September 17, 2014

The Honorable Julián Castro
Secretary
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Dear Secretary Castro:

We write today to discuss a matter of concern in our states regarding the administration of the Public Housing program. Our concerns stem from the passage of the 2014 omnibus spending bill and relates to the calculation of so-called flat rents. Under the terms of the omnibus, public housing authorities are now required to calculate flat rents no lower than 80% of fair market rent (FMR). HUD is permitting a phase-in of rent increases over the course of three years. There is also an option for renters to pay an income based rent calculated at no more than 30% of their income. However, regardless of these alternatives, the administration of this flat rent policy has proven to be onerous in our states and we expect it will have significant unintended consequences, especially for seniors, the disabled and many low-income families who currently reside in public housing.

Many public housing authorities (PHAs) in our states have written to us and said the new 80% of FMR standard bears little or no relationship to market rents in their communities, which tend to be smaller and more rural, but which also are located within range of larger metropolitan jurisdictions covered by the current FMR. We have also been told that the rent increases resulting from this policy change will force many vulnerable citizens to relocate to less expensive, lower quality housing, either in or outside their current communities. Our staffs would be happy to provide you with specific examples where the problems raised in this letter have been most acutely felt.

Until such time as we are able to correct current statutory language on this matter, we ask that the Department use good judgment and be flexible in applying this new flat rent standard to rural PHAs and, where appropriate, to cooperate with impacted PHAs so that fixed income and low-income families can continue to reside in affordable public housing.
Thank you for considering this request. We look forward to working with you to resolve this issue.

Sincerely,

Mark Pryor
United States Senator

Heidi Heitkamp
United States Senator

Tom Harkin
United States Senator

Tammy Baldwin
United States Senator