



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF HUMAN SERVICES
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DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
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July 9, 2019

The Honorable Ben Carson
U.S. Department of Housing and Urban Development
Office of the General Counsel, Rules Docket Clerk
451 Seventh Street SW, Room 10276
Washington, D.C. 20410-0001

RE: Docket Number HUD-2019-0044; NFR-6124-P-01 Housing and Community Development Act of 1980: Verification of Eligible Status

Secretary Carson:

For the reasons that follow, the Commonwealth of Pennsylvania strongly opposes the proposed rulemaking impacting persons receiving housing support under Section 214. Collectively, the Department of Community and Economic Development and the Department of Human Services provide a wide range of services to strengthen communities across the commonwealth and provide care and support to Pennsylvania's most vulnerable individuals and families.

Under the proposed rulemaking a household would no longer receive any housing assistance unless every member residing in the home is of eligible immigration status, eliminating the current policy of prorating assistance according to the number of eligible persons in the home. The published Regulatory Impact Analysis states that only approximately 30 percent of persons currently living in these households would be ineligible due to their immigration status. Therefore, most of the people impacted are eligible for the housing support they currently receive. And among that majority, children under 18 comprise the largest group (73%). Pennsylvania's Public Housing Authorities (PHAs) already face capacity and resource constraints. It is not prudent for them to spend time and money eliminating support for a majority of eligible tenants in an effort to cease support to a minority of ineligible individuals.

The proposed rulemaking ignores the impact of the policy change on vulnerable populations. In addition to children, persons with disabilities or chronic serious illness and the elderly will be negatively impacted through loss of subsidy and potential eviction. These groups are significantly more vulnerable to the effects of housing instability, the strain of moving, and potential homelessness. They likely benefit from care received from members of their current household as well. In addition to the potential loss of caregivers, it has been long established through research at the Robert Wood Johnson Foundation that long-term health is negatively affected when people struggle to make ends meet due to unaffordable housing, because they are forced to make trade-offs with food, paying heating and electrical bills, and seeking healthcare.

The financial burden of implementing the proposed rulemaking will be borne at the local level by PHAs that will likely not receive any additional funding for implementation. Again, the Regulatory Impact Analysis of the proposed rule reveals an increase in costs to our already overburdened system of affordable housing supports. Funds that would have been used elsewhere will be expended to track down and evict current tenants and cover costs associated with unit turnover. The housing subsidy for replacement households will be higher because all members of the household will be eligible; therefore, the subsidy will not be pro-rated. The overall effect will be strained budgets and fewer eligible people supported by Pennsylvania's PHAs.

Uncertainty about the outcome of the eligibility verification process and implications of the proposed rulemaking will have a chilling effect on approximately 3% of families currently receiving assistance from Pennsylvania's PHAs. Many will abandon their housing assistance to avoid the perceived threat of the verification process or separation of their household. All told, families that currently receive assistance and strive to get ahead, raise their children, and be valuable members of their communities will be thrown into tumult. Other social support systems, such as food assistance, school districts, and social services, will bear the costs from this instability, as the strain of moving, eviction, potential homelessness, or at best remaining in your home, but now being housing cost-burdened, negatively impacts families.

The current system of prorating assistance should remain. It provides a method for PHAs to support the housing needs of low-income children and adults who are U.S. citizens or have an eligible immigration status. They are by far the largest population served by the current system. Among them, children have the most to gain from housing stability. Better physical health, mental health, and educational outcomes have been clearly linked to housing stability and have life-long implications. These children likewise have the most to lose from this proposal. They deserve access to the housing services provided through Section 214.

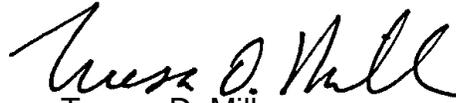
If the proposed rulemaking is issued as final, a grandfathering provision should be included to allow families that are currently receiving a prorated subsidy to remain until such time as they choose to no longer participate in a Section 214 program. Such a grandfathering provision would be like those established for the 1987 Housing and Community Development Act, which amended Section 214. Those provisions authorized "preservation assistance" to prevent the separation of families already receiving assistance and allowed families receiving assistance on the date of enactment, but who were ineligible for continued assistance on a prorated basis "to permit the orderly transition of the individual and any family members involved to other affordable housing". Implementing a grandfathering provision will prevent the loss of subsidy to children and others who are legally eligible, keep children and vulnerable individuals housed, decrease the instances of household breakup, housing insecurity, and homelessness, and reduce the administrative burden and cost of providing housing assistance to PHAs. All are foreseen negative outcomes that can be avoided.

The Commonwealth of Pennsylvania strives to improve the lives of our residents and the strength of our communities. We urge HUD to abandon or substantially revise the proposed rulemaking in acknowledgment that it will have only negative effects, thereby undermining our shared goal of supporting low-income citizens live dignified lives.

Sincerely,



Dennis M. Davin
Secretary
Department of Community
and Economic Development



Teresa D. Miller
Secretary
Department of Human Services