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Center for Tax and Budget Accountability Releases New Report Analyzing Chicago Housing Authority's Fiscal Practices

CHICAGO – Today, the Center for Tax and Budget Accountability (CTBA) released a new report, *A Fiscal Review of the Chicago Housing Authority*. The CTBA's analysis of the Chicago House Authority's (CHA) own budget reports revealed that the CHA built up a large cash reserve while tens of thousands of households wait for affordable housing.

“The Chicago Housing Authority is responsible to provide eligible families and individuals with access to affordable housing, either directly through public housing units or by issuing housing vouchers to help cover the cost of private units,” said Ralph Martire, Executive Director of CTBA. “As of September 30, 2013, however, more households were waiting for housing assistance than were provided housing assistance by the CHA. Rather than reduce the waiting list, the CHA has built its reserves.”

The CHA participates in the federal program “Moving to Work” (MTW), which frees it from much of the oversight that the U.S. Department of Housing and Urban Development (HUD) usually exercises over public housing agencies. Through the MTW program, the CHA can pool federal funding for public housing, capital construction, and housing vouchers into one General Fund and spend money from that fund at its discretion. Normally, such federal funding has to be kept in segregated accounts by program. Because of the financial flexibility the MTW gives the CHA, the agency has been able to divert money intended for the issuance of housing vouchers to other uses.

“Between fiscal years 2008 and 2012, the CHA has issued, on average, 13,534 fewer housing vouchers than HUD funded,” said Bobby Otter, CTBA's Fiscal Policy Analyst. “This is not because of lack of demand, but rather because of a reallocation of funds to line-items that do not constitute actual spending, known as non-cash outlays.”

CTBA's report, *A Fiscal Review of the Chicago Housing Authority*, also found that over the last five years in particular, the CHA's reserve funds have grown significantly. During that same five-year period, the CHA had an average annual surplus of \$107 million.

“By diverting federal revenue it received for housing vouchers to instead cover non-cash outlays which do not require any actual expenditures,” said Amanda Kass, CTBA's Budget Director, “the CHA has been able to spend, on average, \$90 million less than what it received in revenue every year since at least fiscal year 2004. Because of this, at the end of fiscal year 2012 the CHA built up \$432 million in available reserves, despite thousands of rent-burdened Chicagoans still awaiting housing assistance.”

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