

November 24, 2009

Shaun Donovan, Secretary of Housing & Urban Development
U.S. Department of Housing & Urban Development
451 7th Street S.W.
Washington, DC 20410
(submitted to choiceneighborhoods@hud.gov)

Re: Choice Neighborhoods Initiative draft legislation

Dear Secretary Donovan,

Thank you for hosting the November 10, 2009 forum on the new “Choice Neighborhoods Initiative.” We very much appreciated your comments, and the general intention of the new Initiative is important and valuable. However, because we have seen similar programs lead to unanticipated outcomes that actually restrict choice and opportunity, we are writing to provide some input on the specifics of the bill language that was distributed.

In general, we urge the Department to apply a strong fair housing analysis to all aspects of this bill as it goes through the legislative process, particularly with regard to ensuring that the new program does not perpetuate segregation. Our analysis is based in large part on the consensus policy statement we developed in 2008 with a number of civil rights and fair housing groups. This “Statement of Fair Housing and Civil Rights Advocates on Hope VI Reauthorization” is attached to this letter. We also offer the following specific observations, to better align the Choice Neighborhoods Initiative with HUD’s overarching mandate to affirmatively further fair housing:

The “purpose” language in the Choice Neighborhoods bill should prioritize developing housing in a way that will lessen racial and economic concentration. The purpose language seems more narrowly targeted to improvement of distressed neighborhoods. In addition to promoting racial and economic integration, the language should also say that one of the purposes is to develop replacement housing in low-poverty areas (and/or areas that already offer economic/educational opportunity) that will affirmatively further fair housing. The purpose clause is important because other sections that give the Secretary discretion refer back to the purpose.

HUD should consider preserving projects located adjacent to low-poverty neighborhoods. It appears that eligible neighborhoods for grant funds are those with concentrations of poverty, distressed housing, long-term viability, and adjacent to low poverty neighborhoods. Depending on local circumstances, it probably makes more sense from a fair housing perspective to preserve projects located adjacent to low-poverty neighborhoods, rather than demolish them, particularly if there are already trends toward greater economic and racial diversity in the neighborhood.

The bill should mandate mobility counseling to assist clients in relocating to areas of low poverty. There is language about assisting clients to relocate to areas of low poverty, but nothing that mandates mobility counseling. Our experience teaches us that it is difficult for someone to make a life changing move when they are disrupted by involuntary displacement, even if such a move is something they have independently considered. A well-designed and implemented mobility counseling program is essential to ensure that families are given the support they need to make such a choice, are fully-informed of their right to do so, and are given the housing search assistance necessary to actually find and make a mobility move.

The one-for-one replacement requirements should be at least as strong as, if not stronger than, the HOPE VI reauthorization bill. This bill does not include units demolished before the application. HUD has been encouraging PHAs to demolish and relocate first, and apply later by giving extra points to those that do so. As a result, there are likely to be a significant number of projects that would be exempt from the one-for-one replacement requirement because they were demolished previously. To address this problem, the most recent HOPE VI reauthorization bill, in contrast, was retroactive to January 1, 2005.

The bill should only authorize the location of replacement housing in segregated, high-poverty areas in limited circumstances. The bill would seem to authorize the location of replacement housing in segregated, high-poverty areas as long as it is within the immediate neighborhood. Consistent with the HUD site and neighborhood standards, this is appropriate only if at least an equal number of replacement housing units are located outside of areas of minority concentration – including in low-poverty areas within and outside the PHA’s jurisdiction.

Project-based voucher tenants should retain their housing mobility rights. One of the most alarming features of the draft bill, from a fair housing perspective, is the provision in Section 8 (b)(5) that could be construed to permit waiver of Project-Based Voucher requirements. Unless it is modified, this section could be used to waive the key mobility provision in the Project-Based Voucher program that permits families to transfer to a unit and neighborhood of their choice after the first year of their lease. This type of waiver would effectively confine the participating low-income African American and Latino families to segregated, high-poverty neighborhoods by stripping them of the mobility rights held by other project-based voucher holders, including white voucher holders throughout the country. The waiver provision in this section must be modified to exclude the waiver of voucher holders’ mobility rights.

We urge a more balanced approach that will enable HUD to truly build a new “geography of opportunity” in our metropolitan regions by creating replacement housing in areas that already offer families high opportunity, while at the same time, attempting to stimulate educational opportunity and economic vitality in the distressed areas where assisted housing has historically been concentrated.

Thank you for the opportunity to present these comments. Please note that these are only a few of the fair housing issues raised by the Choice Neighborhoods draft. Again, we urge you to apply a strong fair housing analysis to all aspects of this program as it moves forward. We look forward to continuing this dialogue with the Department as this policy is further developed.

Sincerely,

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