

Legislation Text

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Calling on Congress to reject the proposal from HUD Secretary Ben Carson, which would triple the minimum rent cost for individuals in public housing, eliminate deductions for medical and childcare costs, and allow public housing agencies and property owners to impose work requirements, impacting 4.7 million families relying on federal housing assistance.

WHEREAS, On April 25, 2018, Housing and Urban Development (HUD) Secretary Ben Carson proposed far-reaching changes to federal housing subsidies, such as tripling rent for the poorest households and making it easier for housing authorities to impose work requirements; and

WHEREAS, The initiative would raise the rent for tenants in subsidized housing to 35 percent of gross income (or 35 percent of their earnings working 15 hours a week at the federal minimum wage), up from the current standard of 30 percent of adjusted income. About half of the 4.7 million families receiving housing benefits would be affected according to HUD officials; and

WHEREAS, The cap on rent for the poorest families would rise to about \$150 a month - three times higher than the existing \$50 ceiling. About 712,000 households would see their monthly rents rise to \$150 according to HUD officials; and

WHEREAS, HUD also wants to scrap rules allowing deductions for medical and child-care costs when determining rent. This means it will determine rent by gross income, not net income, so high costs related to healthcare or childcare would no longer count as factors; and

WHEREAS, Carson's proposed bill would also allow public housing authorities to impose work requirements. Currently, only 15 out of 3,100 housing authorities across the country require some sort of work or job training in return for benefits, according to HUD officials; and

WHEREAS, According to Diane Yentel, President and CEO of the National Low Income Housing Coalition, "Work requirements do not create the jobs and opportunities needed to lift people out of poverty, but instead could cut struggling families off from the very housing stability and services that make it possible for them to find and maintain jobs"; and

WHEREAS, Notably, the work requirements language includes no exemption for parents caring for children - meaning it would be up to public housing agencies to determine whether single parents could afford to stay; and

WHEREAS, According to Will Fischer, a Senior Policy Analyst for the Center on Budget and Policy Priorities, "For children, [this proposal] has really dire consequences. Being pulled out of their school or childcare situation. There are cases where kids get placed into foster care for no other reason than their family can't afford suitable housing"; and

WHEREAS, Seniors over the age of 65 and individuals with disabilities would be exempt from the rental

increases for only the first six years. They would be exempt from any work requirements. HUD officials said that group makes up more than half of the 4.7 million families receiving subsidies; and

WHEREAS, The proposal would bypass new standards enacted by recent legislation. In 2016, Congress passed the Housing Opportunity Through Modernization Act (HOTMA), which streamlines the formulas for calculating rents, deductions, and other factors for housing aid; and

WHEREAS, Housing advocates criticized the HUD proposals as “cruel hypocrisy,” coming on the heels of tax breaks to wealthy Americans and corporations. They also say that the rent increases, which seem small to those living above the poverty line, will create great hardships for families struggling to get by in areas where jobs are scarce and barriers to higher income are steep; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby calls on Congress to reject the proposal from HUD Secretary Ben Carson, which would triple the minimum rent cost for individuals in public housing, eliminate deductions for medical and childcare costs, and allow public housing agencies and property owners to impose work requirements, impacting 4.7 million families relying on federal housing assistance.