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PUBLIC HOUSING LEADERS AND ELECTED OFFICIALS DISCUSS IMPACT OF MASSIVE FEDERAL FUNDING CUTS ON PUBLIC HOUSING

Public housing leaders and area elected officials today met to discuss the impact of massive reductions of federal funding on the public housing system at “The Future for Public Housing Families,” a forum sponsored by the New York City Housing Authority (NYCHA) the New York State Association of Renewal and Housing Officials (NYSARHO) and the New York State Public Housing Authorities Directors Association (NYSPHADA). The Forum brought together public housing executive directors from around New York State, statewide and regional public housing associations, public housing advocates and members of the New York Congressional Delegation to discuss the proposed federal cuts that would provide only 78 cents on the dollar when compared to funding in previous years.

Projections in 2007 for New York State show a loss of \$240 million of which more than \$100 million will be incurred by the New York City Housing Authority. The dramatic decreases in funding – well below the level of sustainability for the already financially strapped public housing system – could result in reductions of basic services, staff and the potential loss of public housing for low-income residents. In addition, public housing authorities today face substantial increases in non-discretionary operating costs while funding continues to drop.

Housing authority executives speaking at the Forum warned that their agencies were facing the prospect of staff lay-offs, reductions to basic services, longer repair cycles and the disposing of public housing properties. For example, last week alone the Plattsburgh Housing Authority announced a 20% reduction of its staff, while the New Rochelle Housing Authority considered selling one of its developments. Today’s Forum was attended by executives from housing authorities across New York, Pennsylvania, New Jersey and Connecticut.

“While the dollars and numbers may differ, large or small, our primary concern is the same: the federal government’s apparent lack of commitment to fund public housing adequately here in New York and across the nation,” said NYCHA Chairman Tino Hernandez. “We must mobilize so that it is understood that public housing is not only for the benefit of the families who live there, public

housing benefits everyone. The families who live in public housing contribute to their communities and they must have access to decent housing that they can afford.”

“Public housing is an important part of the fabric of New York City,” said New York City Deputy Mayor for Education and Community Development Dennis M. Walcott, “It is made up of people who live and work here and help keep the City vibrant. To cut federal funding while the City has invested an unprecedented amount of money in capital improvements threatens the existence of public housing as we know it.”

For the past several years the federal Department of Housing and Urban Development (HUD) has only provided housing authorities with a portion, known as proration, of the funding they are eligible to receive. In 2005 it was 11.2% less than they were eligible for; in 2006, it dropped to 18% and the projected difference for 2007 will have grown to 22%. This comes at a time when the costs of operating housing authorities is growing faster than inflation. Health care costs, pension costs and energy costs have all risen dramatically.

Projections in 2007 for New York State show a loss of \$240 million of which more than \$100 million will be incurred by the New York City Housing Authority. Translating these dollar losses into tangible concepts shows that 35,000 families living in NYCHA development and 4,000 NYCHA employees who work there are at risk because of the potential cuts.

“What is abundantly clear to me is that it is not the tenants and their modest rents that are the cause of this budget crisis,” said Congressman Charles B. Rangel (D.,NY). “It is the decline in federal operating subsidy. We cannot ask tenants of modest means to pay more rent to make up the shortfall. We must demand that the Bush Administration and the Republican controlled Congress recognize the federal government’s 70 year commitment to public housing.”

“The federal government has failed time and time again to provide the necessary funding levels to both the housing operating subsidy and capital fund,” said Representative Jerrold L. Nadler (D., NY). “As a result, housing authorities have already laid off staff and are starting to sell off buildings,” he added, noting, “the federal government must do better.”

“The lack of funding for public housing by the Republican-lead Congress is disgraceful,” said Representative Edolphus Towns (D., NY). “We are spending \$85 billion a year on a war that we should not be in. We have families that need a place where they can afford to live and raise their children. I will work with my colleagues in the Congress to assure full funding for public housing.”

At the Forum, a panel, moderated by Tim Kaiser, Director, Public Housing Authorities Directors Association (PHADA), and including Douglas Apple, NYCHA’s General Manager; Stewart Cowart, Executive Director, Niagara Falls Housing Authority; Mario Musolino, Executive Director, Troy Housing Authority, and Steve Horton, Executive Director, New Rochelle Municipal Housing Authority, discussed the impacts of a reduction in funding of this magnitude.

Forum panelists and attendees echoed a request made on October 5 by House Democratic Leader Nancy Pelosi (D., CA), Congressman Tom Lantos (D., CA), and Congresswoman Anna Eshoo (D., CA) to members of the House Appropriations Committee and the House Transportation-Treasury-Housing Subcommittee asking the Committee to alleviate these “devastating cuts” to public housing agencies.

“We are seeking supplemental funding of \$283 million to cover shortfalls for FY06 due to increased utility costs and an additional \$900 million above the \$3.6 billion reported by the Senate Appropriations Committee for FY07 to meet the housing authorities’ urgent operating subsidy formula needs.”