

United States Senate

WASHINGTON, DC 20510

April 6, 2017

The Honorable Susan Collins
Chair
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairwoman Collins and Ranking Member Reed:

As Congress considers the fiscal year 2018 Transportation, Housing and Urban Development, and Related Agencies appropriations, we strongly urge the Subcommittee to support the Department of Housing and Urban Development's (HUD) Public Housing Operating Fund and Public Housing Capital Fund. We respectfully request full funding of the Public Housing Operating Fund at 100 percent proration and \$5 billion for the Public Housing Capital Fund.

Federal investment is essential to operating and preserving public housing, which provides affordable homes to 1.1 million low-income American families, nearly two-thirds of which are headed by an elderly person or person with disabilities, and 40 percent of which include children. The Public Housing Operating Fund provides the subsidies necessary to cover the difference between the rents paid by residents and the operating costs of the property. This funding supports the operation, management, and maintenance of affordable rental housing for 2.6 million residents throughout the country. However, due to significant and repeated federal funding cuts, public housing agencies have been subject to deeply prorated operating subsidies. In fiscal years 2015 and 2016, operating subsidies were prorated at 86 percent and 84 percent, respectively. In fact, public housing agencies have not received full funding since fiscal year 2010. With decreased federal investment, public housing agencies are forced to make difficult decisions, often forgoing preventative maintenance and delaying repairs, factors which ultimately undermine the ability to provide safe and affordable housing to the most economically vulnerable families.


The Public Housing Capital Fund is the primary source of funding to preserve these 1.1 million publicly owned affordable homes. Despite the large historic federal investment in public housing, the federal government has not provided adequate funding to maintain this housing, threatening its long-term viability. The public housing inventory has a growing capital needs backlog, estimated at \$26 billion in 2010, and increasing by an average of \$3.4 billion each year. According to HUD's estimates, we lose 10,000 units of public housing every year due to physical obsolescence and disrepair. As unmet capital needs continue to accrue, residents are increasingly exposed to unsafe and unhealthy conditions. And yet, we know federal investments in capital repairs has a proven track record. For every dollar invested in public housing capital repairs, it generates more than two more in indirect economic activity. Without the necessary

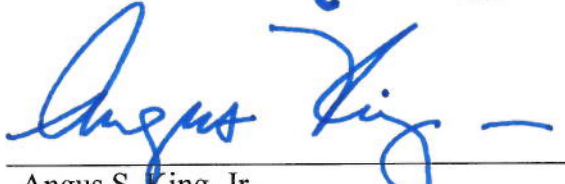
tools to preserve this critical public infrastructure, public housing agencies will be left with no choice but to demolish properties and our most vulnerable families, youth, veterans at risk of homelessness, and seniors will be left with fewer safe and affordable housing options.

We know that the Subcommittee, under your leadership, has worked to maintain our affordable housing resources in light of the nation's growing shortage of affordable housing. We recognize that this year's budget decisions are difficult. However, our nation's public housing inventory cannot afford another year of underfunding. We urge you to increase investments to preserve this valuable and vital affordable housing. Thank you for your consideration of this request.

Sincerely,


Robert Menendez

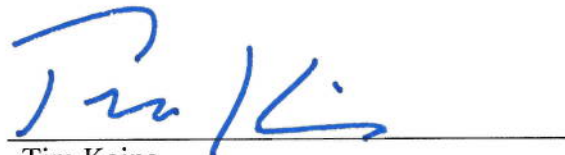

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