

## 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.

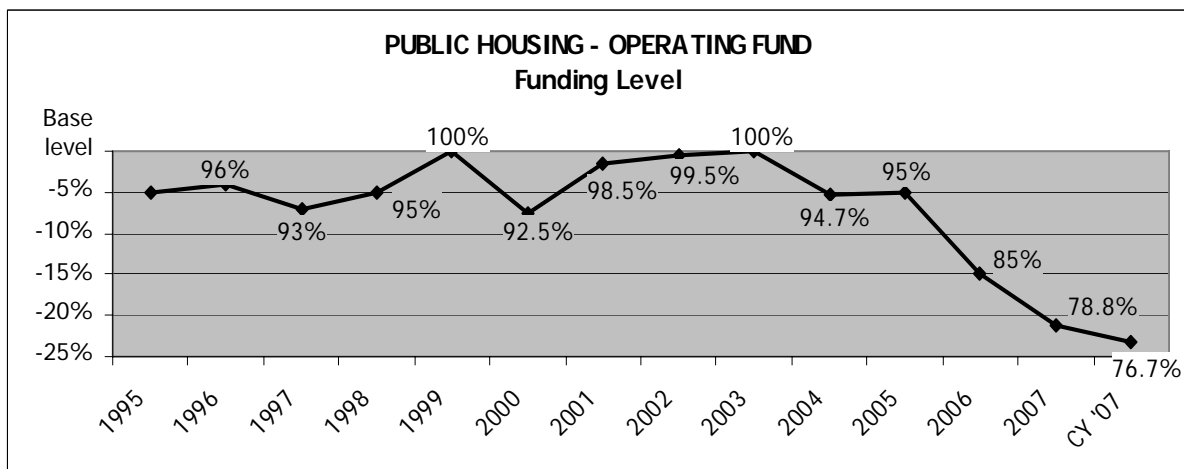
**The Oakland Housing Authority (OHA)** administers 3,308 public housing units for low-income families, about half of which are located in 254 small apartment buildings scattered throughout Oakland, CA. The remainder of the units are in four larger sites for families, five seniors-only buildings owned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

### Operating Fund

Section 9(e) of the Housing Act of 1937 provides for an **Operating Fund** from which PHAs are granted aid for the operation and management of below-market-rate public housing.

Since 1995, there has been a systematic disinvestment in the public housing Operating Fund, with PHAs receiving less than 93% of the basic funding required to operate the program. According to a recent HUD announcement this trend is continuing, as the 2007 Operating Fund is being dropped to 76 percent of the formula amount. Unless Congress intervenes, this will amount to a \$1 billion shortfall nationwide.

OHA has worked hard to keep all of its public housing in use despite the regular underfunding of its operations. **Since 1995, OHA has received \$8.47 million less in federal funds than it is entitled to and requires to cover basic operating costs for Oakland's public housing program.** This has put a severe strain on upkeep of the housing and restricted services for families in the program. **Funding OHA's 2007 operations at 76 percent is equal to eliminating maintenance for 794 affordable housing units and services for 794 families.** 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.

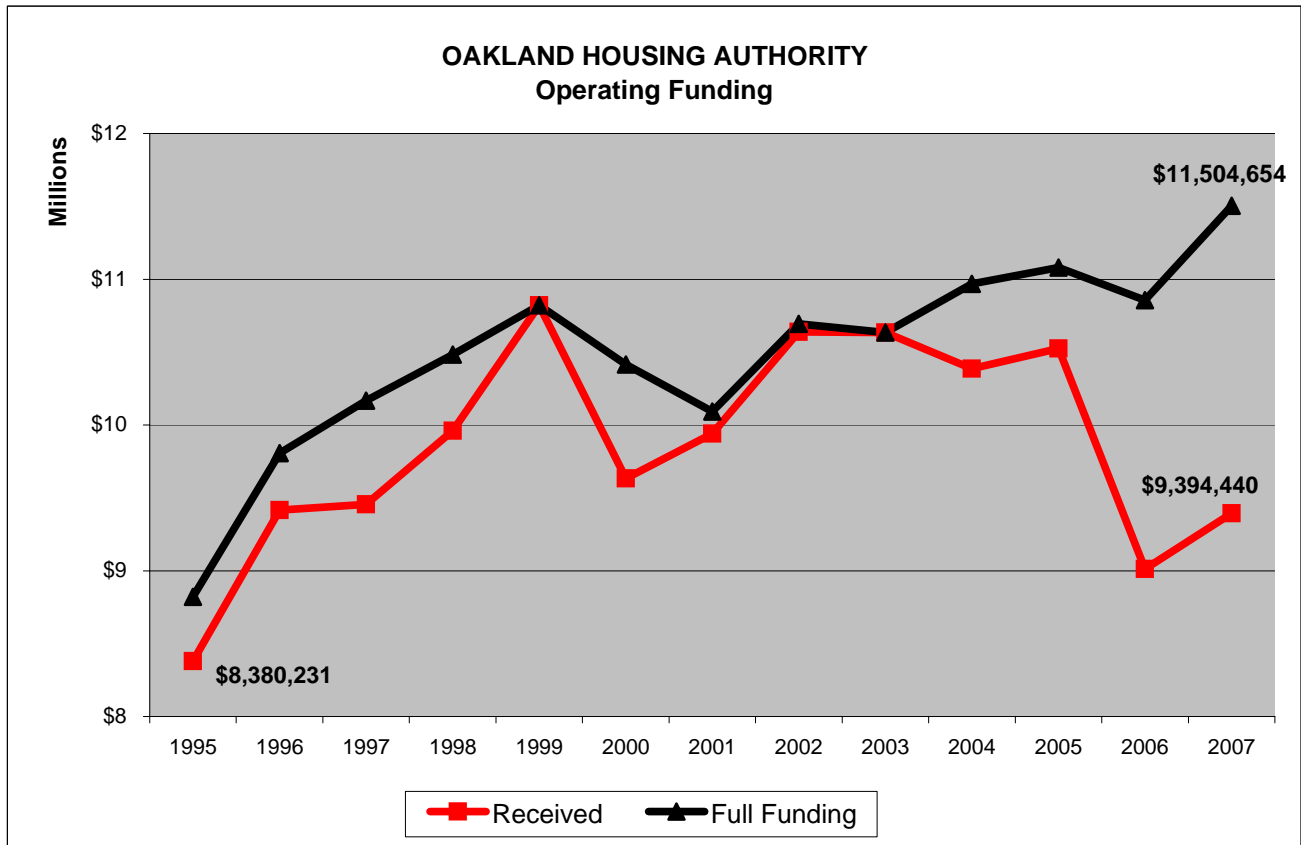


## Operating Funds for Public Housing

Year	Full Funding	% Actual Funding	Actual Funding	Under- funding	Accumulating Shortfall
1995	\$ 8,821,296	95%	\$ 8,380,231	\$ 441,065	\$ 441,065
1996	\$ 9,807,336	96%	\$ 9,415,043	\$ 392,293	\$ 833,358
1997	\$ 10,166,900	93%	\$ 9,455,217	\$ 711,683	\$ 1,545,041
1998	\$ 10,484,080	95%	\$ 9,959,776	\$ 524,304	\$ 2,069,345
1999	\$ 10,820,700	100%	\$ 10,820,700	\$ -	\$ 2,069,345
2000	\$ 10,415,592	92.5%	\$ 9,634,422	\$ 781,170	\$ 2,850,515
2001	\$ 10,092,547	98.5%	\$ 9,941,159	\$ 151,388	\$ 3,001,903
2002	\$ 10,692,995	99.5%	\$ 10,639,530	\$ 53,465	\$ 3,055,368
2003	\$ 10,634,747	100%	\$ 10,634,747	\$ -	\$ 3,055,368
2004	\$ 10,967,593	94.7%	\$ 10,386,311	\$ 581,282	\$ 3,636,650
2005	\$ 11,079,194	95%	\$ 10,525,234	\$ 553,960	\$ 4,190,610
2006	\$ 10,856,728	85%	\$ 9,013,000	\$ 1,843,728	\$ 6,034,338
2007	\$ 11,504,654	78.8%	\$ 9,394,440	\$ 2,438,987	\$ 8,473,325
CY '07		76.7%			

\* 2007 is a projection based on the first 2 quarters of FY 2007 funding

\* CY '07 indicates that HUD is moving from a Fiscal Year funding cycle to a Calendar Year funding cycle.



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## OPERATING FUNDS Accumulating Shortfall

