

January 11, 2018

Regulations Division
Office of General Counsel
451 7th Street SW, Room 10276
Department of Housing and Urban Development
Washington, DC 20410-0500
Submitted electronically through www.regulations.gov

Re: Docket No. FR-6070-N-01: "Notice for Suspension of Small Area Fair Market Rent (Small Area FMR) Designations"

To Whom It May Concern:

The following comments are submitted on behalf of the Housing Committee of the New Jersey Conference of the NAACP, Solutions To End Poverty Soon (STEPS), and the Fair Share Housing Center of New Jersey in response to the solicitation of comment published on December 12, 2017, "Notice of Suspension of Small Area Fair Market Rent (SAFMR) Designations."

The New Jersey State Conference of the NAACP has over 40 chapters throughout New Jersey including in the three metropolitan areas impacted by mandatory SAFMR implementation, Monmouth-Ocean, Bergen-Passaic, and Philadelphia-Camden-Wilmington. It investigates housing conditions in local communities, addresses complaints of discrimination and works for inclusive and non-discriminatory housing practices.

Solutions To End Poverty Soon (STEPS), a non-profit organization based in Ocean County, primarily works with lower-income families in Ocean and Monmouth counties to help them find decent and safe housing and conducts trainings and provides support resources to help them succeed as tenants. STEPS works on a daily basis with lower-income families including many Section 8 voucher holders in finding housing. STEPS has extensive experience working with voucher holders who want to move their families to areas with high performing schools, quality jobs, and reliable public transportation.

Fair Share Housing Center has worked, for over forty years, to contest housing discrimination and support the rights of lower-income households to live in communities of opportunity in order to benefit from improved employment opportunities, access better schools for their children and work toward more productive and fulfilling lives. It works throughout New Jersey, including in the three metropolitan areas referenced above, in assisting families to find better housing, including families with Section 8 vouchers. Fair

Share Housing Center's office is based in the Philadelphia-Camden-Wilmington metropolitan area and it works statewide.

All three of our organizations agree with HUD's initial analysis that these areas could benefit significantly from the use of SAFMRs and that they are areas that require metropolitan wide coordination to maximize the benefit of this system.

The suspension of the mandatory implementation of Small Area Fair Market Rents (SAFMRs) will make it harder for low-income voucher families, many of whom are people of color, to find safe and stable housing in areas of opportunity within our jurisdictions. In our experience, in many cases, local payment standards present an insurmountable barrier for voucher holders to choose to move to communities they seek. Small Area FMRs will help to alleviate that barrier and make it easier for voucher families to move to high opportunity neighborhoods.

There are (18) clients as of date that STEPS is working with that have vouchers that are not sufficient in order for them to move into better neighborhoods. We also received several clients that were referred by Senator Booker's office, that were unable to locate safe and decent housing. Many families are moving from one county to another in order to have decent and affordable housing. We constantly follow-up on our clients to find out where they are with their housing situation. We have a client who has a voucher for \$1350 needing a 2BR for a family of 4. The area she is looking at requires additional \$200 in the voucher. It goes without question that everyone deserves decent and affordable housing. If additional information is required on these clients specifically, please feel free to contact Solutions to End Poverty Soon (STEPS) 732-367-1640 or email caldwellsteps@aol.com, Angela Caldwell-Housing Navigator.

If the PHAs in the Monmouth-Ocean, Bergen-Passaic, and Philadelphia-Camden-Wilmington areas implement SAFMRs along with neighboring jurisdictions, these families would have housing opportunities open up in new zip codes, increasing choice and mobility options. For families that wish to remain in place, the final rule includes important provisions that could protect them from sudden rent increases should the FMR decrease. In addition, HUD included in the final rule safeguards against the loss of units available to voucher families overall.

To demonstrate the need to desegregate voucher families using SAFMRs, we've attached data (hcv_pov_Monmouth.xlsx; hcv_pov_Bergen.xlsx; hcv_pov_Philadelphia.xlsx) that show how voucher holders in our jurisdictions are disproportionately concentrated in high poverty areas compared to non-voucher holder renters and owners. The data also demonstrates that this problem is greatest for non-white voucher holders.

The concentration of voucher-supported households in neighborhoods of concentrated poverty is striking. In Ocean-Monmouth metro area, while only 9% of all renter occupied units are located in neighborhoods with poverty rates of 30% or more, 27% of all voucher-supported households live in such neighborhoods. And an even larger number, 37%, of all voucher-supported families with children live in these neighborhoods with poverty rates of 30% or more. A family supported by a voucher is three times more likely than the total renter population to live in a neighborhood of highly concentrated poverty. A voucher-supported family with children is over four times more likely to live in such an Ocean-Monmouth neighborhood.

In the Bergen-Passaic metro area, 13% of all rental units are in areas with poverty rates of 30% or more, while 22% of all voucher-supported families and 27% of all voucher-supported families with children live in such neighborhoods. On average, voucher-supported families in this metro area are nearly twice as likely as the total renter population to live in neighborhoods of concentrated poverty.

In the Philadelphia-Camden-Wilmington metro area, 22% of all rental units are in areas of concentrated poverty, while 39% of all voucher households and 44% of all voucher households with children use their vouchers in such neighborhoods. Similar to Bergen-Passaic, voucher-supported families in this metro area are nearly twice as likely to live in neighborhoods of concentrated poverty.

Similarly, the disparate concentration of non-white households in neighborhoods of highly concentrated poverty is dramatic. In the Philadelphia-Camden-Wilmington metro area, while only 10% of white voucher-supported households live in neighborhoods with poverty rates of 30% or more, 47% of Blacks and 42% of Hispanic/Latino voucher-supported households live in these neighborhoods. Black and Latino voucher-supported families are more than four times as likely to live in neighborhoods of concentrated poverty.

In the Passaic-Bergen metro area, while only 10% of voucher-supported whites live in neighborhoods with poverty rates of 30% or more, 36% of Blacks and 24% of Hispanic/Latino voucher-supported households live in such neighborhoods.

As you can see from the attached maps (mon_maps.pptx; ber_maps.pptx; phi_maps.pptx), the areas that would be impacted by the implementation of the rule cross town, city, and county lines. Therefore, voluntary adoption of SAFMRs, which is allowed even if mandatory implementation is suspended, is not a solution. At best, it would leave a patchwork of

housing authorities using the altered rent standards; at worst, all PHAs in our region would fail to adopt SAFMRs.

Delaying the mandatory adoption of SAFMRs for two years will directly impact many of the families served by our organizations and make it more difficult for them to move to higher rent zip codes. Delaying implementation will perpetuate patterns of metropolitan-wide racial and class segregation throughout New Jersey. For the sake of the voucher families that we work with, and the communities we serve, we urge HUD to return to the original rule and mandate adoption of SAFMRs for regions like ours with the greatest concentration of voucher holders in high poverty areas. Please do not hesitate to contact us with any questions.

Last, we are aware of the ongoing litigation challenging the suspension of the SAFMR rule in *Open Communities Alliance et al v. Carson* and the Preliminary Injunction and Order dated December 23, 2017. We agree with the court's ruling that HUD's original effort to suspend the SAFMR rule was unlawful. We submit these comments despite our uncertainty about the legality of HUD's subsequent notice and request for comment regarding the suspension of mandatory SAFMR implementation.

Sincerely,

Michael McNeil

Chairman, Housing Committee of the New Jersey Conference of the NAACP and Executive Director, Solutions to End Poverty Soon (STEPS)

Adam M. Gordon

Associate Director, Fair Share Housing Center of New Jersey