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Docket Management Facility
U.S. Department of Transportation
1200 New Jersey Avenue SE.
West Building, Room W12-140
Washington, DC 20590

Docket No. FTA-2015-000 Interim Policy Guidance for the Capital Investment Grant Program

The National Housing Conference (NHC) appreciates the opportunity to comment on the Federal Transit Administration's Interim Policy Guidance for the Capital Investment Grant Program. NHC developed its comments in collaboration with the Local Initiatives Support Corporation (LISC), Enterprise Community Partners, MZStrategies, Natural Resources Defense Council (NRDC), and PolicyLink, building on our work earlier in the process of the development of this program. We believe that the affordable housing provisions in the land use category are important and should remain.

In specific response to FTA's questions, NHC's main comments are:

1. It is too soon to fully assess the effectiveness of these ratings and their impact on where stations are located or to offer examples where the location of legally binding affordability restricted units were influenced specifically by this measure. However, the ratings have already been impactful. Local conversations and efforts to expand affordable housing opportunities within proposed station areas are happening in areas across the country, and these collaborations will provide a foundation for equitable planning decisions in the future.
2. Project sponsors do not face an undue burden in collecting the data necessary to respond to the affordable housing measure.
3. In terms of data sources, we recommend that FTA maintain the reference to the National Housing Preservation Database, and amend the guidance to (a) reflect that PHAs are one potential data source among many; and (b) list other sources, with a particular emphasis on state housing finance agencies.
4. We recommend that FTA allow for self-certification of the data, with FTA conducting random spot-checks for accuracy as opposed to requiring a certification from a public housing authority (PHA).
5. A ratio represents the best method of assessing the amount of affordable housing within a corridor.

I. About the National Housing Conference

The National Housing Conference represents a diverse membership of housing stakeholders including tenant advocates, mortgage bankers, non-profit and for-profit home builders, property managers, policy

practitioners, realtors, equity investors, and more, all of whom share a commitment to safe, decent and affordable housing for all in America. We are the nation’s oldest housing advocacy organization, dedicated to the affordable housing mission since our founding in 1931. As a nonpartisan, 501(c) 3 nonprofit, we are a research and education resource working to advance housing policy at all levels of government in order to improve housing outcomes for all in this country.

II. Interim Policy Guidance

During the public comment process that informed the Final Rule and Guidance released in 2013, the National Housing Conference and its partners supported the inclusion of affordable housing in both the Land Use and Economic Development Effects ratings because these metrics are complementary. Under the Land Use criterion, project sponsors and their partners are encouraged to consider the location of low- and moderate-income households and existing legally-binding affordability restricted housing within the planning process. This creates an important incentive to locate stations where they can serve a diverse range of households. As a secondary impact, once those sites are selected this criterion could positively influence the location of future affordable housing developments. The Economic Development Effects criterion complements this measure by encouraging project sponsors and their partners to identify housing needs and develop plans, policies and tools to ensure that affordable housing options are preserved and expanded within project corridors. Both elements are important considerations when evaluating new investments in public transportation infrastructure.

Addressing FTA’s specific questions (questions noted in italics)

1. To what extent has this measure affected local decision-making on where to locate a project or stations?

- **It is too soon to fully assess** the effectiveness of these ratings and their impact on where stations are located. Many projects subject to the new rating system have been in the Capital Investment Grant pipeline for years and had already identified station locations. New applicants into the pipeline will be able to take this factor into account from the beginning, which will hopefully yield the desired results.
- **The rating has already been impactful.** We understand from local practitioners that this exercise has spurred local conversations about the location of stations and the proximity of affordable housing. These conversations—and in some cases, cross-sector partnerships that result—can create a foundation for equitable planning and investment decisions in the future.

2. To what extent has this measure affected the number of legally binding affordability restricted units in the project area and/or greater area?

- Similar to station area siting decisions, **it is too early** to show many examples where the location of legally binding affordability restricted units were influenced specifically by this measure. The development of affordable housing—through subsidy programs such as the Low-Income Housing Tax Credit (Housing Credit) —is generally a multi-year process, and many of the

developments being placed-in-service now would have been started prior to the adoption of the final rule and guidance.

- Local efforts to expand affordable housing opportunities within proposed station areas are happening in areas across the country, including in Denver, Durham, and the Twin Cities. The [Denver region has an acquisition fund](#) solely dedicated to acquiring sites for affordable housing near existing or future transit. A coalition of [local housing and equity stakeholders is engaging local government in Durham](#) to develop a strategy to support affordability within a planned transit corridor. In the Twin Cities, there are [initial discussions around developing inclusionary zoning ordinances](#) in suburban station locations where affordable housing is less prevalent. While some of these efforts preceded the FTA Final Rule and Guidance, they represent concrete efforts to advance the goals of the affordable housing assessments under Land Use and Economic Development Effects. **Having the affordable housing assessment will spur more of these conversations and collaborations** across the country as new housing and transportation projects are developed.

3. What has been the burden on affected parties in providing the information for FTA in response to this measure?

- Project sponsors engaging in the type of partnerships necessary to advance equitable station-area planning and investment **do not face an undue burden** in accessing and analyzing the data necessary to respond to this measure. In preparing our [joint comment letter](#) during the 2013 rulemaking process, one full-time staff member skilled in GIS was able to prepare and analyze the relevant data from six complete transit systems (Atlanta, Charlotte, Chicago, Denver, Seattle and Washington, DC) in approximately 6-12 hours, spending 1-2 hours per system. While this analysis did not include units created through local programs, extensive data is readily available through state and local housing entities, such as the state housing finance agency, local government housing departments, and public housing agencies.
- FTA guidance cites the public housing authority (PHA) as the primary source for data on this measure. While the local PHA will be able to provide some data, in many jurisdictions public housing does not constitute the majority of legally binding affordability restricted housing, nor are they the regulatory agency responsible for such units. There were [approximately 1.2 million public housing units](#) in the United States as of 2007 (a number that generally does not increase), compared to nearly [2.5 million units created by the Housing Credit program](#) from its inception in 1987 through 2012 (an average of 105,000 additional units are placed-in-service through this program every year). **State housing finance agencies and local housing departments are generally the appropriate points-of-contact for units developed or preserved through this program and inclusionary/incentive zoning.** The [National Housing Preservation Database](#) is also an appropriate data source for a broad range of federal subsidy programs, which can be supplemented by outreach to state and local agencies. Local affordable housing nonprofits and advocates often collect and maintain this data, as well. **Therefore, we recommend that FTA maintain the reference to the National Housing Preservation Database, and amend the**

guidance to (a) reflect that PHAs are one potential data source among many; and (b) list out other sources, with a particular emphasis on state housing finance agencies.

- The requirement that project sponsors provide a letter from the relevant local housing agency or agencies certifying the accuracy of the data could create some minor challenges. Project sponsors may have some difficulty in getting an agency to sign off on a comprehensive dataset if it includes units for which they have no regulatory authority. While the guidance does state that project sponsors may turn in letters from multiple public housing agencies, **we recommend that FTA allow for self-certification, with FTA conducting random spot-checks for accuracy** using [HUD- or state-locally maintained data sources](#). If FTA must require some form of official certification, we suggest clarifying the guidance to state that multiple letters are acceptable from other sources such as local housing departments and state housing finance agencies.

4. Is there a concern with the measure being based on a ratio and not the total affordable housing units?

- **A ratio represents the best method of assessing the amount of affordable housing within a corridor.** While no measure is perfect, a ratio best captures the local context when combined with the existing ability to provide supplemental information.
 - Measurement based on the total number of affordable housing units would disadvantage smaller or less-dense metropolitan areas.
 - Expressing the total number of units as a percentage of the total station-area housing stock would strip the measure of local context. The interim guidance cites an example of a project with a high percentage of affordable units within the corridor receiving a low score if the surrounding county has an even higher density of affordable units, while a project could receive a high score with a lower percentage of station area affordable units if the level in the surrounding county was particularly low. While revising the metric to focus solely on the total percentage of affordable units within station areas would remedy this seeming imbalance (when comparing project sponsors' plans to each other), there are tradeoffs.
 - One of the primary benefits of the current metric is to reward project sponsors that align their projects in a way that best meets the needs of low-income communities. While the first project sponsor in the aforementioned example may reach a relatively high number of affordable units, the project would bypass the communities with higher levels of affordability, and potentially greater transportation accessibility needs. The second project sponsor is aligning the project to where the needs may be greatest, and therefore is deserving of the higher score.
 - We recommend that **FTA continue to give project sponsors the option to provide supplemental information**. Each location is different and that context is crucial. For example, a system that does a good job of reaching affordable homes overall that seeks to expand into a job corridor with little-to-no housing overall would be expanding opportunity for low-income residents, and could deserve additional consideration under this metric. One method of encouraging project sponsors to provide supplemental

information would be to **provide examples of the type of information that would merit positive consideration**, such as the aforementioned example.

3. Conclusion

NHC appreciates the opportunity to comment on this guidance and commends FTA for its proactive efforts to strengthen and improve the linkages between housing and transportation investments. Please contact Rebekah King, Policy Associate (rking@nhc.org) with any questions.

Sincerely,

A handwritten signature in black ink that reads "Chris Estes". The signature is written in a cursive, flowing style.

Chris Estes
President and CEO