April 8, 2011

Danielle Bastarache
Director, Office of Housing Voucher Programs
Michael S. Dennis
Deputy Director, Office of Housing Voucher Programs
Laure Rawson
Director, Housing Voucher Management and Operations Division
U.S. Department of Housing and Urban Development
451 Seventh Street S.W.
Washington, DC 20410

Re: Section 8 "SEMAP" indicators and fair housing

Dear Ms. Bastarache, Mr. Dennis, and Ms. Rawson:

Thank you for meeting with us last month to discuss our concerns about the inadequacy of the current Section 8 Management Assessment (SEMAP) rule in promoting fair housing choice and mobility.

We are writing to put some of our concerns (and concerns of our coalition partners) in writing and to urge the Department to substantially revise the current SEMAP rule to more strongly incentivize housing mobility in housing voucher programs operating in segregated metropolitan housing markets, in order to comply with the Department's obligation to affirmatively further fair housing.

The current SEMAP rule does little to promote deconcentration and choice, and, as noted below, often creates incentives to do just the opposite. Our primary concern is with the deconcentration section of the rule, but our comments cover other aspects of the SEMAP process as well:

- 1. The current definition of "low poverty" in the SEMAP "deconcentration bonus," 24 CFR § 985.3(h), permits a PHA to use its jurisdiction's average poverty rate to define "low poverty." This becomes meaningless when a jurisdiction's average poverty rate is at a moderate (20%) or high poverty (30%) level. We strongly urge the Department to adopt an objective national definition of low poverty (10%) or else use the metropolitan average poverty rate.
- 2. In addition to using census tract poverty rate, as we discussed, neighborhood location of an elementary school with relatively low poverty concentration (as measured by annual reports of percentage of students on the free and reduced lunch program) is a good proxy for the more detailed community "opportunity" measures pioneered by the Kirwan Institute, ¹ and similar indices being developed by HUD. ² We would also support a more detailed set of opportunity indicators, if HUD has the capacity to easily deliver such data to PHAs.

² See http://www.huduser.org/portal/publications/pubasst/housing choice voucher.html.

¹ See http://kirwaninstitute.org/research/gismapping/opportunity-mapping/index.php.

- 3. The current SEMAP deconcentration bonus gives PHAs no credit when families move to low poverty neighborhoods in another PHA's jurisdiction. PHAs should obviously be credited with these desegregating moves in the SEMAP calculations.
- 4. Deconcentration should be a required element of SEMAP for all PHAs in metropolitan areas. The deconcentration bonus should also be increased from 5 to 20 points, with extra points for substantial year-to-year progress in deconcentration, to provide stronger incentives for PHA behavior in relation to the other points available in SEMAP scoring.³
- 5. The "expanding housing opportunities" indicator, 24 CFR § 985.3(g) should incorporate performance-based measure(s) of whether a PHA is actually expanding fair housing opportunity for voucher holders⁴.
- 6. The "expanding housing opportunities" indicator should also provide more detail about the types of school counseling that is offered, including physical and mental health services and supports that are offered, information about school achievement rates, district graduation rates, school demographics, and the importance of school quality in selecting an apartment.
- 7. Additional factors should be added to the SEMAP rule that would reward increased fair housing choice in other ways. For example, we recommend a separate SEMAP indicator rewarding PHAs that place families with children in neighborhoods served by public schools with high overall achievement rates (data which are readily available to PHAs).
- 8. Finally, there is a need for much greater transparency in connection with the entire SEMAP process. We recommend that HUD require PHAs to post SEMAP certifications, and the supporting data summaries or analysis, on their websites. This will encourage PHAs to be more accountable to local constituencies for their performance in administering the Housing Choice Voucher program. If the certifications and data are available to PHA residents, local housing practitioners, and advocates familiar with local conditions, they will be able to help HUD verify the accuracy of the certifications and the integrity of the SEMAP process.

³ A much stronger deconcentration indicator is needed to counterbalance the SEMAP rule's heavy weighting for high lease-up rates, 24 CFR § 985.3(n), which undermines the deconcentration goal by penalizing PHAs who give families more time to find apartments in low poverty areas. On the general subject of voucher search time, we also think there is a lack of clarity among PHAs about how much time they are permitted to extend to families, and in what circumstances longer search times could affect their budgets. We recommend a PIH guidance that a) clarifies that search times can be extended indefinitely

budgets. We recommend a PIH guidance that a) clarifies that search times can be extended indefinitel pursuant to 24 CFR §982.303, and that these extensions are particularly warranted where a family is seeking to make a mobility move, and b) clarifies that search time for second moves while a family is housed in the original unit will not result in any loss of administrative fees to the PHA, and will not be

counted as a voucher not in use in the following budget year calculation.

⁴ For this purpose, metrics could be used to measure the percentage of a least to

⁴ For this purpose, metrics could be used to measure the percentage of a PHAs voucher families that live in, and/or are moving to, census tracts with a minority population that is less than the minority population percentage for the metropolitan area, with stronger incentives for moves with maximum desegregation impact. The PHA would earn points if this percentage is increasing over the previous one or two year period.

We hope that the Department will seriously consider these recommendations as it contemplates changes to the SEMAP rule. For too many years the Section 8 voucher program has failed to meet its fair housing potential, and revision of SEMAP is one small and important step in that direction.

Sincerely,

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cc: Milan Ozdinec, Deputy Assistant Secretary, Office of Public and Indian Housing Debra Gross, Deputy Assistant Secretary, Office of Public and Indian Housing