Proposed HUD Rent Increases Could Affect 10,000 DC Households, Including Seniors and People With Disabilities

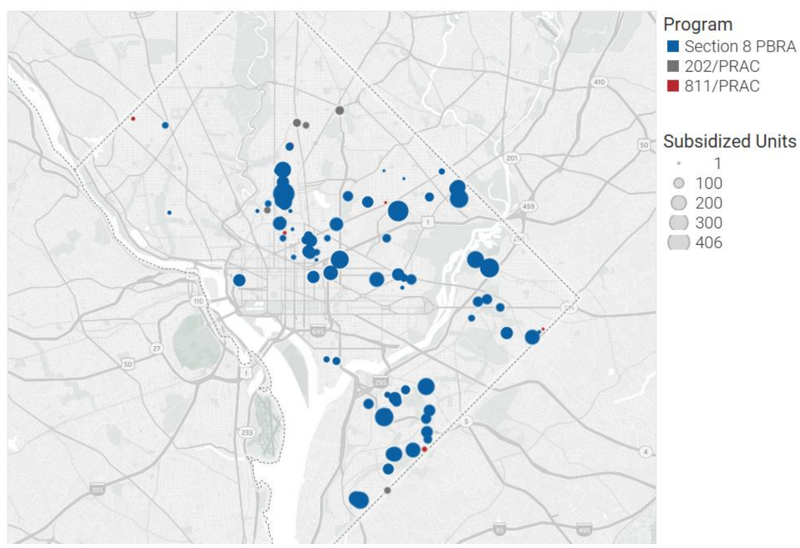
By Claire Zippel

Legislation proposed by the Trump Administration would raise rents for approximately 10,000 DC households living in certain federally subsidized buildings. The harmful changes would likely force many residents—including workers with low earnings, seniors, people with disabilities, and families with children—to cut back on necessities to afford rent, and could put some at risk of eviction. The District's policymakers should keep a close eye on this proposal, which has yet to be approved by Congress.

Under the proposal, DC residents of privately owned, federally subsidized housing—whose incomes average under $15,000 per year[1]—would see annual rent increases of $900 on average, according to an analysis by the Center on Budget and Policy Priorities. Section 8 properties as well as two smaller service-enriched housing programs would be affected,[2] impacting residents in all eight Wards (click here to see an interactive map).

The legislation, which was proposed by the U.S. Department of Housing and Urban Development (HUD) in late April:

DC Properties Potentially Impacted by Trump Administration Proposal to Increase Rents in Federally-Subsidized Housing



- **Raises the share of income that must be paid for rent**, from 30 percent to 35 percent, for any household that includes someone aged 18 to 65 without disabilities. For a household earning $20,000 a year, that represents a 17 percent increase in monthly rent (from $500 to $583).
- **Eliminates deductions for out-of-pocket child care, medical expenses, and dependents**, which would increase the amount of income used to calculate rent. These changes would fall hardest on low-wage workers with children, and people with high out-of-pocket medical expenses, who are most often seniors or people with disabilities.
- **Substantially increases minimum rents**. The proposal would establish a $50 minimum rent for households considered elderly or disabled (phased in over six years for current residents), and triple minimum rents, from $50 to $150, for households not considered elderly or disabled. Even households with no income or essentially no disposable income would be required to come up with the minimum

rent each month.[3] The proposed legislation would also permit HUD to raise minimum rents at its discretion and without limit in the future.

- **Restricts which households qualify as elderly or disabled**. Households that are headed by a senior or person with disabilities, but include *anyone* aged 18 to 65 without disabilities (even if that person is a full-time caretaker), would no longer be considered elderly or disabled—and thus would be subject to the rent increases outlined above. The plan also raises the age above which residents are considered seniors, from 62 to 65. While these provisions would be phased in for current residents, new residents would fall under the new rules from the get-go.
- **Allows local housing agencies and subsidized property owners to enact work requirements**. Households that include an adult without disabilities who does not work or participate in employment-related activities could be evicted. Local housing agencies and property owners could also design their own rent formulas, under which residents could experience housing cost increases exceeding the proposal's.

The proposed changes would **not** affect DC households living in public housing or assisted by Housing Choice Vouchers—as would be the case in most other jurisdictions—unless the DC Housing Authority (DCHA) chooses to adopt the proposed changes for those programs. DCHA is part of a group of housing authorities given special flexibility to design and test rent structures and work requirements that differ from HUD's. Privately-owned, federally-subsidized buildings must comply with HUD rules, however.

Despite the legislation's stated intention to encourage work, there is scant evidence that penalizing those who appear to be able to work, but are not working or have low earnings, is effective. By contrast, a large body of research shows that unaffordable housing costs have serious consequences on health and well-being—which in turn can negatively affect educational attainment and otherwise stifle economic mobility. Moreover, the proposal would raise rents even on those unable to work, because they are seniors or have a disability.

While Congress will decide whether this legislation moves forward, District policymakers should be aware of this harmful proposal. If the legislation is passed, the District should find ways to insulate affected residents from rent increases and prevent eviction.

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[1] U.S. Department of Housing and Urban Development, Picture of Subsidized Households, 2017.
[2] Section 202 and Section 811.
[3] The proposal includes hardship exemptions that are not much different from the existing exemption, which presumes that households know about the exemptions and whether they are eligible, and requires households to proactively apply for relief.