

AMENDMENT 792 -- Stops federal payments for public housing complexes with life threatening conditions or in poor physical condition.

Thousands of needy families who have turned to the government for stable housing have been placed in properties with health and safety deficiencies, including some that are life threatening.

There are **3,847** properties with “life threatening deficiencies” that are currently or were previously designated as “troubled” by HUD during the past five years.¹

There are **2,297** properties in “poor” physical condition that are currently or were previously designated as “troubled” by HUD during the past five years.²

Some of these entries are for the same properties that appear year after year on HUD’s “troubled” property list.

These numbers may not reflect all of the deficient housing provided by HUD³ or other federal departments and agencies.

This amendment would cut off aid to greedy slumlords while protecting needy families by prohibiting HUD from making payments for any assisted or insured Multifamily Housing property currently designated as “troubled” on the Online Property Integrated Information System (OPIIS) for “life threatening deficiencies” or “poor” physical condition that has been on the OPIIS troubled properties list at least one other time during the past five fiscal years.

¹ Correspondence from Michael P. Stephens, Deputy Inspector General of the U.S. Department of Housing and Urban Development, to U.S. Senator Tom A. Coburn, M.D., August 15, 2011.

² Correspondence from Michael P. Stephens, Deputy Inspector General of the U.S. Department of Housing and Urban Development, to U.S. Senator Tom A. Coburn, M.D., August 15, 2011.

³ The Office of Public and Indian Housing was “unable to provide” information on troubled housing owners to the HUD Office of Inspector General according to correspondence from Michael P. Stephens, Deputy Inspector General of the U.S. Department of Housing and Urban Development, to U.S. Senator Tom A. Coburn, M.D., August 15, 2011.

HUD Properties “Plagued” By Mismanagement And Dangerous Living Conditions

Over the past several years, there have been far too many examples of slum lords receiving hundreds of millions of federal dollars. In many cases, those without stable housing seeking help were put at health and safety risks by those entrusted to care from them with taxpayer funds.

A recent *ABC News’ Nightline* investigation concluded the federal government’s low-income housing programs “are plagued by theft, mismanagement and corruption at local levels, including millions spent on housing for sex offenders and dead people, and all too often fail the 3 million families who rely on them for a clean, safe place to live.” Specifically, the report found the Philadelphia Housing Authority, spent housing funds on lavish gifts for its executives, \$500,000 to settle sexual harassment claims against its director, and \$17,000 of housing funds to throw an extravagant party with belly dancers. The same month as the belly dancer party, a 12 year old girl living in federally-subsidized housing suffered a near-fatal asthma attack that has left her unable to speak or walk that may be linked to dangerous mold in her home.⁴

The New York Daily News recently found “some of the city’s worst landlords” received \$81 million in federal housing funds “even though their buildings are riddled with housing code violations.” The report stated “millions of dollars have been doled out to buildings where tenants have repeatedly complained of rats, roaches, faulty elevators, lack of heat and flaking lead paint.”⁵

The federal government provided as much as \$300 million to more than 60 housing agencies “that have been repeatedly faulted by auditors for

⁴ Avni Patel, Brian Ross, and John Solomon, “Housing Agency Spent Thousands of Dollars on Belly Dancers, Luxury Bags; Lavish Spending at Philadelphia Housing Authority Raises Oversight Concerns,” *ABC News*, January 27, 2011; <http://abcnews.go.com/Blotter/philadelphia-housing-authority-spent-thousands-belly-dancers-bags/story?id=12771932>.

⁵ Tina Moore, “Slumlords get share of \$81M stimulus, despite code violations on buildings,” *New York Daily News*, August 16, 2009; http://www.nydailynews.com/real_estate/2009/08/16/2009-08-16_slumlords_get_to_share_stimulus_pot_worth_81m_they_own_some_of_citys_most_hazard.html

mishandling government aid,” according to a review conducted by *USA Today*.⁶

In Indiana, investigators found the poor being “forced to live in substandard housing” that local authorities knew was unsafe, yet did not fix. In Indianapolis alone, more than \$5.2 million a year has been spent on housing residents in unsafe conditions, according to *The Fort Wayne Journal Gazette*.⁷

About \$2.2 million of the federal funds intended to support low-income housing on Navajo Nation Indian lands in Arizona and New Mexico was instead misspent on gambling, furs and jewelry, and racehorse training, according *The Las Vegas Sun*.⁸

HUD Continues To Subsidize Repeat Offenders With A History Of Placing Families In Unsafe Living Conditions

There are over 6,100 properties designated as “troubled” during the past five years. Some of these entries are for the same properties that appear year after year on the list. This includes properties in Oklahoma.

Needy families should not be put in dangerous conditions as a result of neglect by slumlords or the failure of Congress to provide proper oversight of federal housing programs.

Barring repeat offenders from receiving federal funds will protect families in public housing by forcing landlords to improve living conditions or be barred from receiving payments.

HUD Allows Housing Agencies To Do Their Own Assessments For Housing Violations And Rate Their Compliance With Safety Standards

⁶ Brad Heath, “Housing agencies faulted in audits to get \$300M of stimulus, *USA Today*, April 8, 2009; http://www.usatoday.com/news/washington/2009-04-07-Stimulus-Housing_N.htm .

⁷ Dan Stockman, “Public-housing troubles spread statewide; Living conditions unsafe and finances unkempt,” *Fort Wayne Journal Gazette* (Indiana), May 25, 2008; <http://www.journalgazette.net/apps/pbcs.dll/article?AID=/20080525/LOCAL10/805250436> .

⁸ Mary Manning, “Men charged with embezzling money from Indian housing grants,” *The Las Vegas Sun* (Nevada), May 27, 2009; <http://www.lasvegassun.com/news/2009/may/27/men-charged-embezzling-money-indian-housing-grants/> .

Public housing agencies (PHAs) receive \$20 million every year from HUD to pay for the inspections of public housing units. PHAs are required to inspect properties receiving assistance and must ensure the housing units meet housing quality standards.

But according to the HUD Office of Inspector General, “HUD monitors these requirements through PHA self-assessments. Although “HUD occasionally verifies the assessments to ensure compliance,” the “PHAs also rate themselves on how well they achieve compliance.”⁹

To ensure federal housing aid benefits the needy rather than the greedy and to prevent slumlords from abusing taxpayers and the disadvantaged, this amendment would bar HUD from paying landlords whose properties are in poor physical condition or have life threatening deficiencies.

⁹ Correspondence from Michael P. Stephens, Deputy Inspector General of the U.S. Department of Housing and Urban Development, to U.S. Senator Tom A. Coburn, M.D., August 15, 2011.