

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Sustainable Housing and Communities
WASHINGTON, DC 20410-0050

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Ms. Sheila Crowley National Low Income Housing Coalition 727 15<sup>th</sup> Street NW, 6<sup>th</sup> Floor Washington, DC 20005

Ref: Docket Number FR-5396-N-44

Sustainable Communities Planning Grant Program

**Rating Factor Forms** 

Ms. Crowley:

Thank you for your comments on Docket Number FR-5396-N-44, Sustainable Communities Planning Grant Program – Rating Factor Forms. As you may know, these forms will be part of the yet to be released Sustainable Communities Regional Planning Grant Notice of Funding Availability (NOFA). The NOFA will provide the contextual information that these forms will supplement. Therefore, the forms may not be entirely comprehensible without review of the NOFA.

Unfortunately, due to the HUD Reform Act, 42 U.S.C. 3537, we are not able to provide you with the information contained in the NOFA that may address and clarify some of your concerns. The HUD Reform Act prohibits the disclosure of *covered selection information* to any person not authorized to receive such information until after the grant awards have been announced. Covered selection information includes, information pertaining to the development of the NOFA, information regarding any applicant's relative standing; the amount of assistance requested by any applicant; and any information contained in any application.

We look forward for your review of the NOFA once it is released and for your feedback on the forms at that time.

Sincerely,

Shelly R. Poticha,

Director





June 1, 2010

HUD Desk Officer
Office of Management and Budget
New Executive Office Building
Washington, D.C 20503

Via email

RE: I

Docket Number FR-5396-N-44

Notice of Submission of Proposed Information Collection to OMB;

**Emergency Comment Request;** 

**HUD Office of Sustainable Housing and Communities –** 

Sustainable Communities Planning Grant Program, Public Law 111-117

(Rating Factor Forms)

**HUD Desk Officer,** 

NLIHC is a membership organization whose members include residents of public and assisted housing and their organizations, state and local housing coalitions, nonprofit housing providers, homeless service providers, fair housing organizations, housing researchers, public housing agencies, private developers and property owners, local and state government agencies, faith-based organizations, and concerned citizens. While our members include the wide spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we focus exclusively on what is in the best interests of people who receive and those who are in need of federal housing assistance.

NLIHC's March 12 comments to HUD's Office of Sustainable Housing and Communities urged that Planning Grant NOFA materials explicitly articulate requirements that applicants describe the needs of "extremely low income" people (those with incomes below 30% AMI) and measures applicants have or will develop to prevent harm to low income people as a result of plans and plan implementation. NLIHC also urged that proposals provide for housing that is permanently affordable, and that "affordable" be defined as not consuming more than 30% of household income – unless another alternative is implemented that takes into account the "full family budget" concept.

The proposed Rating Factor Forms do not address these concerns, but could easily do so.

Rating Factor 5 does refer to the "disconnect between low and moderate income work force to employment options" and the "increased proportion of low and very low income household to transit opportunities to major employment centers". However, "extremely low income" households must be explicitly added in order to obtain detailed responses from applicants.





As transit options improve in neighborhoods, low income people who have lived in them often experience indirect displacement, gentrification. As a component of planned housing and community development projects, low income people often suffer direct displacement through demolition and disposition of their homes. The Rating Factor Forms must ascertain what applicants are doing or intend to do to prevent such direct and indirect displacement potentially generated by their plans and plan implementation. Low income people must have a choice to remain in their neighborhoods after transit, housing, and other improvements are made.

NLIHC supports Rating Factor 2, component 1.2, "Proportion of Regional Population Paying More than 45% of Income to Combined Housing and Transportation Costs", though we would expect clarification elsewhere that housing costs should not exceed 30% of income in any case for very and extremely low income households, the current definition of "affordable". In other words, NLIHC stands firm that the inclusion of transportation costs cannot serve to increase the housing cost-to-income ratio deemed acceptable for the lowest income households with access to transit or otherwise low transportation costs. In addition, somewhere (perhaps on Rating Factor 5) an indication of length of affordability must be indicated — with the strong implication that permanent affordability will greatly improve chances for a successful application. Affordability which vanishes after a mere fifteen years, for example, is not a solution.

Finally, NLIHC suggests refining the headings under Rating Factor 2, component 5, "Economic Opportunity". It is not unclear what information is sought: Is it the total number of units within 2 miles of an employment center and the % of those that are subsidized, or is it the % of the entire subsidized stock located within 2 miles of an employment center?

NLIHC is confident that HUD, and in particular OSHC, intend for the Sustainable Communities Planning Grant Program to preserve and create housing that is affordable to households with low income. However, unless such intent is explicitly articulated in the NOFA and its accompanying materials such as the Rating Factor Forms, as well as in materials pertaining to future sustainability endeavors, there is a danger that attention to the populations with the greatest needs will be diluted and that they will lose their homes and neighborhoods.

Addressing the affordable housing needs of those with extremely low income in the Rating Factor Forms would be consistent with the second principle articulated by the Administration's Interagency Partnership for Sustainable Communities. That principle touches upon this need by seeking to promote "affordable housing" choices for people of "all incomes". This is a necessary, yet insufficient principle because it does not define the term "all incomes" nor does it highlight the fact that households with extremely low incomes experience the greatest shortage of housing available and affordable to them.

Two other principles listed by the Interagency Partnership are also relevant, "Support existing communities" and "Value communities and neighborhoods". The Sustainable Communities Initiative must adhere to these principles by ensuring that low income people who have well-





established ties to their communities and who have endured years little or no investment have the opportunity to remain in their neighborhoods and benefit from any improvements resulting from Sustainable Communities Planning Grant implementation.

Thank you for the opportunity to comment. If you have any questions, please contact Ed Gramlich at 202.662.1530 x 314, (ed@nlihc.org), or Danilo Pelletiere (Danilo@nlihc.org), 202.662.1539 x 237.

Sincerely,

Sheila Crowley President

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cc: Shelly Poticha