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## Public-housing backers fretting

Chronic underfunding and eroding political support taking toll, St. Paul administrator and others say

BY JASON HOPPIN

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St. Paul public housing administrators are sounding the alarm about what they say is chronic underfunding and eroding political support that threatens the management of the nation's 1.2 million subsidized homes for the poor, elderly and disabled.

Years of cuts and skyrocketing utility costs have left the well-regarded, \$65 million St. Paul Public Housing Agency with tough choices, including selling off housing to cut costs, delaying repairs and upgrades such as sprinkler systems in high-rise housing, and cutting staff, officials say.

"Housing authorities across the country are being steadily cut in funding, and the survival of a lot of them are in question," said St. Paul Public Housing Agency Executive Director Jon Gutzmann, who is president of the national Public Housing Authorities Directors Association.

The St. Paul PHA, which provides homes for about 20,000 people, has organized a news conference this morning at Neill Hi-Rise on Laurel Avenue to highlight its concerns.

The problems, officials say, would only get worse under the U.S. Department of Housing and Urban Development's proposed 2007 budget. HUD's \$3.5 billion subsidized housing request, a portion of the agency's overall budget, is 78 percent of what a federally commissioned study estimated, Gutzmann said.

"When they submit budget proposals to Congress that only seek 78 percent of the money, you have to wonder what kind of agency we have," said Gutzmann, who added that his agency has lost \$19 million in federal subsidies in the past seven years.

"We know there's going to be some belt-tightening," said HUD spokeswoman Donna White. "We're hoping that (public housing agencies) continue to be innovative in providing families with safe, decent and affordable housing."

The skyrocketing cost of utilities also is hurting. According to the St. Paul PHA, the agency's energy costs are \$600,000 higher than in 2004.

The agency maintains a housing inventory of 4,300 units and processes an additional 4,000 housing vouchers. It has earned "high performer" status from HUD 15 years in a row and was named the nation's top large housing authority in 1996, the only year HUD published such rankings.

Gutzmann, also highly regarded in the industry, has testified before Congress, and his call for restored funding comes as a clarion call for some.

"It's the beginning of the revolution we need," said Caty Royce, who heads St. Paul's Community Stabilization Project. "Everyone needs to pay attention to this. ... I'm clapping louder than I've ever clapped before for Jon Gutzmann."

The cuts have been felt, said Beverly Carroll, a 79-year-old retiree who describes herself as "a chick on a hen's frame." She and other residents of the Hamline Hi-Rise at 777 Hamline Ave., most of whom are seniors, volunteer their time tending to flowers and other chores.

"Even though we're in public housing, we're proud of our building," Carroll said, who pays 30 percent of her Social Security income toward rent, which also covers her energy bill. "These are our homes."

Carroll worries things will get worse. Maintenance is sometimes slow, and it recently took awhile for staff to fix a light, she said.

"Since we've had to cut down, I had to go without my ceiling light, which is the only light I have in my kitchen, for several days," she said.

One reason for the dwindling funds might be apathy. Public housing simply doesn't carry the same political urgency it once did.

"Neither of the national parties are placing a very high priority on housing right now," said Al Hester, policy director for the St. Paul PHA. "The voters in general are not aware of the housing funding crisis that's coming."

Tom Streitz, deputy executive director of the Minneapolis Public Housing Authority, said his city is experiencing the same kinds of difficulties as St. Paul.

"It appears that the federal government's abandoning the federal housing program," Streitz said, adding that the MPHA recently laid off 32 employees.

Members of Minnesota's congressional delegation said they support public housing.

"I am concerned about any potential funding cuts for Minnesota and will work hard to support the funding increases included in the Senate's HUD appropriations bill for public housing," Sen. Norm Coleman, R-Minn., said in a statement, adding that he saw the program's benefits while serving as mayor of St. Paul.

The House of Representatives has approved HUD's \$3.5 billion operating request, but the Senate's appropriations bill includes an extra \$97 million. However, a trio of public-housing interest groups are seeking \$4.4 billion.

Rep. Betty McCollum, DFL-St. Paul, criticized the Bush administration and the Republican leadership in Congress for underfunding housing.

"I strongly support the St. Paul Public Housing Authority as they call on Congress to address the severe budget shortfalls that threaten basic shelter for thousands of families. It's time for Washington to again be a partner to help meet the needs of our neighbors," McCollum said in a statement.

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Here's a look at the services of the St. Paul Public Housing Agency:

**4,300** Units in housing inventory

**4,000** Subsidized housing vouchers processed

**20,000** Residents served

**7,800** Households on waiting list

**\$17,000** Average annual family income of clients