

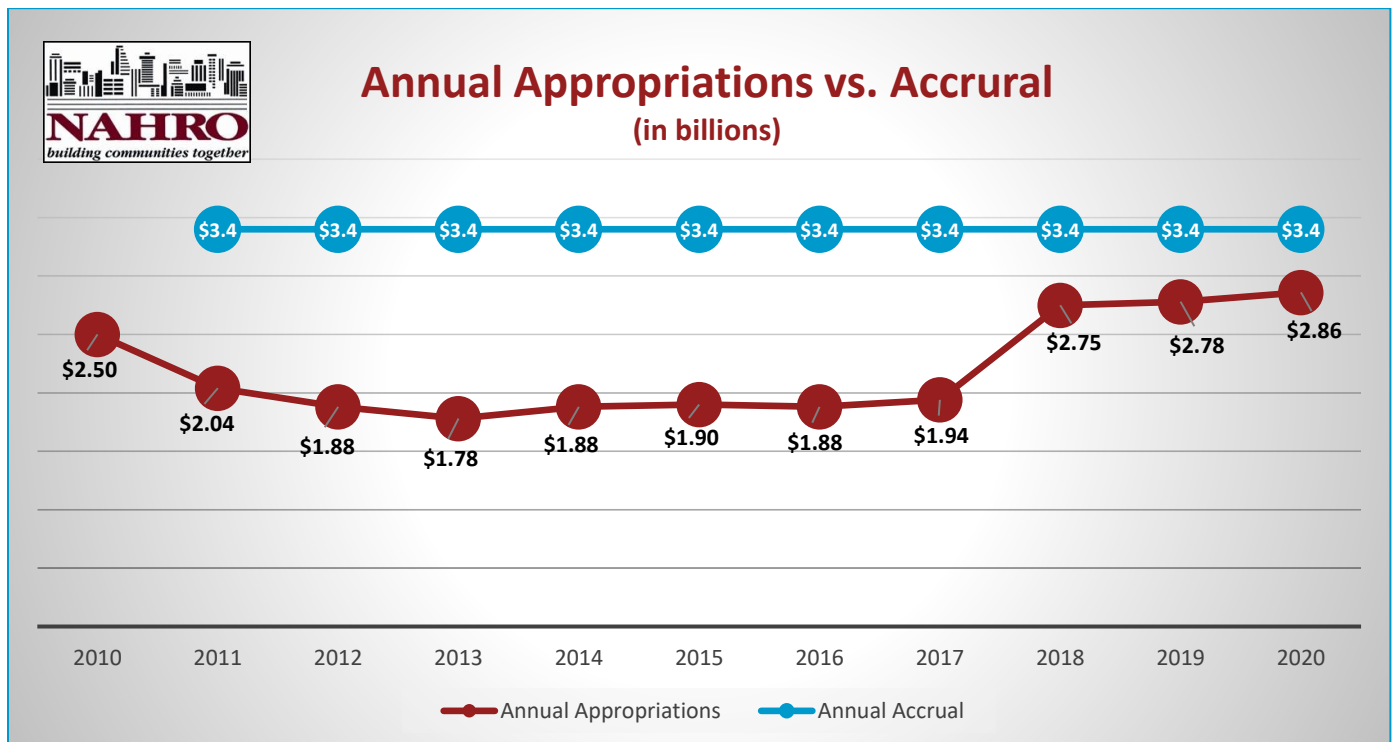
CAPITAL FUND BACKLOG

What is the Capital Fund backlog?

Public Housing Agencies (PHAs) own and operate approximately one million units of federally subsidized public housing, providing affordable housing to families, the elderly, persons with disabilities, and veterans. Funding for public housing comes from two sources, the Operating Fund, which covers day-to-day maintenance and operations, and the Capital Fund. PHAs use Capital Fund dollars to repair and improve their public housing sites and buildings, address deferred maintenance needs, and replace obsolete utility systems. **Sadly, chronic underfunding of the program has placed the inventory at risk, and Capital Fund appropriations lag dangerously behind accruing modernization needs.**

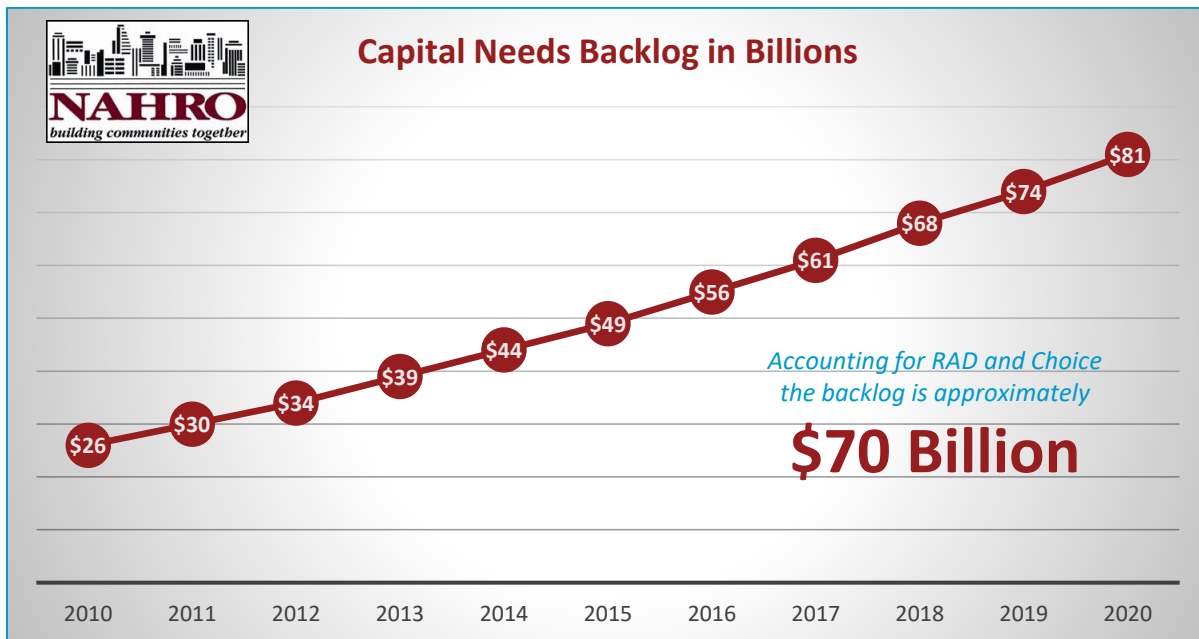
In 2010, the national Public Housing Capital Needs Assessment showed that **the total backlog for public housing capital funding was \$26 billion with a projected growth rate of approximately \$3.4 billion per year.** Furthermore, the report noted that **each year the cost of the backlog compounds at a rate of 8.7 percent** due to inflation and the increased cost of addressing deferred maintenance. As a result, even when accounting for other federal capital programs, the Rental Assistance Demonstration (RAD) and Choice Neighborhood Grants, NAHRO estimates the Capital Fund backlog was approximately \$70 billion in 2019.

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RAD and Choice Neighborhoods help, but do not replace the Capital Fund

PHAs have been able to reduce the Capital Needs backlog through RAD and Choice Neighborhood Grants. **PHAs have leveraged \$12.6 billion through RAD and have received \$487.425 million in Choice Neighborhood Implementation Grants** specifically for housing rehabilitation and new construction through those grants since 2010. **RAD and Choice Neighborhoods only reduce the backlog by about \$13 billion.**



***Eradicating the capital needs backlog is an investment
in people and a cost-saving mechanism***

What can be done?

Eradicating the capital needs backlog is an investment in people and a cost-saving mechanism that prevents additional expenditures downstream. Each year the Capital Fund backlog grows, deferred maintenance costs add additional strains to the public housing portfolio. Accounting for underfunding, inflation, and the costs of deferred maintenance, the Capital Needs backlog has grown significantly in the past decade. **Congress must provide the funding necessary to ensure communities can provide safe, secure housing to current residents of public housing and families who will need access to low-income housing in the future.**