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**Oakland Housing Authority
Participates in First Ever Public Housing Economic Impact Study**

Study Shows Severely Underfunded Public Housing Contributing to Local Economies, Critical Resource for Low-Income Workers

OAKLAND, CA., Feb. 8, 2007- With data provided by the Oakland Housing Authority (OHA) and nine other housing authorities nationwide, the results of the first-ever study measuring the economic impact of public housing were released today. The study was conducted by Econsult Corporation, an independent consulting firm that provides economic research and statistical & econometric analysis to assist business and public policy decision-makers. The study was sponsored by the Housing Authority Insurance (HAI) Group and supported by the Council of Large Public Housing Authorities (CLPHA) and the Public Housing Authorities Directors Association (PHADA).

The 10-city study is a first attempt at quantifying benefits of public housing, as well as the value of the existing public housing stock.

“Public housing is critical for low-wage workers,” said Jon Gresley, Oakland Housing Authority Executive Director. “This study serves as a reminder that funding of public housing is a measurable investment in our communities.”

Some of the major findings in the study include:

- **Public housing is a critical resource for low-wage workers.**

Average wages in some industries, such as accommodation and food service, are too low for workers to afford market rate housing costs. In Oakland, 7.8 percent of the workforce is employed in this industry, with a wage rate of \$15, 155.

- **Public housing plays an essential role in the nation’s efforts to preserve affordable housing.**

The total replacement cost for the 1.2 million units of public housing (excluding land)

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would approach \$145 billion. One widely accepted method of assessing value is to determine replacement cost; the average cost of building a new housing unit in Oakland is \$148,661. Include the cost of the land and the replacement cost soars to more than \$250,000.

- **Public housing expenditures contribute significantly to local economies.**

Direct spending by public housing authorities on capital improvements, maintenance and operations is approximately \$8.1 billion a year. The Oakland Housing Authority generates an estimated economic impact in its region of \$47.3 million annually, which supports 256 jobs. Additionally, OHA's operating expenditures generate an estimated total regional economic impact of \$44.2 million, including 1,181 jobs.

- **Public housing has been severely underfunded.**

Between 2000 and 2006, public housing was underfunded by \$6.7 billion compared to the actual need. The Oakland Housing is operating at an all-time low funding level of 76 percent (operating at a 100 percent funding level covers *basic* operations only.)

“We want people to know just how much public housing can benefit the wider community,” added Gresley.

The Oakland Housing Authority (OHA) is the City of Oakland's state-chartered and federally funded agency to promote the availability of quality housing for low-income persons. OHA works to promote the civic involvement and economic self-sufficiency of its residents and to further the expansion of affordable housing within Oakland. The Authority is currently helping to house 14,000 of the city's lowest income families. (www.oakha.org)

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Note to editors: A copy of the study is available upon request.