



Public housing officials assess how to deal with over-income residents

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The U.S. Department of Housing and Urban Development is trying to figure out how to deal with thousands of individuals in public housing that now make too much money to qualify for the program.

A 2015 federal audit by HUD's Office of the Inspector General found more than 25,000 families nationwide already in public housing had incomes that were either slightly, moderately, or, in some cases, substantially above the eligibility limits.

In Maryland there were 156 over-income families, according to the audit. The largest amount was in Baltimore City where some of the 64 over-income families had incomes of \$82,643, \$99,701 and in one case \$139,716, or \$82,166 above the \$57,550 income limit for that home, according to data in the audit.

The income limits residents must qualify for depend on location and family size. Under the current law, however, once families get into public housing they can't be removed just for making too much money.

Michael Tanner, a Senior Fellow with the Cato Institute, said there is an incentive for public housing agencies to keep over-income families since higher income families pay higher rents and those who are over-income no longer get their rent subsidized.

"If you cut off your assistance as soon as they do get that job or start earning more income then you create a disincentive for them to work and a disincentive for them to improve themselves," said Tanner. "You're kind of stuck in a Catch 22."

Following the OIG report HUD sent a letter to all public housing agencies in September 2015 to strongly encourage that PHAs use available discretion to remove extremely over-income families from public housing.

The letter, which reminded PHAs about a policy established in 2004, "strongly recommended that local PHAs adopt reasonable policies that clearly define 'over income,' provide a safety net for fluctuating incomes, and offer protections for hardship cases," according to a HUD spokesperson.

Baltimore Housing Commissioner Paul Graziano told Fox 45 there are currently fewer over-income families in the city compared to the federal audit which used 2014 data.

To date, 39 families exceed the income limit, according to data provided to FOX45 by Baltimore Housing. Four of the families on the list have six-figure incomes, including the highest -- a family of two that brings in \$154,994 -- while the rest have exceeded the income limit by a couple hundred dollars to nearly \$40,000.

"We have them certainly sorted out we've identified them," said Graziano. "We have not taken any individual steps against any specific households."

Graziano said the issue "certainly warrants looking at" but doesn't consider it to be a priority problem since the percentage of Baltimore over-income families in public housing is less than one-percent.

"The last thing we want to do is put people in harm's way because they're trying to better themselves," said Graziano.

HUD is considering revising its 2004 regulation to provide circumstances that would require PHAs to evict families whose incomes have significantly exceeded the limit for a sustained period of time. The department is asking the public to weigh in as it figures out how to define those thresholds.

Graziano said HABC is working on a plan to address over-income families that should be ready for discussion by the spring.

"We will have the framework to allow us to move forward," said Graziano. "The details will await the final determination from HUD."