



The Case for Support – Preserving Public Housing

Existing Conditions

As California’s skyrocketing population and housing prices continue to capture regular media attention, the poorest of the poor – those residing in Public Housing Projects – are all but ignored. Deteriorating and unsafe properties, overcrowding, and property closures are only some of the staggering problems affecting more than 130,000 low- and extremely-low-income residents of Public Housing.

California’s 114 Public Housing Authorities (PHAs) have built 785 projects statewide, creating nearly 44,000 units for low- to extremely-low-income households. About half of these are headed by elderly or disabled residents. The vast majority of the units are located in the major population centers including the city and county of Los Angeles, the San Francisco/Oakland bay area, Sacramento, San Diego, and other parts of southern California.¹

Tenant Characteristics

Consider the case of the San Francisco Public Housing Authority, which has the second largest Public Housing stock in the state. The average San Francisco Public Housing tenant earns \$12,766 a year and pays \$274 per month for rent. Compare that with the median income for the San Francisco area at \$113,100, and the HUD fair market rent of \$1,551. It would be utterly impossible for these families to live and carry on their lives in San Francisco without Public Housing assistance. The waiting list for Public Housing units in San Francisco is 3-5 years long. (These statistics are also being developed statewide and will be available shortly.)²

Public Housing Characteristics

Clearly, Public Housing is vital to California’s poor. Unfortunately, Public Housing has been in steady decline, both in total stock and quality for decades. According to HUD data, California lost almost 1100 units in 2006 alone: from 44,714 units statewide in 2005 to 43,628 in 2006.³ PHAs have been increasingly unable to maintain their units due to chronic underfunding for the last 26 years, and have reached a breaking point where existing service levels can no longer be sustained. Recently, this problem has been exacerbated by an intense budget squeeze triggered by stagnant appropriations that don’t account for inflation, and “HUD’s failure to request funds to cover sharp utility cost growth in recent years.”⁴

¹ [Housing Authority Profiles](https://www11.hud.gov/pic/haprofiles/haprofiledetails.asp), Department of Housing and Urban Development, <https://www11.hud.gov/pic/haprofiles/haprofiledetails.asp>

² [San Francisco Housing Authority Demographics](http://www.sfha.org/demog/index.htm), <http://www.sfha.org/demog/index.htm> and [Training Manual 2006](#), State of California Tax Credit Allocation Committee

³ [Housing Authority Profiles](#)

⁴ [Public Housing Squeezed Between Higher Utility Costs and Stagnant Funding](#), Center for Budget and Policy Priorities



Current Funding Levels

HUD receives funding from Congress to fund Public Housing. When congress fails to provide sufficient funding, HUD is forced to prorate its funds for distribution amongst the PHAs. Over the last 26 years, Agencies have received an average of 97 cents for every dollar they were due, with 2005, 2006 and the projections for 2007 making up the worst prorated years ever, at 88, 86 and 76 percent, respectively.⁵ (Efforts are underway to restore some of the 2007 funding but the outcome is uncertain at this date.)

Proposed funding levels for 2008 are also inadequate. The National Association of Housing and Redevelopment Officials (NAHRO) considers the President's \$4 billion budget request to be \$700 million short of what HUD requires and projects that only 85 percent of the PHA's budget needs will be covered. Consistent funding shortfalls such as these have created a Public Housing stock that is deteriorated, blighted and often uninhabitable. PHAs will be forced to take drastic measures to maintain service levels at the expense of their residents.

Public Housing Response - Samples

San Diego Housing Commission

Some of the solutions to the funding quagmire are especially harmful. The San Diego Housing Commission, in order to maintain the same number of operational units, has proposed to transition all of their Public Housing to a Section 8 voucher system. This transition would make households that earn up to 80 percent of the area's median income eligible for units that would otherwise be available only to households who earn 30 percent or less of the area's median income. This results in a reduction of service for those who need it most.⁶

Kern County

Stephen Pelz, Executive Director of the Kern County Housing Authority provides another example of how these budget problems affect his Housing Authority:

“Public Housing in Kern County has a \$34 million backlog in modernization needs. With some of the housing built in the 1940's, the housing units have substantial needs that are not being met due to declining federal funding. Rehabilitation needs include items such as roof, window and door replacement, adding air conditioning, and fire alarm system replacement.

Modernization of existing units is far less expensive than new construction. Replacing the units would likely cost at least \$157 million, nearly five times the cost to repair the housing.”

⁵ Public Housing Squeezed Between Higher Utility Costs and Stagnant Funding, and Levels of Operating Subsidy, HUD, <http://www.hud.gov/offices/pih/programs/ph/am/of/prorationlevels.pdf>.

⁶ Good Neighbors, Winter 2006, San Diego Housing Commission, <http://www.sdhc.net/GoodNeighborsNewsletters/Winter%202006%20expanded%20Q%20&%20A.pdf>



As the number of habitable Public Housing units dwindles, low-income families are forced to double and triple up in any housing they can find, including public housing; putting even more stress on already dilapidated and rundown units. Increases in homelessness and crime quickly follow from these difficult circumstances. California already has the unfortunate distinction of having the highest number of homeless in the country with estimates ranging from 170,000 to 360,000 persons.⁷

What California Needs To Do

While budget shortfalls are easily blamed on the failure of HUD and Congress to adequately fund Public Housing programs, the problems created are clearly California's – increased homelessness, crime, and social deterioration. These afflictions present a much greater cost to our society than the price of an operating subsidy or capital improvement grant. **Today we are recommending to the legislature that \$255 million of the Proposition 1C Infill Housing Fund be set aside to backfill the years-long deficiencies in funding from the Federal government.**

Clearly, there is no shortage of legitimate uses for the Infill Housing Fund. However, we believe that providing funds for the rehabilitation of existing Public Housing properties is one of the most urgent housing needs in the State of California. Moreover, all of these projects are located within existing developed areas, making the use of these funds consistent with the intent of the Infill portion of the legislation. In implementing the \$255 million set-aside we would establish these basic guidelines:

1. All rehabilitation or reconstruction would be done on a unit for unit basis, with no reductions in total number of units.
2. No current Public Housing residents would be permanently displaced from their homes.
3. Units should be rehabilitated rather than rebuilt except in the most drastic circumstances.
4. Prop 1C should be leveraged with other funds to the greatest degree possible.
5. Housing Authorities should form partnerships as appropriate with local, state and for-profit and non-profit developers in completing these projects.

We recommend that the program be administered through California Debt Limit Allocation Committee as part of its existing program. The CDLAC policies and procedures could be revised to include preserving public housing much like the “mixed use” or “single family” allocations in use today.

We look forward to working with you to develop a program that will maximize the Prop 1C funds and serve the neediest of California's residents.

⁷ Homelessness Counts, January 2007, National Alliance to End Homelessness, and California's Deepening Housing Crisis



Housing Authority	Section 8 Allocation	Public Housing Allocation	Total Allocation
Alameda City	1675	120	1795
Alameda County Housing Authority	5556	232	5788
Anaheim	6258	0	6258
Baldwin Park	882	12	894
Benicia	372	75	447
Berkeley	1841	63	1904
Burbank	1014	0	1014
Butte	1908	345	2253
Calexico	244	266	510
California Dept of Hsg and Comm Dev	785	0	785
Carsbad	703	0	703
Compton	803	0	803
Contra Costa County	6781	1050	7831
Crescent City	590	0	590
Culver City	308	0	308
Dublin	0	151	151
El Dorado	374	0	374
Encinitas	136	0	136
Eureka Housing Authority	0	197	197
Fairfield	851	0	851
Fresno City Housing Authority	6437	945	7382
Fresno County Housing Authority	5587	970	6557
Garden Grove	2337	0	2337
Glendale	1592	0	1592
Hawaiian Gardens	132	0	132
Hawthorne	686	0	686
Hollister	319	0	319
Humboldt Housing Authority	1222	0	1222
Imperial Valley	1577	511	2088
Inglewood	1002	0	1002
Kern County	3282	895	4177
Kings County Housing Authority	688	268	956
Lake County Housing Commission	224	0	224
Lakewood	215	0	215
Lassen County	113	0	113
Lawndale	212	0	212
Livermore	719	128	847
Lomita	86	78	164
Long Beach	6244	0	6244
Los Angeles City	44587	7355	51942
Los Angeles County	21490	2983	24473
Madera	725	260	985
Marin Housing	2109	496	2605
Mariposa County Housing Authority	165	0	165
Mendocino	925	145	1070
Merced	2705	481	3186
Monterey	3869	615	4484
Napa	1218	0	1218
National City	1044	0	1044
Needles	20	52	72
Nevada County Housing Authority	294	0	294
Norwalk	705	0	705
Oakland Housing Authority	11182	3385	14567
Oceanside	1313	0	1313
Orange County	9619	0	9619
Oxnard	1654	778	2432
Paramount	203	0	203
Pasadena	1315	0	1315
Paso Robles	0	148	148
Pico Rivera	517	0	517

Housing Authority	Section 8 Allocation	Public Housing Allocation	Total Allocation
Pittsburg Housing Authority	948	0	948
Placer County Housing Authority	276	0	276
Pleasanton	0	50	50
Plumas	335	114	449
Pomona	894	0	894
Port Hueneme	279	90	369
Redding Housing Authority	1528	0	1528
Redondo Beach	593	0	593
Richmond	1750	584	2334
Riverbank	0	90	90
Riverside County	8499	477	8976
Roseville	562	0	562
Sacramento City	6	2059	2065
Sacramento County	11217	1085	12302
San Bernardino County	8244	1688	9932
San Buenaventura City	1189	715	1904
San Diego County	10454	117	10571
San Diego Housing Commission	12034	1366	13400
San Francisco Housing Authority	15210	6398	21608
San Joaquin	4871	1075	5946
San Jose City Housing Authority	6482	0	6482
San Juan Bautista	25	0	25
San Luis Obispo	1825	170	1995
San Mateo County	4132	180	4312
Santa Ana	2558	0	2558
Santa Barbara City	1955	494	2449
Santa Barbara County	3396	524	3920
Santa Clara	9631	534	10165
Santa Cruz County Housing Authority	4019	234	4253
Santa Fe	224	0	224
Santa Monica	1092	0	1092
Santa Paula	577	0	577
Santa Rosa	1402	0	1402
Shasta County Housing Authority	644	0	644
Solano	250	0	250
Soledad	0	26	26
Sonoma	2722	0	2722
South Gate	654	0	654
South San Francisco	0	80	80
Stanislaus	3995	647	4642
State of CA	785	0	785
Suisun City Housing Authority	318	0	318
Sutter	803	203	1006
Tehama	144	0	144
Torrance	690	0	690
Tulare County Housing Authority	2841	710	3551
Upland	624	97	721
Vacaville	1143	0	1143
Vallejo	2266	0	2266
Ventura County	2532	350	2882
West Hollywood	97	0	97
Wasco Apartments	0	25	25
Yolo County Housing Authority	1466	442	1908
Yuba County Housing Authority	449	0	449
	Section 8 Allocation	Public Housing Allocation	Total Allocation
Totals	308,044	43,628	351,672