

Five million US families without safe and affordable housing

Changes in housing law will impact the poor and elderly

Paul Scherrer
17 March 1999

This past October President Bill Clinton signed the Quality Housing and Work Responsibility Act of 1998 (QHWRA). Four years in the making, this bill will have a devastating impact on the ability of the poor and elderly to obtain housing assistance.

The bill makes changes in two major areas of housing policy. First, the bill removes requirements that housing authorities grant first choice of public housing to those in urgent need of assistance, which will mean that only about one-half of housing assistance goes to low-income families.

Second, the act transfers authority over many important areas of housing policy that affect low-income families and individuals to the approximately 3,400 state and local public housing agencies (PHAs) that manage public housing. Furthermore, the bill continues provisions that will further penalize welfare recipients who fail to meet welfare work requirements.

The new housing bill was passed and signed into law in the midst of the impeachment crisis, with support from both Democrats and Republicans in the House and Senate. While not as drastic as the Welfare Reform Act of 1996 that abolished Aid to Families with Dependent Children (AFDC), replacing it with Temporary Assistance to Needy Families (TANF), nevertheless the provisions of the bill will have a major impact upon the ability of low-income families, individuals and the elderly to obtain public assistance to housing.

Prior to 1996 government regulation required families with urgent housing needs be granted preference in receiving subsidized housing. These criteria for urgent needs identified families that paid more than 50 percent of their income on rent, lived in substandard housing,

were homeless, or had been involuntarily displaced from their housing, including victims of domestic violence. This provision enabled a section of people, particularly women, to escape from abuse with a somewhat smaller chance of ending up homeless, although funds always fell far short of need.

David Liederman, executive director of the Child Welfare League of America, predicted that the House version of the housing bill "would effectively leave more than a million children homeless. We already face a severe shortage of affordable housing in this country. More than 5 million households either spend over half their income on rent or live in severely substandard housing. Raising income limits for public housing eligibility would cause the poorest American families to be squeezed out of the only housing they can afford."

In all, about 500,000 housing subsidies become available each year through turnover, about half of which assist families with children. While not enough to house all families with need, the changes in income targeting will mean that many of these subsidies may not be available for low-income families.

While the final bill was not as severe as the House version, a group of studies done by Barbara Sard and Jeff Lubell of the Center on Budget and Policy Priorities (CBPP) assessed the impact of the law. "This bill represents a major change in the way the government thinks about public housing," Jeff Lubell told the WSWWS. "By setting income levels as the criteria and removing the criteria for preferential treatment, it is possible that a homeless person could be skipped over for someone who has a higher income."

The Department of Housing and Urban Development defines low-income as those people earning less than

30 percent of the area medium income (AMI). In 1995, 30 percent of the AMI for a family of three averaged \$11,745, or about 92 percent of the federal poverty level.

The new bill also contains several measures aimed at further punishing welfare recipients who are unable to meet work requirements under the Welfare Reform Act. Under the new law any resident who has had welfare benefits cut due to the work requirements will not be permitted to apply for reduction in their rent.

Furthermore the bill adds its own work requirement for tenants. All leases at public housing projects will be converted from the current open-ended lease to a 12-month period. In households where any adult fails to meet the work requirement, their lease will not be renewed.

Proponents of the bill argued that the income targeting measure was needed to assist the working poor in obtaining public assistance to housing. Jeff Lubell of the CBPP disagrees, citing that these provisions will hurt the working poor, especially families making the transition from welfare to work. "We found that a lot of working families who have members working at part-time and full-time jobs and families that have left welfare and found jobs could be hurt by this bill. One of the most important things for a family trying to leave welfare is to have stability in housing."

According to CBPP research 1.1 million families with children were poor in 1995 despite having earnings equal to or greater than earnings from full-time, year-round work at the minimum wage. "The vast majority of these working poor families have income below 30 percent of AMI," their report states. "Indeed, persons working full time at the minimum wage have incomes below 30 percent of the 1997 area median in 54 of the 55 largest US metropolitan areas. HUD data show that almost 80 percent of the US population lives in areas where a person working full time at the minimum wage would make less than 30 percent of AMI." In most metropolitan areas 30 percent of the AMI is \$12,600 a year, or roughly \$2,000 greater than the wages of a full-time, year-round worker making the minimum wage.

Proponents of the bill have also argued that income targeting is necessary to end the concentration of poverty in public housing projects. However there are no assurances in the bill that this will be done. A

number of major cities such as Boston, Pittsburgh and Atlanta have seen a real estate boom in their downtown areas. Many housing projects are now in prime locations and these cities have for years been seeking ways to redevelop them. The new bill would allow housing authorities to replace these projects with housing for higher income groups while still maintaining the concentration of poverty in other housing projects.

More than 5.3 million US families lack affordable and safe housing, and this affects low- as well as medium-income families. More than 4.4 million low-income families spend more than 30 percent of their income on rent and utilities. Millions of families live in unsafe or overcrowded housing, including more than 1.7 million families with children where at least one family member is working. In addition, the number of homeless people and families is estimated at upwards of 3 million.

Eight of ten families earning below the federal poverty line spend more than 30 percent of their income on rent and utilities, while three out of five spend more than 50 percent. The Quality Housing and Work Responsibility Act will only worsen the housing shortage faced by low-income and working poor families. For the past 20 years the number of publicly subsidized housing units has either stagnated or declined. During the same period the number of families in need of affordable housing has grown dramatically. Rather than address the overall housing shortage, the bill takes from the very poor to give to the not so poor.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact