

Health Care for the Homeless Mobilizer

The National Health Care for the Homeless Council

P.O. Box 60427
Nashville, TN 37206-0427

E-mail: council@nhchc.org
Website: www.nhchc.org

Telephone 615/226-2292
Fax 615/226-1656

Vol. XI No. 9

7/27/06

Call Congress Today to Support Public Housing

HUD Cuts Operating Subsidies for PHAs

Reductions in Housing mean Increases in Homelessness

This edition of the HCH Mobilizer is taken directly from an action alert of our colleagues at the National Low Income Housing Coalition, available at www.nlihc.org. Understanding that modern homelessness is firmly rooted in the Reagan Administration's drastic cuts in public housing in the early 1980's, we urge the Health Care for the Homeless constituency to resist the further deterioration of the nation's public housing infrastructure by responding to this alert:

Recently, HUD contacted public housing authorities to announce a \$300 million public housing operating subsidy shortfall for FY06. HUD began informing public housing authorities in late June that FY06 operating subsidies would be only at 85.5% of identified need—retroactive to January 1, 2006.

Housing authorities had been expecting to receive 92% of their known operating subsidy needs for the first six months of 2006. This announcement of a deeper **and retroactive** cut means that housing authorities must make up all adjustments in the third quarter.

HUD has said that utility costs have increased 17% more than anticipated, leaving less for HUD to distribute through the operating subsidy formula.

Funding public housing operating subsidies at 92% of need is unacceptable. Funding the subsidies at 85.5% will be completely unworkable for some housing authorities and will put at risk the homes of the residents who live in public housing.

We urge Congress to enact \$300 million in supplemental FY06 funds necessary to make up for this unexpected and potentially devastating shortfall in operating funds. We also urge Congress to adjust the President's request for FY07 operating funds to \$4.5 billion to ensure that public housing authorities are able to maintain housing units. As it currently stands, the amount requested by the President for FY07 will provide reimbursement to housing authorities for, at most, only 80% of their costs.

ACTION

Contact your Senators this week and tell them:

I am concerned that public housing authorities are facing a serious, \$300 million shortfall in operating funds, due to HUD's recent announcement that authorities will receive only 85.5% of their identified operating needs for 2006. Worse, this cut is retroactive to January 1, 2006. These cuts will have a serious impact on people who live in public housing.

I urge Congress to enact the \$300 million in supplemental funds necessary to make up for this shortfall. I also urge Congress to adjust the president's request for FY07 operating funds to \$4.5 billion to ensure that housing authorities are able to maintain housing in the upcoming fiscal year. The amount requested by the president for FY07 will provide reimbursement to housing authorities for, at most, only 80% of their costs.

Other Opportunities:

Advocates are also encouraged to contact local housing authority offices, to see whether there may be opportunities to work together to get media attention for this shortfall and the potential fix.

For More Information:

The National Housing Law Project has developed a spreadsheet to help you determine what your local housing authority will receive under the 85.5% proration. The spreadsheet is available at <http://www.nlihc.org/news/OperatingSubsidySpreadsheet.xls> Go to www.hud.gov/offices/pih/programs/ph/am/of/obligation_letters_2006.cfm for the data to fill in the spreadsheet for your PHA.

To determine how much your PHA will receive in the last quarter of 2006 and how much it will receive for the entire year, you'll need two pieces of information from the website link above. First, to see how much your agency receives for Jan-June, find your state and click in the column labeled 'interim.' Once the link opens, scroll to find the letter for your housing authority, then enter the number from that letter in the spreadsheet column marked 'Jan-June.' Then go back to the website—the link in the column marked '3rd quarter' will give you the amount your housing authority will receive for July-September. The spreadsheet will calculate the rest of the figures for you. If the final figure is in () and in red, you might want to discuss with your PHA how to get HUD to average out the shortfall over the final 6 months rather than make the PHA absorb all the cost reductions in the third quarter.

Find your Members of Congress at www.nlihc.org by entering your zip code in the Contact Congress box. Questions? Call Kim Schaffer at 202-662-1530 x232. Please report the results of your calls to kim@nlihc.org.

SUBSCRIBE TO THE HEALTH CARE FOR THE HOMELESS MOBILIZER

\$15 per year by fax, free by e-mail.

Please pass this on to your colleagues, clients, and Board of Directors.