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US Department of Housing and Urban Development
Office of General Counsel, Regulations Division
415 7th Street SW, Room 10276
Washington, DC 20410-0500

Comments submitted electronically at *http://www.regulations.gov*

Re: Request for Information; Direct Rental Assistance
Docket No. FR-6466-N-01

Thank you for the opportunity to comment on the Department of Housing and Urban Development's (HUD) Request for Information, *Direct Rental Assistance*. We appreciate HUD's commitment to exploring evidence-based models to deliver rental assistance that best support residents. **On behalf of Children's HealthWatch, we write in strong support of direct rental assistance and other policy changes to the voucher program that will increase housing choice, mobility, and stability.**

Children's HealthWatch seeks to achieve health equity for young children and their families by advancing research to transform policy. We accomplish this mission by interviewing caregivers of young children on the frontlines of pediatric care in urban emergency departments and primary care clinics in four cities: Boston, Minneapolis, Little Rock, and Philadelphia. Since 1998, we have interviewed over 80,000 caregivers and analyzed data from those interviews to determine the impact of public policies on the health and development of infants and toddlers.

Decades of research shows that when children – particularly young children – have access to high-quality, affordable homes and in neighborhoods with economic opportunities, green space, good schools, and reliable transportation, they are better able to thrive.[1,2] Unfortunately, for millions of families, and disproportionately families of color, this reality is out of reach. Children's HealthWatch research demonstrates that when families fall behind on rent, are forced to move multiple times, and/or experience homelessness, infants and toddlers are at higher risk of being in fair or poor health and not meeting developmental milestones. In addition, their mothers are more likely to report fair or poor physical health and depressive symptoms compared to stably housed families.[3] In 2022, 17.1% of children living in US households experienced one or more forms of unstable housing, including a history of being behind on rent or moving frequently in the past year, or being homeless at some point during their lifetime.[4] This study likely underestimates the prevalence of unstable housing because it excludes children who are currently institutionalized or experiencing homelessness.

Our recent research also showed that when families are forced to move due to economic reasons, like evictions, foreclosures, or struggling to pay rent, they were more likely to lose access to critical benefits like the Special Supplemental Nutritional Program for Women, Infants, and Children (WIC), the Supplemental Nutrition Assistance Program (SNAP), and Medicaid.[5]

These harmful consequences of housing instability have long-lasting effects on parents and children and ripple effects in our society. We estimate housing instability among families with young children have resulted in at least $111 billion in avoidable health care and special education costs over a 10-year period, with an increasing price tag unless our nation's leaders act to change this reality.[6]

Robust investment in federal rental assistance such as housing choice vouchers (HCVs), particularly those that support residential mobility, are evidence-based solutions for mitigating these risks and closing the gap between family income and rent costs. However, while HCVs critically support millions of families in accessing safe, affordable housing, insufficient funding prevents the program from reaching millions of eligible low-income renters. Even among those able to receive a HCV, challenges exist in successfully using them, including source of income discrimination (even when bans exist), tight rental markets, administrative barriers, and lack of landlord participation. **Direct rental assistance and other alternative delivery models of rental assistance offer an opportunity to overcome these barriers while providing greater choice and autonomy for renter families.**

Given momentum and infrastructure established by pandemic-era housing programs (i.e. direct-to-tenant emergency rental assistance), now is the time to pilot a new model of direct rental assistance. Children's HealthWatch appreciates HUD's commitment to this, as demonstrated through the issuance of this RFI, convening of stakeholders, and recent announcement that Moving to Work public housing authorities (PHAs) can use existing flexibilities to pilot direct rental assistance. As HUD moves forward with such a pilot and research aimed to inform policy changes to the HCV program, we encourage the HUD team to consider the following design aspects to protect tenants and support the long-term sustainability of the HCV program.

Tenants must be involved in designing a direct rental assistance program.
It is essential that HUD consult tenants and eligible low-income renters as it designs any direct rental assistance program or pilot. While we appreciate the RFI and convening of stakeholders, an approach that leverages local PHAs and trusted community organizers to meet low-income renters where they are to solicit input is critical to design a successful pilot. This intentional interaction with community and prospective participants would provide significant insight into the questions posed in this RFI, including complexities and inefficiencies in the HCV program, interest/desire to participate in direct rental assistance (and with what requirements/flexibilities), and potential burdens, barriers, and opportunities in implementation. Because of their direct experience, tenants can surface potential pitfalls and solutions that even the most experienced and knowledgeable advocate or researcher may not foresee.

Protections should be established that support housing stability, ensure safety and quality of rental units, and prevent evictions.
To avoid housing instability and evictions stemming from participation in a direct rental assistance pilot, it is critical that HUD preserve protections of existing housing assistance programs. These include protecting tenants from harmful landlord actions, such as source of income discrimination, steep rent increases, and no cause eviction. In addition, ensuring that housing meets quality and safety

benchmarks is vitally important to protect and support the health and well-being of resident families and children. Given that wait times for inspections are cited as a top reason for lack of landlord participation in the HCV program, we support suggestions from partners at the National Low Income Housing Coalition to assess alternatives to voucher inspections that maintain safe housing opportunities while encouraging landlord participation. These alternatives include tenant checklists, a pre-approval process, video inspections, and HOTMA-like inspection rules that allow tenants to move into a unit prior to inspection so long as the unit has had a similar inspection in the past 24 months.

Exclusion of direct rental assistance as income for the purposes of taxes and other public benefit programs.

To successfully evaluate the feasibility and impact of direct rental assistance, and to ensure that families are not left worse off for their participation, it is essential that HUD ensure direct rental assistance is treated as housing assistance rather than income from a tax and benefits perspective. In a small local pilot, this can be achieved by obtaining waivers from state agencies that prevent participants from having certain benefits affected by their participation in the pilot. This approach has been taken in several direct cash pilots as well as the PHLHousing+ pilot, which secured waivers to protect participants' Medicaid and TANF benefits. However, this location-by-location approach is incredibly burdensome, time consuming, and may have mixed results depending on state political landscapes. To be successfully scaled and comparable across states, we strongly encourage HUD to use its federal authority to coordinate benefit protection across federal agencies and work with Congress to codify language in the federal tax code that protects direct rental assistance recipients specifically - or ideally, *any* recipients of direct cash transfer pilots or programs (e.g. periodic distribution of state tax credits). Until these protections are established at a federal level, HUD should include additional strategies to mitigate the potential impact of loss of benefits, including benefits counseling to ensure participants adequately understand the risks and benefits of participation, and a robust hold harmless fund to compensate participating families for the loss of benefits. These strategies have also been implemented in the PHLHousing+ pilot.[7]

Children's HealthWatch is deeply appreciative of the Administration and HUD's commitment to strengthen its voucher program and address barriers families face in accessing housing. We are grateful for the opportunity to share comments and feedback, and thank you for your consideration of these comments.

Sincerely,

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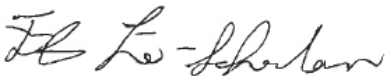

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