

**GAO**

Testimony

Before the Subcommittee on Federalism  
and the Census, Committee on  
Government Reform, House of  
Representatives

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## **PUBLIC HOUSING**

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

Statement of David G. Wood, Director  
Financial Markets and Community Investments





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.

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Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to be here today as the Committee considers the nation's public housing. The Public Housing Program was established in 1937 to provide decent and safe rental housing for low-income families. Congress annually appropriates funds for the program, and the Department of Housing and Urban Development (HUD) allocates them to local public housing agencies (PHA). Today, over 3,000 PHAs administer approximately 1.2 million public housing units throughout the nation under HUD's oversight.

My statement is based on a number of reports that we have issued related to public housing, primarily since 2002. The topics of these reports have included (1) how HUD assesses PHAs' performance and the steps it takes to remedy poor performance; (2) the agencies' experiences with reforms instituted by the Quality Housing and Work Responsibility Act (QHWRA) of 1998; (3) various aspects of the HOPE VI program for revitalizing severely distressed public housing; and (4) most recently, the condition of public housing for the elderly and disabled. As you requested, my statement discusses the roles of (1) HUD (2) public housing agencies, (3) capital markets, and (4) community services organizations in the public housing system. In preparing this information, we excerpted and summarized information from reports issued between 2002 and 2005. A list of these reports appears at the end of this statement.

In brief:

- 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 our past work, we have 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. Our work has identified challenges that the agencies face in carrying out their responsibilities, including difficulty

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with HUD's data systems and lack of resources for hiring and training staff.

- While we have not reviewed the extent to which capital markets can play a role in the public housing system, our 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 PHAs 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 we have 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 we have 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 PHAs and community-based nonprofit organizations.

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## Background

Under the U. S. Housing Act of 1937, as amended, Congress created the federal public housing program to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. HUD administers the program with PHAs, typically local agencies created under state law that manage housing for low-income residents at rents they can afford. Agencies that participate in the program contract with HUD to provide housing to eligible low-income households and, in return, receive financial assistance from HUD. Public housing comes in all sizes and types, from scattered single-family houses to high-rise apartments.

In 1992, Congress established the HOPE VI program, which is administered by HUD. The program provides grants to PHAs to rehabilitate or rebuild severely distressed public housing and improve the lives of public housing residents through supportive services. In 2003, Congress expanded the statutory definition of "severely distressed public housing" for the purpose of HOPE VI to include indicators of social distress, such as a lack of supportive services and economic opportunities. Between fiscal years 1993 and 2005, Congress appropriated \$6.8 billion for the HOPE VI program.

In addition to managing public housing, some PHAs administer other HUD programs that provide housing assistance for low-income households. Under the Housing Choice Voucher Program, about 2,500 participating PHAs enter into contracts with HUD and receive funds to provide rent subsidies to the owners of private housing on behalf of assisted low-income households. In addition, PHAs assist in administering HUD's project-based rental assistance programs, through which HUD pays subsidies to private owners of multifamily housing that help make this housing affordable for lower income households.

## HUD Provides Funding, Guidance, and Oversight for Local PHAs

Traditionally, HUD has provided funding to local PHAs to manage the public housing system, as well as for the revitalization of severely distressed public housing. HUD's role has also included providing PHAs with guidance and overseeing their performance, including providing technical assistance.

### Funding and Guidance

HUD provides funding to housing agencies through two formula grant programs: the Operating Fund and the Capital Fund. The Operating Fund provides annual subsidies to housing agencies to make up the difference between the amount they collect in rent and the cost of operating the units. The Capital Fund provides grants to PHAs for the major repair and modernization of the units. In addition, HUD has provided selected agencies with grants under the HOPE VI program to help housing agencies replace and revitalize severely distressed public housing with physical and community and supportive service improvements. As shown in table 1, this HUD funding has totaled about \$31.5 billion over the past 5 fiscal years.

**Table 1: Appropriations for the Public Housing Program for Fiscal Years 2002-2006**

	Fiscal year					Total
	Millions of dollars					
	2002	2003	2004	2005	2006 <sup>a</sup>	
Operating Fund	\$3,495	\$3,577	\$3,579	\$2,438	\$3,564	<b>\$16,653</b>
Capital Fund	2,843	2,712	2,696	2,579	2,439	<b>13,269</b>
Hope VI	574	570	149	143	99	<b>1,535</b>
<b>Total</b>	<b>\$6,912</b>	<b>\$6,859</b>	<b>\$6,424</b>	<b>\$5,160</b>	<b>\$6,102</b>	<b>\$31,457</b>

Source: GAO.

<sup>a</sup>Budget totals include the 1.0 percent across the board rescission to nondefense discretionary resources provided in FY 2006 regular appropriations acts per P.L. No: 109-148.

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In exchange for capital and operating funding, PHAs enter into annual contributions contracts. According to this written contract, HUD agrees to make payments to the PHA and the PHA agrees to administer the housing program in accordance with HUD regulations and requirements. HUD provides guidance to PHAs to supplement its regulations, and explicitly convey required program policies and procedures.

Some of our past work has shown a need for HUD to improve the clarity and/or timeliness of its guidance to housing authorities. For example:

- For our 2002 review of HUD's and housing agencies' experiences in preparing annual plans required by the Quality Housing and Work Responsibility Act of 1998 (QHWRA), we surveyed HUD field offices and interviewed eight PHAs to gain insight into their experiences.<sup>1</sup> Respondents reported that HUD-provided guidance on the planning process was less than adequate. One respondent reported that headquarters guidance was delayed in getting to field locations, while another reported that changing rules made it difficult to know what the PHAs should do and what the field locations should look for in reviewing plans. However, some PHAs balanced their comments with positive remarks; for example, one large agency told us that HUD had improved the template for fiscal year 2001. HUD provided a desk guide to assist housing agencies and field locations in fiscal year 2001, in an effort to improve the planning process.
- In surveying the directors of PHAs on their experiences with a number of QHWRA housing reforms, we again found late and unclear guidance from HUD.<sup>2</sup> Public housing directors reported having to spend more administrative time in implementing reforms, partially due to a lack of clear guidance from HUD.
- In reviewing HUD's management of the HOPE VI program, we found that the department's guidance on the role of field offices was unclear, and, as a result, some field offices did not seem to understand their role in HOPE VI oversight.<sup>3</sup> For example, some officials stated that they had not

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<sup>1</sup>GAO, *Public Housing: HUD and Public Housing Agencies' Experiences with Fiscal Year 2000 Plan Requirements*, [GAO-02-572](#) (Washington, D.C.: May 31, 2002).

<sup>2</sup>GAO, *Public Housing: Small and Larger Agencies Have Similar Views on Many Recent Housing Reforms*, [GAO-04-19](#) (Washington, D.C.: Oct. 30, 2003).

<sup>3</sup>GAO, *Public Housing: HUD's Oversight of HOPE VI Sites Needs to Be More Consistent*, [GAO-03-555](#) (Washington, D.C.: May 30, 2003).

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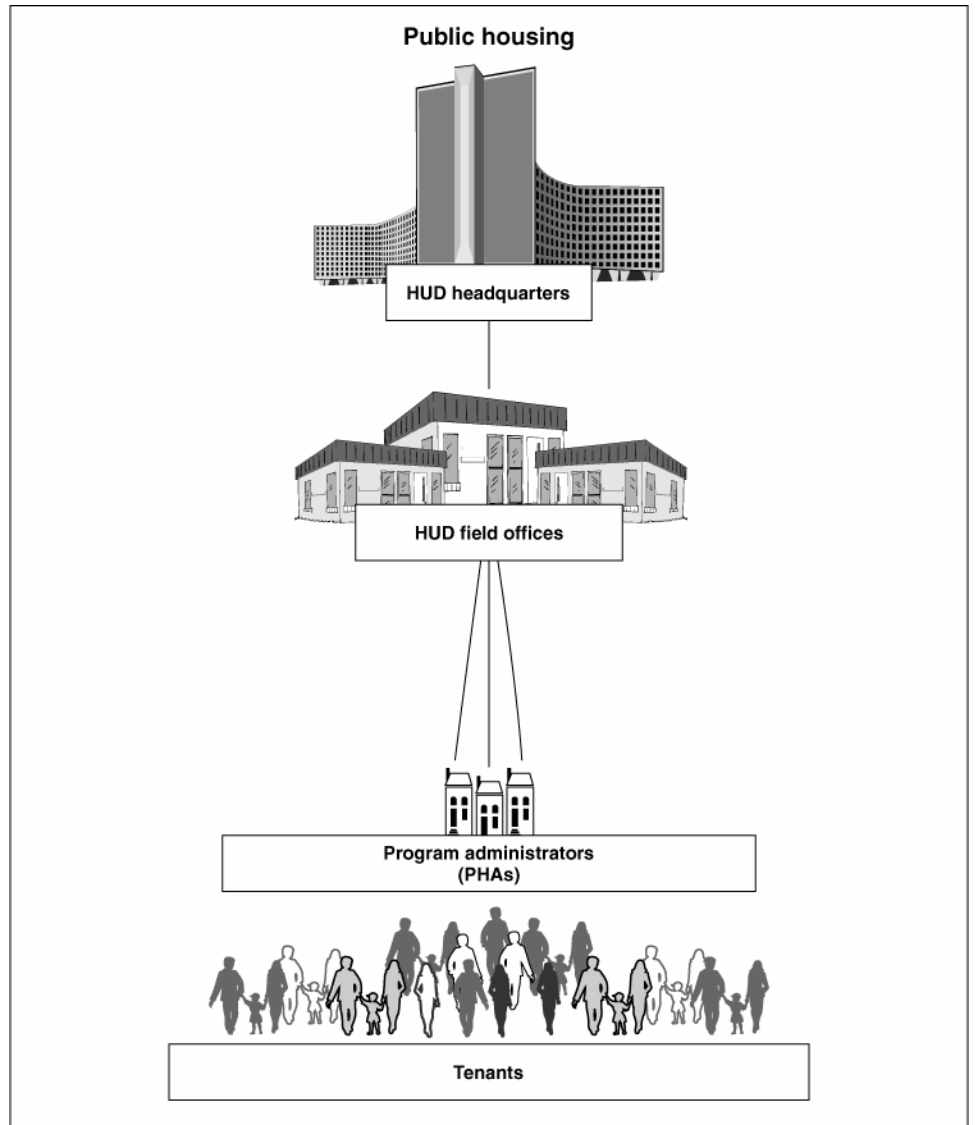
performed annual reviews of HOPE VI projects because they did not think they had the authority to monitor grants. Based upon these findings, we recommended that the Secretary of HUD clarify the role of HUD field offices in HOPE VI oversight and ensure that the offices conduct required annual reviews of HOPE VI grants. HUD agreed with this recommendation and published new guidance in March 2004 that clarified the role of the HUD field offices and changed the annual review requirements.

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## Oversight and Technical Assistance

HUD is responsible for overseeing PHAs' overall performance and for helping agencies improve their performance (see fig. 1). In 1997, as a part of its 2020 Management Reform Plan, HUD instituted a new approach for evaluating PHAs' performance. The approach includes "scoring" each of several categories of performance, assigning each housing agency to a risk category, designating agencies as "troubled" if their scores are substandard and, in some cases, appointing receivers to actively manage the agencies. Also as a part of its oversight, HUD identifies housing agencies that need technical assistance. HUD's technical assistance involves activities such as training housing agency staff on how to use HUD systems or comply with reporting requirements.

**Figure 1: HUD's Oversight Structure for the Public Housing Program**



Sources: GAO (analysis); Art Explosion (images).

HUD uses the Public Housing Assessment System (PHAS) to evaluate public housing agencies' performance, while its Public and Indian Housing Information Center (PIC) risk assessment uses the PHAS score and information about funding and compliance issues to classify housing authorities as high, moderate, or low risk. PHAS is designed to evaluate housing agencies' overall performance in managing rental units, including



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the physical condition of units, soundness of agencies' financial operations, the effectiveness of their management operations, and the level of resident satisfaction with the services and living conditions. HUD designed the PIC system to facilitate a Web-based exchange of data between PHAs and local HUD offices. PIC contains a detailed inventory of public housing units and information about them, including the number of developments and units, age of the development, and the extent to which apartment units are accessible for persons with disabilities. The system also tracks tenant (household) information, such as age, disability status, and income.

Our past work has identified opportunities for HUD to improve its oversight of housing agencies and its provision of technical assistance. For example:

- In 2002, we reported that the results of the PHAS and PIC systems were inconsistent.<sup>4</sup> Specifically, in comparing information in the two systems, we found that 12 of the agencies that HUD—using PHAS scores—had determined were “troubled” were classified in the PIC system as “low” risk. Accordingly, we recommended that HUD classify all troubled housing authorities as high risk to better ensure that they receive sufficient monitoring. HUD agreed with our recommendation and incorporated it into its risk-assessment system.
- In preparing a 2002 report on HUD’s human capital management, directors of several HUD field offices told us that they lacked the staff to provide the level of oversight and technical assistance that the housing authorities need.<sup>5</sup> In light of this and other findings, we recommended that the Secretary of HUD develop a comprehensive strategic workforce plan. HUD subsequently hired a contractor to develop a Strategic Workforce Plan, which it completed in 2004. The plan includes analysis of current and future demand for staff and an analysis of the skills and competencies needed to accomplish tasks.
- In our October 2003 report, we noted that small agencies are more likely to require assistance with the day-to-day management of HUD programs and that HUD does not maintain centralized, detailed information on the types

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<sup>4</sup>GAO, *Public Housing: New Assessment System Holds Potential for Evaluating Performance*, GAO-02-282 (Washington, D.C.: Mar. 15, 2002).

<sup>5</sup>GAO, *HUD Human Capital Management: Comprehensive Strategic Workforce Planning Needed*. GAO-02-839 (Washington, D.C.: July 24, 2002).

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of assistance PHAs require or request from them.<sup>6</sup> HUD reported that it was developing a system that would allow it to collect such information in the future.

- In 2005, we reported on HUD's efforts to assess PHAs' compliance with its policies for determining rent subsidies.<sup>7</sup> We found that HUD had undertaken special reviews that, while useful, had suffered from a lack of clear policies and procedures and that the training and guidance HUD provided to PHAs on its policies for determining rent subsidies were not consistently adequate or timely. We recommended that the HUD Secretary (1) make regular monitoring of PHAs' compliance with HUD's policies for determining rent subsidies a permanent part of HUD's oversight activities and (2) collect complete and consistent information from these monitoring efforts and use it to help focus corrective actions where needed. HUD concurred with the recommendations but has not yet fully implemented them.

HUD can take enforcement actions against PHAs that it identifies, through PHAS, as being "troubled." For such agencies, HUD assigns a recovery team and develops a plan to remedy the problems. Initially, HUD may offer technical assistance and training, but it may also sanction an authority; for example, by withholding funding. Ultimately, HUD may place a PHA under an administrative receivership, in which a receiver replaces the top management of the agency. Additionally, some PHAs may have receivers appointed by judges (these are known as judicial receivers). In February 2003, we reported that under administrative or judicial receivers, nearly all of the 15 agencies under receivership showed improvement during their years of receivership, according to changes in HUD's assessed scores and/or other evidence.<sup>8</sup> The four PHAs under judicial receiverships generally had continued to demonstrate strong performance. While PHAs under administrative receiverships had also made improvements, some continued to demonstrate a significant problem with housing units being in very poor physical condition.

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<sup>6</sup>[GAO-04-19](#).

<sup>7</sup>GAO, *HUD Rental Assistance: Progress and Challenges in Measuring and Reducing Improper Rent Subsidies*. [GAO-05-224](#) (Washington, D.C.: Feb. 18, 2005).

<sup>8</sup>GAO, *Public Housing: Information on Receiverships at Public Housing Authorities*. [GAO-03-363](#) (Washington, D.C.: Feb. 14, 2003).

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Finally, HUD's headquarters and field offices are responsible for overseeing PHAs' use of HOPE VI grants. In 2003, we reported that HUD's oversight of HOPE VI grants had been inconsistent due to staffing limitations, confusion about the role of field offices, and a lack of formal enforcement policies.<sup>9</sup> Based upon these findings, we recommended that HUD clarify the role of its field offices in HOPE VI oversight; ensure that the offices conduct required annual reviews of HOPE VI grants; and develop a formal, written enforcement policy to hold PHAs accountable for the status of their grants. HUD agreed with these recommendations and clarified the role of HUD field offices, changed the annual review requirements, and developed an enforcement policy, which it shared with grantees in December 2003.

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## PHAs Are Responsible for Managing Public Housing in Accordance with HUD Regulations and Requirements

Generally, PHAs are responsible for administering the public housing program in accordance with HUD regulations and requirements. Specifically, PHAs must provide decent, safe, and sanitary housing to their residents, manage their financial resources, meet HUD's standards for management operations, and address residents' satisfaction. Among other things, PHAs are responsible for ensuring that tenants are eligible for public housing and that tenant subsidies are calculated properly. PHAs are also required to develop both short- and long-term plans outlining their goals and strategies. PHAs that receive HOPE VI grants are subject to additional requirements associated with those grants; for example, the agencies must provide residents of HOPE VI sites with certain types of supportive services.

During the 1990s, PHAs gained broader latitude from HUD and the Congress to establish their own policies in areas such as selecting tenants and setting rent levels. The Quality Housing and Work Responsibility Act of 1998 (QHWRA), which extensively amended the U.S. Housing Act of 1937, allowed PHAs to exercise still more discretion over rents and admissions.<sup>10</sup> For example, QHWRA increased managerial flexibility by, among other things, making HUD-provided capital and operating funds more fungible, allowing housing authorities to sell some units to residents, and developing mixed-income housing units in order to bring more working and upwardly mobile families into public housing.

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<sup>9</sup>GAO-03-555.

<sup>10</sup>Some of QHWRA's provisions went into effect when QHWRA was enacted on October 21, 1998, while other provisions took effect later.

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QHWRA also established new requirements for housing agencies, including, for example, mandatory reporting requirements in the form of a 5-year plan and annual reporting plans. Five-year plans include long-range goals, while annual plans detail the agency's objectives and strategies for achieving these goals, as well as the agency's policies and procedures. For our May 2002 report, we examined PHAs' experiences in preparing the first of their required plans.<sup>11</sup> We visited eight PHAs in the course of this work, and found that their views differed on the usefulness of the planning process and the level of resources required to prepare the plans, among other things. In June 2003, in response to concerns that some QHWRA reforms were placing an undue burden on small PHAs, HUD issued regulations allowing small PHAs to submit streamlined annual plans. We have not revisited this issue, and therefore cannot say how HUD or the PHAs view the usefulness of the plans today.

QHWRA also required PHAs to implement a number of additional reforms that affect the Public Housing Program. For our October 2003 report, we surveyed PHAs to find out their views on 18 key changes brought about by QHWRA and to see if views differed among large, medium, and small agencies.<sup>12</sup> Some agencies in each size category viewed both the 5-year plan and the annual plan requirements as helpful to them in managing and operating their programs, although proportionately fewer small agencies had this view. We also found that agencies of all sizes reported spending more time on HUD-subsidized programs after QHWRA than before the reforms were enacted, in part because of increased reporting requirements, difficulties in submitting data to HUD, and lack of resources for hiring and training.

PHAs that receive HOPE VI grants to revitalize public housing must obtain HUD's approval for their revitalization plans and must report project status information to HUD. The agencies are also required to offer community and supportive services—such as child care, transportation, job training, job placement and retention services, and parenting classes—to all original residents of public housing affected by HOPE VI projects, regardless of their intention to return to the revitalized site. In our November 2002 report on HOPE VI financing, we found that PHAs that had been awarded grants in fiscal years 1993 to 2001 had budgeted a total of

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<sup>11</sup>[GAO-02-572](#).

<sup>12</sup>[GAO-04-19](#).

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about \$714 million for community and supportive services.<sup>13</sup> Of this amount, about 59 percent were HOPE VI funds while 41 percent was leveraged from other resources. In our November 2003 report on HOPE VI impacts, we reported that limited HUD data on 165 HOPE VI grantees awarded through fiscal year 2001, and additional information, indicated that supportive services had achieved or contributed to positive outcomes.<sup>14</sup>

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## Private Capital Has Been Involved in Some HOPE VI Projects

While we have not reviewed the extent to which capital markets can be used with the public housing system, our reviews of the HOPE VI program have shown that some PHAs use HOPE VI revitalization grants to leverage additional funds from a variety of other public and private sources.

HUD encourages PHAs to use their HOPE VI grants to leverage funding from other sources to increase the number of affordable housing units developed at HOPE VI sites. Public funding can come from other federal, state, or local sources. Private sources can include mortgage financing and financial or in-kind contributions from nonprofit organizations. In our November 2002 report on HOPE VI project financing, we found that financial leveraging of projects had shown a general increase over time, and that PHAs expected to leverage—for every dollar received in HOPE VI revitalization grants awarded through fiscal year 2001—an additional \$1.85 in funds from other sources.<sup>15</sup> Our report also noted that HUD had not reported annual leveraging and cost information about the HOPE VI program to the Congress, as it had been required to do since 1998. Consequently, we recommended that HUD provide annual reports on the program, including information on the amounts and sources of funding used at HOPE VI sites, to Congress. In response to this recommendation, in December 2002, HUD began issuing annual reports that include funding information.

We also found in the November 2002 report that housing agencies with HOPE VI revitalization grants expected to leverage \$295 million in additional funds for community and supportive services. In our most

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<sup>13</sup>GAO, *Public Housing: HOPE VI Leveraging Has Increased, but HUD Has Not Met Annual Reporting Requirement*, [GAO-03-91](#) (Washington, D.C.: Nov. 15, 2002).

<sup>14</sup>GAO, *Public Housing: HOPE VI Resident Issues and Changes in Neighborhoods Surrounding Grant Sites*, [GAO-04-109](#), (Washington, D.C.: Nov. 21, 2003).

<sup>15</sup>[GAO-03-91](#).

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recent report concerning public housing (December 2005), we found that PHAs have used HOPE VI revitalization grants to leverage additional funds from a variety of sources, including private loans.<sup>16</sup> In particular, we noted an example of a renovation and the colocation of supportive services that were made possible through coordination of efforts and use of mixed financing—the Allegheny County Housing Authority’s revitalization of the Homestead Apartments outside of Pittsburgh, Pennsylvania. The housing agency built space on-site for two nonprofit elder-care service providers in addition to remodeling the buildings. Approximately 67 percent of the funding for the Homestead renovation was based on Low-Income Housing Tax Credits. Under this program, states are authorized to allocate federal tax credits as an incentive to the private sector to develop rental housing for low-income households. While this represents a way for private capital to be used in conjunction with public housing projects, we noted in our November 2002 report that such funding does entail a federal cost (in the form of taxes foregone).<sup>17</sup>

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## Community Services Organizations May Provide Supportive Services to Public Housing Residents

PHAs may utilize community service organizations to provide supportive services to public housing residents. Our recent work has focused on the services that PHAs can provide to elderly and non-elderly persons with disabilities.

In a February 2005 report on housing programs that offer assistance for the elderly, we identified programs that public housing agencies can use to assist elderly public housing residents.<sup>18</sup> For example, through the Resident Opportunities and Self Sufficiency (ROSS) grant program, HUD awards grants to PHAs for the purpose of linking residents with supportive services. Also, HUD’s Service Coordinator Program provides funding for PHA managers of public housing designated for the elderly or persons with disabilities to hire coordinators to assist residents in obtaining supportive services from community agencies; and its Congregate Housing Services Program provides grants for the delivery of meals and

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<sup>16</sup>GAO, *Public Housing: Distressed Conditions in Developments for the Elderly and Persons with Disabilities and Strategies Used for Improvement*, [GAO-06-163](#) (Washington, D.C.: Dec. 9, 2005).

<sup>17</sup>[GAO-03-91](#).

<sup>18</sup>GAO, *Elderly Housing: Federal Housing Programs That Offer Assistance for the Elderly*, [GAO-05-174](#) (Washington, D.C.: Feb. 14, 2005).

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nonmedical supportive services to residents of public and multifamily housing who are elderly or have disabilities.

For our December 2005 report on public housing for the elderly and persons with disabilities, we surveyed the directors of 46 PHAs that manage public housing developments that we identified as both severely distressed and primarily occupied by the elderly and persons with disabilities.<sup>19</sup> This work identified examples of partnerships between PHAs and local organizations such as community-based nonprofits and churches to provide supportive services for the elderly and non-elderly persons with disabilities. In some cases, the local agencies paid for the services, while in others the housing agencies used federal grants. For example:

- A building manager for one development that we visited said the development partnered with a nearby church, which provided a van to take residents shopping once a week. Local churches also provided food assistance to elderly residents and residents with disabilities who were not able to leave their apartments.
- At another housing development, a community-based organization provided lunches on a daily basis to residents and assorted grocery items such as bread, fruit, and cereal on a weekly basis.
- The aforementioned Homestead Apartments—a high-rise, primarily elderly occupied public housing development—was revitalized to provide enhanced supportive services to elderly residents, in particular frail elderly residents. To do so, the housing agency partnered with several non-HUD entities to improve services for the elderly and colocate an assisted living type of facility at the development. To help the most frail elderly residents, the housing agency partnered with a nonprofit organization, which offers complete nursing services, meals, and physical therapy to Homestead residents who are enrolled in the program. For most participants, these comprehensive services permitted them to continue living at home.
- In a partnership in Seattle, Washington, the housing agency partnered with a community-based organization to provide an on-site community center for the elderly, where residents had access to meals, social activities, and assistance with filling prescriptions. Residents at this development also had access to an on-site health clinic.

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<sup>19</sup>[GAO-06-163](#).

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In summary, Mr. Chairman, over the past few years we have identified several ways for HUD to improve its administration of the public housing program. Our work has also identified challenges faced by the local public housing agencies that play such an essential program delivery role, not only those associated with implementing the reforms provided under QHWRA but also such day-to-day matters as correctly determining tenants' incomes and rents. We look forward to working with the Subcommittee as it considers the future of the public housing program.

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Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions at this time.

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## Contacts and Acknowledgments

For further information on this testimony, please contact David G. Wood at (202) 512-8678. Individuals making key contributions to this testimony included Isidro Gomez, Lisa Moore, David Pittman, Paul Schmidt, and Julie Trinder.



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# Related Products

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*Public Housing: Distressed Conditions in Developments for the Elderly and Persons with Disabilities and Strategies Used for Improvement.* [GAO-06-163](#). Washington, D.C.: December 9, 2005.

*Project-Based Rental Assistance: HUD Should Streamline Its Processes to Ensure Timely Housing Assistance Payments.* [GAO-06-57](#). Washington, D.C.: November 15, 2005.

*HUD Rental Assistance: Progress and Challenges in Measuring and Reducing Improper Rent Subsidies.* [GAO-05-224](#). Washington, D.C.: February 18, 2005.

*Elderly Housing: Federal Housing Programs That Offer Assistance for the Elderly.* [GAO-05-174](#). Washington, D.C.: February 14, 2005.

*Public Housing: HOPE VI Resident Issues and Changes in Neighborhoods Surrounding Grant Sites.* [GAO-04-109](#). Washington, D.C.: November 21, 2003.

*Public Housing: Small and Larger Agencies Have Similar Views on Many Recent Housing Reforms.* [GAO-04-19](#). Washington, D.C.: October 30, 2003.

*Public Housing: HUD's Oversight of HOPE VI Sites Needs to Be More Consistent.* [GAO-03-555](#). Washington, D.C.: May 30, 2003.

*Public Housing: Information on Receiverships at Public Housing Authorities.* [GAO-03-363](#). Washington, D.C.: February 14, 2003.

*Major Management Challenges and Program Risks: Department of Housing and Urban Development.* [GAO-03-103](#). Washington, D.C.: January 1, 2003.

*Public Housing: HOPE VI Leveraging Has Increased, but HUD Has Not Met Annual Reporting Requirement.* [GAO-03-91](#). Washington, D.C.: November 15, 2002.

*HUD Human Capital Management: Comprehensive Strategic Workforce Planning Needed.* [GAO-02-839](#). Washington, D.C.: July 24, 2002.

*Public Housing: HUD and Public Housing Agencies' Experiences with Fiscal Year 2000 Plan Requirements.* [GAO-02-572](#). Washington, D.C.: May 31, 2002.

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*Public Housing: New Assessment System Holds Potential for Evaluating Performance.* [GAO-02-282](#). Washington, D.C.: March 15, 2002.

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