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# The Pennsylvania Welfare Coalition

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## Welfare Coalition: Affordable, Safe Housing = Family Stability & Workforce Development (2/2005)

### The Issue

Affordable and stable housing is a serious concern for Pennsylvania's children and families. Housing insecurities have dramatic consequences for a family's safety and can significantly impact a parent's ability to find and retain work and a child's preparation for and engagement in school.

### The Scope of the Housing Challenge

- **Affordable housing is "out of reach" for minimum-wage earners in Pennsylvania and nationwide:** a person earning the minimum wage cannot afford a two-bedroom home (renting at the fair market rent) anywhere in the country.<sup>1</sup> The federal minimum wage has been stuck at \$5.15 since 1997.<sup>2</sup>
- **Indeed, the national "housing wage" – the hourly wage someone must earn in order to spend not more than 30% of income on a two-bedroom rental – is now \$15.37.** Housing problems are more prevalent among low-income households than either lack of health insurance or food insecurity.<sup>3</sup>
- **The link between housing and employment can not be overstated.** As housing costs rise, wage-earners' ability to maintain employment becomes more difficult, because little income is left for employment-related expenses such as child care and transportation.
- **The lack of affordable housing forces families to live in areas of concentrated poverty.** Quality, solid-performing schools, safe recreational facilities and libraries, affordable grocery stores, positive role models, and accessible social services and health care facilities are often among the missing, yet essential, life supports in high poverty neighborhoods. Children who grow up in these neighborhoods are less likely to finish school, more likely to get pregnant as teenagers, and less likely to succeed in the workplace than other children.<sup>4</sup>
- In 2004, HUD changed its policies governing funding of Section 8 vouchers in ways that will reduce the number of vouchers available. This policy shift occurs in concert with adoption of a 2005 federal budget that held the line on Section 8 spending. **These fiscal and programmatic decisions are expected to jeopardize on-going access to the subsidy for more than 80,000 households nationwide** and the door to housing opportunities likely will be slammed shut on those not yet enrolled in Section 8, but on a waiting list.<sup>5</sup> **In Pennsylvania, more than 30,000 eligible households are on waiting lists for Section 8, but the number of subsidized units available in Pennsylvania has decreased over the past five years.**<sup>6</sup>
- Despite the fact that demand for affordable housing far outweighs current supply, the Bush administration recently announced that it wants to halve the budget for Community Development Block Grant (CDBG) programs, which cities rely on to fund affordable-housing development, as well as numerous neighborhood programs.
- Specific to TANF families, many have benefited from integral work and life supports – training, child care, transportation – so they can find and retain employment. Unfortunately, the housing challenges faced by many TANF families have never been sufficiently acknowledged or addressed. Furthermore, TANF policies often do not account for the constellation of issues facing homeless or near-homeless parents (e.g., domestic violence, low literacy, mental illness, and developmental delays among their children). Much can be done to ameliorate this situation.

## **Housing subsidies are crucial for low-income families**

Housing subsidies and other forms of direct and indirect housing assistance, including those offered through the Community Development Block Grant, help to mitigate the affordable housing crisis. Housing subsidies are crucial to maintain, particularly when both rental costs and real estate prices are rising and incomes are declining.

When housing choice vouchers (aka Section 8 vouchers) are available, families can move to areas where jobs are more plentiful and opportunities for their children greater. For families leaving welfare for work, housing assistance can be the key that enables the wage-earner not only to maintain employment but to succeed and advance in the workplace.<sup>7</sup>

## **Recommendations**

- Work requirements for TANF recipients, beyond the current 30 hour work week, ignore the issues outlined above and will only further sanction families to a life of poverty and housing insecurity. Therefore, we recommend current law be retained.
- Housing needs, including homelessness, inadequate housing arrangements (i.e., “doubled up”), unsafe housing conditions, and location far from job opportunities, should be identified and addressed as barriers to work. Services to remove these barriers should be considered work supports and funded as such.
- States should be given greater latitude in using TANF funds to assist with housing costs. If housing subsidies were considered “work supports” rather than “assistance,” families would be far more likely to receive the help they need to remain housed. Currently, federal law requires that subsidies provided for more than four months be considered “assistance” – i.e., these subsidies count toward a family’s 60-month lifetime limit and impose accounting burdens on welfare departments. This provision should be changed.
- Welfare departments could coordinate with local public housing authorities to make better use of HUD’s Family Self-Sufficiency program, which promotes employment and savings through case management and incentives.
- Congress should maintain the Community Development Block Grant (CDBG) budget at current levels so that affordable housing development and supportive neighborhood programs may continue.
- 2004 HUD policy changes that have served to reduce the number of available Section 8 vouchers must be reversed.

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<sup>1</sup> National Low Income Housing Coalition. (December 2004) *Out of Reach 2004*. <http://www.nlihc.org/oor2004/introduction.htm>  
“Affordable housing” is defined as housing that costs no more than 30% of one’s income.

<sup>2</sup> National Low Income Housing Coalition. (December 2004) *Out of Reach 2004*. <http://www.nlihc.org/oor2004/introduction.htm>

<sup>3</sup> National Low Income Housing Coalition. (February 2004) *America’s Neighbors: The Affordable Housing Crisis and the People it Affects*. <http://www.nlihc.org/research/lalihd/neighbors.pdf>

<sup>4</sup> O’Hare, William and Mark Mather. (October 2003) *The Growing Number of Kids in Severely Distressed Neighborhoods: Evidence from the 2000 Census*. [http://www.aecf.org/kidscount/distressed\\_neighborhoods.pdf](http://www.aecf.org/kidscount/distressed_neighborhoods.pdf)

<sup>5</sup> Sard, Barbara. (November 2004) *Update on FY05 Funding for Housing Voucher Program and Related Items*. Center on Budget and Policy Priorities. (email to housing listserv.)

<sup>6</sup> Housing Alliance of Pennsylvania. (November 2003). *The State of Pennsylvania’s Housing: A Comparative Analysis of Need, Policy and Funding*. <http://www.housingalliancepa.org/Issues/StateofPAHousingExecSum11-13-03.doc>

<sup>7</sup> National Alliance to End Homelessness. *Housing Groups’ Proposals to Improve TANF*. <http://www.naeh.org/pol/papers/housingandTANF.htm>