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The proposal to rename and restructure the Section 8 housing choice voucher program as Housing Assistance for Needy Families, or HANF, is among the most promising housing policy proposals in many years. Its promise lies in the potential it holds for considering housing policy not in a vacuum but in the context of domestic social policy more broadly—and thereby potentially encouraging long-term improvement in the life choices and prospects of those households whose rent is paid through a housing voucher.

HANF, of course, sounds a lot like TANF, the core financial public assistance program—and well it should. For, although largely unacknowledged in our recent focus on physical improvements to public housing, or the drive to increase the number of vouchers actually

utilized, the fact of the matter is that there are demographic overlaps between the public assistance population and the housing assistance population. HUD reports that, among non-elderly, non-disabled heads of households receiving housing vouchers, 28 percent—or 219,000 households nationally—are also current recipients of TANF. And, like TANF recipients, they are predominantly comprised of single parent families. HUD reports that, of 1.01 million non-elderly, non-disabled Section 8 households, 783,000 are headed by single parents. Indeed, it is important to keep in mind in considering housing policy that, contrary to frequent alarms, we do not have a general housing affordability crisis in the U.S. Housing affordability, rather, is a problem mainly for the elderly poor, the disabled and, particularly, single-parent families with children. HUD has reported, indeed, that only 8 percent of voucher holders are two-parent families with children. Section 8 vouchers are, moreover, a means through which new single-parent families headed primarily by young mothers can be established. Indeed, between April 2002 and April 2003, 13, 649 new voucher holders, or six percent of all new admissions to the program, were under 21 years of age.

Such households are typically the focus of a wide range of social service interventions, from job training assistance to nutrition programs. It is common sense, then, for our housing voucher policy to be considered and administered in the same context as our larger social policy. It's a policy which can be summarized as one of short-term assistance meant to enable long-term self-improvement and self-reliance. To that might be added: discouraging those who are not economically ready from starting their own households with children in the first place. The centerpiece change of the HANF

proposal—the creation of a housing voucher bloc grant and a shift in program administration from the local to the state level—may help us achieve these goals.

Local public housing authorities, which have historically administered Section 8, have a narrow mandate --to provide safe and sanitary housing. But, given the population of our subsidized housing programs, their focus must be broader—and aligned, specifically, with the goals which state governments are asked to implement, not just through TANF but other social programs, as well, including the Administration’s current efforts to encourage marriage and two-parent families. A bloc grant and state administration of Section 8 can set the stage for a period of housing policy innovation—much as we saw state governments experiment, many successfully, with welfare-to-work programs in the early 1990s, even before the passage of TANF. Not that all states will move in new directions. It may be that some states will prefer the current approach—which, for instance, allows a housing subsidy to continue in perpetuity. But other jurisdictions may choose otherwise and seek to craft new housing policies in conjunction with broader state transitional assistance policies. Such policies could involve an overall time limit, a declining public share of rent payment over the fixed lifetime of a voucher, as well as social services such as financial counseling and household management. Such approaches are not merely hypothetical; they’ve been in use by the Charlotte, North Carolina housing authority since 1993 for some of its public housing tenants. State government, however, is more likely to have the capacity to undertake such policy innovations—and far more likely to be inclined to do so if those considering social policy broadly are also reviewing housing policy.

It is a mistake, in my view, to see the problems with Section 8 to date as lying mainly in the high turnback of unused appropriations, or in a need to convince more property owners to accept voucher holders. It's highly likely that most property owners in areas of reasonably strong rental demand will choose to avoid the complications that federal program participation brings with it. It is far more likely for voucher holders to be concentrated in areas of weaker demand—and indeed program data shows that, in 11 of 25 cities HUD surveyed, there are neighborhoods in which voucher holders constitute 25 percent or more of the population. The southern suburbs of Chicago, where Section 8 has been particularly controversial, have absorbed almost 58 percent of all the Cook County Housing Authority's vouchers. The majority of the voucher-holders who have moved from the District of Columbia to its suburbs have moved to Maryland's Prince George's County. In Philadelphia, 45 percent of voucher holders inhabit just two of the city's five major sections—South Philadelphia and Northeast Philadelphia—blue-collar areas unaccustomed to subsidized housing. If you visit the south suburbs of Chicago, such as Harvey, Illinois, you will meet local elected officials and residents —many of them African-American—who will express grave concern about this phenomenon, fearing the effects of such concentrations on the social fabric of their communities. As I have written in the Manhattan Institute publication *City Journal*, “in south suburban Chicago, with one of the highest concentrations of voucher holders in the country, middle-class African-American

residents complain that they thought they'd left the ghetto behind—only to find that the federal government is subsidizing it to follow them. Vikkey Perez of Richton Park, Illinois, owner of Nubian Beauty Supply, fears that the small signs of disorder that have come with voucher tenants—the unmown lawns and shopping carts left in the street—could undermine the neighborhood. "Their life-style," she says, "doesn't blend with our suburban life-style."

Kevin Moore, a hospital administrator and homeowner in nearby Hazelcrest, complains that children in voucher homes go unsupervised. Boom boxes play late at night. "I felt like I was back on the West Side," he says, referring to the Chicago ghetto where he grew up. "You have to remember how to act tough."

But if voucher concentration is probable, for economic reasons, it is important for program guidelines to encourage voucher beneficiaries to take steps to end or reduce their need for such assistance over time. In fact, such encouragement is just as important in areas where voucher concentrations are lower. Again, go to the south suburbs of Chicago and you will meet minority, first-time homeowners criticizing Section 8 in terms far stronger than I'd dream of using here for, in their view, supporting households which they see as having brought problems to their neighborhoods. We must take the greatest care, in my view, not to undermine the social and economic gains of minority homeowners by importing to their neighborhoods the social problems they have worked so hard to leave behind.

HANF, to be sure, would, if adopted, address such issues only indirectly. But by introducing the prospect of policy innovation, it introduces the hope for program improvement. I urge you to support the Administration's proposal.