

March 19, 2010

The Honorable Barney Frank, Chair  
House Financial Services Committee  
U.S. House of Representatives  
Washington D.C.

The Honorable Maxine Waters, Chair  
House Financial Services Subcommittee  
on Housing and Community Opportunity  
U.S. House of Representatives  
Washington D.C.

Re: Fair Housing and the Choice Neighborhoods Initiative

Dear Chairwoman Waters and Chairman Frank:

The proposed Choice Neighborhoods legislation discussed at this week's Committee hearing presents significant opportunities to further fair housing opportunity for low income families receiving federal housing assistance. We are writing in support of some of the very positive elements of this bill, and to point out several potential problem areas that need to be addressed to avoid perpetuating segregation and poverty concentration in targeted neighborhoods.

From a fair housing perspective, the draft bill has several very positive features that must be maintained to give new housing choices to participating families:

- First, the requirement that “off-site” replacement housing be located outside of areas of minority concentration (using a metro-wide definition of minority concentration and using the metropolitan region as the eligible development area) will help to guarantee that residents will have the choice to move to new assisted units in areas with the widest possible array of housing, educational and employment opportunities. This civil rights protection is contained in the current HOPE VI program and in HUD civil rights regulations and it is crucial that this language be explicitly retained in the final Choice Neighborhoods bill.
- Second, the provision that mobility counseling and assistance is a required activity as well as an eligible expense in the initial relocation process means that families will receive help to move to new communities, not simply be re-segregated with their vouchers, as has happened too often in the past. However, these requirements are vague and not defined and should be strengthened in the final bill. To avoid unnecessary expenditures of HUD funds, and to promote fair housing, these additional mobility assistance resources should be focused on helping families find housing outside of higher poverty, predominantly minority areas. To help make this a reality, fair housing testing, counseling and enforcement should also be specified as eligible activities in the final bill.

- Third, the one-for-one replacement provisions of the bill, and the right of first refusal for former residents in both on-site and off-site replacement units will address the harmful loss of overall assisted units in the regional housing market that often characterized HOPE VI developments, and it will allow former residents to benefit from the revitalized community and to access other housing opportunities in the region.
- Fourth, the education provisions that would permit students to access high quality educational options both “in or outside” the neighborhood is an important recognition of the link between housing and school segregation. Children in targeted neighborhoods should not be required to attend a high poverty, racially isolated school as a condition of receiving federal housing assistance. Racially and economically diverse schools, including high quality magnet schools, cross district transfers, and diverse charter schools, need to be made available both inside and outside the neighborhood.

There are also significant areas where the bill raises fair housing concerns and needs to be strengthened:

- Most importantly, as currently drafted, there is no limit on the portion of replacement housing units that can be placed back in the immediate neighborhood, and no minimum portion that must be replaced in areas that promote choice and new opportunities. We believe strongly that residents should have the right to return to a redeveloped area – but we also recognize that many residents who have been relocated have no interest in returning, and would prefer or readily accept housing options in low poverty, often higher opportunity communities. The interests of families on the public housing waitlist should also be taken into account. Thus, it is essential that HUD does not “overbuild” low income housing back in the immediate neighborhood of the project – there should be a commitment to a significant percentage of off-site replacement units so that low income families of color can also have housing options in predominantly white, low poverty areas.
- The “25 mile” limit on location of off-site replacement housing works in some parts of the country but not as a general nationwide rule: in some metropolitan areas, many of the best educational and employment opportunities are located more than 25 miles from the project site, and there is no evidence to suggest that former residents would not want to move to some of these new communities.
- The promise of one-for-one replacement of hard units needs to be strengthened further – we are concerned that the “market test” set out in the bill could lead to a loss of hard units in many housing markets.
- The provisions for replacement units should guarantee an adequate mix of bedroom sizes in the replacement units so that larger families, who are harder to house through the voucher program, can be accommodated.

- The one-for-one replacement requirement should be made retroactive so that PHAs that have already demolished the housing can not escape through this loophole, and so that the bill does not create an unintended incentive for PHAs to “demolish first, plan later”.
- The responsibility of grantees to provide mobility counseling and relocation assistance needs to be better defined and strengthened to target assistance to helping residents find housing in low poverty areas, and a specific amount of the grant should be set aside for this purpose so that residents’ relocation needs are not competing for resources with bricks and mortar.
- The 15% cap on support services should also be eliminated or raised.

Thank you for the opportunity to present these comments. The Choice Neighborhoods Initiative represents a significant improvement to the HOPE VI model, but needs to be adjusted as suggested here to meet our nation’s fair housing goals.

Sincerely,

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