

## Section 8 Briefing for U. S. House Staff May 19, 2003

### I. INTRODUCTION TO PEC & BLUEPRINT

Thank you for coming today.

**Across the country, people of all income levels are facing a pervasive affordable housing crisis. If middle income families are struggling to pay for housing, for the people at the bottom of the income ladder, the climb is nearly insurmountable. I represent the people at the very bottom of the ladder.**

**I was asked to speak today because I represent homeless families—arguably the most tangible manifestation of the affordable housing crisis in this country. Women and children are the fastest growing segment of the homeless population.**

**Homelessness is always an issue of the lack of affordable housing, though it is not only an issue of affordable housing.**

**People's Emergency Center (PEC)** is the oldest and most comprehensive social service agency serving homeless women, children and teens in Pennsylvania. Since 1972, PEC has helped over 7,000 women and children in crisis to rebuild lives of dignity through programs that help them to help themselves. From an all-volunteer operation, PEC now employs more than 80 staff, and our operating budget is over \$5 million a year, with hundreds of individuals adding their support to the funding we receive from government agencies, corporations, foundations and the United Way. In the early 1980s, PEC was the first shelter to implement on-site case management and develop a full continuum of care for homeless mothers and children. Our continuum of care is highly successful at helping these families achieve permanent independence, is a model for Pennsylvania, and has received national, state and local recognition.

PEC has grown from occupying the first floor of a church to developing, owning and managing our own facilities. We have transformed 78 blighted properties into 100 units of housing, 4 social service facilities, and a Tot Lot for a total of \$19 million in public and private investments in the West Powelton neighborhood. Our housing projects include emergency shelter, transitional housing, Section 8 rental apartments, homeownership housing, and basic systems repairs. Over the next five years, we have over \$26 million of facility and housing developments in the pipeline to include: 31 more units of supportive rental housing, 60 units of homeownership housing, 50 units of rental housing and an urban farm.

The **Blueprint to End Homelessness** is the principal influential civic body in Philadelphia dedicated to making systemic changes with and on behalf of the homeless. The City's most well-recognized homeless advocates, public policy-makers, members of the philanthropic and corporate communities, consumers and foremost service providers lead the Blueprint and assure input from hundreds of citizens involved directly with the homelessness. With over 500 individuals actively engaged each year, the Blueprint is the single most inclusive body in Philadelphia that both

challenges and partners with the public sector, leverages the high-quality work of its members, and serves a key community-wide educational function.

The Family Services Committee of the Blueprint includes every faith-based and private service provider to homeless families in Philadelphia (see listing below). In the past year, that committee has succeeded in placing 378 families into permanent housing using Section 8 housing choice vouchers, securing 1,215 new school bags for children returning to school, assuring that 93% of all sheltered children have all of their immunizations, and placed 137 heads of household into permanent jobs.

American Red Cross  
Archdiocese of Phila. Catholic Social Svcs.  
Blueprint to End Homelessness  
City of Phila., Managing Director’s Office  
Episcopal Community Services  
HELP Philadelphia  
Horizon House, Inc.  
Lutheran Children and Family Services  
Northwest Philadelphia Interfaith Hospitality  
Network

Overington House  
People’s Emergency Center  
Philadelphia Health Management Corp.  
Philadelphians Concerned About Housing  
Project HOME  
Project Rainbow  
Project SAFE  
Salvation Army Family Residences  
Women’s Assoc. for Women’s Alternatives

## II. THE NEED

### **This country is experiencing a severe housing affordability crisis:**

There are many reasons for this -- but in its simplest form it is because demand for affordable housing is increasing (with increasing numbers of poor households) and the supply is decreasing (much of the existing housing stock is deteriorating; the de-densification of public housing has been positive but has resulted in fewer available units; and rental increases have far outpaced cost of living adjustments). The gap between the number of affordable housing units and the number of people needing them is currently the largest on record, estimated at 4.4 million units. As the economy worsens, this gap grows.

According to the Millennial Housing Commission, the number of people who make 30% or less of AMI (extremely low income households) are hit the hardest with 8.5 million households needing affordable housing, but only 6.7 units available—a gap of 1.8 million units.

### **This problem is manifested in a number of ways:**

- ❖ Each year, the National Low Income Housing Coalition publishes a study that analyzes the affordability problems that renters looking for housing are likely to face in the private rental housing market in the United States. The study showed that **in every state, metropolitan area, county and town, more than minimum wage is required to afford a one- or two-bedroom apartment at Fair Market Rent** (National Low Income Housing Coalition 2000). And, **in 24 states, even households with two full-time minimum wage earners lack the income to cover fair-market rents** on such a unit without exceeding the 30%-of-income threshold for affordability (Harvard Joint Center Study).

- ❖ 4,900,000 households across the country meet HUD’s “worst case housing” standard, because they have incomes below 50 percent of the local area median income and pay more than 50 percent of their income on housing or live in severely substandard housing.
- ❖ **There are excessive waiting lists for public housing — both in terms of the number of people waiting and the length of time they must wait.** For the largest public housing authorities, a family’s average time on the waiting list rose from 22 to 33 months from 1996-1998 — a 50% increase. The average waiting period for Section 8 rental assistance vouchers rose from 26-28 months between 1996 and 1998. In Philadelphia, although 14,114 households were receiving Section 8 vouchers (this is up 27% from 1995), there remains 10,000 households on the Section 8 waiting list.
- ❖ But perhaps the most **significant manifestation of the problem is in the homeless arena, particularly among homeless families.** The U.S. Conference of Mayors “Status Report on Hunger and Homelessness in America’s Cities” consistently reveals that: (1) the homeless population is increasing at an alarming rate; (2) the length of time people remain homeless is increasing, and (3) there is a severe shortage of permanent affordable housing necessary to break the cycle of homelessness.<sup>1</sup> Families are the fastest growing segment of the homeless population. Across the nation, **homelessness has risen among families nearly 20% over the past several years. This is mirrored in Philadelphia where up to 4,200 families experience homelessness each year (CSH).** Lack of access to subsidized housing results in both increasing numbers of homeless families and increasing lengths of stay in shelters.

**For Homeless Families, the only way out of shelter is a Section 8 Housing Choice Voucher**

- ❖ Most homeless families are either dependent on welfare or have minimum wage jobs. Those on welfare earn at or below 10% of the area median income. After obtaining a minimum wage job, earning at most \$11,000 a year, they are still at 15%-20% of median. Using the acceptable guideline of paying 30% of gross income for housing, this family only has **\$250 a month for housing, including utilities.** Thus, no mother and child(ren) can afford permanent housing without a subsidy of some kind.
- ❖ 100% of homeless families in Philadelphia leave through Section 8 vouchers. We recently polled all 18 private and faith based service providers representing 3,736 families each year (13,076 individuals). The average length of stay in the homeless system is currently 24 months – an all time high.

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<sup>1</sup> *80% of the survey cities reported an increase in requests for emergency shelter. The average increase was 15% (17% for families), representing the largest annual increase in the past decade. 50% of the cities reported that the length of time people remain homeless has increased. And, lack of affordable housing was identified as the primary cause of homelessness.*

### III. THE SOLUTION

**The Housing Choice Voucher Program is perhaps the most important tool for helping low-income families — and specifically homeless families -- access affordable housing.** Section 8 has played a critical role in helping Homeless Families in Philadelphia travel down the path toward achieving economic and family sustainability.

This tool is important because:

- ❖ It is efficient—it takes advantage of existing housing stock and can effect change much more quickly than affordable housing production (though both are necessary).
- ❖ It gives people a choice about where to live—near their job, day care, relatives, etc.
- ❖ It reflects what we have learned over the years about de-concentrating poverty.

#### **Policy Recommendations:**

❖ **Need more Section 8 Vouchers.**

Recognizing the hardships faced by so many low-income Americans, Congress should **fund incremental Section 8 Housing Vouchers** and assure a stable level of funding to local programs for the future. We believe that the HANF Block Grant approach is likely to reduce overall resources for the program in years 2, 3 and out. We believe that local and state flexibility can be obtained through administrative choices, such as is currently available with the Moving to Work housing authorities.

❖ **Target Vouchers to those with the worst case housing needs.**

Maintenance of the current standard that at least **75% of its Section 8 vouchers** to households with incomes no more than **30 % of AMI**.

❖ **Targeted set aside for homeless families**

In each year's incremental issuance of new Section 8's, we would like to see a 15% federal set aside for the homeless. Congress has set precedence with targeted vouchers, i.e. the Welfare-to-Work vouchers approved in 2000. The following year, the proposal was to target 18,000 new Section 8 vouchers to homeless families graduating from the Continuum of Care. Although it didn't pass at the time, the concept deserves some consideration, that is, to target a portion of the incremental vouchers to particular programs. The targeting of vouchers could have resulted in an immediate cost savings in the HUD homeless programs for families, because they would have been able to move through the continuum more speedily. In addition, it would have avoided the local struggles between the have-nots (the very low income) and the "very" have-nots (the very low income who are also homeless).

### IV. WHY IT MATTERS

Lack of access to subsidized housing results in both an increase in the number of homeless families and as well as an increase in their lengths of stay in shelters.

**Homelessness can be a devastating experience for families. It disrupts virtually every aspect of family life, damaging the physical and emotional health of family members, interfering with children's education and development, and frequently resulting in the separation of family members.** (Statistics show that nearly one-third of homeless children are likely to experience homelessness as an adult).

Second, research demonstrates that low-income families with access to affordable housing are more likely to successfully transition to improved economic well being. Supporting families in housing enhances family stability and promotes child well being.

Finally, for those of you who know me, I am a strong supporter of the Continuum of Care concept, because I know that the 7,000 families we have seen over the past 30 years need much more than a roof over their head when they are in crisis. But I also strongly believe that keeping people in the Continuum longer than necessary, once the family is ready to move on but cannot, because of lack of affordable housing, is a waste of resources. Not only is it bad for the family, but it also takes up the room needed for the next emergency. Once a family is stable and ready for independent living, they should be able to move on.

## V. SOURCES

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Respectfully submitted,

Gloria Guard,  
President  
People's Emergency Center  
325 North 39<sup>th</sup> Street  
Philadelphia, PA 19104  
215-382-7522 ext. 244; 215-386-6290 fax  
[Gguard@pec-cares.org](mailto:Gguard@pec-cares.org)