

Secretary Shaun Donovan
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, D.C. 20410

Dear Secretary Donovan,

As local and national organizations working to protect the human right to housing in the United States, we write to express our ongoing and grave concerns regarding the current state of PETRA. At a time when public housing residents are in desperate need of stability and increased public resources, aspects of PETRA threaten the sustainability of these communities.

While we commend your agency's response to the long-standing need to streamline rental assistance programs, we remain concerned that elements of PETRA will set into motion a process of public housing privatization. In particular, project-basing our public housing provides no guarantee that these deeply affordable housing units will remain permanent assets to our communities. Furthermore, the mortgage financing mechanism proposed in PETRA **immediately** invites private entities in the financial sector to play a role that undermines public housing as a public good. This first step toward privatization is evident in at least three ways:

First, PETRA enables private financial institutions to acquire legal interests and rights in public assets.

Second, PETRA creates a risk of foreclosure and potential transfer of scarce affordable housing to banks and other financial institutions by shifting the status of public housing from public good to real estate commodity.

Third, PETRA institutionalizes the profit motive, and perhaps even profiteering, into public goods. (For-profit lenders do not operate for public, social, or charitable purposes and will expect a healthy return on their investments).

Consequently, PETRA's current configuration is fundamentally at odds with public housing's central premise: providing for precisely the people and communities whom the housing market persistently excludes. This proposal is particularly imprudent in light of the recent foreclosure crisis, which has demonstrated that markets alone will not address the basic needs and rights of all people in the United States. As the UN Special Rapporteur on the Right to Adequate Housing, Raquel Rolnik, has stated, "The belief that markets will provide adequate housing for all has failed. The current crisis is a stark reminder of this reality."ⁱ

The experiences of poor communities struggling to meet their basic housing needs were recently documented by the Rapporteur. The Rapporteur's visit was the first official visit of a UN Special Rapporteur to the United States to investigate allegations of violations of the right to adequate housing. The Rapporteur met with over seventy grassroots organizations to witness the housing crisis from community-based perspectives. Among her extensive

findings, the Rapporteur emphasized the framework of “housing as real estate rather than social need”ⁱⁱ as a root cause of displacement and housing insecurity.

Several Congressional leaders have voiced their concern over PETRA’s present state. The House Appropriations Committee rejected HUD’s budget request to move forward with the Transforming Rental Assistance initiative, noting its alarm that Congress had not authorized the proposal and aspects of it were “not yet well formed”. This unease was echoed by House Financial Services Committee’s Representative Waters and Representative Frank. Representative Waters cautioned at the House Financial Services Committee’s May 25th hearing on PETRA that HUD should engage in *at least* two years of vigorous and authentic participatory processes to determine how to protect, improve, and sustain public housing. Such a debate would consider all alternatives, not just market-based debt.

There is also broad resident-based opposition to the mortgage financing components of PETRA. As part of its resident engagement initiative, HUD has indeed coordinated discussions with a number of public housing residents since January. However, HUD has chosen a path of engagement with public housing residents that has precluded meaningful participation for residents in this debate. While a number of resident leaders, community organizations, and advocates have specifically opposed mortgaging public housing units, HUD has explicitly stated that mortgages are non-negotiable. This position exemplifies the profound deficiency of this resident engagement initiative. Mortgages are the single most controversial issue that has inspired passionate public debate and conflict, and this is at the same time the single issue on which HUD has unilaterally closed negotiations.

HUD’s conduct appears to be an effort to create the illusion of a consensus, by creating expectations that are at odds with Congressional and public housing resident feedback. HUD has even promoted “debt tools” such as its TRA Leverage Calculator before engaging in a genuine debate involving all stakeholders. While we welcome solutions for funding the backlog of public housing capital needs, we urge you to reconsider the financing mechanism of this proposal and open a genuine dialogue among residents and congressional leaders that explores alternatives to mortgage financing.

This summer, the House Financial Services Committee passed two bills that represent a positive attempt to find a resolution of these issues through a more public framework, the Public Housing Reinvestment and Protection Act (H.R. 5814) and the Housing Preservation and Tenant Protection Act (H.R. 4868), respectively. We applaud the Committee’s recognition of the serious risks posed in allowing our public housing stock to be used as collateral for market-based debt.

On the eve of the Universal Periodic Review process, the first time the United States’ human rights record on housing will be officially examined on the international stage, we urge you to reconsider the process by which HUD is aggressively pushing private financial institutions on public housing residents. Residents are ready and eager to stand side by side with HUD to save public housing, fight for public support, and explore viable alternatives that do not threaten the rights and well-being of the families and communities who call public housing home.

Sincerely,

NATIONAL ORGANIZATIONS

Campaign to Restore National Housing Rights
National Alliance of HUD Tenants (NAHT)
Housing Justice Movement
National Economic and Social Rights Initiative
National Law Center on Homelessness and Poverty
National People's Action
Poverty Initiative
Right to the City
Western Regional Advocacy Project (WRAP)

COMMUNITY ORGANIZATIONS

California

Beyond Shelter – Los Angeles, CA
California Coalition for Rural Housing – Sacramento, CA
Coalition for Economic Survival – Los Angeles, CA
Coalition on Homelessness – San Francisco, CA
Comunidad Presente – Los Angeles, CA
Los Angeles Coalition to End Hunger and Homelessness – Los Angeles, CA
Los Angeles Community Action Network (LA CAN)
People Organized for Westside Renewal (POWER) – Los Angeles, CA
Union de Vecinos – Los Angeles, CA

Hawaii

Affordable Housing and Homelessness Alliance of Hawaii – Statewide, HI

Illinois

Chicago Anti-Eviction Campaign
Coalition to Protect Public Housing – Chicago, IL
Lakeview Action Coalition – Chicago, IL
Lawndale Alliance – Chicago, IL
People for Community Recovery – Chicago, IL

Louisiana

May Day New Orleans
Survivors Village – New Orleans, LA

Maine

Portland Tenants Union

Massachusetts

Alliance to Develop Power – Statewide, MA
Mass Alliance of HUD Tenants – Statewide, MA

Michigan

United Tenants Councils – Detroit, MI

Minnesota

Take Action Minnesota – Statewide, MN

New York

Castleton Park Tenants Association – Staten Island, NY

Coalition to Save Harlem – New York, NY

Community Voices Heard – New York, NY

Concerned Citizens of Greater Harlem

Families United for Racial and Economic Equality (FUREE) – New York, NY

Good Old Lower East Side (GOLES) – New York, NY

Greater Syracuse Tenants Network

New York City AIDS Housing Network (NY CAHN)

Picture the Homeless – New York, NY

Tenants Political Action Committee – Statewide, NY

Ohio

Communities United for Action – Cincinnati, OH

Oregon

Sisters of the Road – Portland, OR

Street Roots – Portland, OR

Pennsylvania

Northeast Pennsylvania Organizing Center (NEPA)

Texas

Texas Tenants Union – Statewide, TX

Utah

Crossroads Urban Center – Salt Lake City, UT

Virginia

Residents of Public Housing in Richmond Against Mass Eviction – Richmond, VA

Washington, DC

Organizing Neighborhood Equity (ONE DC) – Washington, DC

INTERNATIONAL ORGANIZATIONS

Center on Housing Rights and Evictions – Geneva, Switzerland

Habitat International Coalition

International Alliance of Inhabitants – Genoa, Italy

USA-Canada Alliance of Inhabitants (USA-CAI)

ACADEMICS

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CC. Representative Maxine Waters; Representative Barney Frank; UN Special Rapporteur on the Right to Adequate Housing Raquel Rolnik; Robert Harris, Assistant Legal Adviser, Office of the Legal Adviser, Human Rights and Refugees, Department of State; Chris Camponovo, Senior Adviser, Department of State; Representative Paul Kanjorski; Representative Carolyn Maloney; Representative Luis Gutierrez; Representative Nydia Velazquez; Representative Melvin Watt; Representative Gary Ackerman; Representative Brad Sherman; Representative Gregory Meeks; Representative Dennis Moore; Representative Michael Capuano; Representative Ruben Hinojosa; Representative William Lacy Clay; Representative Carolyn McCarthy; Representative Joe Baca; Representative Stephen Lynch; Representative Brad Miller; Representative David Scott; Representative Al Green; Representative Emanuel Cleaver; Representative Melissa Bean; Representative Gwen Moore; Representative Paul Hodes; Representative Ron Klein; Representative Charles Wilson; Representative Ed Perlmutter; Representative Joe Donnelly; Representative Bill Foster; Representative Andrew Carson; Representative Jackie Speier; Representative Travis Childers; Representative Walt Minnick; Representative John Adler; Representative Mary Jo Kilroy; Representative Steve Driehaus; Representative Suzanne Kosmas; Representative Alan Grayson; Representative Jim Himes; Representative Gary Peters; Representative Dan Maffei; Gail Laster, Deputy Chief Counsel, House Financial Services Committee

ⁱ Mortgage crisis shows markets alone cannot ensure housing for all – UN expert. UN News Centre. 23 October 2008. <http://www.un.org/apps/news/story.asp?NewsID=28681&Cr=Financial+Crisis&Cr1>.

ⁱⁱ Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context Raquel Rolnik. Preliminary Findings by Special Rapporteur on Mission to the United States of America (22 October to 8 November 2009). 7 November 2009. Appended to this letter.