

Laying the Groundwork:

Questions to Consider When Developing Alternate Rent Policies

What are the most important objectives?

Is it to serve more households for a given amount of Federal subsidy, is it to promote fairness in tenant rental contributions, is to promote administrative efficiency and morale, is it to encourage work, is it to generate additional rental income for the agency?

What constituencies support these objectives and what constituencies require consultation and education?

In particular, how does the Board and how do tenant groups view the objectives, and what are their major concerns? How can these concerns be alleviated? How can currently unassisted tenants be given a voice? Does the PHA anticipate any challenges from legal aid or housing advocacy organizations?

What agency financial factors should be considered when exploring rent reform options?

What would be an acceptable financial outcome for the agency: Policy should be revenue neutral? Policy must generate extra rental income? Can/should the agency operate more than one rental policy for the same sub-group?

What is the procedure for planning the specifics of rent reform?

How and when will affected constituencies be part of the discussion? How much education is needed to prepare stakeholders to participate in the planning process? How much analysis is needed by the agency to prepare for such discussions?

What can be learned from other PHAs that have attempted Rent Reform?

What can be learned from PHAs that tried to implement rent reform? What can be learned from very low income housing providers in the local community outside Public Housing and Vouchers – what are their rent structures and how do they answer questions about affordability, equity, and ease of administration?

Who will rent reform cover initially?

Only new households who are non-elderly and non-disabled? Only new households who volunteer? All non-elderly and non-disabled households, but phased in? All agency households immediately as long as there is transition to higher rents and/or a hardship policy? Should different rent reform policies be implemented for different sub-groups? (Non-working but employable households, fixed-income households, employed households, etc.)

Will a preference be given in the waiting list for those accepting rent reform rules?

What percent of all newly assisted public or voucher units will be set aside for those under rent reform rules, or should all households be required to accept the MTW rent policies? Once accepting rent reform, must the household abide by them for a certain period, or will the new policy be permanent (as long as the agency has MTW authorizations)?

What type of rent structure will be chosen?

Flat rents for everyone in rent reform? Tiered flat rents according to the number of years in the program? A flat minimum much higher than current minimum rents plus a flat percentage (e.g. \$200 monthly plus 10% of all income above \$8,000)?

Will term limits be part of rent reform?

How many years, and how tied to the rents (e.g. tiered flat rents that rise with number of years in the program)? Will the limit be firm (after X years you must leave), or soft (after X years your rent goes up to 120% of market rents – this generates more rental income and provides working role models – if they stay)

If term limits are implemented, is there adequate market rate rental housing in the community available for people to move into?

What is the current vacancy rate for the local rental market? Will people be able to stay in their current neighborhoods?

Will term limits be coupled with self-sufficiency assistance?

Will the agency offer support/assistance to families to prepare them for the transition to market rents? What will the support include? Will such support be voluntary or mandatory?

What are hardship provisions?

What appeals are allowed? How many? Who will judge (PHA plus fellow tenants and perhaps unassisted tenants?) Will the hardship policy include provisions for both permanent exemptions and temporary delay or waiver from the rent reform? Under what circumstances will a permanent exemption be granted rather than a temporary delay? Will agency staff make judgments or will an independent committee (of non-agency individuals) determine the outcome of hardship requests?

How will rent reform rules be evaluated and modified?

What are the baselines, metrics and benchmarks? Procedures for getting input and sharing findings? Basis for change? Financial impacts on families? Financial impacts on agencies? Staff time impacts? Staff error impacts? Resident self-sufficiency successes? Resident failures (evictions for non-payment of rent)? Reductions in resident fraud cases? Improved resident satisfaction? Impacts on length of residency? Increases in number of households served over 5 year period? Increases in number of HCV families being currently served.