ROOMS TO GROW:

Work requirements in public housing will increase independence and preserve resources for the truly needy

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**Key Findings**

1. **Housing Programs Maintain Lengthy Waiting Lists.**

2. **Housing Programs Are Prioritizing Able-Bodied Adults and Discouraging Work.**

3. **HUD’s Efforts to Promote Work Have Been Encouraging But Ignored.**

4. **Work Requirements Will Lift Able-Bodied Adults Out of Dependency and Preserve Resources for the Truly Needy.**

5. **Leaders at Every Level Have a Role to Play.**

**Bottom Line:**

Housing work requirements can lift millions of able-bodied Americans out of dependency and into self-sufficiency.
Background

The federal government’s involvement in housing took its current form in 1968 when Congress passed the Housing and Urban Development Act.¹ Through the U.S. Department of Housing and Urban Development (HUD), housing assistance takes two primary forms—public housing, commonly referred to as “housing projects,” and housing choice vouchers, commonly referred to as “Section 8 housing.” Both programs are designed to provide low-income families with affordable housing options, usually defined as housing that costs less than 30 percent of a household’s income.²

Public Housing Authorities (PHAs), chartered by states, operate both programs at the local level.³ PHAs build and operate public housing units themselves, while vouchers serve as in-kind transfers, where tenants apply the funds toward rent on approved housing in the private market.⁴

Individuals must earn less than 80 percent of their area’s median income to be eligible for public housing and less than 50 percent of the area’s median income to qualify for Section 8 vouchers.⁵ In both programs, PHAs must reserve a certain portion of their benefits for extremely low-income families and tenants must pay 30 percent of their adjusted income toward rent.⁶
Housing programs maintain lengthy waiting lists

Housing programs have fallen behind other welfare programs in promoting work and encouraging self-sufficiency. As a result, housing authorities are forced to maintain waiting lists for benefits, leaving seniors and individuals with disabilities waiting years as able-bodied individuals receive benefits for years.

Housing programs, unlike some other welfare programs, do not guarantee benefits to all eligible households. Instead, applicants may be placed on waiting lists. Today, despite a booming economy, these lists persist and in many places have grown.

In fact, 98 percent of PHAs that administer public housing have waiting lists. Out of all the PHA waiting lists (which administer Section 8), almost half are closed to all new applicants. Nearly half of these closed lists have been closed for more than two years.

Because so many waiting lists have been closed, PHAs and HUD cannot know exactly how many eligible seniors and individuals with disabilities have languished for years, sometimes homeless.

As many as 9.5 million families are waiting for vouchers and two million families are waiting for public housing units. Once a family’s time finally does come, it is often impossible to locate them, even as able-bodied adults receive benefits without working.

Individuals in some areas wait for years for public housing. The Greenville, Kentucky housing authority reports an average wait of more than seven years for public housing. The Santa Cruz, California authority reports an average wait of nearly 11 years. The El Paso, Texas housing authority reports that the average individual waits for almost 15 years for public housing.

The wait for housing vouchers is often even longer in many instances. In Miami, Florida, the average wait for housing vouchers is more than nine years. In Clinton, Michigan and Pico Rivera, California, individuals wait for an average of nearly 17 years.

These backlogs have forced PHAs to make painful decisions regarding preferences in their waiting list. Some prioritize the homeless. Others prioritize people with disabilities. Some even resort to the use of lotteries to determine recipients.
SELECTED PUBLIC HOUSING WAIT TIMES

<table>
<thead>
<tr>
<th>PUBLIC HOUSING AUTHORITY LOCATION</th>
<th>PUBLIC HOUSING WAIT TIME</th>
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<tbody>
<tr>
<td>El Paso, Texas</td>
<td>15 years</td>
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<tr>
<td>Holyoke, Massachusetts</td>
<td>13 years</td>
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<tr>
<td>Santa Cruz, California</td>
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<td>New York City, New York</td>
<td>11 years</td>
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<tr>
<td>Alma, Michigan</td>
<td>10 years</td>
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<td>Bald Knob, Arkansas</td>
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<td>Sardis, Mississippi</td>
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<tr>
<td>Greeneville, Tennessee</td>
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<td>St. Louis Park, Minnesota</td>
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<td>Northport, Alabama</td>
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<td>Tallahassee, Florida</td>
<td>4 years</td>
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<td>Boswell, Oklahoma</td>
<td>4 years</td>
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<tr>
<td>Boise, Idaho</td>
<td>2 years</td>
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Source: U.S. Department of Housing and Urban Development
SELECTED PUBLIC HOUSING VOUCHER WAIT TIMES

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<thead>
<tr>
<th>PUBLIC HOUSING AUTHORITY LOCATION</th>
<th>HOUSING VOUCHER WAIT TIME</th>
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</thead>
<tbody>
<tr>
<td>Pico Rivera, California</td>
<td>17 years</td>
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<tr>
<td>Clinton, Michigan</td>
<td>17 years</td>
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<tr>
<td>Cranston, Rhode Island</td>
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<tr>
<td>Renton, Washington</td>
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<td>Mobile, Alabama</td>
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<td>Miami-Dade, Florida</td>
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<td>Wadesboro, North Carolina</td>
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<td>Alexandria, Virginia</td>
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<tr>
<td>Nashua, New Hampshire</td>
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<td>Texas City, Texas</td>
<td>8 years</td>
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<tr>
<td>Bennettsville, South Carolina</td>
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<td>Elgin, Illinois</td>
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<td>St. Charles, Missouri</td>
<td>6 years</td>
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<tr>
<td>Cleveland, Ohio</td>
<td>5 years</td>
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Source: U.S. Department of Housing and Urban Development
In 2017, Earlene Kelly lost her home in Tampa to damage from Hurricane Irma and her life savings in the wake of the storm. At 58 years old and working part-time, Metropolitan Ministries provided her temporary housing. She hopes that by the time she turns 62, she will receive an age preference for housing assistance.

The Tampa Housing Authority has local preferences for seniors, individuals with disabilities, and part-time workers. However, it has no work requirements for able-bodied adults and its waiting list, last open to new applications in 2006, has about 14,000 approved applicants. Every month, just 40 families are taken off the waiting list and receive benefits.

Housing programs are prioritizing able-bodied adults and discouraging work.

With growing waiting lists, one might expect housing authorities to prioritize the truly needy who find it more difficult to provide for themselves. But, shockingly, more than half of households enrolled in housing programs include able-bodied adults. Worse yet, very few of these able-bodied adults work full-time, while nearly half do not work at all. Without work, these able-bodied adults stay longer and quite literally take up space that could go to those who cannot work.

In fact, housing policy does more than miss an opportunity to proactively increase work rates among able-bodied adults, it can actually reduce work. Housing benefits have been shown to reduce earnings by as much as 15 percent and reduce labor force participation without any gains in education or training.

Even worse, individuals who receive housing assistance are not freed from other forms of government dependency. Those who receive housing assistance are even more likely to receive other welfare benefits than those who are eligible for the same benefits but do not receive housing assistance already.
HUD’s efforts to promote work have been encouraging but ignored

PHAs, to their credit, already fund and operate extensive employment and training programs, as allowed by statute. Yet, the broader implications of these programs seem to go unnoticed. For example, in the Philadelphia metropolitan area, more than 100 businesses have specifically registered to seek workers among HUD tenants. Many of the businesses listed provide their workers the opportunity to build skills in high demand, such as carpentry, masonry, plumbing, HVAC repair, and solar installation.

Yet, able-bodied adults who receive housing benefits are not required to seize these opportunities to build skills, make connections, and lift themselves out of dependency.

Similarly, HUD and PHAs are missing these prevalent opportunities. In a booming economy with an unemployment rate at a 50-year low, outdated housing programs have played a role in depriving the strong economy of more workers. Across the country, unemployment is at a record-low. Millions of jobs are unfilled. This the perfect time for housing assistance to modernize into a work-oriented program for able-bodied adults.

Where HUD has experimented with greater emphasis on work and independence, it has seen success. HUD operates a Moving-to-Work (MTW) demonstration program in which PHAs use federal funds to try innovative approaches, such as work requirements, to increase self-sufficiency.

In 2011, the Charlotte Housing Authority began to require tenants to work to maintain their benefits at five of its public housing locations. After implementing the work requirement, the employment rate among able-bodied adults skyrocketed. Today, nearly nine in 10 able-bodied adults are meeting the work requirement. More work has led to more income and greater financial stability for these families. The tenants themselves describe Charlotte’s work requirement as “fair,” and praised the reform for helping them gain greater self-esteem through employment and providing stronger role models for their children.

In San Diego, where the PHA has also used work requirements as part of its MTW program, rising incomes have allowed the PHA to provide additional housing for more homeless residents than previously possible.
Why have these programs been so limited?

For decades, HUD and PHAs have conducted these trials with documented success. But the forces of the status quo have failed to make the simple connection between these hints of a different, brighter future and the promise of work requirements for all able-bodied individuals receiving housing benefits.

The good news is that leaders in the Trump administration, including HUD Secretary Ben Carson, have publicly acknowledged the need for a greater emphasis on self-sufficiency and have proposed real work requirements.52-54

Work requirements will lift able-bodied adults out of dependency and preserve resources for the truly needy

Just as recipients remain trapped in dependency and the truly needy remain trapped on waiting lists, housing benefits remain trapped in the past. Programs should adopt the same commonsense approach tried in other welfare programs for decades—work.

When states implemented work requirements in their food stamp programs, able-bodied adults left welfare and returned to work in record numbers.55-60 These able-bodied adults found work in more than 1,000 different industries, in sectors ranging as widely as health care, information technology, and manufacturing.61 Those leaving welfare saw their incomes more than double within a year and triple within two years.62

When states reform their cash welfare programs to match the emphasis in federal law on prioritizing work, they see similar benefits.63 And, as the costs of state Medicaid programs continue to climb, more and more states are turning to work requirements to make their programs more sustainable for those who depend on it.64-65

Work requirements prioritize the truly needy for housing benefits by helping able-bodied adults move into jobs, so they can move on from public housing and free up slots for those on the waiting lists around the country.
Leaders at every level have a role to play

Because responsibility for housing assistance programs is shared across federal, state, and local entities, policymakers at each level can make an impact in modernizing housing benefits. In the federal government, past administrations have ignored the gains in other welfare programs made possible through work requirements. In fact, in some cases, career bureaucrats have actively discouraged PHAs and given the false impression that they were not statutorily permitted to pursue work requirements.66

This persistence of misinformation at the federal level continues to stand in the way of modernization. HUD has the power to remove this artificial barrier through regulation and updated guidance.

Nevertheless, PHAs need not wait for permission to at least begin prioritizing self-sufficiency. Under federal regulations, they can already include a preference for working families on waiting lists.67-68

PHAs that do not participate in the MTW program may also implement a limited work requirement in some public housing locations.69

State leaders that want to preserve benefits for the truly needy can also do more by putting PHAs on the path to implement work requirements. In 2018, Wisconsin enacted legislation to do just that.70
A time for action

Now is the time to implement work requirements for able-bodied individuals receiving housing benefits. The federal government can do more to signal an end to Obama-era barriers to work requirements through guidance and regulation. States can require PHAs to pursue work requirements just as PHAs can begin implementing work requirements themselves.

Today’s strong economy, a more receptive federal administration, and mounting evidence of work requirements’ success in other programs combine to make this the best moment for bold reform.

Public housing must do more than provide people places to live in dependency. It must also provide people the capability to leave with independence. Now is the time to make the program work.
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