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Houston Housing Authority earns high credit rating, praise from Standard & Poor's

Housing Authority's rigorous fiscal standards among highest in the nation, helping it operate efficiently in tough economy

HOUSTON— The Houston Housing Authority is operating efficiently and contributing to the improvement of Houston neighborhoods, which will help the agency assist more families and others in need of affordable housing, according to a new report from Standard & Poor's.

S&P issued a "AA-" rating to the Housing Authority, recognizing "a well-established strategic plan that supports the authority's mission to provide quality low-income housing" and "a successful redevelopment plan resulting in all but one property being completely redeveloped or modernized in the past 14 years." AA- is the highest rating that has been assigned to a public housing authority issuer to date.

"The high rating from S&P will enable us to attract investment and development partners as we work to improve and expand the affordable housing available to families, elderly, and others in need," said Tim Seckinger, Houston Housing Authority Interim President and CEO. "Our fiscal responsibility for taxpayer funds, the building of private sector partnerships and commitment to continuous operational improvements are paying off with a high rating which will benefit our work to improve the Houston communities in which we operate."

According to the report, the Housing Authority's debt per unit is among the lowest of all public housing authorities that S&P rates across the country.

"As properties have been rebuilt, or substantially rehabilitated, overall maintenance costs and related operational costs have fallen," the report states. "The authority has developed a strategic business model by which it generates additional business activity revenue, increased rental income from tax credit units, and a cash flow stream through disposition of scattered sites."

The report points out that most of the Houston Housing Authority's new properties blend well with the surrounding areas, and in many cases include units for rent at market rates as well as subsidized units.

“Despite a drop in federal funding, we are in a strong position financially thanks to our successful business model,” said Seckinger. “In addition to providing quality homes for those in need of affordable housing, we are able to offer self-sufficiency, education and support services to working families, seniors, persons with disabilities, and other residents, helping to strengthen our community.”

The report states, “A key factor in Standard and Poor’s opinion is the authority’s well-developed and effectively implemented strategic plan with clear goals and overall objectives. We believe that management exhibited the wherewithal to balance new development and rehabilitation prudently and in a manner that makes the most use of its limited resources. HHA effectively balances, in our opinion, maintaining a level of financial stability with achieving its overall public purpose goals.”

The report continues, “We [S&P] also believe HHA has demonstrated a strong ability to leverage resources and develop partnerships in its efforts to revitalize its communities, with almost \$81 million in new development over the past five years, all of which was supplemented by equity investments....”

The Houston Housing Authority provides affordable homes and services to more than 55,000 people throughout Houston. The agency and its affiliates own and operate 25 housing communities with about 5,500 units for families, elderly and other residents. More information about HHA can be found at www.housingforhouston.com.

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