

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**  
**NYDIA M. VELAZQUEZ**  
7TH DISTRICT, NEW YORK

December 11, 2018

The Honorable Dr. Ben Carson  
Secretary  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street S.W.  
Washington, D.C. 20410

Dear Secretary Carson:

On behalf of the more than 400,000 New Yorkers that call the New York City Housing Authority ("NYCHA") home, it is with a single unified voice that we write to you today. As NYCHA's future is contemplated, some high-ranking Department of Housing and Urban Development ("HUD") officials have publicly expressed the belief that placing NYCHA into administrative receivership is the best available course of action. We write to you today to express our adamant opposition to that direction.

Like you, we are all frustrated with NYCHA's current conditions and the mismanagement that has plagued the Agency for years. NYCHA's current condition and direction is no longer sustainable. Residents suffer from a consistent lack of hot water, insufficient heat during the winter months, broken elevators, and a widespread and reoccurring mold problem. Moreover, the revelation that NYCHA's operations and prior management teams falsely certified its compliance with federal statutory and regulatory requirements related to lead is appalling and simply unacceptable. Residents deserve better. Residents deserve a decent, safe, and sanitary place to live, as is required under federal law.

But in the same way that NYCHA's challenges were not created overnight, they cannot be solved overnight. While additional financial resources would be a welcomed start, and are almost certainly needed, additional resources alone are not the answer. A full-scale review of NYCHA's operations, personnel, and management structure is needed. And while conducting a total review of NYCHA's internal operations will be a difficult process and the decisions that result from that review will be hard, we believe allowing tenants and their elected representatives a voice in the process of that review is a better course of action than administrative receivership.

Prior administrative receiverships conducted by HUD have a mixed track record of success and the situations associated with the public housing authorities ("PHAs") in East St. Louis and Cairo, Illinois prove to be cautionary tales. Many of these administrative takeovers are fraught with instances of demolition, the selling-off of public assets, displacement or relocation of residents, and on-going health and safety concerns even upon completion of receivership.

For example, the East St. Louis Housing Authority was recently returned to local control after more than 30 years of HUD receivership.<sup>1</sup> But, unfortunately, recent media reports state that the East St. Louis Housing Authority still suffers from crumbling buildings, above average levels of crime, and still needs more than \$42 million in immediate capital repair needs and an additional \$180 million over 20 years.<sup>2</sup>

In Cairo, Illinois, the situation has proved to be far worse. After being placed into receivership by HUD in 2016 the Alexander County Housing Authority (“ACHA”) continues to suffer from deplorable living conditions with rodent and insect infestations, heating and plumbing malfunctions, and high-levels of crime in the area. Recently, one news story referred to Cairo as a “soon-to-be ghost town.”<sup>3</sup>

As part of ACHA’s receivership process, HUD closed four housing developments and scheduled them all for demolition stating that necessary repairs were “too expensive.”<sup>4</sup> Demolition of the buildings further reduced the City’s already scarce supply of available housing stock for the city’s low-income residents and forced the relocation of about 400 residents.<sup>5</sup> According to media reports, ACHA residents remain angry and frustrated with HUD’s decision.<sup>6</sup>

Further, a report by HUD’s Office of Inspector General (“HUD OIG” or “OIG”), in July 2018, entitled: *HUD’s Oversight of the Alexander County Housing Authority*, offers a stunning rebuke of HUD’s receivership process and its oversight of the housing authority in Alexander County.<sup>7</sup> The OIG’s report found that HUD’s guidance and expertise on receivership was “limited,”<sup>8</sup> and that HUD officials were “unsure of what precisely triggers a receivership,”<sup>9</sup> and one of the two HUD officials charged with overseeing the ACHA in receivership “did not attend formal training,...[but rather] relied on his institutional knowledge from previously working at PHAs.”<sup>10</sup>

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<sup>1</sup> Lane, Ben. “HUD ends 32-year receivership of East St. Louis Housing Authority”. *Housingwire*. September 22, 2017. <https://www.housingwire.com/articles/41375-hud-ends-32-year-receivership-of-east-st-louis-housing-authority>.

<sup>2</sup> Parker, Molly. “Ben Carson Declared Mission Accomplished in East St. Louis-Where Public Housing is Still a Disaster.” *The Southern Illinoisan* and *ProPublica*. August 8. <https://www.propublica.org/article/east-saint-louis-public-housing-ben-carson-declared-mission-accomplished>.

<sup>3</sup> Ramirez, Kelsey. “HUD receives scathing audit for oversight in soon-to-be ghost town.” *Housingwire*. July 30, 2018. <https://www.housingwire.com/articles/46295-hud-receives-scathing-audit-for-oversight-in-soon-to-be-ghost-town>.

<sup>4</sup> U.S. Department of Housing and Urban Development Office of Inspector General. “HUD’s Oversight of the Alexander County Housing Authority.” U.S. Department of Housing and Urban Development Office of Inspector General. July 24, 2018. Pg. 17. <https://www.hudoig.gov/reports-publications/inspections-evaluations/huds-oversight-alexander-county-housing-authority>.

<sup>5</sup> Ramirez. “HUD receives scathing audit for oversight in soon-to-be ghost town.”

<sup>6</sup> HUD OIG Report. pg. 5.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* pg. 15.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

According to the HUD OIG's report:

"[t]he small pool of experienced receivers, inadequate guidance, and outdated training pose organizational risks that could negatively affect HUD's oversight of PHAs over time. Without these elements, HUD.... may oversee PHAs in receivership improperly or inadequately."<sup>11</sup>


The Alexander County Housing Authority is a mid-size public housing agency with 500 public housing units in a small town with a population of about 2,559. Among other things, we fear the inadequate internal procedures at HUD and the lack of institutional knowledge about the administrative receivership process at the Department, as characterized by the HUD OIG report, could result in a far more disastrous situation for the nation's largest public housing authority comprised of more than 175,000 units located in the most populist metropolitan area in the United States.

Instead of receivership, we choose to work with our fellow New Yorkers and craft a future for NYCHA that comports to the values and needs of our constituents, our city, and our community. That work has already begun. Mayor Bill de Blasio and his Administration committed approximately \$5 billion in City funds to help secure the future of NYCHA. The utilization of these resources will help NYCHA address its operational and capital needs. But this is only the start and far more work is certainly needed.


Again, charting a path for the future of NYCHA will not be easy and we all understand difficult choices will be necessary. While we may not agree with the Department on every portion of that path, we stand ready to work in concert with you and your team in a productive manner to make those choices.


Thank you for allowing us the opportunity to voice our concerns and share our perspective.

Sincerely Yours,

  
Nydia M. Velázquez  
Member of Congress

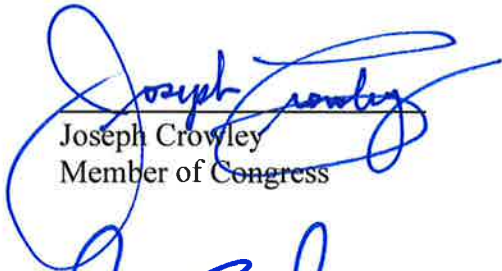
  
Gregory W. Meeks  
Member of Congress

  
Eliot L. Engel  
Member of Congress

  
Yvette D. Clarke  
Member of Congress

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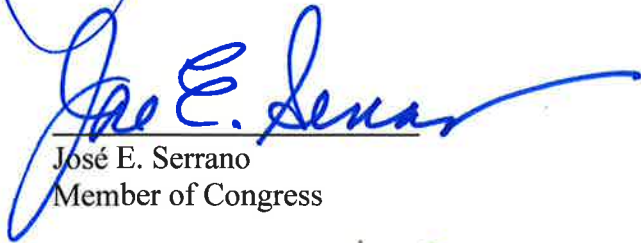
<sup>11</sup> HUD OIG Report. pg. 15-16.



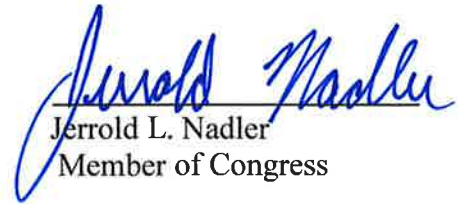
Joseph Crowley  
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Member of Congress



Hakeem Jeffries  
Member of Congress



Grace Meng  
Member of Congress



Carolyn B. Maloney  
Member of Congress

A handwritten signature in blue ink, reading "Charles E. Schumer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Charles E. Schumer  
United States Senator

A handwritten signature in blue ink, reading "Kirsten Gillibrand". The signature is cursive and elegant, with a horizontal line at the end.

Kirsten Gillibrand  
United States Senator