



Transition Paper U. S. Department of Housing and Urban Development

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Housing authorities sit at the intersection of three critical national priorities: housing, energy and economic stimulus. AFSCME members across the country work at housing authorities in a wide range of jobs, from clerical to maintenance. At a time when public housing is most desperately needed, these workers – and the residents of public housing – have faced cuts in funding and implementation of restrictive new accounting rules. This has led to cuts in services and even basic upkeep.

Priority is often placed on maintenance and other vital functions to keep the housing livable. When budgets are tight, that often means cutting services, such as job, interview and resume help. That may save money in the short-term but, by eliminating the help that residents need to move on, it can exacerbate the shortage of affordable housing.

The cuts in funding have also created a serious backlog of maintenance work, which often leads to more costly repairs in the long term. In addition, aging buildings are often energy inefficient if upkeep falls behind schedule – which is where public housing stands after years of budget cuts.

At the same time as they are coping with funding cuts, new accounting rules – called asset management – have put a huge burden on housing authorities and limited management's ability to best manage their local situation.

In addition, multiple occupancy requirements are used simultaneously to measure housing authorities' performance. Total occupancy rate is a good measure, but in some cases turnaround periods are limited to 15 days before the operating subsidy is lost. The 15-day requirement does not take into account that some units need total renovation, where others only need cosmetic work. These rules have been used as a tool to further cut funding.

The relationship between labor and management at housing authorities has suffered as the new regulations were put into place without an avenue for union officials to get answers to simple, but vital, questions. Often, even management seems honestly confused by what the regulations require, even where relationships are good.

The new rules have led to privatization, as our members are often forced to compete for their jobs on a cost basis, with the scoring system rigged against them. Weak enforcement of the prevailing wage requirements for contractors under Davis-Bacon and Related Acts (DBRA) serves as another tool to privatize work – despite the legal requirement to pay the prevailing wage for the area.

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Recommendations

- Fully fund HUD programs. Use public housing as a tool for economic stimulus. Unlike many infrastructure projects, public housing maintenance projects are ready to go. Elimination of the backlog in maintenance work can create jobs. Upgrading old units can save money by decreasing energy consumption and at the same time, provide high quality affordable housing. Initial energy investments could be targeted where the greatest return on investment can be expected; for example, where winters are very cold, energy use is above the norm, or other factors. Local housing directors may need training on strategies to get the most savings in energy usage per dollar spent. The Denver Housing Authority can be studied as an example of an early effort in this area that utilized both good and poor practices.
- Eliminate Asset Management or, at a minimum, increase the exclusion from Asset Management to housing authorities with less than 1,000 units, and make funds more fungible between Asset Management Project Groupings (AMPs), so local directors, who know where the needs are, are able to meet those needs.
- Restore the turnaround period to 30 days. Alternatively, use 15 days as an average turnaround measure, not on a 'per-unit' basis.
- Fully enforce DBRA by requiring that contractors annually submit a list of their employees, titles and pay so these data can be compared to the prevailing wage standards. With today's technology, this law can be fully enforced without creating an undue administrative burden. In addition, permit workers or their representatives to request reviews when necessary to settle disputes as to incorrectly labeled workers and other issues. As the holder of both the comparative data and enforcement authority, HUD can serve the housing authorities and their workers by settling DBRA-related disputes upon request.
- Review all rules and practices addressing measurement of the cost-effectiveness of contracting out work. Overhead costs should be accounted for in a realistic fashion, since overhead does not go away when work is outsourced.
- Create a high level HUD liaison to labor who can provide straight answers to technical questions, clarify what is and is not required by law, and minimize misunderstandings created by simple confusion.

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