

Studies document housing disaster for millions in US

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Three recent studies have exposed a rapidly worsening housing crisis in the United States. Millions of families are living in substandard conditions, are homeless, or are making choices each day to spend money on housing and do without health care, child care, or other basic necessities. With virtually no affordable housing being built, the crisis can only intensify.

The first report, released August 24, titled *A HOPE Unseen: Voices From the Other Side of HOPE VI*, assesses a policy enacted 10 years at the nation's housing agency, the Department of Housing and Urban Development (HUD). Under the guise of improving dilapidated conditions at public housing projects, the plan—HOPE VI—has forced increasing numbers of project residents out of their homes. The decade-old move at HUD anticipated sweeping welfare reforms, the infamous “Workfare” program, which slashed benefits for millions while failing to create jobs to replace them.

A HOPE Unseen is a field survey of seven HOPE VI sites, prepared by the Center for Community Change. The plan promised opportunities for home ownership in a refurbished community, in exchange for a sharp reduction in the number of publicly funded units. As of last September, according to federal statistics, HOPE VI projects were to demolish 78,000 units and replace them with 34,000 public housing units. Another 29,000 private units would be interspersed, but these would be unaffordable for former residents. To date, roughly 55,000 units have been demolished and only 10,000 public rental units have replaced them.

Cynicism and dishonesty characterize the administration of the program. At the Herman Gardens project in Detroit, for example, 1,600 units were demolished and only 208 new ones built. A resident is

quoted in the report saying, “They changed the locks. People would go out to the market and when they got back their locks were changed. That was the way of putting fear in you to move.”

In Washington, D.C., at Arthur Capper/Carrollburg, 700 units will replace the 700 to be demolished; but of these, only 400 will be available to the extremely low-income renters who represent the vast majority living there. Again, residents were skeptical. “They say we’re going to come back, but I just don’t see it,” one said. “Where are the old residents of the ‘Ellen Wilson’ HOPE VI project across the street?... Housing was promising residents at Ellen Wilson that they would get back in—but it didn’t happen.”

Dushaw Hockett, a policy analyst for the Center for Community Change, commented on the growing crisis. “We have more than 14 million families that pay more than 50 percent of their income in rent,” he said. “This is a devastating time to lose public housing.”

A report by the National Low Income Housing Coalition, entitled *Out of Reach 2003*, shows rents increasing at a far steeper rate than incomes. The Coalition uses HUD’s definition of fair market rent (FMR), which is “the dollar amount below which 40 percent of the *standard quality* rental housing units rent.” To be affordable, rent cannot exceed 30 percent of income. By relating these figures, the report derives a “housing wage,” the hourly wage a worker must earn to afford the FMR for a two-bedroom house. In 1999, the national two-bedroom, housing wage was \$11.08. By 2003, the national “housing wage” had increased 37 percent to \$15.21, or \$31,637 per year—almost three times the federal minimum wage of \$5.15, which has not risen since 1997.

When a household income drops to 30 percent, or less, of the median income of an area, the family is

classified as extremely low-income (ELI). There is no metropolitan area in the country where an ELI household can afford the fair market rent for a two-bedroom home. In 43 metropolitan areas, where fully one third of all U.S. renters live, a household earning the ELI threshold can afford only 50% or less of fair market rent. A number of jurisdictions within Puerto Rico top the list of the least affordable. Within the states, New York City, Jersey City and Los Angeles are the least affordable to an ELI family.

When statistics for counties are considered, a household at the ELI threshold can afford a two-bedroom home at the FMR in only 27 largely rural counties representing less than two tenths of 1 percent of renters. By contrast, households at the ELI threshold can afford 50 percent or less of their area's FMR in 208 counties representing 8.4 million renter households, or nearly a quarter of all renters in the country. Because the vast majority of very low-income households earn less than the ELI threshold, their prospects of finding a decent home are increasingly desperate.

Renter households in 40 of the nation's states—home to almost 90 percent of all renters—face a “housing wage” of more than twice the minimum wage. In other words, a household in these states could not afford a two-bedroom home at the FMR even with two minimum-wage earners working 40 hours a week, 52 weeks a year. Eleven states have “housing wages” more than three times the minimum. Santa Clara, San Mateo, Marin and San Francisco counties in California have the dubious distinction of having housing wages more than five times the prevailing minimum wage.

Meanwhile, a recent Congressional Budget Office study shows that more than 100,000 low-income families could lose their rent subsidies next year under a spending bill passed by a Senate committee on September 4 and previously approved by the House of Representatives. The bill would reportedly wipe out 114,000 Section 8 housing vouchers. Under Section 8, vouchers pay the difference between the market rent of an apartment and 30 percent of a household's income.

It would be the first time in the program's 30-year history that Congress has failed to renew existing vouchers. The program subsidizes more than 2 million families, most of whom earn less than \$20,000 a year. Even with highly restrictive guidelines, another 14

million families qualify for the benefit but receive no assistance because the program is inadequately funded.

Some large urban housing authorities have long waiting lists for Section 8 vouchers. New York City issues more than 110,000 vouchers a year, with nearly 150,000 families left on the waiting list. San Francisco has 7,229 Section 8 vouchers, with another 26,000 families on its waiting list.



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