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Why Ben Carson Is Raising Rents HUD's plan would increase the minimum to \$150, but it also includes needed flexibility for cities.



Secretary of Housing and Urban Development Ben Carson. PHOTO: BRENDAN SMIALOWSKI/AGENCE FRANCE-PRESSE/GETTY IMAGES



By Jason L. Riley

The rationale for Lyndon B. Johnson's "War on Poverty" was that the government should take a more active role in helping people get on their feet. Today the federal government is more active than ever in this regard, but whether its efforts are truly helping is debatable.

Ben Carson, a former neurosurgeon who now runs the Department of Housing and Urban Development, or HUD, understands that often the best way for the government to help the poor is by getting out of their way. In an interview Monday, Mr. Carson explained to me how some of America's federal rental-assistance programs have become barriers to upward mobility by effectively discouraging work, marriage and other behaviors that tend to help people advance economically.

"We have stagnation," Mr. Carson said. "We have people in public housing not for a few years but for a few generations, with no incentive to come out." In New York City, which has the nation's largest public-housing system, the average tenant has been there for almost 20 years. "We're trying to get people out of chronic poverty."

Many of Mr. Carson's critics are more interested in defending a status quo that keeps poor people dependent on government aid. HUD is urging Congress to pass legislation allowing local public-housing authorities, among other things, to impose work requirements and reduce red tape. In public housing, the more money you make, the more you pay in rent. The incentives couldn't be more perverse, often leading people to hide income or work less.

William Russell, the head of the public-housing authority in Sarasota, Fla., who testified before a congressional subcommittee last month, told me that his biggest frustration is how the system discourages families from increasing their incomes. "I can't tell you how many times I've had to explain to someone, who's gotten a job and their income has gone up, that now their rent has to go up," he said. "And they don't understand how this makes any sense." Mr. Russell worked at HUD during the George W. Bush administration and was a New York City housing official in the 1990s.

In the real world, two-parent households have clear economic advantages, since everything from child care to transportation to housing costs is shared. But in the world created by federal rental-assistance guidelines, people think differently. In a typical scenario, Mr. Russell told me, the significant other comes over at night and then sneaks out the next morning to avoid detection by the housing officials. "That sets up a horrible dynamic between us and our families," he said. "The truth is, I want more fathers and men to be in the community, living there and being active in their kids' lives and offering more stability in general. This current policy is holding back our families."

Mr. Carson aims to change this dynamic. HUD's proposals are based on successes in places like Atlanta; San Diego; Charlotte, N.C.; and Cambridge, Mass. Under a federal program initiated in 1996 and expanded in 2015, around 140 of the nation's 3,400 public-housing agencies have gained the freedom to tailor rental-assistance policies to local needs. Since San Diego implemented its program under the new guidelines in 2013, tenant incomes have increased 25%, according to the city's housing commission. Mr. Carson wants to give more housing authorities similar flexibility.

The most controversial part of HUD's proposal would raise monthly rents for people receiving federal housing subsidies. They would pay 35% of gross income instead of the current 30%. The plan would also triple the minimum monthly rent for the poorest households to \$150. Naturally, liberals have pounced. Democratic Rep. Cedric Richmond of Louisiana, chairman of the Congressional Black Caucus, called the proposal "immoral" and "the latest example of the Trump administration's war on poor people." Calm down.

The reality is that about half of the 4.7 million families on rental assistance would be unaffected by the changes. The elderly and disabled are exempt, and additional carve-outs are available for financial hardship, such as a death in the family or the loss of employment. About 712,000 households on housing subsidies would have their monthly rents raised to \$150, according to HUD. Mr. Carson told me that the rent increase was necessitated by budget constraints. The last time Congress increased rents was 1981, when they rose to 30% of income from 25% for the same reason.

Mr. Carson said he wishes rents didn't have to rise but thinks the proposal is still a net plus for participants. He also stressed that this is the beginning of a legislative process and that he's open to hearing ideas from Democrats on how to make the housing program more effective and sustainable.

"We're all ears," he said. So far, he's heard only jeers.