

January 31, 2012

Dear House Committee on Financial Services Member:

As the Subcommittee on Insurance, Housing, and Community Opportunity prepares to mark up the Affordable Housing and Self-Sufficiency Improvement Act on February 7, the undersigned groups urge you not to cosponsor this legislation until two particularly troublesome provisions are either sufficiently improved or are removed from the bill.

The bill would require monthly minimum rents in the public housing, voucher, and project-based Section 8 programs of at least \$69.45 a month, with the HUD Secretary authorized to set monthly minimum rents at any amount above \$69.45. Minimum rents only impact the very lowest income households, those for whom the normal rent calculation, which is based on a percentage of income, is less than any minimum rent. This proposed change would also disproportionately impact racial minorities. Public housing agencies today can set minimum rents for public housing and housing choice voucher households up to \$50; HUD has set minimum rents for project-based Section 8 households at \$25. Rents on almost 500,000 households, those with the lowest incomes, would increase under this proposal.

The bill would also make the controversial Moving to Work demonstration permanent and allow an unlimited number of public housing agencies into this program, where agencies can impose time limits, work requirements, divorce rents from incomes, and choose to serve higher income households. This legislation would effectively block grant the public housing and voucher programs, among other departures from current law. There is no evidence that the Moving to Work program has served to expand housing opportunities for low income families, one of three statutory objectives of the demonstration. Among many other freedoms, housing agencies have been permitted under Moving to Work to waive key civil rights requirements. Until these problems are resolved, there is no basis to expand the demonstration to more agencies.

The draft bill does include positive provisions, including ensuring adequate voucher reserve levels, improvements to the project-basing of vouchers, and streamlining of rent setting and income determinations and inspection procedures, all of which will help residents, housing agencies, and private owners. However, the negatives in the bill presented by the minimum rent and Moving to Work provisions greatly outweigh any positives offered by the bill at this time.

Many stakeholders are working diligently to resolve both the minimum rent and Moving to Work sections of the bill. These provisions are so potentially harmful to the

lowest income households, we ask that you not support the overall bill until these provisions of the draft bill are sufficiently improved.

Thank you for considering our request.

Sincerely,

The Arc of the United States
Bazelon Center for Mental Health Law
Center on Budget and Policy Priorities
Consortium for Citizens with Disabilities Housing Task Force
Covenant House International
Housing Assistance Council
Lutheran Services in America
National AIDS Housing Coalition
National Alliance on Mental Illness
National Center for Housing and Child Welfare
The National Center on Family Homelessness
National Council of La Raza
National Fair Housing Alliance
National Housing Law Project
National Law Center on Homelessness and Poverty
National Low Income Housing Coalition
National People's Action
Poverty and Race Research Action Council
Technical Assistance Collaborative Inc.