

EXTRA NOTES SENT BY BOB MALLKOFF

FLORIDA ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS

CHIEFLY INTERESTED IN PUBLIC HOUSING

PRIMARILY INTERESTED IN SECURING NEW MINIMUM RENTS

IN ORDER TO INCREASE REVENUES

PRESENT LAW PROVIDES FOR A MINIMUM RENT NOT TO BE

LESS THAN 5% OF GROSS FAMILY INCOME AND A

MAXIMUM RENT WHICH MAY NOT BE MORE THAN
25% OF TENANT INCOME.

FAHRO ARGUES THAT MAXIMUM RENT REQUIREMENTS PROVIDE
PHA'S MORE REVENUE THAN MINIMUM RENTS, SO EFFECTIVELY
HAVE ELIMINATED MINIMUM RENTS. FAHRO ARGUES THAT A
"REASONABLE" MINIMUM RENT IS REQUIRED. THEY WANT
THE MINIMUM TO BE LEGISLATED AS HUD FAIR MARKET RENT
(WHICH IS BASED ON COMPARABLE RENTS IN THE AREA) LESS
AN ALLOWANCE FOR UTILITIES TIMES 40% OF THE REMAINDER.

PUBLIC HOUSING: SELECTED FACTS

1937 HOUSING ACT TO AID POOR AND NEAR POOR FAMILIES AND
ELDERLY PERSONS WHO CANNOT AFFORD MARKET RENTS. FED. GOVT.
PAYS FOR CONSTRUCTION AND LOCAL PUBLIC HOUSING AUTHORITIES
OPERATE. 1.2 MILLION UNITS IN EXISTENCE, FED. COMMITMENT OF
19 BILLION DOLLARS. 59% OF UNITS ARE OCCUPIED BY FAMILIES -
41% BY ELDERLY, , 52% OCCUPIED BY BLACKS; 37% WHITE; 11%
OTHERS, 80% OF FAMILIES ARE BLACK; 60% OF ELDERLY ARE

WHITE. PROGRAM SERVES 9% OF ALL ELIGIBLE FAMILIES; WAITING LINES ARE LONG, HUD HAS AUTHORITY TO BUILD 50,000 UNITS THIS YEAR, BUT IS HAVING DIFFICULTY GETTING PROJECTS COMMITTED AND BUILT, PIPELINE STUFFED. THERE ARE 2,702 LOCAL PHA'S. THE LARGEST 125 HAVE 53% OF ALL UNITS, AND THE BIG CITY PHA'S HAVE 33% OF ALL UNITS. HEAVIEST CONCENTRATION OF PUBLIC HOUSING IS IN OLDER CITIES OF NORTHEAST AND MIDWEST. OVER 2,400 SMALLER PHA'S GENERALLY DO NOT USE BIG HIGH RISES, AND ARE CONSIDERED TO HAVE SUCCESS STORIES. RENTS IN PUBLIC HOUSING AVERAGE \$65 - \$70 FROM TENANTS, AND THE FED. PAYS AN AVERAGE OPERATING SUBSIDY OF ABOUT \$100 PER UNIT MONTHLY.

PUBLIC HOUSING PROBLEMS:

PHYSICAL DETERIORATION. NEW ENERGY COSTS; FINANCIAL PROBLEMS WITH COSTS EXCEEDING RENT REVENUES; SOCIAL PROBLEMS - MANY ONE PARENT HOUSEHOLDS, HIGH RATIO OF CHILDREN TO ADULTS, CRIME, LACK OF SOCIAL SERVICES. NEIGHBORHOODS FREQUENTLY ISOLATED; MANAGEMENT OFTEN SUBJECT TO POLITICAL CONTROL, UNION DOMINATION.

HUD EFFORTS:

1. OPERATING SUBSIDIES PAID BY FORMULA BASED ON AVERAGE OF WHAT "PERCEIVED" PHA'S THAT ARE WELL MANAGED NEED. THIS HASN'T TAKEN CARE OF

HISTORICAL INADEQUACIES, EMERGENCY NEEDS,
SECURITY NEEDS, AND LACK OF EXPLICIT STANDARD OF
PERFORMANCE.

2. MODERNIZATION - HUD HAS PAID \$2.6 MILLION FOR
CAPITAL IMPROVEMENTS TO DATE.
3. TARGETS PROGRAM - PROVIDES ONE TIME FUNDING.
4. TENANT SELECTION PROGRAM - ENCOURAGES PHA'S TO
SELECT TENANTS WITH A BROAD RANGE OF INCOME AND
TO SELECT OUT TROUBLESOME TENANTS.
5. SMALL PHA COOPERATION AND CONSOLIDATION DEMONSTRATION -
TO ENCOURAGE SMALL RURAL PHA'S TO CAPTURE ECONOMIES
OF SCALE BY JOINING IN ADMINISTERING SERVICES.