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August 14, 2024

Regulations Division
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451 7th Street SW, Room 10276
Washington, DC 20410-0500

Submitted electronically at www.regulations.gov

RE: Baltimore Regional Housing Partnership Comments on FR-6466-N-01 Request for Information; Direct Rental Assistance

The Baltimore Regional Housing Partnership (BRHP) is submitting this comment in response to the Office of Policy Development and Research and Office of Public and Indian Housing request for information on Direct Rental Assistance (DRA). As the Regional Administrator for the Baltimore Housing Mobility Program, BRHP has been opening pathways to better futures for low-income families for over 10 years and currently provides over 4,300 low-income families rental assistance in the form of Housing Choice Vouchers (HCV) coupled with counseling support for families as they move from areas of concentrated poverty to areas of opportunity in Baltimore City and the five surrounding counties.

The HCV program has been successful at reducing housing instability for approximately 2.3 million households every year. While only a fraction of those eligible for HCV assistance receive benefits because of chronic underfunding, even households that successfully become HCV holders face increasing challenges to access its benefits due to source of income discrimination, limited landlord

participation, and tight rental markets. Approximately 40 percent of households offered a voucher are unable to find an eligible unit with a willing landlord.¹

DRA offers a promising alternative that could address issues of underutilization by simplifying the rental process and increasing tenant empowerment. While it is essential that DRA be confined to assistance for housing costs in order to not be treated as income and jeopardize other assistance programs, as well as to assure policymakers and taxpayers that funding is appropriately going toward housing, the proven effectiveness of direct cash assistance pilots throughout the country² demonstrates the feasibility of a similar approach to housing assistance. The federal government itself has successfully implemented many of its pandemic-era assistance programs by simplifying design and making payments directly to households through economic impact payments, the expanded child tax credit, and emergency rental assistance.

Respecting Tenant Autonomy

By offering DRA, tenants would gain greater autonomy to shop for rental units that best meet their needs, making their own decisions about what unit to rent without the requirement of a PHA's approval. This system would permit participants more control and flexibility over their housing budgets, providing options for families that wish to keep their rent costs relatively low to retain the savings – subject to the restriction that they use subsidy funds only for housing costs. In some cases, a family may choose to rent a unit for slightly less than the maximum subsidy amount and use the remainder to lower their rent portion or utility payments, making it easier to build savings or reduce financial burdens. Giving housing assistance participants the same opportunity to make these types of decisions about their housing budget as those in the private rental market respects individual dignity and empowers participants toward financial self-reliance. At the same time, spending can still be easily tracked if the program is implemented through payment cards, similar to EBT cards, with requirements to maintain rent receipt histories, which could also ultimately support tenants' credit reporting and financial literacy.

¹ [Using HUD Administrative Data to Estimate Success Rates and Search Durations for New Voucher Recipients \(huduser.gov\)](#)

² [Pilots - Guaranteed Income Community of Practice \(gicp.info\)](#)

Increasing Landlord Participation and Access to Opportunity Areas

DRA payments could also increase landlord participation in housing assistance programs and expand the range of neighborhoods available to tenants by simplifying requirements for landlords. Landlords may be more willing to rent to a tenant if they will receive a single monthly payment rather than having separate payment arrangements with PHAs and tenants, and if inspection requirements are eased. By making the rental process nearly identical to that in the unsubsidized rental market, taking a third-party administrator or government agency out of the landlord/tenant relationship, the proposed streamlining could help families use their subsidies to rent units of their choice.

It is crucial that any implementation of DRA is designed to provide an initial DRA payment at the beginning of the housing search process to help cover costs associated with finding a home like security deposits or fees, which may create barriers for participants. Infusion of assistance during the housing search process represents another opportunity for participants to access housing that is otherwise unattainable because of common application practices like charging application or unit holding fees. Also, to ensure that assistance is appropriately calibrated to local housing markets, for PHAs that utilize Small Area Fair Market Rents (SAFMRs), SAFMR-based Exception Payment Standards, or Moving to Work PHAs with unique Total Tenant Payment calculations, DRA amounts should be aligned with their methods and reflect these standards to ensure equitable assistance that is appropriate for the area. For those localities that have existing laws protecting tenants from source of income discrimination, it will also be essential that DRA is treated as any other form of housing assistance and protected from discriminatory landlord screening practices.

With these program designs in mind, DRA could give more families the option of living in a wider range of neighborhoods, including low-poverty neighborhoods with better schools and employment opportunities. Families with young children moving from high-poverty areas to resource-rich communities have been demonstrated to especially benefit children who end up having higher incomes and are less likely to

themselves live in high-poverty areas as adults³, and DRA could help unlock this potential by making it easier for families to move to low-poverty communities. It's important to note that any design for a DRA program should not rely on a presumption of reducing racial segregation but should explicitly address racial equity and should include strategies to disrupt patterns of racial and economic segregation and promote fair access to diverse neighborhoods.

Streamlining Processes

Assuming any DRA program design would provide deep subsidies comparable to HCVs, ensuring that the assistance aligns with actual housing costs, DRA has the potential for not only benefiting program participants and increasing landlord participation, but also incorporating streamlining efficiencies that will likely make program implementation more cost effective than the current HCV program.⁴ Streamlining rental assistance through electronic payments directly to eligible households can significantly reduce administrative burdens by eliminating costly components of current housing voucher administration, including the time and paperwork required to enter into a contract with a private landlord on behalf of each individual family and inspect rental units for compliance with quality standards.

While inspections have been important to verify housing quality, exploring flexible options within the DRA such as client-led inspections, virtual inspections, or inspections conducted post-move-in could reduce the time from receiving assistance to leasing while again respecting the tenant's ability to make determinations about best options for them. While self-inspection can expedite the leasing process and reduce PHA involvement, it would be vital to provide DRA recipients with educational resources, such as self-paced online workshops on local tenants' rights to ensure that standards are not reduced.

In summary, Direct Rental Assistance has the potential to address significant challenges in the current housing assistance system by simplifying processes, empowering tenants, and expanding housing choices. We strongly encourage the

³ <https://scholar.harvard.edu/hendren/publications/effects-exposure-better-neighborhoods-children-new-evidence-moving-opportunity>

⁴ [Memo: Streamlined Rental Assistance Payment Demonstration | Center on Budget and Policy Priorities \(cbpp.org\)](#)

agency to begin thoughtful evaluation of privately-funded or PHA-funded DRA pilot programs that may come to pass in the next year and to begin implementation of a fully-funded DRA program to increase the effectiveness of federal housing assistance and ensure that more families can access safe and secure housing in resource-rich communities.

Sincerely,

Adria Crutchfield
Executive Director