

Testimony of George Moses

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presented to

House Financial Services Subcommittee on  
Housing and Community Opportunity

United States House of Representatives

June 21, 2007

**INTRODUCTION**

I would like to thank Chairwoman Waters, Ranking Member Biggert and members of the Housing and Community Opportunity Subcommittee for holding this important hearing on the reauthorization of the HOPE VI program.

My name is George Moses. I am Chair of the Board of Directors of the National Low Income Housing Coalition (NLIHC), which I am representing today. I am also on the Board of Directors of the Housing Alliance of Pennsylvania and am a member and volunteer for the Southwestern Pennsylvania Alliance of HUD Tenants.

I lived in project-based Section 8 properties on and off from 1990 until last year. One of the places I lived was Federal American Properties located in East Liberty, Pennsylvania. After I lived there, the property slid into disrepair and had high vacancy rates. Residents tried to organize and make their voices heard about deteriorating conditions at the property. They were viewed as complainers by the management and owners. When the property eventually fell into complete disrepair, HUD foreclosed on it and sold it to a nonprofit that is redeveloping the property. The redeveloped property will be a mixed income development. The number of units affordable to extremely low income people will be fewer and people were displaced in the process.

People I knew there experienced what many public housing residents have faced when they've experienced HOPE VI: lack of information about their housing choices, no one-for-one replacement of subsidized housing, removal from their communities and unstable housing options.

I was elected Chair of NLIHC in 2006 and am the first tenant to serve in this role. NLIHC's members include non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens. NLIHC does not represent any sector of the housing industry. Rather, NLIHC works

only on behalf of and with low income people who need safe, decent, and affordable housing, especially those with the most serious housing problems. NLIHC is entirely funded with private donations.

Opposition to HOPE VI remains very strong in the low income housing advocacy community that works with and represents public housing residents. This is not based on an objection to the revitalization of public housing or providing services to public housing residents. It is based on direct experience with the harm that HOPE VI has caused many public housing residents. The opposition to HOPE VI is visceral and deeply held, to the extent that many thoughtful people are highly skeptical that it can be reformed and would prefer that it simply be ended. Therefore, we approach the possibility of reauthorization of HOPE VI with considerable caution.

We are also concerned about the allocation of scarce HUD resources to HOPE VI even at the reduced level HOPE VI is now getting. The HUD appropriation just approved by the House appropriations subcommittee includes \$120 million for HOPE VI. Yet, it level funds the public housing capital fund. Failure to provide for the capital needs of public housing contributes to its decline and potential for becoming severely distressed. Preserving the public housing we have that is in good condition seems to us to be a higher priority than HOPE VI.

### **NLIHC'S RECOMMENDATIONS**

NLIHC developed a HOPE VI reauthorizing position in 2002 based on the impacts of HOPE VI projects across the country. Our recommendations focus on two major aspects of the HOPE VI program that we believe must be addressed before the program is reauthorized and additional federal resources are expended on it: the loss of affordable housing stock and the impact of HOPE VI on residents.

NLIHC's also has basic concerns about current selection criteria provisions. Statutory language (Section 24(e)(3)) allows for the Secretary to not apply some of these selection criteria when awarding grants for demolition only, tenant-based assistance only, or "for other specific categories of revitalization activities."

NLIHC believes that some requirements should not be mere pieces of a list of selection criteria, which the Secretary may or may not consider, but rather should be threshold issues for a public housing agency to receive and maintain a HOPE VI grant, i.e., the Secretary shall not approve an application if threshold criteria are not met.

#### **A. No Net Loss of Units; Require One-for-One Replacement of Public Housing**

The one-for-one replacement of housing must be a "threshold issue" for approval of any HOPE VI grant application. HOPE VI grant funds must not result in the net loss of public housing units. The units do not necessarily have to be on the same geographic foot print of the original housing but they do have to be in the metropolitan area.

In the name of reducing housing density and social isolation of poor tenants, HOPE VI projects usually result in a net loss of housing units overall and always result in a loss of units that are

affordable to the lowest income households. At a point when there is broad consensus that the nation has an acute shortage of housing affordable for the lowest income households, for a federal housing program to actually cause further loss of housing stock is unwise policy. NLIHC supports a greater measure of economic integration, but believes that it is possible to simultaneously maximize the goals of economic integration and increase the supply of housing affordable to the lowest income households.

NLIHC recommends that the HOPE VI statute be amended to require the following: First, no HOPE VI project will result in a net loss of physical public housing units to the area in which they are located. Second, no HOPE VI project will result in a net loss of all housing units in the area that are affordable and targeted to extremely low income households. HUD will not approve a HOPE VI application unless these two conditions are met. Sufficient funding should be made available to insure full implementation of this requirement for all HOPE VI projects, even if it results in fewer or more costly HOPE VI projects.

These redeveloped units can be located on the original public housing location and in other locations throughout the metropolitan area, consistent with the goals of expanding educational and economic opportunities. However, this requirement would not preclude a resident from choosing to relocate to other existing public housing or choosing to utilize a housing choice voucher. As implemented, redevelopment would presume and provide for the potential of all residents in occupancy at any time in the one year period preceding the PHA's submission of a HOPE VI application and who remain residents of housing administered by the PHA or receive voucher assistance from the PHA throughout the period of redevelopment to choose a redeveloped unit that is affordable and properly sized. Residents should receive the first choice among redeveloped units in deciding where to live.

Without such a requirement it will be impossible to maintain a sufficient stock of public housing to provide for those households whose incomes are simply too low or who otherwise are unable to utilize Section 8 vouchers. For these families it is far more than a housing policy debate. It is quite honestly their ability to remain safely housed and together.

Just in my Congressional District in Pittsburgh, served by Representative Mike Doyle, there is a large shortage of homes affordable and available to the lowest income people. In the 14<sup>th</sup> Congressional District of Pennsylvania, according to NLIHC tabulations of 2000 Census data, there is a shortage of 15,981 affordable and available rental units for extremely low income households. In Pennsylvania, there are only 44 affordable and available rental units for every 100 extremely low income households, according to NLIHC tabulations of 2005 American Community Survey PUMS data. Nationwide, there are only 6,187,000 homes renting at prices affordable to the 9,022,000 extremely low income renter households - a shortage of 2,835,000 homes.

Indeed, it may be better to require that sufficient replacement housing be built before the relocation so that a true transition could occur. Since many HOPE VI projects would include offsite replacement units, a requirement that those units be produced first would have several significant benefits. It would allow for a smooth early transition for fragile families, while dramatically shortening the relocation process. It would demonstrate the reality of the HOPE VI

project to often skeptical tenants. And finally, it would significantly lessen the possibility that the existing tenants, on whose behalf the HOPE VI grant is received, become victims of the redevelopment.

We must pay attention to the people, to the individuals and families whose homes are being disrupted. My experience in Pittsburgh has been that, even though a neighborhood's physical appearance may not look so good from the outside, there still exists a community. In my neighborhood, people would gather to talk, watch one another's children, and form strong bonds. When we tear these neighborhoods apart, we create what Dr. Mindy Fullilove calls "rootshock" – the trauma caused by the disruption of a neighborhood's root structure. The impact is both immediate and long-lasting. Dr. Fullilove is a research psychiatrist at the New York State Psychiatric Institute and a professor of clinical psychiatry and public health at Columbia University.

### **B. Create a Universal Right to Return With No Reoccupancy Requirements**

Congress should enact a universal right of return for displaced public housing residents. And, public housing agencies and any other managers of replacement housing should be prohibited from denying housing to any person who has been displaced by HOPE VI by the use of any eligibility, screening, occupancy or other policy or practice. As long as the resident's right of occupancy has not been lawfully terminated, the resident should have the right to return, regardless of the time of displacement. The universal right of return for displaced residents must also be a "threshold issue" for approval of any HOPE VI grant application.

Public housing agencies can and do impose local preferences for admission to their public housing units. Today, HOPE VI projects give housing agencies an opportunity to impose residency requirements retroactively on residents who had not violated their leases. Their only crime, it seems, was to be a resident of a HOPE VI project. For that, existing residents are losing perhaps their only affordable access to safe and decent housing. Reoccupancy requirements run counter to the hope and promise a HOPE VI project should bring to existing public housing residents.

### **C. Mandate Compliance with the Uniform Relocation Act**

The Uniform Relocation Act (URA) must apply to the HOPE VI program. A thorough relocation plan must be among the threshold issues that allow an application to be considered by the HUD Secretary. Each public housing resident should be provided adequate choices for replacement housing and relocating residents should not be placed into other public housing at the expense of families on the voucher or public housing waiting lists.

Since portions of residents at HOPE VI sites are "hard to house" (i.e., they are unlikely to thrive in the private market or in other public housing without additional assistance beyond what is usually provided in the voucher and public housing programs), these families must receive appropriate replacement housing. This might mean that their housing must come with the types of services they need to remain stable and to make progress toward greater independence. And, to the extent that a relocation plan relies on vouchers, any HOPE VI reauthorization must make

clear that approval of a HOPE VI application is contingent upon the availability of sufficient vouchers, through new appropriations or otherwise.

**D. Strengthen Definition of “Severely Distressed”**

A stronger definition of severely distressed than HUD currently uses is needed to ensure that HOPE VI funds are not wasted and that viable public housing units are not lost. Today, HUD requires an architect or engineer’s certification regarding physical distress. A stronger severely distressed definition should have to be met in order for the HUD Secretary to consider the application. A reasonable requirement would state that only public housing units that have been designated as “distressed” for purposes of required conversion at least one year prior to the HOPE VI application would be eligible for HOPE VI funds. This would ensure only the most severely distressed units are applying for HOPE VI funds. The public housing agency would eventually be required to take the units off-line even if it does not receive HOPE VI funds.

**E. Require Resident Participation Beyond Pre-application Phase**

Resident participation requirements should be strengthened before and after the pre-application phase of HOPE VI to encompass all phases of feasibility discussions, planning, application, redevelopment, relocation, services, return of residents, monitoring of displaced residents and reporting to HUD and Congress.

**F. Create a Private Right of Action**

NLIHC recommends that HOPE VI provisions be privately enforceable. This way, residents will be able to hold HUD and housing agencies legally accountable for non-compliance.

**G. Implement Fair Housing requirements**

The HUD Secretary should be required to obtain and analyze data on the potential impact on residents of the proposed HOPE VI project and to disapprove any proposed HOPE VI project that fails to affirmatively further fair housing.

**H. Issue HOPE VI Regulations**

NLIHC also recommends that the HUD Secretary issue regulations on the HOPE VI program, which it has never done. HUD currently administers the program by annual Notices of Funding Availability. A formal regulatory promulgation process would involve broad input from many stakeholders and would result in a formal regulatory structure for the program.

**Prioritize Preservation of Public Housing**

NLIHC would also like to express our concern that the revitalization of public housing units through the HOPE VI program is but one way that housing agencies can address the unmet needs of public housing. Today, housing agencies can also apply to HUD to demolish or dispose of their public housing units and they can redevelop units through mixed finance. We urge the

subcommittee to review the potential loss of public housing units and/or the shifting of public housing units to higher income households through these practices. NLIHC recommends the same standards and practices be in place for all HUD public housing demolition, disposition and revitalization programs, including HOPE VI.

Overall, public housing is in desperate need of additional funding. The more than \$20 billion backlog of public housing capital needs has been well-documented. In the past year, housing authorities have also been managing their 1.2 million units with historically low operating funds. Failure to provide for the capital needs of public housing contributes to its decline and potential for becoming severely distressed. Preserving the public housing we have that is in good condition seems to us to be a higher priority than a faulty HOPE VI program. I was originally coming to D.C. this week just to rally for additional funds for public housing with the Allegheny County Housing Authority and others. That rally, which I attended yesterday, urged greater funding for public housing operating and capital subsidies, both of which are sorely needed in Pittsburgh and nationwide.

Thank you for the opportunity to present our views to you. We look forward to working with on this and other legislation.