

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515  
August 13, 2008

The Honorable Steven Preston  
Secretary  
U.S. Department of Housing and Urban Development  
451 Seventh Street SW  
Washington DC 20410

Dear Secretary Preston:

We write to you out of concern regarding recent actions taken by the Department that may result in a further diminution of the nation's public housing. We believe that the loss of public housing units has now reached epic proportions and further loss of units must be averted immediately for the sake of the nation's low-income families.

In a letter dated July 2, 2008, your staff informed us that since 2000, 99,032 public housing units have been approved for demolition or disposition. However, during this same period, only 61,618 public housing or other affordable rental units were reconstructed and it appears that fewer than 40,000 of these units are public housing units. This means that over 60 percent of public housing units demolished or disposed never come back online.

Public housing serves a vital need in communities across the country by providing much needed affordable housing—especially for families with extremely low-incomes—and supportive services. A further decline in the number of public housing units exacerbates the affordable housing needs of our most vulnerable populations, including the elderly and disabled, and forces low-income families into unstable or unsustainable housing situations or homelessness.

Therefore, we are concerned that more and more housing authorities are choosing to relinquish their public housing stock and with it, their responsibility to provide affordable housing to their communities. Last year, with the Department's permission, the San Diego Housing Commission "got out of the public housing business" by vouchering out its entire stock of 1,366 units. Last month, the Department approved applications submitted by housing authorities in Las Vegas and Atlanta to dispose of all their public housing units.

Although the families residing in these and other developments that have been demolished or disposed receive housing choice vouchers, we do not believe that the provision of such a voucher to a family compensates for the loss of a public housing unit to a community. We believe that a housing choice voucher that is used to rent an existing unit in the private market does not and cannot replace a demolished or disposed public housing unit.

Public housing represents a commitment from the government that there will be a housing resource for our most vulnerable populations. The private sector cannot make that commitment. Like public housing, housing choice vouchers are an important part of our nation's affordable housing continuum. However, vouchers are not a permanent replacement for hard

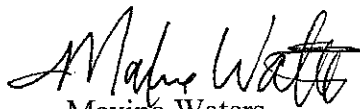
public housing units and the Department should not enable those housing authorities that choose to treat them as such.

Unfortunately, it appears that, with HUD's cooperation, housing authorities are turning to vouchers as a viable replacement for public housing units. According to data from HUD, there are currently 89 applications, representing 16,672 public housing units, pending from housing authorities for demolitions or dispositions. As housing authorities are not required to replace demolished or disposed units on a one-for-one basis, if these units are demolished or disposed they may very well be lost forever.

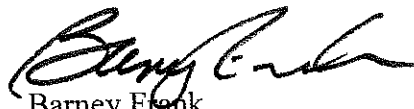
Due to the high number of pending applications and the clear need for legislative reform of the demolition-disposition program, we call on you to immediately cease approval of all demolition and disposition applications until legislation is enacted to reform this program.

We look forward to working with you to implement this moratorium and to ensure that further public housing units are not lost.

Sincerely,



Maxine Waters  
Chairwoman  
Subcommittee on Housing and  
Community Opportunity



Barney Frank  
Chairman  
Committee on Financial Services