](#)

- **H.R. _____, the “Promoting Resident Opportunities and Self-Sufficiency Act” (Adams)** is a discussion draft to ensure public housing residents remain eligible to participate in the Resident Opportunities and Self-Sufficiency (ROSS) and Jobs Plus programs after the public housing development where they live has been converted to Section 8 housing under the Rental Assistance Demonstration (RAD).
- **H.R. _____, the “Repeal the Faircloth Amendment Act of 2021” (Ocasio Cortez)** is a discussion draft that would repeal the Faircloth Amendment that prohibits the expansion of public housing.
- **H.R. _____, the “Affordable Housing Preservation Act” (Torres)** is a discussion draft to reform the Rental Assistance Demonstration to provide additional protections for residents and to better ensure long-term affordability.
- **H.R. 1904, the “Broadband Justice Act of 2021” (Bowman)** is a bill to require HUD and USDA to update agency definitions on utility allowances to include broadband, and to authorize a grant program to help wire federally-assisted housing.