

Preserving “Choice” in the Housing Choice Voucher Program

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Poor Americans generally have limited choices about where to live. Families have to make difficult decisions about where they can afford housing. Is the neighborhood safe? How are the schools? How far is the commute to work? These are common questions all of us ask when searching for housing, but for most poor families, these issues are compounded by their limited purchasing power.

The Housing Choice Voucher Program expands neighborhood choice for low-income families by allowing families to rent units from private-market landlords while paying about one-third of their income toward rent (the federal government makes up the difference). The State and Local Housing Flexibility Act of 2005 proposes to significantly limit housing choice for families, leaving many in high-poverty neighborhoods.

By most measures, the Housing Choice Voucher Program is successful. Vouchers are tenant-based, meaning the subsidy follows a family where it chooses to live. Under current program guidelines, voucher households can move to any jurisdiction in the United States where a housing agency administers the program (there are more than 2,500 agencies nationwide). This is one of the most powerful features of the voucher program—providing poor families with neighborhood choice. As a result, households receiving vouchers live in neighborhoods with lower poverty rates than families living in public housing.

Although vouchers help many families move to lower-poverty neighborhoods, there is some evidence that the program is not meeting its full potential. More than one-third of voucher holders still live in high-poverty neighborhoods with high crime rates, under performing schools, and distressed housing stock. In response, the Department of Housing and Urban Development has introduced a number of programs—The Moving to Opportunity demonstration, the Regional Opportunity Counseling Program, and HOPE VI—that focus on deconcentrating poverty. Recently, two former HUD secretaries—Secretary Henry Cisneros from the Clinton administration and Secretary Jack Kemp from the first Bush administration—called for making mobility and housing choice an explicit goal of the voucher program.

The State and Local Housing Flexibility Act of 2005 takes the program in the opposite direction. The bill threatens to severely restrict mobility and housing choice. Families would retain their right to move to other jurisdictions within states or regions *only* if the administering housing agencies have a standing agreement. The bill's language is too ambiguous to know what the real policy implications would be, but it is not unreasonable to expect that housing agencies in suburban areas would simply refuse to accept poor households from urban areas.

Moves within a jurisdiction—for example, from higher-poverty neighborhoods to lower-poverty neighborhoods within a city or town—could be restricted as well. The proposed bill allows housing agencies to set allowable rents without considering local rent levels. Already facing major funding constraints, housing agencies may feel pressured to set rents lower to serve more families. But ultimately, lower rents will make vouchers less competitive in the rental market and could severely limit neighborhood choice. “Exception rents,” a provision that provides higher rent amounts for high-cost areas, would likely be discontinued under the proposal. Finally, performance measurement which HUD uses to monitor housing agency success in helping families move to better neighborhoods are likely to be scrapped if the bill is adopted.

The issue of whether poor families should have choice about where to live goes beyond a question of compassion. There are real social costs associated with families living in deeply poor neighborhoods—one only need look at the failures of such public housing developments as Cabrini Green in Chicago or Lafayette Courts in Baltimore for evidence. The idea that neighborhoods matter for families is not only intuitive, it's also supported by rigorous research. Families that moved to lower-poverty neighborhoods under the Moving to Opportunity demonstration occupied better housing, moved to safer neighborhoods, and experienced significant improvements in mental and physical health than if they had remained in high-poverty public housing developments. Their children have the opportunity to attend better schools. All these improvements in child and family well-being can add up to thousands of dollars saved in expensive public services, such as Medicaid.

Eliminating the features that promote “choice” in the Housing Choice Voucher Program undermines the inherent power of portable vouchers. Housing and neighborhood choice under the voucher program offer families the chance to move to neighborhoods that meet their changing needs—relocating to be closer to a new job or to find an apartment in a community with high-performing schools. These opportunities can help families break the cycle of poverty. If approved, the State and Local Housing Flexibility Act of 2005 would move housing policy in the wrong direction by trapping families in neighborhoods that are poor and distressed, thus perpetuating concentrated poverty and isolation from economic opportunities.