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Trump Budget's Housing Proposals Would Raise Rents on Struggling Families, Seniors, and People with Disabilities

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President Trump's 2018 budget could allow the Department of Housing and Urban Development (HUD) to raise rents on up to 4 million low-income households that receive federal rental assistance, with some of the largest increases falling on families and individuals that struggle the most to afford housing. The Administration claims that raising rents on poor families, seniors, and people with disabilities struggling to keep a roof over their heads is necessary to reduce federal costs, even as it proposes very large tax cuts for the wealthy and profitable corporations.

The budget would increase rents by:

- Authorizing HUD to require state and local housing agencies and private owners of subsidized housing to raise rents from 30 percent of a low-income family's income to 35 percent, and to eliminate deductions from these calculations for factors that reduce a household's ability to pay rent, such as high medical or child-related expenses;
- Eliminating assistance that helps the lowest-income rental assistance recipients cover utility bills;
- Requiring housing agencies and owners to charge the lowest-income families minimum rents of $50 a month even if this exceeds 30 percent (or 35 percent) of their income;
- Letting HUD make virtually any change to the rent rules for the housing voucher program, including imposing unlimited rent increases; and
- Cutting payments for "enhanced vouchers" that protect residents from displacement in buildings that previously received other types of federal subsidies, thereby forcing the residents to pay higher rents or lose their homes.

The budget also proposes to block payment increases due to owners of subsidized housing to keep pace with rising operating costs or market rents. While that would not directly raise tenant rents, it could cause owners to stop participating in subsidy programs, leaving families vulnerable to displacement.

Taken together, the Trump budget proposals would authorize HUD to raise rents on 4 million low-income families by an average of $84 a month (not counting the cut in enhanced vouchers or the unspecified voucher rent changes). In its current form, rental assistance is highly effective at reducing poverty, homelessness, and housing instability, research shows.[1] Higher rents would reduce this effectiveness by forcing families to divert resources from basic needs such as food or medicine and placing families at risk of eviction if they can't make the required payments. Some affected families could be eligible for hardship exemptions from these changes, but experience shows that exemption policies protect few families. That's partly because they require tenants — who may have physical or mental disabilities or very little education — to know about and seek an exemption.

The Administration describes the proposals as "reforms," but they make little sense on policy grounds. The budget touts them as empowering local decision-makers even though the minimum rent requirement would *reduce* local agencies' discretion and HUD could constrain it further through the added authority that HUD would receive under the budget to alter voucher program rules. The Administration also claims the proposals would boost self-sufficiency, even though charging families 35 percent of their income could potentially *discourage* work by raising rents more rapidly as earnings grow. The proposals would sweep aside careful, substantial rent reforms in the Housing Opportunities Through Modernization Act (HOTMA), which Congress passed unanimously just last year, and ignore HUD's plans to rigorously evaluate rent policy options in the coming years.

The proposals' main purpose seems to be to generate added payments from rental assistance recipients to offset the budget's proposed cuts in rental assistance funding. In practice, the added rents would likely cover only a fraction of the cuts, partly due to the administrative difficulty of rapidly raising rents on so many low-income families. Regardless, there are surely better ways to avoid harmful cuts in programs such as vouchers and public housing than to squeeze higher rents from some of the nation's poorest families, many of whom would simultaneously be hit by other cuts that the Trump budget also proposes in areas from Medicaid to basic food assistance to subsistence cash assistance for very poor mothers with children.

This analysis provides an overview of the impact on low-income households of the three rent proposals in the Trump budget whose effects we can estimate: setting rents at 35 percent of gross income, eliminating utility assistance, and raising minimum rents. It then discusses the budget's rent proposals and the Administration's rationale for them in greater detail.

Proposals Would Expose Children, Seniors, and People with Disabilities to Hardship

The Trump budget's proposals to set rents at 35 percent of gross income, eliminate utility payments, and set higher minimum rents would apply to five rental assistance programs: two administered by state and local housing agencies (Housing Choice Vouchers and Public Housing) and three administered mainly by private owners who have subsidy contracts with HUD (Project-

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[1] Will Fischer, "Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children," Center on Budget and Policy Priorities, updated October 7, 2015, http://www.cbpp.org/research/housing/research-shows-housing-vouchers-reduce-hardship-and-provide-platform-for-long-term?fa=view&id=4098.

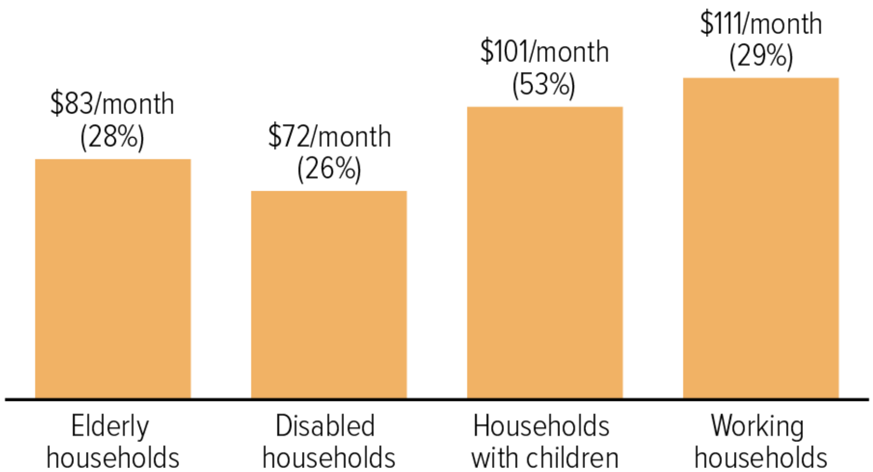
Based Rental Assistance, Section 202 Supportive Housing for the Elderly, and Section 811 Supportive Housing for Persons with Disabilities).

Overall, the proposals would authorize HUD to raise rent and utility costs for about 4 million households participating in those programs by an average of $84 a month.[2] For about 170,000 households, the increase would amount to more than $200 a month.

FIGURE 1

Trump 2018 Budget Would Raise Rents for Wide Range of Low-Income Households

Average rent increase for HUD-assisted households



Note: Disabled households are headed by a person with a disability. Elderly households are headed by a person age 62 or older. Working households had at least one member with earnings in 2016.

Source: CBPP analysis of 2016 Department of Housing and Urban Development (HUD) administrative data

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The proposed rent increases would affect a range of vulnerable groups. Seniors would pay an average of $83 more a month, non-elderly people with disabilities an added $72, and families with children an added $101. Working rental assistance recipients would pay $111 more each month, on

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[2] See Appendix 1 for the sources and methods used for these estimates. The estimates are based on analysis of 2016 HUD program data and include the impact of the proposal to raise rents to 35 percent of gross income in all five of these programs. As discussed below, HUD's budget documents claim that HUD only plans to apply this change to PBRA, Section 202, and Section 811, but the budget explicitly requests authority to apply it to vouchers and public housing as well. We exclude about 400,000 households with voucher or public housing assistance administered by agencies participating in the HUD's Moving to Work (MTW) demonstration, which are permitted to establish their own rent rules.

Because of interactions among the proposed changes, the total rent increase from the three Trump proposals included in our estimates is smaller than the sum of the increases from the separate proposals discussed later in this analysis. A small portion — about 3 percent — of the increase that would result from the three proposals is already slated to occur when HUD implements a HOTMA provision reducing deductible medical and disability expenses for purposes of determining rents.

average. (See Figure 1.) Overall, 88 percent of the total rent increase would fall on workers, the elderly, and people with disabilities.

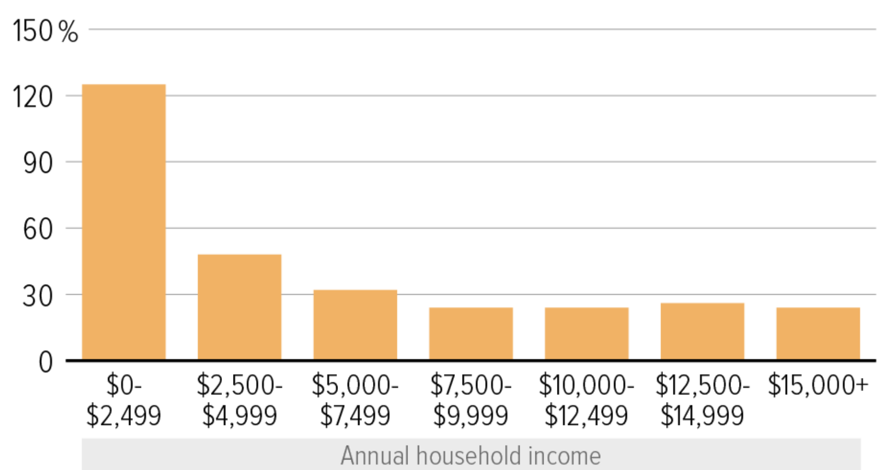
These increases would affect even the poorest families. Housing costs for households with annual incomes below $2,500 would rise by 125 percent, or $52 a month on average. (See Figure 2.)

The proposals would have serious adverse consequences for many families with rental assistance. Higher housing costs would force families to shift resources from other basic needs such as food, medicine, and clothing, and leave workers less able to cover expenses such as transportation and child care. Some families would be unable to pay the higher costs and would be at risk of eviction and even homelessness.

FIGURE 2

Trump 2018 Budget Would Impose Biggest Rent Hikes on Lowest-Income Households

Percent increase



Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data

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Research shows that rental assistance under the existing rent rules sharply reduces homelessness and housing instability and lifts 4 million people above the poverty line.[3] Raising participants' housing costs substantially would likely reduce program benefits in these areas.

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[3] This estimate uses the federal government's Supplemental Poverty Measure, which takes into account the effect of non-cash benefits such as rental assistance. Center on Budget and Policy Priorities, "Chart Book: Rental Assistance Reduces Hardship, Promotes Children's Long-Term Success," July 5, 2016, http://www.cbpp.org/research/housing/chart-book-rental-assistance-reduces-hardship-promotes-childrens-long-term-success.

Budget Would Alter Rules for Setting Rents for Assisted Families

Under current law, families with rental assistance pay rents set using rules designed to enable them to afford decent, stable homes and have enough money left to cover other essential needs, while also limiting program costs. The rules seek to ensure that families can afford both rent and utilities, since a family that can't pay its utility bills cannot live in a safe, stable home.

Generally, assisted families pay 30 percent of their income for rent and utilities, after deducting certain items (such as some child care, medical, and disability-related expenses) that reduce how much they can afford; federal subsidies cover the remaining costs. The lowest-income families are sometimes charged a minimum rent of no more than $50 a month (if this would exceed their income-based rent), and rents for higher-income families are capped in various ways to avoid charging them more than the market value of their unit. If a family in the voucher program chooses to rent a unit with rent and utility costs above a subsidy cap (called the payment standard), the family must pay the extra costs itself.[4]

The Trump budget proposes multiple changes to these rules, detailed below. Other than the proposal to limit enhanced voucher payments (which would be permanent), all would be changes for 2018, which lawmakers could readily extend in future years.

Elimination of Utility Payments to Lowest-Income Renters

The Trump budget's plan to end utility assistance payments is the most damaging to the lowest-income rental assistance recipients, many of whom rely on these payments to help cover their utility bills. The proposal would eliminate assistance averaging $77 a month for 460,000 families. Nearly all have incomes below *half* of the poverty line, and nearly 60 percent have incomes under $2,500 a year.

Today, if a rental assistance recipient's utility costs are paid by the owner and included in the rent, the family simply pays its rent obligation (usually 30 percent of its income after deductions) each month and this amount covers both rent and utilities. If a family directly pays some or all of its utility bills, a utility allowance is subtracted from the family's rent payment to reflect the cost of those bills, so that the family's total payment for rent and utilities does not exceed 30 percent of its income. For some families with particularly low incomes, the utility allowance will exceed the family's rent obligation (meaning that 30 percent of the family's income is not sufficient even to cover utility costs). When this occurs, the housing agency — or the owner of a development subsidized through Section 8 Project-based Rental Assistance (PBRA), Section 202, and Section 811 — pays the difference to the family or directly to the utility company to help cover the family's utility bills. The Trump budget would eliminate these payments.

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[4] In addition, families must pay 10 percent of their *gross* income if this is higher than they would otherwise pay, which is the case for a small number of families with very high deductions.

Take, for example, a mother with two children under 18 and a monthly income of $280 who uses a voucher for a unit with a utility allowance of $125.[5] Such a family would be required to pay $60 a month for rent and utilities (that is, 30 percent of its income after deductions, which would be $200 after subtracting two dependent deductions of $40 per month). If its utilities are included in the rent, the family would pay $60 to the owner for rent and utilities and the voucher subsidy would cover the remaining cost.[6] If the family pays its utilities directly, the $125 utility allowance would exceed the family's $60 required payment by $65, so the family would receive a $65 payment to help pay its utility bills.

If this payment were eliminated, the family would have to pay the utility bills without assistance. If those bills totaled $125, the family's combined rent and utility costs would consume *63 percent* of the family's adjusted income (i.e., its income after deductions) — whereas an identical family with owner-paid utilities would continue to pay 30 percent of its adjusted income for rent and utilities (though the Trump budget could raise rents for both families in other ways, as discussed below).

Eliminating Utility Assistance Would Increase Hardship for Families Who Pay Their Own Utilities

Consider a mother with two children using a housing voucher and paying for her own utilities. (The majority of voucher families pay all or a portion of their own utilities.) She has an adjusted monthly income of $200, and her apartment costs $800 for rent and $125 for utilities each month. With the voucher, she pays $60 a month (30% of adjusted income). *Under the Trump budget, this family would see its housing costs double.*

Under Current HUD Policy

The family receives a $65 utility assistance payment to help pay the $125 in utility costs, so its net spending on housing is $60 (30% of its adjusted income).

The family's cost calculation:

Housing costs: $925

Voucher subsidy to owner: $800

Utility assistance payment: $65

Total spent on housing: $60

Under Trump Budget

The family pays $125 for utilities and receives no utility assistance, spending over 60% of its adjusted income for housing.

The family's new cost calculation:

Housing costs: $925

Voucher subsidy to owner: $800

Utility assistance payment: $0

Total spent on housing: $125

Eliminating utility assistance would also expose the family with tenant-paid utilities to serious hardship. The family would have to reduce its already very low spending on other essentials or leave the utility bills unpaid. If it did the latter, which might become unavoidable as other needs accumulated, its utilities could eventually be cut off, which would generally give the landlord cause to terminate the lease and evict the family. If the family managed to remain in the unit without utilities, it would be exposed to substandard and often unhealthy or dangerous conditions. Any of

[5] The allowance is intended to reflect the costs of a typical "energy-conservative" household in a similar unit. Housing agencies set different utility allowances based on the size and type of unit and the utilities a family pays for directly (since some families, for example, may pay separately for water and electricity but not gas).

[6] As noted above, the total amount of rent and utilities the voucher would cover is capped by the agency's payment standard.

these outcomes would be particularly harmful for children — and especially preschool children, since research shows that extreme poverty and other stressful conditions can have enduring, adverse consequences for their health and development.[7]

Hardship Exemptions Would Do Little to Protect Families

Most of the Trump budget's proposed rent increases include requirements that housing agencies and owners exempt families that would face hardship due to the increases. However, experience with hardship exemptions indicates that they are unlikely to protect more than a small share of affected families.

Today, agencies and owners that collect minimum rents from the lowest-income families must exempt families that cannot pay. In theory, these hardship exemptions protect those families from unaffordable rent increases. In 2015, however, only about 5 percent of families subject to minimum rents received hardship exemptions, according to HUD data, even though *all* of them had adjusted incomes below $167 a month and would almost certainly have to shift resources from other basic needs to pay a minimum rent.

A big reason why few families actually receive exemptions is that exemptions are generally available only to families that apply for them; some agencies or owners may do little to inform families of the potential availability of an exemption and help families with the application for an exemption if needed. Many of the people affected have mental or physical disabilities or very low levels of education. HUD has not examined how agencies and owners implement hardship exemptions or assessed the level of hardship experienced by families subject to minimum rents. HOTMA directed HUD to certify by January 29, 2017 that the exemption policy is being enforced, but HUD has failed to make this certification to date and hasn't indicated whether or when it expects to do so, and likely has little information on how agencies implement the policy.

There is no reason to expect that hardship exemptions from the budget's rent increases would protect families more effectively than the minimum rent hardship exemption does today. In theory, HUD could require agencies and owners to proactively assess whether families could face hardship due to rent increases, but this would require substantial administrative effort and HUD has given no indication that it plans to take this step. In addition, since most of the lowest-income rental assistance families would face hardship if required to pay more rent, an effective hardship exemption would forgo a large share of the added rent revenue from the proposed increases — and especially from the minimum rent and utility provisions, since they mainly target the poorest families.

Three-fourths of the families that would lose utility assistance under the Trump budget have children. (See Figure 3.) In total they include 783,000 children, among them 289,000 children age 5 or younger. The number of American children in severe poverty has grown substantially since the mid-1990s,[8] in part because the safety net for families with children has eroded substantially, leaving many parents (especially single mothers) who cannot find or retain jobs with little or no income. In 2014, just 23 out of every 100 poor families with children received benefits from the Temporary Assistance for Needy Families (TANF) program, down from 68 of every 100 such families in 1996.

[7] See for example, Jack P. Shonkoff, *et al.,* "The Lifelong Effects of Early Childhood Adversity and Toxic Stress," *PEDIATRICS*, Vol. 129, No. 1 (2012), pp. e232-e246, http://pediatrics.aappublications.org/content/129/1/e232.

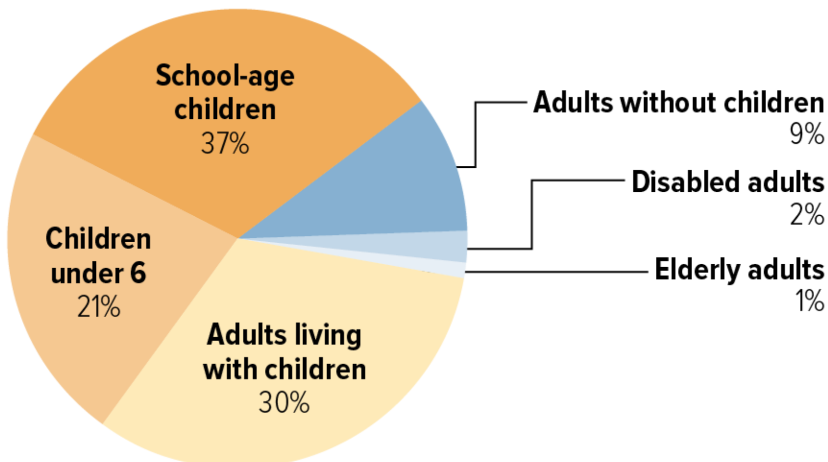
[8] One analysis found that in 2011, 2.8 million American children lived in families with cash incomes below $2 per person per day (which corresponds to $183 a month and $2,190 a year for a family of three), double the number in 1996. Kathryn J. Edin and H. Luke Shaefer, *$2.00 a Day: Living on Almost Nothing in America*, Houghlin Mifflin Harcourt, 2015.

In addition, since 1996 TANF benefits have eroded relative to inflation in nearly every state, and have lost at least 20 percent of their purchasing power in 35 states and the District of Columbia.[9]

FIGURE 3

Eliminating HUD Utility Assistance Would Mainly Harm Families with Children

Share of 1.3 million people receiving utility assistance



Note: Elderly adults are age 62 or older.

Source: CBPP tabulations of 2016 Department of Housing and Urban Development (HUD) administrative data

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Of the 783,000 children who would be affected by the loss of utility assistance, 72 percent (563,000) are in families that do not receive TANF benefits. Of the remaining 220,000 affected children — those in families *with* TANF benefits — 62 percent (136,000) live in states where average tenant-paid utilities for a two-bedroom unit would consume more than half of the maximum TANF benefit for a family of three.[10]

Most low-income elderly people and people with disabilities receive enough income, usually from Social Security or Supplemental Security Income (SSI), to avoid the need for utility assistance. Nonetheless, 28,000 elderly and disabled households would lose utility assistance under the Trump

[9] Megan Stanley, Ife Floyd, and Misha Hill, "TANF Cash Benefits Have Fallen by More Than 20 Percent in Most States and Continue to Erode," Center on Budget and Policy Priorities, October 17, 2016, http://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states.

[10] CBPP analysis of 2016 HUD administrative data, 2015 American Community Survey Public Use Microdata Sample, and 2016 maximum monthly TANF benefit levels for a single-parent family of three. We identified 17 states where the average cost of tenant-paid utilities for a two-bedroom apartment, adjusted for inflation, exceeded 50 percent of the maximum TANF benefit for a family of three in 2016: Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and West Virginia.

proposal. These could be households that have little or no income because they are waiting to be approved for disability benefits, or that are at least 62 years old (the definition of elderly used by federal housing programs) but not yet 65 (the minimum for age-based SSI benefits).

The Trump proposal would also eliminate utility payments for 90,000 non-elderly, non-disabled households without children. Many of these are formerly homeless individuals with little or no income who would be at risk of becoming homeless again.

Mandatory Minimum Rents

The Trump budget would also raise burdens on the lowest-income families by requiring all housing agencies and owners to impose a minimum rent of $50 on all families. This would raise rents by $25 on the lowest-income families in the PBRA program (which has a $25 minimum rent today) and by $50 on those assisted through Section 202 and Section 811 (which have no minimum rent). The effect on families assisted through vouchers and public housing would vary, since currently state and local agencies can set minimum rents in those programs anywhere from $0 to $50.

Requiring $50 minimum rents would raise housing costs for 188,000 families by an average of $24 a month.[11] These increases would only affect families with adjusted incomes *below $2,000 a year*, because $50 would exceed 30 percent of those families' adjusted monthly income. Thus, the impact would be even more concentrated among the most destitute rental assistance recipients than the impact of eliminating utility assistance.

Raising Rents to 35 Percent of Gross Income

The Trump budget proposes that lawmakers provide HUD authority to raise rents to 35 percent of gross income (with no deductions) from 30 percent of income (with deductions) in the same 5 programs affected by its proposals to eliminate utility payments and raise minimum rents. HUD's budget documents, however, claim that it only plans to use this authority in three of those programs — PBRA, Section 202, and Section 811 — in 2018 "as a pilot" and does not plan to make this change for vouchers and public housing during 2018.

But this depiction of HUD's plans is puzzling. HUD does not explain why it would apply the change to three programs but not to the other two, and there is no sound policy reason to do so. Moreover, this would not be a pilot in the traditional sense of a small-scale test carried out before applying a policy broadly, since HUD does not plan any evaluation and the change would raise rents on 1.3 million families in the three "pilot" programs alone. Furthermore, there would be no reason for the Administration to seek authority for HUD to apply this policy to the voucher and public housing programs in 2018, as the budget unambiguously does, if the Administration were not considering using that authority.

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[11] This figure reflects the impact of the minimum rent change alone. The total rent increase from eliminating utility payments and requiring $50 minimum rents is substantially lower than the sum of the increases from each of these policy changes calculated separately. This is because the proposals affect many of the same families, and a family's utility payment equals its utility allowance minus its required rent payment, so a family paying a higher minimum rent will receive a lower utility payment.

In whichever programs HUD ultimately set rents at 35 percent of gross income, the policy would combine two major changes, described below, that would each push up rents for the great majority of rental assistance recipients: eliminating deductions from income and raising the "marginal tax rate" on income to 35 percent.

Eliminating Deductions

Housing agencies and owners make four deductions from the income of rental assistance recipients to determine their adjusted income:

- **Dependent deduction:** Families are eligible for a standard deduction of $40 a month ($480 per year) for each dependent, including minor children and adults (other than the household head or spouse) who are full-time students or have disabilities.
- **Elderly/disabled deduction:** Each elderly or disabled household (defined as those where the head or spouse is at least 62 years old or has a disability) is eligible for a standard deduction of $400 per year.
- **Child care deduction:** Families where a parent is working or in school can deduct unreimbursed child care expenses for children under age 13.
- **Medical and disability expense deduction:** Elderly and disabled households can deduct unreimbursed medical and disability-related expenses, and households with a disabled member who is not the head or spouse can deduct disability-related expenses. In both cases, only expenses above 3 percent of the family's income are deductible.

These deductions present tradeoffs. They raise subsidy costs, and the itemized deductions for child care, medical, and disability expenses add some complexity because they require families to submit receipts and require agencies and owners to verify expenses. But the deductions are designed to adjust rents for factors that reduce the amount of rent a family can actually afford. Eliminating them could cause significant hardship for some families — particularly those with especially low incomes, multiple children or other dependents, or high child care, medical, or disability expenses.

Congress carefully considered those trade-offs in developing HOTMA, the bipartisan rental assistance reform legislation enacted in 2016, and sought to balance them.

- HOTMA will scale back the medical and disability expense deduction by allowing deductions only for expenses above 10 percent of income, rather than 3 percent (once HUD issues regulations implementing the law's rent provisions). This will limit administrative burdens by reducing the number of claims and lower subsidy costs by eliminating or shrinking the deduction for the households that now receive it, while retaining a deduction at a scaled-back level for households with especially high expenses.
- The initial draft of HOTMA limited the child care deduction to expenses above 5 percent of income, but the House removed that change, partly out of concern that the limit would weaken support for work. The final legislation retained the current deduction.
- HOTMA will strengthen the programs' easy-to-administer standard deductions by raising the elderly/disabled deduction to $525 and indexing both the elderly/disabled and dependent deductions to inflation going forward.

The Administration's proposal would toss aside this careful policymaking and entirely eliminate all of the deductions. This would raise housing costs for 3.7 million low-income households who now qualify for and claim deductions.

Increasing the Share of Income Paid for Rent

Charging families 35 percent of their income rather than 30 percent would, on its own, raise most families' housing costs by one-sixth, an increase that many would struggle to pay. Government housing programs and private landlords and lenders widely use 30 percent of income as a benchmark for the share of income a family can afford to pay for housing.

This change would also raise, by 5 percentage points, the rate at which an assisted family's housing costs rise as its income grows. Raising this "marginal tax rate" could deter some families from increasing their earnings, though it's important not to overstate this effect. Research suggests that marginal tax rates in benefit programs do relatively little to influence wages and hours, in part because very low-wage workers generally have little control over their hours or ability to find higher-paying jobs and also have limited understanding of how benefits adjust as earnings change.[12] Moreover, many factors other than the marginal tax rate influence (both positively and negatively) whether — and the extent to which — low-income individuals, including those receiving rental assistance, are employed. For example, rental assistance can support work by enabling families to afford housing that is accessible to jobs and avoid evictions that disrupt employment. There is no consistent evidence that rental assistance reduces employment in the long term, even though subsidies phase out as income rises.[13]

But policymakers from across the political spectrum have expressed support for keeping marginal tax rates in benefit programs low where feasible, and all else being equal, it would be preferable to do so. The Administration's proposal to raise rents to 35 percent of income is particularly problematic since it would *both* raise the marginal tax rate *and* increase rents — including those for many deeply poor families — to a level widely viewed as unaffordable.

HUD Authority to Alter Voucher Program Rules

The Trump budget requests sweeping authority for HUD to "waive, or specify alternative requirements for" an array of statutory and regulatory provisions governing the voucher program, a number of which affect the amount of rent families pay.[14] This change could result in rent increases equaling or exceeding those from the budget's specific changes, but it is impossible to estimate its impact since that would depend on how HUD used the authority.

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[12] Laura Tach and Sarah Halpern-Meekin, "Tax Code Knowledge and Behavioral Responses among EITC Recipients: Policy Insights from Qualitative Data," *Journal of Policy Analysis and Management*, Vol. 33, No. 2 (Spring 2014), pp. 417 and 434; Jennifer L. Romich, "Difficult Calculations: Low-Income Workers and Marginal Tax Rates," *Social Service Review*, Vol. 80, No. 1 (March 2006), p. 57.

[13] Fischer.

[14] The budget also requests broad authority for HUD to waive or specify alternative requirements for provisions governing public housing, but this authority would be limited to administrative, planning, and other requirements and would not allow HUD to make or permit changes that directly raise tenant rents.

For example, the authority would permit HUD to require state and local housing agencies to set lower voucher payment standards. Under current law, agencies may set payment standards anywhere from 90 to 110 percent of the applicable fair market rent (FMR), a rent standard that HUD sets at the 40th or 50th percentile of local market rents. Under the budget proposal, HUD could cap payment standards at 90 percent of the FMR or less. Since families must cover any rent in excess of the payment standard themselves, lowering payment standards would raise rents for many families with vouchers and also make it more difficult for them to afford units in neighborhoods with low crime and well-performing schools but higher rents.

The authority also would enable HUD to directly alter provisions limiting tenant rent contributions. HUD could, for example, require or allow agencies to impose rents equal to *more than* 35 percent of tenant income or minimum rents above $50 a month for the poorest voucher holders.

HUD claims that its rent proposals would empower local decision makers, but the authority to alter voucher rules would only directly empower HUD. HUD could make virtually any change it chose, since policy changes would not have to be initiated by requests from state and local agencies. HUD could make changes that expand or limit local flexibility, and it might be more likely to limit flexibility since this would allow it to compel agencies to raise rents and cut federal program costs.

If HUD used the authority to expand local flexibility, this, too, would often be problematic. Many of the federal standards that HUD is requesting authority to waive are central to the voucher program's proven success in addressing homelessness and housing instability.

Enhanced Voucher Payment Reduction

The budget would also increase rents charged to households with a special type of voucher referred to as an enhanced voucher. HUD has indicated that it intends this change to apply only to households that are newly issued these vouchers, but the legislative change it has proposed would also enable it to alter the rent rules that apply to the approximately 25,000 households using enhanced vouchers today.

Enhanced vouchers are issued when property owners end their participation in certain types of long-term federal rental subsidies. These owners are then permitted to raise rents to market levels, which often is more than residents can afford. To avoid displacing residents of these properties, current law requires that the residents receive vouchers to enable them to afford the new, higher rents. These vouchers are "enhanced" in that they may cover rents above the normal voucher payment standard. (As with all vouchers, though, federal law requires that the rents be reasonable compared to similar unassisted units in the private market.) These higher payments continue only as long as the original residents remain in the same project.

The Trump budget would prohibit enhanced vouchers from covering rents above the regular payment standard. As a result, residents would need to cover the higher rents themselves or be displaced from their homes. About two-thirds of households with enhanced vouchers are elderly or disabled.

Freeze in Payments to Owners of Subsidized Projects

Along with the five proposals described above, the Trump budget's "rent reform" initiative includes a proposal to deny owners of subsidized housing developments increases in payments due to them under their subsidy contracts. This would affect owners of properties subsidized under the PBRA, Section 202, and Section 811 programs. Depending on the specific contract, the payment increases are required to keep pace with market rents or project operating costs.

The payment freeze would not directly raise rents on low-income households, but it could cause owners to opt out of their subsidy contracts altogether and proceed to raise rents to market levels. When this occurs, residents are eligible for vouchers so that they can continue to afford housing, but some families would be unable to use those vouchers for their current homes and be displaced. (A portion of these families would be eligible for the enhanced voucher described above, but if Congress also enacted the budget's change to enhanced vouchers, those families, as well, would be at risk of being displaced from their homes.) Moreover, some of the developments whose owners could opt out of their contracts are providing badly needed affordable housing in neighborhoods with access to jobs, public transportation, or well-performing schools.

Budget's Rationales for Rent Changes Are Unpersuasive

The budget provides little explanation of the Administration's reasons for the specific rent policy changes it proposes. It mentions several justifications for the package of changes as whole, but these are unpersuasive — and in some cases inconsistent with the Administration's actual proposals.

Proposals Would Not "Reform" Rent Rules

The budget describes the rent changes as reforms and suggests that they would promote several policy goals, including encouraging work, empowering local decision makers, and reducing administrative burdens. In reality, the proposals do not consistently promote any of these goals.

- The Administration does not explain how its proposals would support work, and it is not apparent how any of them would. Some proponents of higher minimum rents have suggested that they would encourage employment, but there is no evidence for this, and it isn't clear why imposing a $50 charge on a destitute family would have that effect. The proposals to increase the marginal tax rate and eliminate the child care deduction would, if anything, discourage work. Moreover, 83 percent of the affected households are elderly, disabled, or already working.
- Rather than empowering local decision makers, most of the changes would substitute one federal requirement for another, and the proposal to require housing agencies to set minimum rents of $50 would constrain agencies that have opted to set a lower (or no) minimum rent in order to support local efforts to end homelessness or for other reasons. The proposed voucher program flexibility would grant new authority only to HUD, which could use that authority either to expand or to limit local agencies' options.
- Eliminating utility assistance and deductions for medical, disability, and child care expenses would reduce administrative burdens to some degree. But the Trump proposals would add a substantial new administrative burden by raising rents on as many as 4 million families to levels they may not be able to afford, and making many of those families potentially eligible for hardship exemptions. If HUD intends for agencies and owners to make more than a

token effort to determine whether individual families are at risk of hardship, this could offset much or all of the reduction in administrative burdens from the other changes.

Moreover, the proposals clearly do not reflect a serious or thoughtful effort to improve rental assistance polices. The budget describes the proposals as a "down payment" or "starting point" as the Administration develops a rent reform proposal to be applied in 2019, and says it seeks to enact the changes now for one year. Thus, the budget seeks major changes to longstanding rules that will alter how agencies and owners operate and sharply raise rent burdens for low-income families *before* the Administration has developed a full rent reform plan, and on a temporary basis that would make it impossible for those affected to know whether most of the changes would continue after 2018.

Policymakers just enacted substantial, careful rent reforms through HOTMA — including the deduction changes discussed above — that will raise some added rent revenues without pushing families' costs to unaffordable levels, will ease administrative burdens, and will strengthen work incentives. The Trump budget would sweep many of those bipartisan reforms aside. It doesn't acknowledge this, however, or even attempt to explain why its approach is preferable to that in HOTMA, which reflected years of policy development and was approved unanimously by Congress and supported by an unusually broad range of housing stakeholders.

HUD's proposal also makes no mention of the department's ongoing efforts to test alternative rent policies, which will provide important evidence to policymakers who wish to determine what, if any, further changes to rent policy are needed. HUD's Rent Reform Demonstration is rigorously evaluating a package of rent changes at four housing agencies that includes higher minimum rents and rents set at 28 percent of gross income without deductions. Final results are expected in 2019. In addition, HUD is in the early stages of adding 100 agencies to the Moving-to-Work demonstration, which allows agencies to implement alternative policies in the voucher and public housing programs. The new agencies, unlike agencies admitted to MTW previously, will test particular policies HUD has identified, with rigorous evaluation. A research advisory committee has recommended that HUD use the MTW expansion to require some agencies to test various rent reforms, which would allow HUD to evaluate options beyond those covered by the ongoing Rent Reform Demonstration. The Trump budget ignores these demonstrations and calls for extensive changes in rent rules without waiting for results from these tests.

2018 Savings Are Highly Uncertain

Rather than reform, the main purpose of the rent proposals seems to be to generate added rent payments to help offset deep cuts in rental assistance that the Administration proposes for 2018. The Trump budget requests $2.9 billion *less* in 2018 for the five rental assistance programs covered by the rent proposals than those programs received in 2017, even though funding *increases* are needed to keep pace with rising housing costs and recover from cuts in recent years. For example, we estimate that due to higher rents and other factors, the voucher program in 2018 will require $1.6 billion above the 2017 funding level just to continue covering all vouchers in use.[15]

[15] This increase, which amounts to 8.5 percent of 2017 funding, is needed to pay for (1) the growing gap between market rents and the incomes of low-income families; (2) costs that agencies are covering this year using their reserves rather than 2017 funding because of a 2017 funding shortfall; and (3) first-time renewal of new vouchers (a) targeted on homeless veterans and families at risk of having their children removed by the child welfare system due to lack of

It is, however, highly uncertain how much added rent revenue the proposals would generate in 2018. The specific changes HUD has said it would implement would likely raise no more than $830 million in rent revenues in the 12 months after they take effect. That amount would rise to $2 billion if the Administration raised rents to 35 percent of gross income in the voucher and public housing programs — which HUD says it does not plan to do in 2018, but which its 2018 proposal would allow. (These figures are about half of the full annual rent increases that would eventually result from the proposals, because housing agencies and owners generally review families' incomes and adjust their rents once per year. These reviews occur on a rolling basis, so on average, families would reach their review date halfway through the year.)

TABLE 1

Added Rent Payments From Trump Budget Proposals

Policy Change	Annual Rent Increase After Full Implementation	Rent Increase in 2018 if Changes Take Effect in January 2018	Rent Increase in 2018 if Changes Take Effect in October 2018 (as under 2014 Flat Rent Increase)
$50 Mandatory Minimum Rent & Eliminating Utility Assistance	$435 million	$217 million	$36 million
Combined Impact of All 3 Policies if 35% Change Applies to Multifamily Programs Only	$1.6 billion	$830 million	$138 million
Combined Impact of All 3 Policies if 35% Change Applies to All Programs	$4.1 billion	$2 billion	$338 million

Note: "Combined Impact" refers to rent increases from the following policies: 1) instituting a mandatory $50 minimum rent; 2) eliminating utility assistance; and 3) eliminating deductions and raising tenant payments to 35% of gross income.
Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data.

Moreover, those $830 million and $2 billion estimates assume the changes take effect by the start of calendar year 2018 (the relevant period because housing agencies and owners generally receive rental assistance funds on a calendar-year basis). That would require Congress to enact appropriations legislation, HUD to issue a notice or interim regulation implementing the rent changes and associated hardship exemptions, and agencies and owners to retrain staff and adjust computer programs to make the revised calculations, all by January 1, 2018. Giving families advance notice of increases so they have adequate time to apply for hardship exemptions would delay implementation further.

The 2014 increase in public housing flat rents illustrates the time needed to implement a change to rent rules. That increase (designed to prevent the highest-income public housing residents from paying rents below both local market rents and 30 percent of their income) was proposed in the Obama Administration's 2014 budget, enacted through appropriations legislation in January 2014, and implemented by a HUD notice in May. Housing agencies were required to begin revising their

affordable housing, (b) issued to replace federally subsidized housing that was demolished or otherwise removed from service, or (c) used to support conversion of public housing developments to project-based voucher contracts through HUD's Rental Assistance Demonstration.

rent rules by the beginning of June, and to start applying the higher rents by the end of October — ten months into the 2014 calendar year.

If the 2018 rent changes were implemented under a similar timeline, they would generate only a fraction of the $830 million or $2 billion we estimate above.[16] HUD could raise additional revenue or reduce program costs through the authority it requested to alter voucher rent policies, but it would also be difficult to implement these changes quickly. HUD estimates that the Administration's proposal to freeze payments to subsidized housing owners would only save about $100 million, and those savings could be partly offset if owners opted out of their contracts and families had to be issued enhanced vouchers.

The rent proposals in the budget will therefore generate only part — and potentially a small fraction — of the funds needed to make up for the deep rental assistance shortfalls resulting from the housing cuts in the Trump budget. Those shortfalls would consequently lead to other outcomes that would harm low-income families, including sharp reductions in the number of low-income families with housing vouchers, cuts to maintenance needed to keep public housing units in decent condition, and reductions (rather than simply freezes) in required payments to owners of projects subsidized through the PBRA, Section 202, and Section 811 programs, which could cause additional owners to cease accepting subsidies and displace more low-income residents.

Policymakers Should Provide Adequate Funding, Not Shift Costs to Low-Income Families

Regardless of the specific amount of added rent payments the Trump rent proposals would generate, the proposals are a deeply problematic way to address the funding needs of rental assistance programs. They would undermine those programs' effectiveness and impose serious hardship on vulnerable low-income families.

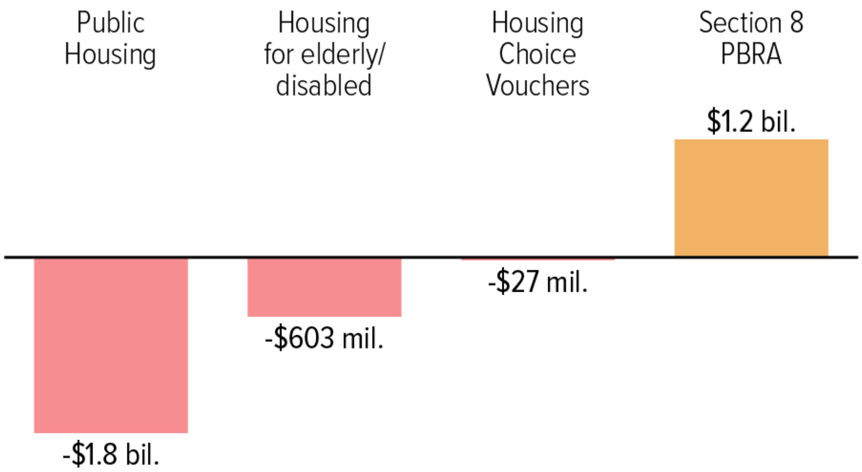
Moreover, it is inaccurate to suggest — as the Trump budget does — that the changes are needed to control growth in rental assistance programs and make them "sustainable." Rental assistance funding has fallen in recent years after adjusting for inflation, even while housing costs and the number of low-income families needing help to afford housing have both grown. (See Figure 4.) Overall, funding for the five programs affected by the Trump rent proposals dropped by $1.2 billion in inflation-adjusted terms from 2010 to 2017. Rental assistance has grown as a share of the HUD budget only because overall HUD funding has been cut even more sharply.

[16] The flat rent changes were implemented relatively quickly compared to other recent changes in rent rules. HUD has not yet proposed regulations or taken other steps needed to begin implementing the HOTMA rent changes enacted nearly a year ago, or a provision enacted 18 months ago to reduce the frequency of income reviews for fixed-income families.

FIGURE 4

Annual Funding for Four Key Federal Rental Assistance Programs Has Fallen by $1.2 Billion Since 2010

Change in funding, 2017 compared to 2010, adjusted for inflation



Note: "Housing for elderly/disabled" refers to the Section 202 and 811 programs. Section 8 PBRA refers to Section 8 Project-Based Rental Assistance.

Source: Office of Management and Budget

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The Trump Administration's failure to request adequate rental assistance funding and its decision to seek harsh rent increases reflect the budget's broader priorities, not a plan for reform or flaws in today's rental assistance programs. Even as the Administration seeks to raise rents on some of the nation's most vulnerable families, it also proposes tax cuts for the wealthy and profitable corporations that would cost the federal government far greater amounts over the coming decade.

HUD should move promptly to implement HOTMA's changes to the rules for determining tenant rents, which would streamline program administration and modestly increase rents for some assisted families without pushing housing costs to unaffordable levels. But Congress should not make further rent changes that would raise costs substantially for vulnerable families. Instead, Congress should provide sufficient 2018 appropriations to adequately fund rental assistance under current law, while allowing the various rent demonstration projects to proceed.

Appendix 1: Sources and Methodology

CBPP relied on a non-public dataset from HUD's Office of Policy Development and Research (available through a research agreement) to estimate the impact of these policy changes. HUD collects income and demographic information on recipients of rental assistance through Form 50058[17] and the Tenant Rental Assistance Certification System.[18]

Our estimates are based on households using the following HUD rental assistance programs as of December 2016:

- Public Housing
- Section 8 Housing Choice Vouchers
- Section 8 Project-Based Rental Assistance (including Moderate Rehabilitation)
- Supportive Housing for the Elderly (Section 202)
- Supportive Housing for People with Disabilities (Section 811)

We followed HUD's definitions for elderly (age 62 or older) and disabled households and individuals. HUD considers a person disabled if he or she has one or more of the following:

- a disability as defined in Section 223 of the Social Security Act;
- a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions;
- a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act;
- Acquired Immune Deficiency Syndrome (AIDS) or any condition that arises from the etiologic agent for AIDS.

We considered a household to be working if at least one member reported earnings in 2016.

We excluded roughly 400,000 households at 39 housing agencies participating in the Moving to Work demonstration from our analysis. These agencies can obtain broad waivers of federal rules governing the public housing and Housing Choice Voucher programs and would not be required to implement the rent changes proposed in the 2018 Trump budget.

For public housing households, we capped new tenant payment estimates at the ceiling or flat rent. The data may undercount households paying flat rents: only 4 percent of public housing

[17] Department of Housing and Urban Development, "Form 50058," http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/50058/

[18] Department of Housing and Urban Development, "Tenant Rental Assistance Certification System (TRACS)," http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum

households paid rents equivalent to the flat or ceiling rent in 2016. For households in other programs, new tenant payment estimates were capped at the unit's gross rent.

Payment changes were also adjusted to ensure that no household paid less than in 2016 or newly received a utility assistance (since these outcomes would only occur if there were an error in the original data). Roughly 103,000 households (2.4 percent of the total) had new payment estimates that were lower than their original listed payment. In these instances, we assumed no change in the household's payment. Additionally, we did not estimate total tenant payment increases for households that already appeared to be receiving a hardship exemption from the minimum rent. Payment changes could not be estimated for 1,667 households (0.04 percent of the total) due to missing data.

Appendix 2: Supplementary Tables

APPENDIX TABLE 1

Combined Impact of Mandating $50 Minimum Rents, Eliminating Utility Assistance, and Raising Tenant Contributions to 35 Percent of Gross Income

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Total	4,046,500	3,232,000	$84	$4,057,391,000	25%
By Program					
Public Housing	832,500	669,300	$81	$805,249,000	25%
Housing Choice Vouchers	1,881,000	1,931,600	$86	$1,941,705,000	24%
Project-Based Rental Assistance	1,181,300	629,900	$82	$1,164,750,000	29%
Section 202	120,700	100	$84	$121,251,000	29%
Section 811	30,900	1,200	$66	$24,436,000	26%
By Household Type					
Elderly, no children	1,398,700	0	$82	$1,375,480,000	26%
Disabled, no children	731,900	0	$63	$557,002,000	22%
Other adults, no children	413,000	0	$61	$303,326,000	18%
Elderly with children	41,500	63,900	$112	$55,835,000	24%
Disabled with children	204,800	380,900	$103	$251,967,000	26%
Other adults with children	1,256,700	2,787,200	$100	$1,513,782,000	30%
By Household Income					
0-$2,499	297,900	379,200	$52	$185,226,000	125%
$2,500-$4,999	199,000	285,600	$42	$100,617,000	48%
$5,000-$7,499	185,400	246,100	$48	$107,470,000	32%
$7,500-$9,999	1,006,600	382,000	$53	$639,419,000	24%
$10,000-$12,499	636,900	274,800	$65	$497,000,000	24%
$12,500-$14,999	422,500	257,600	$84	$425,273,000	26%
$15,000-$17,499	306,400	241,900	$103	$378,341,000	27%
$17,500-$19,999	281,200	247,900	$114	$385,316,000	26%
$20,000-$22,499	183,800	192,700	$128	$281,256,000	25%
$22,500-$24,999	131,600	158,100	$139	$219,394,000	24%
$25,000+	395,100	566,100	$177	$838,078,000	21%

Notes: Subcategories may not add to the total due to rounding. Households at housing agencies participating in the Moving to Work demonstration are excluded from this table.

Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data

APPENDIX TABLE 2

Combined Impact of Mandating $50 Minimum Rents, Eliminating Utility Assistance, and Raising Tenant Contribution to 35 Percent of Gross Income by State

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Alabama	81,600	82,800	$80	$77,996,000	29%
Alaska	1,600	1,100	$102	$1,957,000	23%
Arizona	36,800	38,200	$81	$35,748,000	27%
Arkansas	44,500	35,900	$72	$38,291,000	27%
California	384,100	251,900	$86	$394,707,000	21%
Colorado	52,200	41,300	$81	$50,829,000	25%
Connecticut	67,900	47,000	$92	$74,929,000	24%
Delaware	10,600	9,600	$91	$11,541,000	27%
District of Columbia	10,000	7,300	$84	$10,099,000	26%
Florida	174,900	169,300	$81	$170,331,000	25%
Georgia	102,500	116,400	$86	$105,750,000	30%
Hawaii	18,600	18,400	$97	$21,692,000	23%
Idaho	11,300	8,900	$79	$10,694,000	26%
Illinois	135,800	99,600	$83	$135,571,000	27%
Indiana	76,100	64,000	$77	$69,921,000	27%
Iowa	35,100	23,900	$79	$33,440,000	26%
Kansas	28,500	18,100	$87	$29,952,000	30%
Kentucky	55,600	39,900	$72	$47,932,000	28%
Louisiana	81,700	88,800	$78	$76,796,000	26%
Maine	24,400	14,100	$82	$24,149,000	25%
Maryland	63,600	46,300	$102	$77,628,000	27%
Massachusetts	147,600	81,100	$100	$176,644,000	25%
Michigan	125,200	90,300	$79	$118,150,000	27%
Minnesota	71,500	55,900	$92	$78,627,000	26%
Mississippi	52,100	61,600	$77	$47,982,000	29%
Missouri	81,600	70,100	$81	$79,308,000	29%
Montana	11,500	7,700	$79	$10,950,000	28%
Nebraska	20,600	15,800	$91	$22,361,000	28%
Nevada	17,900	19,000	$84	$17,940,000	25%
New Hampshire	19,600	9,100	$107	$25,282,000	28%
New Jersey	148,600	97,400	$97	$172,306,000	25%
New Mexico	21,700	18,900	$70	$18,232,000	25%
New York	485,600	314,700	$92	$533,448,000	23%
North Carolina	102,900	98,300	$76	$93,427,000	27%
North Dakota	9,700	6,300	$91	$10,548,000	29%
Ohio	196,900	168,700	$75	$176,279,000	28%
Oklahoma	46,400	40,800	$72	$40,354,000	27%

APPENDIX TABLE 2

Combined Impact of Mandating $50 Minimum Rents, Eliminating Utility Assistance, and Raising Tenant Contribution to 35 Percent of Gross Income by State

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Oregon	38,200	26,300	$78	$35,721,000	25%
Pennsylvania	156,000	97,700	$85	$158,746,000	27%
Rhode Island	35,300	17,200	$92	$38,909,000	26%
South Carolina	57,000	61,500	$82	$56,147,000	31%
South Dakota	11,200	7,900	$84	$11,325,000	30%
Tennessee	93,500	84,700	$75	$84,068,000	27%
Texas	227,200	249,900	$81	$220,110,000	26%
Utah	17,100	14,100	$79	$16,121,000	25%
Vermont	11,100	5,800	$94	$12,515,000	25%
Virginia	87,700	83,700	$85	$89,138,000	27%
Washington	48,000	30,100	$78	$44,940,000	24%
West Virginia	29,100	18,900	$71	$24,914,000	27%
Wisconsin	68,500	42,200	$85	$69,527,000	26%
Wyoming	5,200	3,000	$84	$5,260,000	27%
Guam	3,100	7,200	$111	$4,061,000	35%
Mariana Islands	400	1,100	$95	$471,000	46%
Puerto Rico	96,000	96,500	$50	$57,911,000	47%
Virgin Islands	5,200	5,900	$91	$5,715,000	30%

Notes: State data may not add to the national total due to rounding. Households at housing agencies participating in the Moving to Work demonstration are excluded from this table.
Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data

Please see the web version of this table for data by state and congressional district.

APPENDIX TABLE 3

Impact of Mandating $50 Minimum Rents Alone

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Total	188,100	227,800	$24	$53,704,000	83%
By Program					
Public Housing	38,900	41,300	$24	$11,301,000	94%
Housing Choice Vouchers	23,200	29,600	$31	$8,496,000	77%
Project-Based Rental Assistance	123,600	156,700	$22	$32,792,000	79%
Section 202	900	0	$31	$338,000	163%
Section 811	1,500	200	$43	$777,000	652%
By Household Type					
Elderly, no children	11,100	0	$23	$3,043,000	82%
Disabled, no children	9,800	0	$27	$3,197,000	107%
Other adults, no children	51,500	0	$24	$15,067,000	84%
Elderly with children	400	600	$23	$111,000	80%
Disabled with children	1,700	3,000	$26	$547,000	94%
Other adults with children	113,700	224,100	$23	$31,739,000	80%
By Household Income					
0-$2,499	176,800	197,300	$25	$52,120,000	88%
$2,500-$4,999	11,000	30,000	$12	$1,568,000	29%
$5,000-$7,499	300	500	$4	$15,000	9%

Notes: Subcategories may not add to the total due to rounding. Households at housing agencies participating in the Moving to Work demonstration are excluded from this table.
Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data

APPENDIX TABLE 4

Impact of Eliminating Utility Assistance Alone

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Total	459,700	783,400	$77	$422,591,000	107%
By Program					
Public Housing	87,700	134,300	$48	$50,695,000	94%
Housing Choice Vouchers	234,900	450,700	$94	$264,763,000	97%
Project-Based Rental Assistance	135,900	198,300	$65	$106,577,000	156%
Section 202	700	0	$31	$261,000	55%
Section 811	500	100	$51	$293,000	239%
By Household Type					
Elderly, no children	14,500	0	$38	$6,519,000	54%
Disabled, no children	13,400	0	$46	$7,359,000	54%
Other adults, no children	89,800	0	$57	$61,535,000	112%
Elderly with children	1,900	3,600	$66	$1,548,000	49%
Disabled with children	14,300	33,200	$70	$11,999,000	46%
Other adults with children	325,800	746,700	$85	$333,631,000	117%
By Household Income					
0-$2,499	273,100	364,800	$80	$261,434,000	194%
$2,500-$4,999	99,500	194,800	$78	$93,506,000	108%
$5,000-$7,499	40,400	98,400	$72	$34,795,000	57%
$7,500-$9,999	33,900	83,100	$61	$24,650,000	33%
$10,000-$12,499	8,800	26,500	$53	$5,649,000	24%
$12,500-$14,999	2,700	9,900	$51	$1,664,000	20%
$15,000+	1,400	6,000	$54	$892,000	18%

Notes: Subcategories may not add to the total due to rounding. Households at housing agencies participating in the Moving to Work demonstration are excluded from this table.

Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data

APPENDIX TABLE 5

Combined Impact of Mandating $50 Minimum Rents and Eliminating Utility Assistance

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Total	496,000	812,400	$73	$434,677,000	106%
By Program					
Public Housing	91,500	138,100	$47	$52,114,000	95%
Housing Choice Vouchers	241,600	456,100	$92	$267,343,000	97%
Project-Based Rental Assistance	160,400	217,900	$59	$113,968,000	149%
Section 202	1,000	0	$33	$391,000	147%
Section 811	1,500	200	$46	$861,000	519%
By Household Type					
Elderly, no children	18,200	0	$35	$7,694,000	58%
Disabled, no children	18,500	0	$41	$9,192,000	61%
Other adults, no children	102,100	0	$54	$65,781,000	110%
Elderly with children	2,000	3,600	$65	$1,563,000	49%
Disabled with children	14,700	34,000	$69	$12,171,000	47%
Other adults with children	340,400	774,800	$83	$338,276,000	116%
By Household Income					
0-$2,499	307,800	390,000	$74	$273,290,000	185%
$2,500-$4,999	101,100	198,400	$77	$93,740,000	107%
$5,000-$7,499	40,500	98,500	$72	$34,799,000	57%
$7,500-$9,999	33,800	83,100	$61	$24,635,000	33%
$10,000-$12,499	8,800	26,500	$54	$5,640,000	24%
$12,500-$14,999	2,700	9,900	$52	$1,657,000	20%
$15,000+	1,300	6,000	$57	$916,000	19%

Notes: Subcategories may not add to the total due to rounding. Households at housing agencies participating in the Moving to Work demonstration are excluded from this table.

Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data

APPENDIX TABLE 6

Impact of Eliminating Deductions and Raising Tenant Contribution to 35% of Income

	Households Affected	Children Affected	Average Monthly Rent Increase Per Household	12-Month Rent Increase	% Increase in Rents for Affected Households
Total	3,868,800	3,004,600	$83	$3,871,405,000	24%
By Program					
Public Housing	793,700	624,700	$82	$785,532,000	24%
Housing Choice Vouchers	1,812,500	1,822,500	$84	$1,836,291,000	23%
Project-Based Rental Assistance	1,112,000	556,200	$83	$1,104,915,000	28%
Section 202	120,500	100	$84	$120,994,000	29%
Section 811	30,000	1,100	$66	$23,674,000	25%
By Household Type					
Elderly, no children	1,392,400	0	$82	$1,372,221,000	26%
Disabled, no children	723,800	0	$64	$552,554,000	22%
Other adults, no children	359,200	0	$62	$269,307,000	16%
Elderly with children	41,200	63,500	$112	$55,481,000	24%
Disabled with children	203,000	377,300	$102	$249,497,000	26%
Other adults with children	1,149,200	2,563,800	$100	$1,372,346,000	27%
By Household Income					
0-$2,499	120,400	152,600	$15	$21,178,000	32%
$2,500-$4,999	198,800	284,800	$34	$80,289,000	38%
$5,000-$7,499	185,400	246,100	$48	$106,010,000	32%
$7,500-$9,999	1,006,600	382,000	$53	$639,285,000	24%
$10,000-$12,499	636,900	274,800	$65	$496,986,000	24%
$12,500-$14,999	422,500	257,600	$84	$425,273,000	26%
$15,000-$17,499	306,400	241,900	$103	$378,341,000	27%
$17,500-$19,999	281,200	247,900	$114	$385,316,000	26%
$20,000-$22,499	183,800	192,700	$128	$281,255,000	25%
$22,500-$24,999	131,600	158,100	$139	$219,394,000	24%
$25,000+	395,100	566,100	$177	$838,078,000	21%

Notes: Subcategories may not add to the total due to rounding. Households at housing agencies participating in the Moving to Work demonstration are excluded from this table. These estimates assume no change to current minimum rent or utility assistance policy. Of the 4.2 million households subject to this policy change, 272,000 households would not experience a rent increase because they are already subject to a minimum rent that is higher than 35% of gross income (256,000 households) or have zero gross income and are not subject to a minimum rent (16,000 households). Approximately 35,000 Public Housing households would not experience a rent increase because they already pay a flat or ceiling rent instead of an income-based rent.

Source: CBPP analysis of 2016 Department of Housing and Urban Development administrative data