



Rent Reform Update

What Others are Up To

What PHADA Can Do Next

PHADA 2005 Commissioner's Conference



James P. Armstrong

Policy Analyst

PHADA

511 Capital Court, NE
Washington, DC 20002

(202) 546-5445

Jacycle@bigfoot.com



PHADA's RHIIP Subcommittee

- Ophelia Basgal, Chair
 - Alameda County (CA) HA
- Steve Fischer
 - Kingston (NY) HA
- Jon Gutzmann
 - St. Paul (MN) HA
- Curt Hiebert
 - Keene (NH) HA
- John Hiscox
 - Macon (GA) HA
- Sheri Lee
 - Glasgow (KY) HA
- Ned Stacey
 - Fresno (CA) HA



Rent Report Card:

The Policy Demeans participants
Encourages Deceit
Supports Dependency



Organizations Involved

- PHADA
- CLPHA
- NCSHA
- NHLP
- MUTPH
- CBPP
- NAHRO
- NLHA
- NLIHC
- HUD



Problems & Goals

- Inequity
- Snoopervision
- Family Instability
- Complexity
- Unique Rents
- Equity
- Respect
- Family Unification
- Transparency
- Market-like Rents



Inequity

- Similarly situated participants pay vastly different amounts for rent.

Inequity

- Eight families in 1 or 2 bedroom apartments with \$10,000 per year in income can pay:
 - Gross rents up to \$125 per month different
 - From \$125 per month to \$250 per month
 - Net rents up to \$300 per month different
 - From <\$150> per month to \$150 per month

Snoopervision

- Relatives, employers, benefit providers, insurers, doctors, pharmacists, day care providers, banks, and schools will learn families receive housing assistance during the intrusive verification process.

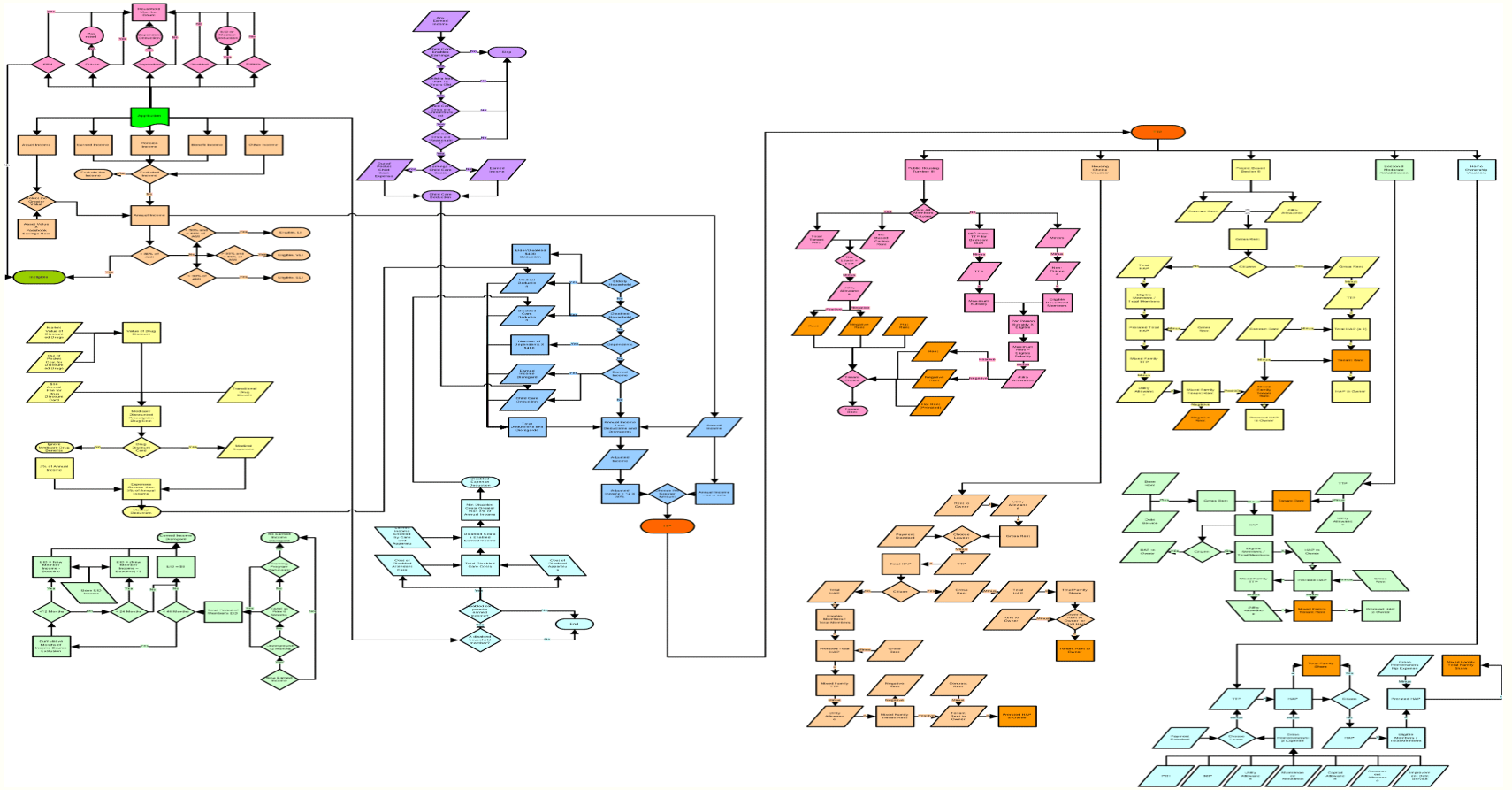
Family Instability

- Economic incentives encourage families to exclude fathers from assisted households.
- Informal living arrangements disrespect fathers' roles in family life.

Complexity

- Over 40 forms of excluded income
- Appraisal of non-liquid assets
- Non cash benefits
- Nobody understands rents

Complexity



Unique Rents

- Up to 3,600,000 individual rents
- Unrelated to the value or worth of housing
- No incentive to learn shopping skills
- Unready to enter private housing market



PHADA's Principles

- Encourage Earned Income
- Maintain Affordability
- Achieve Real Simplification



NAHRO's Principles

- Ensure a safety net for residents.
- Set rents to foster affordability and to assure financial viability of the housing provider.
- Policies must be simple and easy to understand.
- Provide incentives for residents to increase household income and to achieve self-sufficiency.



NLHA and CLPHA

- NLHA has endorsed PHADA's principles.
- CLPHA supports PHADA's principles.

Possible Solutions

- Flat Rent (the private market model)
- Flat Tiered Rent (the LIHTC model)
- Income Based Rent (parallels the current model)
- Devolution (the MTW model)



PHADA's Solutions

- Flat Tiered Rent (the LIHTC model)
- Radically Simplified Income Based Rent (parallels the current model)



CLPHA's Solution

- Broadly expanded, but limited, devolution similar to the MTW demonstration
 - Brooke?
 - Targeting?

Where's HUD?

- American Housing Survey: for Households with less than \$10,000 in income:
 - Median Housing Cost: \$512 per month
 - Median Housing Cost Burden: 43.7%
 - 1/3 receive some form of housing subsidy



Where's HUD?

- Consider a flat, asset based approach unrelated to household income with rents in the range that the AHS reflects ELI households pay now.

Where's HUD?

- Consider a hybrid model:
 - Set rents according to income categories (ELI, VLI and LI),
 - Inflate rents annually unrelated to income (e.g. \$25 per month per year, or CPI, or FMR inflation), and
 - Apply a market based ceiling (e.g. payment standards or FMRs).

Where's HUD?

- Consider devolution of rent policy setting
 - Similar to the Flexible Voucher Program
 - With some constraints on local choices



What is Next?

1. Develop a publication outlining the problems and potential solutions.
2. Develop statutory language to submit to congressional authorizing committees.
3. Solicit congressional sponsors.

What is Next?

4. Continue to build consensus with CLPHA, NAHRO and NLHA.
5. Continue dialogue with advocacy groups (CBPP, NHLP, NLIHC, MUTPH).
6. Continue discussions with HUD.

What is Next?

7. Present problems and alternatives to meetings of state associations.
8. Use materials and tools to develop and support members' and other grassroots support for change.



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