

“Public housing developments provide affordable homes to 2.2 million low-income Americans.”

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What Is Public Housing?

Public housing is one of the nation’s three main rental assistance programs, along with “Section 8” vouchers and project-based rental assistance. Public housing developments provide affordable homes to 2.2 million low-income Americans.

Where Is Public Housing Located?

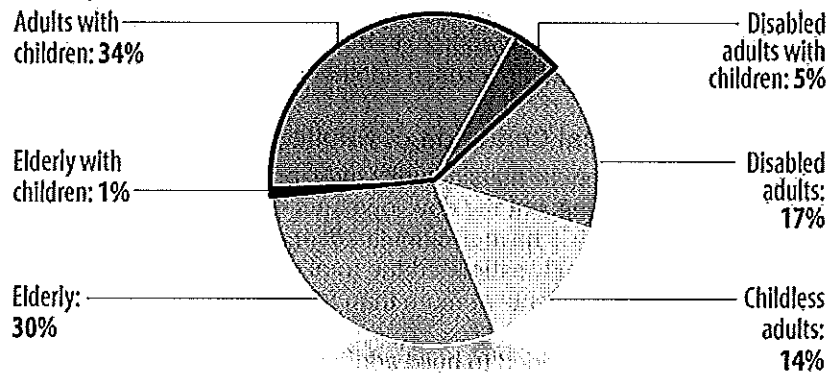
The nation’s 1.12 million public housing units are located in all 50 states and several territories, nearly one in five of them in rural areas. As of 2008, more than 60 percent of units (based on available data) were in areas with low or moderate poverty rates, meaning that less than 30 percent of residents were poor. Only about a fifth were in areas where at least 40 percent of residents were poor.

Who Owns and Manages Public Housing?

While the Department of Housing and Urban Development (HUD) oversees the public housing program, it is administered locally by about 3,100 public housing agencies. Most agencies own and manage the public housing developments themselves, but some contract with private management companies or transfer ownership to a private subsidiary or another entity that operates the development under public housing rules.

Who Is Helped by Public Housing?

☐ Households with children



Note: Childless adults are households headed by a person under 62 without disabilities, and without children in the home. Disabled adults are younger than 62.
 Source: CBPP tabulation of 2010 and 2011 HUD administrative data.

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Policy Basics is a series of brief background reports on issues related to budgets, taxes, and government assistance programs.

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Who Is Eligible for Public Housing?

A family must be “low-income” — meaning that its income may not exceed 80 percent of the local median income — in order to move into public housing. At least 40 percent of the new families that an agency admits each year must be “extremely low-income,” with incomes no greater than 30 percent of the local median (roughly equivalent to the poverty line on average nationally); on average, agencies exceed this requirement by a large margin. Undocumented immigrants are not eligible for assistance through public housing.

How Much Do Public Housing Tenants Pay for Rent?

Most tenants pay 30 percent of their income (after certain deductions are taken out) for rent and utilities. Housing agencies can choose to require families to pay a minimum rent of up to \$50 even if this is more than 30 percent of their income, and families can opt to pay a flat rent based on local market rents regardless of their income.

What Are the Benefits of Public Housing?

Public housing helps families to afford modest housing and avoid homelessness or other kinds of housing instability. Some developments provide access to neighborhoods with stronger schools and more job opportunities, where it might otherwise be difficult for low-income families to rent homes. For frail seniors and people with disabilities, public housing enables them to remain in their home communities and avoid or delay moving into nursing homes or other institutions that are much more costly (for state and federal governments as well as families).

How Does Public Housing Support Work?

Public housing can help families avoid housing instability that could make it difficult to find or keep a job. In addition, by limiting housing costs, public housing leaves families with more resources for work expenses like child care and transportation (as well as basic needs like food and medicine). In 2010, 89 percent of public housing households were elderly, had disabilities, worked, had recently worked, or were subject to work requirements through another program.

What Is the Physical Condition of Public Housing?

About 85 percent of public housing units meet or exceed HUD standards for decent, safe housing, but the developments — nearly all of which were built before 1985 — have accumulated large underlying renovation needs. A 2010 HUD study estimated the total unmet capital needs in public housing developments at more than \$26 billion.

No funds have been provided to build additional public housing since the mid-1990s. Since then, housing agencies have demolished or otherwise removed from the program more than 260,000 units due to deterioration resulting from long-term underfunding and other factors. Agencies have built new units to replace only about one-sixth of those that have been removed.

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How Is Public Housing Funded?

The federal government funds public housing through two main streams: (1) the Public Housing Operating Fund, which is intended to cover the gap between the rents that public housing tenants pay and the developments' operating costs (such as maintenance and security); and (2) the Public Housing Capital Fund, which funds renovation of developments and replacement of items such as appliances and heating and cooling equipment.

In addition, the Choice Neighborhoods Initiative (which Congress first funded in 2010 and has replaced the similar “HOPE VI” program) provides a small number of grants each year to revitalize distressed public housing developments.