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Public Housing Agencies Push to Impose Time Limits, Work Requirements for Aid Recipients

By Jennifer Levitz



Matthew Ryan Williams for The Wall Street Journal

'It is really happening, it's my turn. Five years started ticking yesterday,' says Elizabeth Hadnot, who was approved for rent vouchers in March after a five-year wait.

Deep in the president's new budget is a plan that could transform public housing in the nation by allowing housing authorities to increasingly set time limits or work requirements for participants.

Currently, government housing benefits are generally open ended. Unlike welfare—which has a five-year limit—federal housing programs allow low-income Americans to receive rent vouchers or live in government complexes for decades.

The result is that people endure long waits to qualify for the program and sometimes celebrate almost like lottery winners when they get the word. In New York City, the average person stays in public housing for 20.7 years.

But President [Barack Obama](#)'s fiscal year 2014 budget calls for "substantial expansion" of a 1996 demonstration project that allows select housing authorities to set restrictions on residents, or try other strategies to promote self-sufficiency. Only 39 housing authorities out of 3,200 nationally have this power currently. Congressional approval was required for each one.

Housing agencies are lobbying for the expansion. They say the current system doesn't motivate residents to become financially independent and isn't fair to thousands of impoverished renters who need help now but must wait years for assistance.

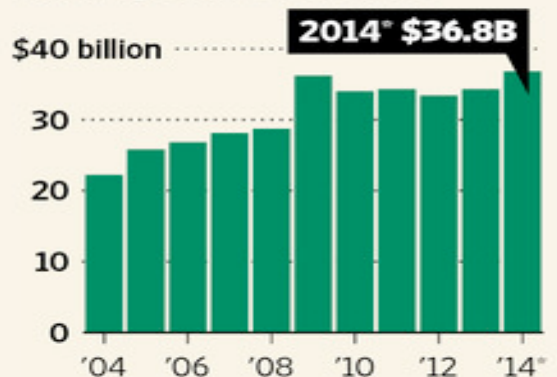
Directors of both the Houston and Milwaukee housing authorities say they would likely add work requirements for people getting public assistance there. Tenants with jobs would pay a higher share of the rent, and the housing authorities would be able to help more people, they say. The Houston Housing Authority drew 83,000 applicants for vouchers when it opened its waiting list in August, versus 29,000 when it last opened the list in 2006.

"We've got these waiting lists that in some cases you practically get through a generation before you get a shot at a unit," says Tony Perez, executive director of the Housing Authority of the City of Milwaukee. "If you want to change this, you have to change the way you go about business."

Congress appropriated \$34.3 billion in 2013 for public housing, including vouchers. Eligible households for the vouchers earn at or below 50% of median area income, and generally pay 30% of gross adjusted income toward rent and utilities while the government pays the rest, within a range.

Rising Expense

Budget for public housing and Housing Choice Vouchers



*Requested

Source: Dept. Housing and Urban Development

The Wall Street Journal

Under the program, a family of two earning \$15,000 a year in California's San Bernardino County would pay \$375 a month toward its rent. The Housing

Authority of the County of San Bernardino chips in up to another \$1,025 a month, depending on the cost and location of the apartment.

[One California County's Experience on Limiting Housing Benefits](#)

The recession and mortgage crisis swelled the ranks seeking federal rental assistance and led those with benefits to hold on to them longer. Well-publicized instances of fights and mayhem broke out in January near Detroit and New Orleans as people scrambled for scarce vouchers.

While there is agreement the current system is broken, not everyone approves of President Obama's fix. The National Low Income Housing Coalition, an advocacy group, said the change would force people off housing assistance before they are ready.

"You are just cycling these families back to the end of these waiting lists," says Linda Couch of the coalition. "The answer is more affordable housing; it's not moving the deck chairs on the Titanic."

The federal government began providing public housing in 1937, initially building publicly managed apartment complexes for the poor. In 1974, Congress added "Section 8" vouchers that recipients could use to subsidize private rental housing.



In an experimental program in Tacoma, the city housing authority is offering rental-support vouchers to low-income parents, on the condition that they are active in their childrens' school. WSJ's Jennifer Levitz reports.

In 1996, the U.S. overhauled its welfare system that provided cash to families. Now, participants in the Temporary Assistance to Needy Families program are required to work, and they receive benefits for no more than five years. At the same time, Congress created a small demonstration project, "Moving to Work," for public housing.

Some authorities participating in the project have recently imposed time limits and other restrictions on renters.

In Tacoma, Wash., the housing authority in March started limiting new recipients to five-year terms. San Mateo, Calif., San Antonio and the Alaska Housing Finance Corporation plan their own versions of time limits within the next year. The restrictions are applying most commonly to rent vouchers, but also in some cases to public housing. The disabled and elderly are exempt.

"We provide these very valuable housing vouchers—deep, potentially permanent subsidies—to a group of very fortunate families and then we have thousands of people with their noses pressed up against the window desperately needing housing and getting nothing from us," says Michael Mirra, executive director of the Tacoma Housing Authority. As of March, the average length of stay for nondisabled, nonelderly voucher recipients at the housing authority was nearly eight years.

Other housing authorities are instituting rules requiring residents to get a job. The Housing Authority of Champaign County, Ill. in January began mandating that new residents between ages 18 and 54 must work 20 hours per week. For existing residents, the mandate is being phased in.

"Some people need a real push," said Patty Smith, an official at the Champaign County authority.

Many who work with low-income families say that current housing policies provide little incentive to move on. Ideally, the government should tell residents, "Your housing is stable. Congrats, take a deep breath. What's next?" says Sherry Riva, founder of Compass Working Capital, a Massachusetts nonprofit working with the Cambridge Housing Authority to help residents save money and set goals.

The recession has complicated things. Those with subsidies held on to them longer, while new people entered the rental market after the foreclosure crisis, says Sandra Henriquez, an assistant secretary at the U.S. Department of Housing and Urban Development.

Housing Poor

The number of people with 'worst-case housing needs' has skyrocketed.



*Renters with incomes below 50% of the Area Median Income who don't receive government housing assistance and who either paid more than half of their income for rent or lived in severely inadequate conditions, or both

Source: Dept. Housing and Urban Development
The Wall Street Journal

Federal rental assistance aims to "move people to economic independence, so you move in, you move up, you move out," she says. But even leading into the recession, people kept housing benefits for an average of six or seven years, she says, and "In the last five years, we see a little bit of a creep that is moving that up to eight and nine years."

While roughly half of subsidized-housing recipients are seniors or disabled, who are exempt from new time limits, younger, healthier people also stay for years. The Center on Budget and Policy Priorities, a nonpartisan group focused on low-income families, found that in 2010, 43% of nondisabled, nonelderly voucher holders had been getting the benefits for more than five years.

Meanwhile, HUD reported in February that a record 8.5 million low-income households without government housing assistance either paid more than half their monthly income in rent, lived in "severely substandard housing"—or both in 2011. That was up from 7.1 million such families in 2009.

"Nobody is representing those families; they don't really have an organization looking out for them," says Dan Nackerman, executive director of San Bernardino's housing authority, which adopted five-year-time limits last year after finding that people were holding on to vouchers for eight years on average, while 45,000 people sat on the waiting list.

The president's proposal to expand moving-to-work has bipartisan support in Congress, although there is disagreement over how big the expansion should be. Some Republicans support unlimited growth in the program for high-performing housing authorities, while many Democrats back a more limited expansion. In either case, federal officials would monitor the program.

The House Committee on Financial Services plans to take up the proposed expansion soon, says the spokeswoman for chairman Jeb Hensarling, (R., Texas). The Senate Committee on Banking Affairs will also consider the idea, says the spokesman for chairman Robert Menendez (D., N.J.).

Tacoma, a hilly port city south of Seattle, imposed a five-year limit on benefits in March. In exchange, the housing authorities say it is preparing people for the private rental market. It is enlisting case workers to help residents repair credit records and go back to school, and forming partnerships with nonprofits that offer job training and child-care.

The authority will consider hardship requests to make sure the new approach isn't harming residents, says authority director Michael Mirra. He predicts the deadline will motivate recipients to invest in their own education and

employment, while providing a fair system to people like Elizabeth Hadnot, who applied in 2008 and only got her voucher in March.

Divorced with two of her five children at home, and with custody of her toddler granddaughter, "it's been a struggle," said Ms. Hadnot during a break at BJ's Beauty & Barber College, where she is in school. "I held on to my faith."

Even with two jobs—at a gas station and youth center—she still spent 75% of her wages on rent, she said.

She obtained a federal grant for needy students and enrolled in the beauty school last year, while a church friend offered Ms. Hadnot's family a temporary place to stay.

Meanwhile, Ms. Hadnot kept "popping in" to the housing authority to see if her name had moved up, she said. "I was adamant about getting into the program so I could move forward in life."

The five-year time limit on her new voucher "is a little scary" and at first prompted disappointment because "I know people who have been in public housing forever," she said.

But now at 45 years old, she thinks that is "a good amount of time" to carry out a "plan of action." She listed her goals, such as her own home and her own salon. "It is really happening, it's my turn," she said. "Five years started ticking yesterday."