

PRRAC
Poverty & Race Research Action Council
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Regulations Division, Office of General Counsel
Department of Housing and Urban Development
451 7th Street, SW, Room 10276
Washington, DC 20410-0500
Sent electronically via the *Federal Register*

RE: “Request for Information; Direct Rental Assistance,” 89 Fed. Reg. 59750, Docket # FR-6466-N-01.

Dear colleagues,

We are writing to urge HUD to align its anticipated study of “direct rental assistance” (DRA) with the agency’s overarching obligation to affirmatively further fair housing. It has literally taken decades to begin to repair the design flaws of the Housing Choice Voucher program, and to better align the program with its original goals to expand choice and deconcentrate poverty. We hope that this new pilot program learns from the voucher program and avoids design features that will lead to increased segregation and concentration of families in high poverty neighborhoods.

First, DRA payments must be aligned with the Small Area Fair Market Rent (SAFMR) assigned to the zip code where the unit is located. If DRA payments are not aligned with local market rents, this demonstration program will likely have the same segregated results as voucher programs in areas without SAFMRs. We believe that DRA payments can be easily adjusted for location with an automated form of payment (like a cash card) that links street addresses to zip code based payment standards.

Second, DRA payments should not be tied to a specific public housing agency (PHA), unless the PHA has regional jurisdiction. Many PHAs are limited by state law to operate in narrow jurisdictional boundaries, and are not authorized to conduct business outside their “area of operation.” Typically, the area of operation is defined by the boundaries of a municipality, which often translates into limiting many program participants to housing options in lower-resourced communities. If HUD can automatically (and seamlessly) transfer the DRA payments to a second PHA in the area a family moves to, this problem could in theory be resolved, though it seems

like a significant barrier to setting up a demonstration program, since multiple PHAs in a region would need to be recruited to participate.

Third, we recommend that HUD avoid program designs that include incentives for families to shop for housing “bargains,” since this program feature will inevitably steer families to lower cost, less well-resourced neighborhoods as they struggle to balance housing costs with other essential family expenses.

Fourth, we recommend that at least one of the pilots be paired with an existing housing mobility program, to assess whether the DRA approach enhances the ability of the mobility program to assist families in moving to higher opportunity communities.

Finally, whichever study designs HUD and its partners finally select, they should each be assessed in relation to the design’s effect on voucher concentration: does the particular DRA demonstration lead to broader use of housing assistance in low poverty neighborhoods, or does it increase geographic concentration of vouchers in relatively higher poverty neighborhoods? In addition, each demonstration should be assessed for its impact on racial segregation.

Thank you for the opportunity to comment, and we would be happy to discuss this issue further in the context of specific program proposals if that would be helpful.

Sincerely,

Philip Tegeler
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Washington, DC

cc: Paul Joice
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Richard Monocchio