

Testimony for Hearing before the Financial  
Services Committee

Subcommittee on Housing, Community  
Development, Insurance

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Good Afternoon Subcommittee Chairman Clay, Ranking Member Stivers, and Members of the Subcommittee:

Thank you very much for the invitation to share my insights. I am Eugene Jones, President and Chief Executive Officer of the Atlanta Housing Authority. The Atlanta Housing Authority proudly provides affordable housing opportunities to approximately 22,000 households and over 50,000 individuals. I am a 35-year veteran of public housing leadership, both as a member of a Department of Housing and Urban Development team sent to rescue and turn around ailing public housing authorities, and for the last five years as Chief Executive Officer of the Chicago Housing Authority (CHA) - the nation's second largest public housing authority.

It is this body of experience that informs my remarks. I have seen both sides of the coin - what happens when there is full investment in public housing and what happens when there is not - what happens when you view public housing as an asset and what happens when it is seen as a warehouse, or worse, as a blight.

There is no question that Chicago's public housing presents the most complete case study of the development, fall, and resurrection of public housing. The impact of public housing on its residents' and communities' lives is well documented.

Chicago's first developments were built in 1939. The well-kept, predominantly low- and mid-rise dwellings that replaced inadequate and dangerous stick-built slums were integrated into neighborhoods across the city and made home to families - black and white, immigrant and native. The situation remained that way until the mid-fifties. It was then - and into the early sixties - when with varied intentions massive high rises were built along miles of isolated land between Chicago's expressways, cut off from but dominating the neighborhoods where their shadows fell and occupied almost exclusively by African Americans, who, by virtue of the siting of the 'projects' were cut off from public transportation and easy access to jobs and amenities.

The uprisings of 1968 caused in their wake the exodus of many homeowners, stores and jobs, while the towering public housing buildings remained and fell into disrepair. Federal funding cutbacks for both the creation of new housing and

the upkeep of existing housing created a serious problem for the housing authority and a severe shortage of housing for those working and poor families.

In 1984, public housing in Chicago was the State's second largest 'city'. By 1994, when the Federal Government put the CHA into receivership, there were only 25,000 viable units of housing, with 10,000 of those being dedicated to seniors. Most of these units existed in poor communities. In fact, in 1998 Chicago's towering public housing represented 14 of the Nation's poorest census tracts and the communities they dominated were bereft of stores, amenities, and sometimes even schools and parks.

The consistent underfunding of housing agencies led to failing buildings, isolated and increasingly impoverished residents, and multi-generational dependence on the government for housing and income.

In 1999, after experimenting with new federal programs and with the agreement of the Clinton Administration and Republican Congressional leadership, Chicago developed and Congress accepted Chicago's proposed Plan For Transformation in which it would demolish 981 existing troubled high rises and replace them with housing that was low and mid-rise, mixed income (1/3 public, 1/3 Low Income Housing Tax Credit and 1/3 market rate) housing and that would be developed by private/public partnerships with the input of both the CHA residents and those in the surrounding communities.

The thesis was that by doing so, the city would: end the isolation of public housing residents and assure better access to jobs, amenities and more; return the former projects to the city's street grid thereby integrating the housing into communities and making it indistinguishable from the surrounding neighborhood; and act as a springboard for renewal in communities that had been weakened by the domination of massive, increasingly deteriorated and dangerous CHA high rises.

Chicago was fortunate - it had committed public officials, a talented housing staff, and an engaged population and won not only a commitment of \$2 billion for renovation but Moving to Work program status that allowed flexibility in how dollars were spent. That essential funding flexibility allowed the \$2 billion to be leveraged with private market dollars to create market rate and tax credit units for critically important mixed income developments as well as fund the rehabilitation of senior and family housing and investment in ancillary but

essential community amenities such as schools, libraries, park district facilities and more. In addition, CHA was provided with more Housing Choice Vouchers (HCV), and today has approximately 48,000 in use.

Through the use of flexible federal investment programs, such as the Choice Neighborhoods program, the Rental Assistance Demonstration program and the Moving to Work program, CHA successfully changed and greatly improved the profile of public housing and the lives of its residents.

A) The Housing:

- In 1999 - there were only 25,000 units of housing that were viable, and more than 98 buildings were considered unlivable and ordered to be demolished
- In 2020 there are 25,000 units of public housing that are in every community in Chicago - in buildings that are fully owned by CHA, co-owned by CHA, or invested in by CHA - in apartments that are safe, well-located and near to amenities and employment

B) The People:

- In 1999 - only 34 percent of eligible public housing residents worked and those that did earned an average of \$10,000 a year
- In 2020 - 57 percent of eligible residents work and those that do earn an average of \$20,000 per year with those living in mixed income housing earning more

C) The Communities:

- Seven communities considered themselves blighted and isolated in 1999 and most had seen no private investment for almost 75 years
- Today, anchored by architecturally attractive mixed income housing, each of the seven communities is thriving without displacement of the poor. They are now home to new schools, parks, grocery stores, restaurants, and stores. In turn, businesses are hiring residents from the community - with no regard to whether they receive subsidized rent

D) One important data point is the difference between outcomes for HCV holders and residents of mixed income or family housing that indicates that those in public housing are more likely to seek and find success in work and financial independence

- 51% of HCV holders work and earn an average of \$19,000 per year
- 63% of those in Family Housing work and earn an average of \$21,000 per year
- 69 % of those CHA residents living in mixed income developments work and earn an average of \$23,000 per year

Even with Chicago's proven accomplishments and relatively moderate rent levels, the shortage of affordable housing is apparent. Each time CHA opens its waiting list more than 300,000 families apply - reflecting the continued shortage of affordable housing.

And while you can't house your way out of poverty, increasing the supply of affordable housing by building new structures and purchasing and rehabbing old structures through various public/private partnerships eases the housing shortage for the vast amount of Americans who today pay more than the suggested 30 percent of income for their rent or mortgage.

Thank you for the privilege of providing my testimony. I look forward to ongoing communication with Members and staff of the House Committee on Financial Services, as we continue to strive toward our shared goal of providing affordable housing to all Americans.