

PUBLIC HOUSING

The federal **Public Housing** program was established in 1937 to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. The housing comes in all sizes and types, from scattered single family houses to high-rise apartments for elderly families.

There are approximately 1.3 million households nationwide living in public housing units, managed by some 3,200 Public Housing Authorities (PHAs.) The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local agencies to help maintain housing with affordable below-market rents for low-income residents. The aid includes *Operating* funds and *Capital* funds.

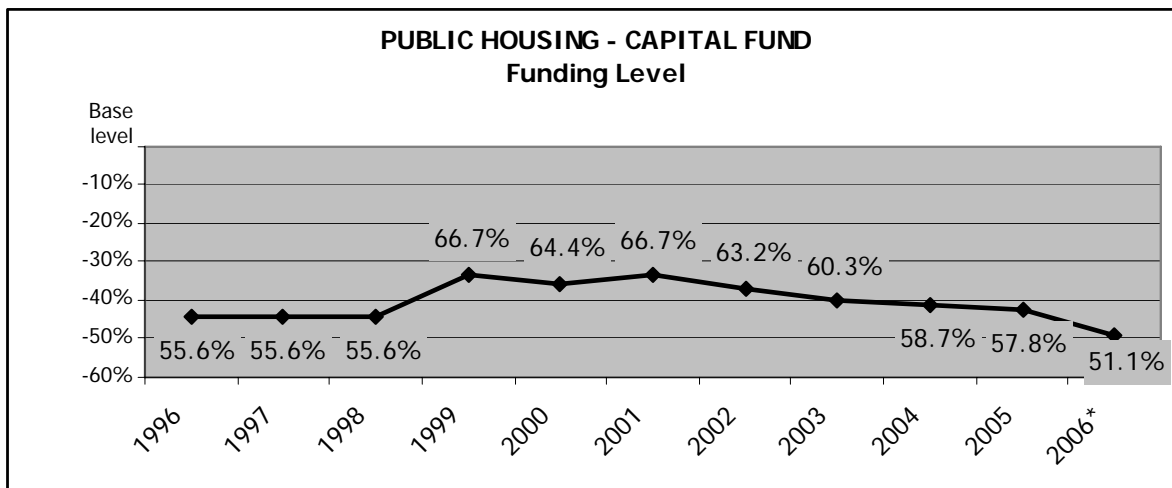
The Oakland Housing Authority (OHA) administers 3,308 public housing units for low-income families, about half of which are located in 254 small apartment buildings scattered throughout Oakland, CA. The remainder of the units are in four larger sites for families, five seniors-only buildings owned and operated by the Authority and in five privately owned mixed-income HOPE VI housing developments.

Capital Fund

Section 9 of the Housing Act of 1937 provides for a **Capital Fund** from which PHAs are granted aid for the development, financing, and modernization of below-market-rate public housing.

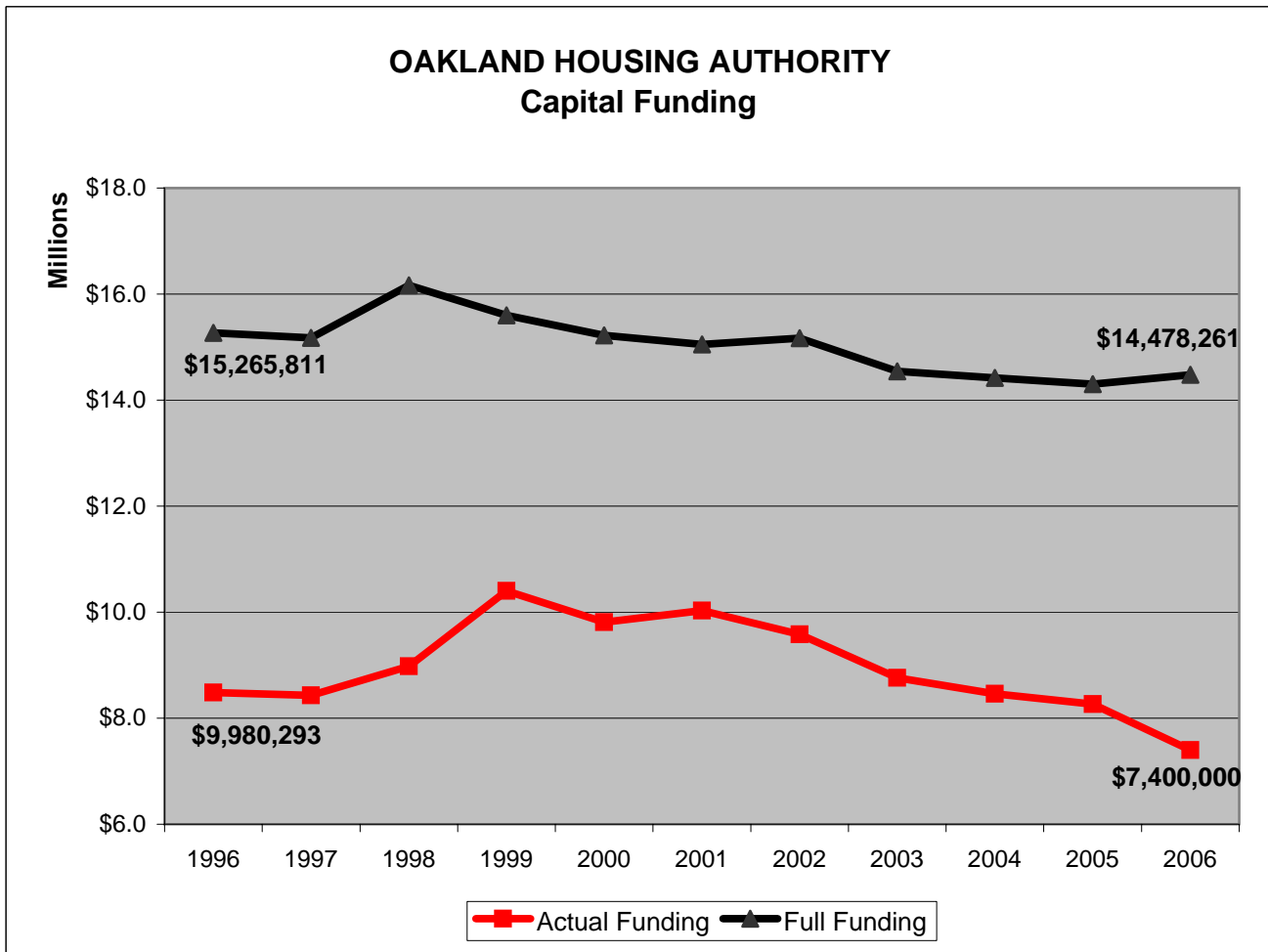
Since 1996, there has been a systematic disinvestment in the public housing Capital Fund, with PHAs receiving less than 60% of the basic funding required to cover capital improvement requirements for public housing properties. Most recently, the 2006 Capital Fund formula was calculated to cover *51 percent* of basic capital needs, a \$2.2 billion shortfall nationwide. During the last decade, HUD funding cuts have created an estimated \$20 billion backlog in public housing capital needs.

OHA has worked hard to maintain all of its public housing despite the regular underfunding of its capital improvements. **Since 1995, OHA has received \$66 million less in federal funds than the estimated need to cover modernization, up-keep and development costs. This past year's shortfall eliminated \$7.1 million (49 percent) of OHA's capital funding.** This has put a severe strain on the quality and appearance of OHA's housing units. As OHA's housing stock continues to age (the 254 scattered sites were built between 1968 and 1973, the larger sites even earlier), and more and more maintenance is deferred, residents are forced to live in less appealing conditions. While the city of Oakland has enjoyed a surge in residential renovations and development, federal funding to keep up affordable public housing lags far behind, creating an increasingly apparent discrepancy.



Capital Funds for Public Housing

Year	Full Funding	% Actual Funding	Actual Funding	Under- Funding	Accumulating Shortfall
1996	\$ 15,265,811	55.6%	\$ 8,481,006	\$ 6,784,805	\$ 6,784,805
1997	\$ 15,174,886	55.6%	\$ 8,430,492	\$ 6,744,394	\$ 13,529,198
1998	\$ 16,164,502	55.6%	\$ 8,980,279	\$ 7,184,223	\$ 20,713,422
1999	\$ 15,597,771	66.7%	\$ 10,398,514	\$ 5,199,257	\$ 25,912,679
2000	\$ 15,220,276	64.4%	\$ 9,808,622	\$ 5,411,654	\$ 31,324,332
2001	\$ 15,048,389	66.7%	\$ 10,032,259	\$ 5,016,130	\$ 36,340,462
2002	\$ 15,167,977	63.2%	\$ 9,582,791	\$ 5,585,186	\$ 41,925,648
2003	\$ 14,541,176	60.3%	\$ 8,763,482	\$ 5,777,694	\$ 47,703,342
2004	\$ 14,418,431	58.7%	\$ 8,462,017	\$ 5,956,414	\$ 53,659,756
2005	\$ 14,301,346	57.8%	\$ 8,263,000	\$ 6,038,346	\$ 59,698,102
2006	\$ 14,478,261	51.1%	\$ 7,400,000	\$ 7,078,261	\$ 66,776,363



CAPITAL FUNDS Accumulating Shortfall

