

Time Limits in Public Housing

By Tim Sciacqua

Editor's Note: *The following article was submitted to PHADA and statements and opinions expressed do not necessarily reflect those of the association. PHADA does, however, believe it is an article worthy of discussion and note.*

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One of the hallmarks of the Tulare County Moving to Work (MTW) demonstration program is the concept of time limits on housing assistance. We believe we are among the first MTW sites to begin "timing out" able-bodied public housing and voucher tenants. Only seniors and the disabled may continue on these programs indefinitely, however, this is not a lifetime limit, and timed out families may reapply.

Created pursuant to the 1996 Appropriations Act, MTW was to test different approaches in the provision of low-income housing. These policies were intended to meet the demonstration's multiple goals of 1) providing work incentives to promote tenant self-sufficiency, 2) increasing housing choice, and 3) reducing program costs.

Among many different approaches, 10 agencies proposed varying time limits on housing assistance. Though we had some trepidation from the start of potential adverse tenant reaction, we began our "original design" timing out process on schedule after five years of participation. The first families were timed out on May 1, 2004. To date, we have enforced the contract time limits on more than 250 families, with additional families timing out each month.

While we are in the early implementation stages of the timing-out process, and understand it is still too soon to assess the full effect of time limits on the housing programs and the families receiving housing assistance, it's not too early to share our observations to date. This is a highly charged issue for the housing industry, low-income advocates and Congress. It evokes strong feelings and responses reminiscent of those during the debates on welfare time limits that were enacted as part of the Personal Responsibilities and Work Opportunity Reconciliation Act of 1996.

But in the interest of advancing the public policy debate in this area, let's explore the pros and cons of time limits in housing programs both from conceptual and practical standpoints:

Pro arguments

1. "Shares" the housing assistance on a regular basis. Unlike TANF, Food Stamps, Social Security and SSI, housing assistance is not an entitlement. Families are required to apply for the assistance and wait on lengthy waiting lists until assistance becomes available. Those waits can be five to ten years or longer in some larger metropolitan cities.

Timing out housing assistance based upon a set time period means the help can be redistributed routinely to new families.

2. Makes clear that assistance is temporary. Housing aid is not intended to be lifelong governmental assistance. This is consistent with the United States Housing Act and mirrors TANF welfare reform. It makes little sense to time families off welfare while still providing housing assistance through lifelong subsidies.
3. Breaks up cliques in public housing. Over time, in many buildings and neighborhoods, there tends to be an accumulation of related families in subsidized housing complexes. These families often dominate the building or neighborhood, making it difficult for new families to break into the clique. This can be traced to lifelong subsidies that make it comfortable for families to stay in place and have their grown children join them as vacancies arise.
4. Motivates families to succeed. As time limits approach, public housing tenants are forced to make other arrangements. It isn't always pleasant, particularly for larger families, but this burden serves to require success. Families must develop planning and budgeting skills as they face the certainty that their housing assistance will be terminated at a specific point in time.
5. Equity. The perception that non-entitlement programs can be tied up endlessly is neither healthy nor empowering. Taxpayers' perceptions are enhanced by placing time limits on non-entitlement programs. We can't just talk about temporary assistance, we have to mean it.

Con arguments

1. Some families won't ever be self-sufficient. Their incomes or circumstances are such that, even if they work and try hard they will be left behind. Society has an obligation to lend assistance on an ongoing basis even if it's for a lifetime. It makes no sense to "time them out" just to make room for someone else without ensuring they are able to provide for their own needs.
2. Not everyone is on the same schedule. Families have varying problems and earning capacities. Some families need more time to cope with their own housing needs. There is nothing magic about a 5-year or 10-year deadline.
3. Increases administrative workload. There is a cost associated with turnover whether or not it is voluntary. For instance, although we know the average turnover is 20% nationally, not all families or regions are consistent. Some families will stay on assistance for a lifetime, and this reduces a housing administrator's workload because it results in fewer turnovers.
4. Increases maintenance workload. The same argument can be made with respect to maintenance turnover workloads. Units have to be repaired more frequently or cleaned more often.
5. Lack of demand for housing. An argument has been advanced that some parts of the country have inadequate demand based upon urban flight, poor design, the age of dwellings, the local economy or undesirable locations. An agency that imposes time limits while

experiencing a shortage of demand is creating more problems for itself. The opposite argument can be advanced with respect to vacancy rates in the private rental market adversely affecting the voucher program. To the extent there are inadequate vacancies; time limits can put pressure on an agency to stay leased up.

The above list is not intended to be all inclusive, but serves to acknowledge that there are arguments on both sides. Depending on your perspective — administrator, low-income advocate, or Congressperson — you may see the problem much differently.

Tulare County is not unlike many other rural jurisdictions. We have large waiting lists: currently more than 8,000, with a county population in excess of 400,000. We have approximately 5,000 subsidized dwelling units, but public housing and the voucher programs account for only 3,500 of the total number of units. Housing prices by California standards are reasonable, and it is still possible for a moderate-income family with decent credit to buy a home, unlike in much of California.

The wait for a voucher was at least three to four years before we starting timing out families after five years of subsidy. With so many families waiting to be served, it was obvious that some mechanism was necessary to free up subsidies after a reasonable period of time and make them available to families on the waiting lists.

One method simply would be to charge more rent over time, or (in the alternate) as tenants' income increased, force families out because the rent is too high. This would serve to make the private rental market look more attractive as rents were increased in subsidized units. The alternate method is the way it is intended to work in public housing. We are not enthusiastic about this structure, because income or the lack thereof is controlled by tenants. Every practitioner has had experience with what we term "negotiating rents" in public housing as tenants learn that rents are tied to income and the reporting of income can be manipulated.

Raising rents over time has more merit than the current system in public housing, because it decouples rents from income. However, in our MTW program, we have elected to provide five years of assistance during which rents remain largely unchanged. We want tenants to save their income. It seems more motivational to us. Every family knows at admission to the program what its rent will be and that there will be only moderate increases based upon increased costs of administering the programs, regardless of their actual household income.

In the five-and-a-half years we've run the program, we have seen many examples of reported incomes surging. Families prospering in this manner can afford their own housing on the private rental market. Many have bought homes without any further assistance from our agency.

What do the families who have been timed out say about this component of the program? Obviously, they don't all agree, but based upon requests for "hardship appeals," the majority don't appear to be overly concerned. We have had less than 5 percent of the families who have been timed out ask for reconsideration from the hardship committee. We expected the number to be far higher. This indicates to us that there is widely held acceptance in the basic fairness of time limits; or that, at the very least, families have acquiesced to the requirements. From a public policy standpoint, we're not sure it's reasonable to expect or require that recipients of housing assistance endorse the loss of subsidy. That would be contrary to human nature, like voluntarily reporting higher incomes. But the majority of recipients should believe the policies are being uniformly applied. We have worked hard toward that end.

We do agree there are situations when there should be relief from strict compliance with the time limits. For that reason, we established a hardship committee consisting of a varied array of community members who meet periodically to review cases and make decisions. Tulare County Housing Authority staff facilitates the discussions, but does not have a say in the decisions related to time limits.

One real concern of ours is that an overzealous hardship committee could inadvertently stymie turnover by granting too many exemptions. This would be perceived as unfair by tenants, and could torpedo the program by putting "off limits" significant numbers of families from the time out requirements. Without either continued expansion of the public housing and voucher programs (which currently seems unlikely) this requirement must be strictly applied except in real hardship circumstances, or we could end up failing to redistribute housing assistance to families on the waiting list.

I think if you asked our employees (who are, by the way, very supportive of the concept) their main concern with respect to the time limit requirement is related to increased work loads.

It can't be denied that we have experienced more work since we started timing out families. It takes time to move out families and replace them in an expeditious manner without incurring larger vacancy losses in public housing, and suffering reductions in administrative fees in the voucher program.

Further, the federal administration has emphasized in its rating of Public Housing Agencies (PHAs) the need for low vacancies, and has recently reduced funding in the voucher program when the program is not fully utilized. These pressures are contrary to encouraging PHAs to time-out families. This does not provide motivation on the part of agencies to take these risks in the name of national housing policy.

Some housing administrators will not voluntarily choose to increase their work loads, jeopardize funding and rating scores, or risk local political

pressures to impose time limits, even if they could elect to in the administration of the public housing and voucher programs.

From a practical viewpoint this is quite logical. But it seems to us that the issue of a national housing policy this important ought to transcend the day-to-day practical concerns of agencies administering the programs. This issue speaks to whether or not the government really intends the public housing programs to provide temporary assistance, or to be lifetime housing assistance for the first families who can find access.

An even more fundamental question: If we don't restrict the length of stays within the programs, how do we cope with the huge numbers on our waiting lists?

We expect the implementation of time limits in public housing to be a long, hard-fought battle that ultimately will end in its inclusion as national housing policy. There is almost no other practical choice as demand for housing increases and the programs become more costly to support. The old-school argument that "the government ought to provide for all of its citizens' needs" simply isn't practical anymore.

The time has come to face the fact that assistance to low-income families has to be limited in length and fair in distribution. That can only happen by limits on the time families can receive housing assistance.

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