

Where has public housing gone?

By ZIV HELLMAN

02/25/2012

<http://m.ipost.com/Headlines/Article.aspx?id=98259314&cat=2>

Working poor families are finding it impossible to get public housing.



Photo by: Marc Israel Sellem

For YAFIT DAHAN, worst of all is the winter cold. Jerusalem's nightly temperatures have dipped below 40 degrees Fahrenheit over the past month and it has been an exceptionally rainy winter. "I know it may seem hard to believe, but you get used to it," she says, warming up by a makeshift heater. "Even the children are used to it. They have no choice."

Dahan, 36, does not look at first sight like the image you might have of a homeless person.

She and her husband are hardworking parents of five children; Dahan works in cleaning services and her husband is a municipal employee. But they have been living in a hut-like structure in Jerusalem's Sacher Park, in the valley below the Knesset, since July.

A soft rain starts to fall as we speak in the open air of the park. A man talking loudly into a mobile telephone and a couple of joggers pass by, barely glancing. The family's refuge, along with about five or six adjoining makeshift habitations, insulated by plastic sheeting and patches of canvas, and furnished with old sofas and chairs rotting with rainwater, are among the last remnants of the urban tent camps that were the epicenter of last summer's mass social justice protest movement. The summer protest tent camps, especially the main one on Rothschild Street in Tel Aviv, had an energetic carnival-like atmosphere, very different from the bleak look of what's left now in Sacher Park.

Almost all of the protest tents were taken down long ago, when the autumn winds began blowing and most protesters went back to their homes. In contrast, Dahan's family, who used to live in an apartment in the Gilo neighborhood in south Jerusalem, but were evicted because they could not pay the rent, had nowhere to go. They are now in a legal fight against municipal plans to remove their tent from the public park, with assistance from Community Advocacy, a non-profit organization that promotes awareness of social rights among residents.

Why can't Dahan and her husband, who are both working, put a roof over their heads by obtaining public housing? It is not for lack of trying; she tells *The Jerusalem Report* that despite filing repeated applications, she was told there are simply no public housing units available.

Years of neglect

Public housing in Israel is in dismal condition after years of neglect. According to Housing Ministry spokesman Ariel Rosenberg, there has been no public housing constructed anywhere in the country over the past 20 years. Since the year 2000, the stock of state-owned apartments available for those eligible for public housing has fallen from 107,000 to about 64,000 today, a drop of about 40 percent in a little over a decade.

Not surprisingly, this state of affairs has led to growing waiting lists for public housing apartments. There are about 2,400 families registered on the public housing waiting list, while the number of public housing apartments available for immediate occupancy is only 313. Rosenberg confirms that after being recognized as eligible for public housing, a family may be forced to wait seven years for an available apartment.

The situation is even direr than the official figures indicate, according to Barbara Epstein, the director of Community Advocacy. "There hasn't been any real public housing construction since the 1970s," Epstein tells *The Report*. "In the late 1980s and early 1990s, during the large Russian immigration wave, there was a rush to construct some new public housing, but it was poorly built, not much better than caravans, not something that can really count as housing."

Epstein also points out that the waiting list for public housing is much larger than 2,400 families, because that figure counts only families who have applied for public housing provided by the Housing Ministry. New immigrants needing housing are the responsibility of the Absorption Ministry, which currently has nearly 40,000 immigrants on its public housing waiting list. In addition, there are another 450 elderly poor seeking sheltered housing solutions.

"Instead of building more public housing, the criteria for public housing eligibility have been made stricter over time, in an effort to reduce the official waiting lists," says Epstein. According to current Housing Ministry policy, only families with three or more children under the age of 21 who have been living on welfare benefits for at least 24 months are eligible for public housing.

While on the waiting list, families may receive rental subsidies of 1,250 shekels to 1,550 shekels a month.

According to Emily Silverman, a lecturer on housing policy at the Technion in Haifa, the strict eligibility rules lead to flawed statistics on the number of people who are in need of public housing assistance. "People don't even bother to apply," she says. "There are families who have been on the waiting list for years, only to be told that they are no longer eligible because during that time their children became adults."

Even families with two working parents can find themselves falling into a financial spiral leading to homelessness. "People who cannot meet their monthly mortgage payments can lose their homes and still be in debt to the mortgage lender," says Silverman. "They then need to pay that debt while renting an apartment in a city, because they need to live near work. But renting a one and a half room apartment in a city can cost 2,500 shekels a month. Even with rental subsidies, someone earning the minimum wage of 4,500 shekels a month ends up paying most of the salary for rent."

Historical (in)justice

Israel once had a generous public housing policy. The immense influx of immigrants in the early years of the state required channeling major resources to finding immediate housing solutions. In 1959, fully 23 percent of the housing units in the country were owned and administered by Amidar, the state-owned company providing housing for low-income citizens. Public housing now

accounts for less than 2 percent of the housing units in the country.

One of the main reasons for the steep decline in public housing since 2000 is the misapplication of a 1998 public housing law, spearheaded by then Meretz Knesset Member Ran Cohen, which at the time was hailed as being very progressive. “I was involved in supporting the passage of that law in 1998,” recalls Epstein. “There were good intentions behind that law, which was intended to implement historical justice.”

At the heart of Cohen’s housing law were clauses granting long-standing tenants of public housing apartments the right to purchase the homes in which they were living. Under government policies dating back to the 1950s, public housing residents were perpetual renters. By the 1990s, social justice advocates were noting that this was a recipe for inter-generational perpetuation of poverty.

The immigrants of the 1950s and 1960s who had managed to earn sufficiently high incomes to enable them to move from public housing projects to homes that they purchased were able to bequeath the home equity they had to their children, giving the next generation an economic boost. The less fortunate ones who remained mired in poverty, in contrast, could not pass the public housing homes they had lived in for decades to their children.

To correct this, the 1998 housing law offered public housing residents opportunities to buy the homes in which they were living. The purchasing terms granted a three percent discount for every year of continuous tenancy in an apartment, giving the longest-standing tenants access to property equity that they otherwise would never have had. Since every such housing unit sold meant a reduction in public housing stocks, Cohen’s law stipulated that the money raised by the state from those sales be used to construct new public housing projects.

Successive governments since 1999, however, have frozen full implementation of the 1998 housing law in their yearly budgets, objecting in principle to the earmarking of state income for a particular purpose, such as public housing construction. Selling of public housing units to residents was too popular an idea to be ignored, and the state eventually sold 33,400 apartments to residents at a discount. A further 4,100 apartments were sold at no discount. The money raised from these sales, however, was not used to replace the public housing units that were sold.

Where did the money go? According to a study of public housing published by the Knesset’s research center in October 2011, the state took in a total income of 2.75 billion shekels from public housing sales over the years. Of that sum, only 1.54 billion shekels went into Housing Ministry accounts. About 40 percent of the sum, 1.081 billion shekels, was diverted to the Jewish Agency, a monetary transfer that was sharply criticized as being inappropriate by the State Comptroller in 2008.

Of the money that was retained by the Housing Ministry, 680 million shekels was budgeted for Housing Ministry construction projects, some of which included the purchase of new public housing and repair and maintenance of existing housing stocks, but the money was also spent on road construction, non-residential buildings and rural development. Another 187 million shekels went to government-owned companies, and 438 million shekels was taken by the Treasury. The remainder, 237.5 million shekels, is still in Housing Ministry coffers.

The net result of these policies has been a steep reduction in available public housing even as the population has increased and housing prices, for both rental and purchase, have skyrocketed. “When people are thrown out of their homes because they can’t pay their mortgage debts, where are they supposed to go?” asks Epstein. She notes that housing costs have risen by 40 percent since 2000, while real income has stagnated, especially for the working poor.

Housing help half-baked

As a first step towards correcting this situation, Silverman recommends getting an accurate estimate of the number of people in need of housing assistance. "You don't estimate who needs housing assistance by looking at how many applicants fill in a form," she says. "The question is how many low-income families are paying more than 50 percent of their income for housing. That is the level at which housing assistance is needed, because it leaves too little for food, health and education costs."

There is, however, no official statistic on that figure. "No one knows the answer to that, because no one has checked," says Silverman. "If you don't know, you can't begin doing something about it."

When the true picture of public housing need is known, Silverman says major new public housing projects need to be constructed to make up the deficit that has developed over the past decade. She praises a proposed bill sponsored by David Azoulay of Shas that would require all new building projects approved by planning boards to reserve at least five percent of housing units for public housing needs.

Epstein advocates the immediate purchase or construction of 10,000 housing units to be added to the stock of available public housing, for reduction of the waiting lists. "We need to build new housing and repair the existing apartments as soon as possible," she says, adding that rental subsidies for those who are still on waiting lists need to be increased to ensure that their out-of-pocket housing expenses are on par with those who are living in public-owned apartments.

Community Advocacy, the organization headed by Epstein, has been lobbying Knesset Members to establish a new government authority to oversee all aspects of public housing. The organization calls for legislation that would extend eligibility criteria for some form of housing assistance to any family whose income per person falls below the poverty line and establish new rental subsidy guidelines for those on waiting lists.

Rosenberg, the Housing Ministry spokesman, says that Housing Minister Ariel Atias is in favor of new housing legislative initiatives and "intends on fighting until the state's responsibility for obtaining housing for eligible citizens is fully recognized. Until they can be given public housing apartments, they should receive full realistic rental payments."

Back at the Sacher Park encampment, the tenacious homeless families vow to remain put until they can be given a permanent housing solution. The Jerusalem municipality recently offered to give them rent subsidies of 2,200 shekels a month for six months, if they leave voluntarily. This offer was rejected by the encampment residents, who said that six months is too short a time period. The municipality is still trying to obtain legal authority to evict them. In a statement released by his office, Jerusalem Mayor Nir Barkat said that he cannot let the encampment continue to "negatively affect the public sphere and become a health and security liability."

Shivering slightly in the winter cold, Dahan says she is tired of hearing empty promises.

"If we are evicted," she says, "I have no idea where my children and I can go."