



March 8, 2010

Shelley Poticha
Director of the Office of Sustainable Housing and Communities
US Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Dear Director Poticha,

Thank you for the opportunity to provide feedback on the Sustainable Communities Planning Grant Program. The comments below are submitted by the National Housing Conference. For more than 75 years, the nonprofit National Housing Conference has been the "United Voice for Housing." A membership drawn from every industry segment forms the foundation for our broad, nonpartisan advocacy for national policies and legislation that promote suitable housing in a safe, decent environment.

We offer the following recommendations:

1. **Opportunity to Frame Local and Regional Planning Efforts.** Among other positive impacts, the Sustainable Communities Planning Grant program will help create a framework for discussions at the local level to plan for more sustainable communities. We urge HUD to take advantage of this opportunity by specifying in the NOFA what HUD believes should be in the regional plans and why.

Specifically, we urge HUD to require, as a condition of receiving funding under this program, that grantees pay special attention in the development of their plans to the following issues:

- a. **Housing that is affordable to families with a range of incomes.** In many cases, very low-income and extremely low-income families will need ongoing rental assistance to afford to live in new or revitalized communities near transit and job centers and other location-efficient areas. Similarly, many low-income and moderate-income families will require some form of assistance if they wish to afford to live in these communities. While it would be impractical for HUD to specify in the NOFA a single standard for targeting of affordable housing resources, it is important for HUD to require that communities and regions develop

plans to ensure that housing in location-efficient areas is and remains affordable to families at all income levels.

- b. **Permanent affordability.** The investments that communities make in transit and basic infrastructure are for the long-term – 50 years, 100 years, or more. To ensure that low- and moderate-income families can afford to live in these communities, it is essential that communities' affordable housing investments last at least as long. A 30-year affordability covenant may seem like it is long-term, but what happens in year 31? If all goes well, and we succeed in creating more sustainable communities, those communities will be desirable places to live, leading to higher property values. Once the initial affordability covenant expires and a unit rises to market levels, it will be prohibitively expensive to replace it.

To ensure that sustainable communities are and remain *inclusive* and affordable to families with a range of income levels, it is essential that communities plan to develop permanently affordable housing proximate to transit and job centers and other location-efficient areas, enforced through long-term rent restrictions (for rental housing) or through shared equity homeownership arrangements like community land trusts or deed covenants (for owner-occupied housing).

- c. **Preservation of affordable housing in location-efficient areas.** Both rising oil prices and the growing number of older households and younger households without children are expected to increase demand for housing near public transit and job centers and other location-efficient areas. In areas with substantial constraints on new housing production – most high-price areas – this is likely to increase housing prices, leading to reductions in housing affordability. HUD should require communities and regions to develop plans for preserving existing affordable housing in location-efficient areas.
- d. **Improving transit service to low-income areas.** In addition to ensuring the development of permanently affordable housing in location-efficient areas, communities and regions should also examine how to improve transit service to areas occupied by low- and moderate-income families, as well as special needs populations, particularly persons with disabilities and the elderly."

2. **Keep the focus of the planning grants primarily on planning, rather than implementation.**

We very much understand and appreciate the desire to fund efforts to implement regional plans to develop more sustainable and inclusive communities. Unfortunately, the funding of only one or two significant implementation efforts under the proposed Category 3 would deplete the available funding to a substantial extent, reducing the number of regions that could receive planning grants, and thus the scale of impact of the planning grant program. To this end, while we are comfortable with the implementation components of Category 2, we recommend omission of the proposed "Category 3" grants. Between the two remaining categories of funding, there should be more than

enough opportunities to fund value-added planning efforts and help spark initial implementation efforts for regions at all phases of the process of planning for a sustainable future.

3. **Local support for regional plans.** Regional aspirations do not always translate into concrete action at the local level. To increase the likelihood that there is local buy-in, we recommend that HUD give priority to applicants that can demonstrate local governmental support of regional planning efforts and commitment to implement local measures – i.e., inclusionary zoning, shared equity homeownership, project-basing of vouchers near transit, etc. -- to support regional affordable goals. We further recommend allowing regional entities receiving these funds to support local planning efforts with sub-grants only if the local government participates in the regional planning process and signs a Memorandum of Understanding that local plans will be developed in accord with the regional plan and in furtherance of regional goals.