



Highlights of [GAO-03-363](#), a report to Subcommittee on Housing and Transportation, Committee on Banking, Housing, and Urban Affairs, U.S. Senate

Why GAO Did This Study

About 3,000 public housing authorities—state, county, and municipal agencies—develop and manage low-income housing in cooperation with the Department of Housing and Urban Development (HUD). Since 1979, 15 housing authorities have been placed in the hands of receivers—outside parties designated to manage the authorities during a specific period of time, usually several years. GAO was asked to identify the circumstances that led to receiverships, any differences in the way they operate and in their results, and the factors that have influenced the termination of receiverships.

PUBLIC HOUSING

Information on Receiverships at Public Housing Authorities

What GAO Found

Receiverships at housing authorities have generally resulted from long-standing, severe, and persistent management problems that led to deterioration of the housing stock. Under an administrative receivership, HUD appoints either a contractor or a HUD employee to take over the housing authority's management. Because receiverships generally involve the complete takeover of a housing authority's management and operations, HUD views receiverships as a last resort when other interventions such as technical assistance or sanctions have failed. HUD has made these decisions on a case-by-case basis. In four cases, decisions to appoint receivers were made by courts. These judicial receiverships stemmed from lawsuits filed against housing authorities because of poor living conditions in public housing.

Administrative and judicial receiverships have operated similarly, and all of the receivers have had the same authority to make necessary changes. The specific corrective actions receivers have taken depended on the problems at the individual housing authority. Most receivers have found it necessary to oversee the complete reorganization of the housing authority's management and operations, develop and enforce policies and procedures, and improve physical conditions. In some cases, receivers have had to desegregate public housing to address fair housing violations.

Whether under administrative or judicial receivers, nearly all of the 15 authorities showed improvement during their years of receivership. The four housing authorities under judicial receiverships generally have continued to demonstrate strong performance; for example, performance scores have improved and have generally remained high. While housing authorities under administrative receiverships have also made improvements, some still demonstrated a significant problem with housing units in very poor physical condition.

According to HUD officials, HUD ends administrative receiverships when it is clear not only that conditions at the housing authority have improved but also that the authority's management can sustain the improvements. The decisions to end judicial receiverships are made by judges. To date, four administrative and two judicial receiverships have been terminated.

www.gao.gov/cgi-bin/getrpt?GAO-03-363.

To view the full report, including the scope and methodology, click on the link above. For more information, contact David G. Wood at (202) 512-8678.