

September 9, 2014

Regulations Division  
Office of General Counsel  
451 7<sup>th</sup> St. SW, Room 10276  
Dept. of Housing and Urban Development  
Washington, DC 20410-0500

Re: Docket No. FR-5578-P-01, Streamlining Requirements Applicable to Formation of Consortia by Public Housing Agencies

To whom it may concern:

These comments are submitted on behalf of the undersigned civil rights and fair housing organizations. We are pleased that HUD's proposed rule addresses some of the well-recognized problems of public housing administration, in particular longstanding inefficiencies in consortia formation and administrative barriers to regional housing choice. However, we urge HUD to improve upon the draft rule in order to ensure true progress toward its goals of increasing administrative efficiency, deconcentrating poverty, and maximizing fair housing choice. While we strongly support the current proposal, we recommend that the final rule take additional measures to promote consortia formation, and that it include more targeted incentives to encourage regional housing mobility.

Specifically, our recommendations are as follows.

### **Participation of Moving-to-Work agencies**

The draft rule provides that MTW agencies are not eligible to join a consortium (see Summary at III.8). Because of the importance of the proposed consortia rule in furthering efficiency, choice, and regional cooperation, combined with the significance of the MTW program—which includes agencies in numerous large metropolitan areas—we recommend that the rule be revised to permit MTW participation. While we acknowledge the legal and practical barriers to MTW participation in most single and multiple ACC consortia, we urge HUD to provide for partial consortia in which MTW agencies could participate.

### **Annual and 5-Year Plans**

The current draft provides for consortia to submit 5-year and annual plans and reports to HUD. (See § 943.317.) HUD should make explicit a requirement that consortia plans and reports detail how each consortium and consortium member will address the goal of promoting housing choice. This should include specific steps to follow the guidance on waitlist management and marketing that we recommend below.

### **Waitlists and Marketing**

The current draft provides for the merging of voucher waitlists upon consortium formation, and for applicants to be offered a choice in waitlist assignment upon consortium dissolution. (See §943.210, 211). We strongly support both these aspects of the rule, as well as the restriction on residency

preferences, as essential in ensuring resident choice. However, the rule should discourage the use of chronological waitlists and residency preferences, and instead encourage waitlist enrollment by lottery (first giving preferences to special-needs populations) where feasible.

Fair housing policies in the consolidation and management of waitlists, as well as affirmative marketing, will be crucial features of consortia that successfully expand residential choice. Many PHAs will require (or would benefit from) detailed guidance on this topic. We recommend that HUD provide instructions on how consortia should promote choice and affirmatively further fair housing through waitlist mergers, affirmative marketing, and other relevant best practices. This structure should be outlined in the rule, as mandatory for prospective consortia, with detailed guidance to follow.

### **Administrative fee calculations and allocations**

HUD has requested input on the calculation of consortium organizational costs and administrative fees for single- and multiple-ACC consortia, with the draft rule basing this on the proportion of participants and total number of vouchers under lease. We recommend that the fee structure be altered to reflect the program's goal of expanding choice, in addition to reflecting the other prospective operational costs noted in the draft. (See Summary at IV.1-2; § 943.217). The cost and fee assessments should incentivize mobility programming, and should account for the additional time and services that support voucher clients moving to higher-opportunity neighborhoods.

As stated above, we emphasize our support for the many strong elements of the proposed rule, and for HUD's progress in promoting key policy goals through consortia formation. We hope to see the above recommendations reflected in the final version, consistent with HUD's duty to affirmatively further fair housing.

Sincerely,

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