



Civil rights groups said that because voucher users are disproportionately black and Hispanic, limiting them to low-income neighborhoods increases racial segregation, a problem the HUD rule was seeking to fix. | John Shinkle/POLITICO

Civil rights groups accuse HUD of perpetuating racial segregation

By **LORRAINE WOELLERT** | 10/23/2017 07:48 PM EDT

Civil rights organizations accused HUD of perpetuating racial segregation by delaying a rule that would increase the value of rental subsidies.

Lawyers from the NAACP, Public Citizen and three other groups sued in federal court in Washington on behalf of two black women who they say have been harmed by HUD's delay of the rule, which would help many of the 2 million U.S. households that receive rental subsidies, formerly known as Section 8 vouchers.

HUD had no immediate comment on the suit.

The lawsuit challenges HUD's Small Area Fair Market Rent rule, an Obama administration initiative that changed how housing vouchers are valued. The agency uses metro-area fair

market rents as a yardstick to calculate the value of housing subsidies to low-income households. In August, the Trump administration said it would delay implementation of the rule for two years to give it more analysis.

The current voucher formula doesn't account for differences in housing costs from neighborhood to neighborhood and typically results in recipients clustering into low-income neighborhoods.

The new rule, published in November, would measure fair market rents by ZIP code, thereby increasing rent subsidies in higher-cost neighborhoods. The change would give voucher recipients more options when looking for a place to live.

The lawsuit cites the example of plaintiff Tiara Moore. Moore's \$1,200 voucher subsidizes the rent on a two-bedroom apartment for her and her 11-month-old daughter in Chicago. It's not enough for her to afford to move to a nicer neighborhood just outside city limits, in DuPage County.

Under the new rule, her voucher would take DuPage's higher housing costs into account, making her voucher worth as much as \$1,770 per month, according to the filing.

In August, HUD moved the effective date of the rule from Jan. 1, 2018, to January 2020. After an interim study in April, the agency said it needed more time to analyze the benefits and costs of the rule.

"HUD believes a policy change of this magnitude should be fully informed by the final report," before the new rule is adopted, the agency wrote in an Aug. 11 letter to public housing authorities, or PHAs.

The agency also said it was examining public input on the Trump administration's regulatory reform agenda.

"HUD has not yet completed its analysis of these public comments but is aware that several PHA industry groups have concerns" about the rule and its timeline for implementation.

In the letter, the agency also conceded that it has failed to provide needed technical assistance to housing authorities.

Civil rights groups said that because voucher users are disproportionately black and Hispanic, limiting them to low-income neighborhoods increases racial segregation, a problem the HUD rule was seeking to fix.

“The Small Area Fair Market Rent rule was one of the signature civil rights accomplishments at HUD during the Obama administration,” said Philip Tegeler, executive director of the Poverty & Race Research Action Council.

“The purpose was to finally start to address the high levels of racial and economic segregation in the Housing Choice Voucher program. If this suspension is not challenged, we will continue to see low-income families and children steered into high-poverty neighborhoods where rents are lowest.”