



May 23, 2016

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 Seventh Street SW, Room 10276
Washington DC 20410-0500

Re: Docket No. FR-5173-N-10, Affirmatively Furthering Fair Housing Local Government Assessment Tool – Information Collection Renewal: Solicitation of Comment – 60-Day Notice under Paperwork Reduction Act of 1995

To Whom It May Concern:

We appreciate the opportunity to comment on the renewal of the Affirmatively Furthering Fair Housing (AFFH) Local Government Assessment Tool (Tool). The undersigned organizations and their members and partners finance, develop or otherwise support affordable housing in communities throughout the country. We commend HUD for its work in shaping the Tool to address local governments' needs and challenges in identifying barriers to fair housing choice and for its recognition of additional elements of access to opportunity.

Over the past two years, the undersigned organizations have strongly supported HUD's efforts in implementing the AFFH rule and its ultimate goal of creating greater opportunity so that all Americans have access to decent, safe and affordable housing in strong and healthy communities. We support HUD's efforts to create a more meaningful process and endeavor to provide constructive comments in order to decrease the burden on local governments.

In our previous comment letters, we called for a balanced approach to fair housing by supporting the preservation of affordable housing in areas of concentrated poverty, the revitalization of distressed communities, and the construction of new affordable housing in high-opportunity areas. The Tool should state clearly that all of the above-mentioned strategies are equally valuable in a community's efforts to address issues related to segregation and concentrated poverty.

The notice poses a series of questions on the renewal of the AFFH Local Government Assessment Tool. While we believe that all these questions are valuable, it is important to note that a lengthier process may impede the flow of federal housing resources to the low-income residents who need them most. Local governments are challenged by limited capacity and tight budgets, so HUD should be mindful that additional questions, despite their laudable intentions, may strain local government capacity, delay the allocations of housing resources, or discourage some jurisdictions from using them at all. The undersigned organizations recommend that

additional questions should be considered optional except for Question 6 on the Low-Income Housing Tax Credit (Housing Credit) program.

Question 6 asks if “HUD [should] distinguish between a 9 percent and 4 percent tax credits in the Low-Income Housing Tax Credit [Housing Credit] data being provided, including in maps of development locations.” We believe it is important to distinguish between the two types of Housing Credits because they are used for different purposes. The 9 percent Housing Credit is mostly used for new construction and substantial rehabilitation, while the 4 percent Housing Credit is used for the acquisition of affordable housing and is critical for preservation. Housing preservation is critical to preventing the rapid loss of thousands of affordable housing units across the country due to deterioration, abandonment, or conversion to more expensive housing, especially in neighborhoods which are gentrifying.

To better understand the use of the Housing Credit program for preservation purposes, please consider the following 2014 data from the National Housing Trust:

- 58% of the 4% Credit was allocated for preservation nationally; only 26% of the total competitive 9% Credit was allocated for preservation nationally.
- California allocated 55% of its 4% Credit to preservation projects, and only 10% of its competitive 9% Credit to preservation projects.
- Indiana allocated 60% of its 4% Credit to preservation projects, and only 17% of its competitive 9% Credit to preservation projects.
- New Hampshire allocated 100% of its 4% Credit to preservation projects, and 0% of its competitive 9% Credit to preservation projects.
- South Carolina allocated 100% of its 4% Credit to preservation projects, and only 7% of its competitive 9% Credit to preservation projects.

As this data demonstrates, there is a wide variation among states in the use of Housing Credits. As communities complete their Assessments of Fair Housing (AFHs) and consider the siting and location of Housing Credit developments, it is important for them to distinguish between the use of Housing Credits for new construction and preservation. The Assessment Tool should make this distinction so that AFHs will appropriately recognize the role of preservation and revitalization in meeting a community’s affordable housing needs. We recommend that Housing Credit developments should be categorized to distinguish among projects that were financed as new construction, preservation, or rehabilitation. This detailed information will enable communities to better evaluate the siting and location of Housing Credit developments.

About Us

The Local Initiatives Support Corporation (LISC) is dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity — good places to work, do business and raise children. LISC mobilizes corporate, government and philanthropic support to provide local community development organizations with financial, technical and policy resources. We are a national organization with a community focus, with local LISC offices in 32 different cities and partnerships with a network of 72 rural organizations. Our program staff in the cities and the rural areas where we work collaborate actively with local community development groups, to help identify priorities and challenges, and to deliver the most appropriate support to meet local needs whether it’s in the area of housing, economic development, education, healthcare, community safety, or building family income and wealth. Since 1980, we have invested \$16.2 billion in communities across the country, which

leveraged \$48.5 billion in total development, including 348,000 affordable homes and apartments.

For over 25 years, the National Housing Trust (NHT) has been dedicated to preserving and improving affordable rental housing. Using the tools of real estate development, rehabilitation, finance, and policy engagement the Trust has helped save and improve more than 25,000 apartments in 41 states, leveraging more than \$1.5 billion in investment for affordable housing. The majority of properties that NHT has preserved have HUD subsidized mortgages or project-based rental assistance. The majority of the residents we assist are persons of color and quite often our work involves working areas of concentrated poverty. In all cases, we are working with residents and tenant leaders to help them stay in their homes if that is their choice.


Stewards of Affordable Housing for the Future (SAHF) is a collaborative of eleven multistate nonprofit affordable housing providers who are committed to long-term sustainable ownership and continued affordability of multifamily rental properties. Together, SAHF members own and operate housing in 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands—providing rental homes to more than 118,000 low-income families, seniors and disabled households across the country.

Enterprise Community Partners (Enterprise) is a national nonprofit organization whose mission is to create opportunity for low-and-moderate income people through affordable housing in diverse, thriving communities. We work to achieve this by introducing solutions through cross-sector public-private partnerships with financial institutions, governments, community organizations and other partners that share our vision. Since 1982, Enterprise has raised and invested \$16 billion to help finance nearly 320,000 affordable homes across the United States.

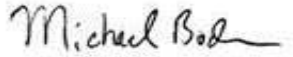
While we applaud HUD for its efforts to increase opportunity for all families across the country, HUD should be mindful of adding additional questions and should instead strive to provide clearer guidance and direction to local government officials and others who are unsure of this new reporting requirement and concerned about the potential burden. With limited resources, communities are being asked to answer and confront difficult questions regarding concentrations of poverty, inequality, racial and ethnic groups. We encourage HUD to find ways to make the completing the AFH a meaningful exercise by encouraging joint submissions, providing waivers for additional time for small entitlement jurisdictions, and providing more robust technical assistance. HUD should acknowledge these challenges so that grantees are not overwhelmed by what is being asked of them.

We hope that our comments will help HUD strengthen the Tool and facilitate its most effective use. Please contact Andrea Ponsor, LISC Housing Policy Director, at (202) 739-9279 or aponсор@lisc.org; Ellen Lurie Hoffman, NHT Federal Policy Director, at (202) 333-8931 x 130 or eluriehoffman@nhtinc.org; or Manuel Ochoa, Enterprise Community Partners, Senior Analyst, at (202) 407-8715 or mochoa@enterprisecommunity.org with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Josephs". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Matt Josephs
Senior Vice President for Policy
Local Initiatives Support Corporation



Michael Bodaken
President
National Housing Trust



Toby Halliday
Executive Vice President
Stewards of Affordable Housing for the Future



Andrew Jakabovics
Acting Head, Public Policy and Government Affairs
Enterprise Community Partners