



Highlights of [GAO-06-419T](#), a testimony to the Subcommittee on Federalism and the Census, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

Under the Public Housing Program, the Department of Housing and Urban Development (HUD) and local public housing agencies (PHA) provide housing for low-income residents at rents they can afford. Today, over 3,000 PHAs administer approximately 1.2 million public housing units throughout the nation. First authorized in 1937, the program has undergone changes over the decades. The Quality Housing and Work Responsibility Act of 1998 increased managerial flexibility but also established new requirements for housing agencies. Some observers have questioned the program's ability to provide quality, affordable housing to the nation's neediest families.

This testimony, which is based upon a number of reports that GAO has issued related to public housing since 2002, discusses the roles of (1) HUD (2) public housing agencies, (3) capital markets, and (4) community services organizations in the public housing system.

[www.gao.gov/cgi-bin/getrpt?GAO-06-419T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-419T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact David G. Wood at (202) 512-8678 or [woodd@gao.gov](mailto:woodd@gao.gov).

## PUBLIC HOUSING

# Information on the Roles of HUD, Public Housing Agencies, Capital Markets, and Service Organizations

## What GAO Found

Traditionally, HUD's role has been to provide PHAs with funding, guidance, and oversight. HUD provides both capital and operating funding. In addition, HUD has provided selected agencies with grants under the HOPE VI program to demolish and revitalize severely distressed public housing and provide community and supportive services. HUD provides guidance to PHAs to supplement its regulations and explicitly convey required program policies and procedures. Based on past work, GAO has made recommendations to HUD to improve the clarity and timeliness of its guidance to PHAs and to improve its oversight of the program.

PHAs are responsible for managing public housing in accordance with HUD regulations and requirements. They are also required to develop and submit plans detailing the agency's goals and strategies for reaching these goals. Further, PHAs that receive HOPE VI grants are required to provide residents with supportive services. GAO's work has identified challenges that the agencies face in carrying out their responsibilities, including difficulty with HUD's data systems and lack of resources for hiring and training staff.

GAO has not reviewed the extent to which capital markets can play a role in the public housing system, but its examination of the HOPE VI program and other work has identified examples of leveraging federal funds with funds from a variety of other public and private sources. HUD encourages public housing agencies to use their HOPE VI grants to leverage funding from other sources to increase the number of affordable housing units developed at project sites. The examples GAO has found include private funding for both capital projects and the provision of supportive services.

PHAs may utilize community service organizations to assist public housing residents. Work GAO has done on federal housing programs that benefit the elderly, as well as recent work focused on public housing for the elderly and residents with disabilities, identified examples of supportive services being offered or provided to public housing residents. Such services may be provided through HUD grants as well as through partnerships between public housing agencies and community-based nonprofit organizations.