

America's Anti-Poverty Voice

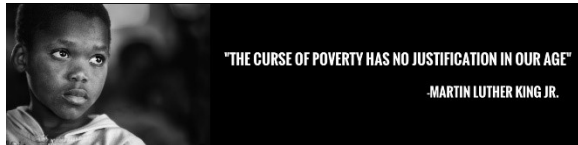
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RESTORING HOUSING AMENDMENT LIMITING RENT COULD SAVE MILLIONS OF AMERICANS INCLUDING DETROITERS

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By Robert Weiner, Arthur Ferridge, and Henry Deng



As inflation continues nationwide, renters have been left with particularly sore wallets. It is time for Congress to act to rescue renters. The framework is already in place to do so in the shape of former New York Mayor Ed Koch's 1974 Housing amendment.

It turns out that Jimmy McMillan of the cutely but accurately titled "The Rent Is Too Damn High Party" may have been onto something when he ran for New York Mayor.

Housing was excluded from the recently signed "Inflation Reduction Act" because Senators Manchin and Sinema demanded a smaller bill. As good as the bill is for climate change, health care, and mandating corporate tax payments, it missed in housing. Rep. Pramila Jayapal (D-WA), Chair of the Congressional Progressive Caucus, said this week that housing could be included in another bill if the Senate gains two more Democrats — a real possibility.

Inflation in America is at four-decade record levels, as gas, food, and medicine prices skyrocket nationwide. July's record inflation rate of 9.1% included gas prices to surpass \$8 per gallon in parts of the country and \$5 in most places, while prescription medicines have risen by as much as 20%. Nothing, however, has had more impact in cities from Detroit to D.C. to New York than the constantly rising cost of rent.

Rent prices have increased exponentially in recent months, jumping 14.09% since June 2021, according to Redfin.

Manhattan's average rent hit \$5,000 per month in June. In Detroit, the constant increase in rent is pushing the city into another low-income housing crisis as more delayed and missed payments have occurred. While the rent prices have [increased](#) by 16.8% nationwide, the rent in metro Detroit has proliferated by 25.8%, pushing 19% of the local renters to apply for federal pandemic relief. The increase has made single [parents](#) like Tiffany DeMoss, a single mother of three kids, fall behind on payments and face eviction after three years of paying a stable rent.

In major cities, rents rising since 2019 have kept putting pressure on renters and efforts to end homelessness. A [report](#) shows that the Los Angeles-Long Beach-Anaheim metro's median rent has increased by 15.8% over the last three years, even though many landlords in L.A. are [prohibited](#) from raising the cost of housing.

The scope of renting is vast. 36% of the 123 million households in America are renters and in Detroit, 52% of housing is inhabited by renters

The rent crisis is reminiscent of the 1973-75 recession which, in conjunction with an oil shortage and subsequent inflation, led to a stock market crash, recession, and inflated rent prices nationwide.

One solution came in the an amendment included and enacted in 1974's Housing and Community Development Act (HCDA), proposed by then-New York congressman and later Mayor Edward Koch.

The amendment mandated that large, low-income families living in Section 8 housing, in which the government provides renters with vouchers to rent privately owned properties, could be charged no more than 15%-25% of their income for rent. In fact, the amendment could be a model for all federally assisted housing for low income Americans. not just section 8, and for private apartment and low income housing to use as a model.

Koch wrote in a 2009 op-ed that "a family should pay no more than 15-20% of their income in federally assisted housing." Despite his best intentions, Section 8 rates have more than tripled since the amendment's passage in 1974.

Koch worked closely on the bill with Section 8 activist Carol Lamberg, who has devoted fifty years of her life to lobbying for low-income housing. In her book *A Section 8 Memoir* (2021), Lamberg chronicles her own experiences working on the Koch Amendment, writing that "As originally enacted in 1974, this was probably the most flexible, effective housing program in the history of federal housing programs... Even today, the program assists 3.4 million families, many of whom might be homeless without [it]."

When first passed, the bill had sweeping effects on the implicated families, easing monetary stresses and greatly improving quality of life.

Despite its widespread success, the bill has been slowly weakened and phased out over the years. The income proportion increased under Ronald Reagan and eventually rose to 30%. In today's market, Section 8 residents can lose as much as 50% of their monthly income — half of their spending capacity— to rent payments.

The loss of rent protections is extremely damaging to low-income families. As inflation adds to the already high economic pressure on low-income families, there is no reason why Congress shouldn't reinstitute the Koch Amendment and return to its original 15-25% rate and alleviate monetary tensions on America's less fortunate families for all federally assisted housing.

4.8 million families across America are presently receiving assistance from Section 8, all of whom would greatly benefit from the increased stability and security afforded by reduced rates even if the formula were limited to them as a new beginning.

HCDA's return would benefit the wider economy, as families would be able to spend more and foster local businesses.

The pressure by reinstating the Koch Amendment could also be applied to all public and private rental housing markets and would help limit rent prices to benefit all tenants rather than just those in Section 8. This move would be an important measure to manage the inflation crisis.

The Koch Amendment was a resounding success for years after its passing, and the hurtful amendments have only gone to further harm America's low-income families who are suffering most from inflation. Restoring the law to its original terms would mark a huge economic boost for those struggling most with the inflation crisis, the effects of which would be felt in Detroit, DC, and all over the country.

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