

# PRRAC

*Poverty & Race Research Action Council*

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**December 19, 2022**

**To: Interagency Community Investment Committee (ICIC)**  
**From: Poverty & Race Research Action Council (PRRAC)**  
**Re: Notice and Request for Information on Opportunities and Challenges in Federal Community Investment Programs, 87 Fed. Reg. 60236**

Dear committee representatives:

The Poverty & Race Research Action Council (PRRAC) welcomes the opportunity to provide recommendations on ways the Interagency Committee can coordinate agency activities to “promote economic conditions and systems that reduce racial disparities and produce stronger economic outcomes for all communities.”

We are particularly concerned with the extreme rental housing crisis affecting lower income families, particularly in communities of color, driven by the lack of permanent affordable housing, and related crises of economic exploitation, eviction, speculation, and displacement. We have become convinced that long term solutions to these challenges require an increasing set-aside of land and housing resources in these communities for community ownership and control. In the meantime, stronger tenant protections are necessary to increase housing security for families and children. We hope that the ICIC will consider the following principles in their planning:

- > To the greatest extent feasible, prioritize housing investments in targeted communities to “social housing” – defined as public, resident or non-profit owned, permanently affordable housing with significant community control or oversight.
- > Invest in expanding the capacity of community-based CDCs, land trusts, tenant consortium and related community-based development non-profits.
- > Remove underused and undervalued property from the speculative market by investing in community land trusts, or other forms of community oversight to ensure public uses for protected land and buildings.
- > Invest in single family housing for resale to qualified families, to protect these properties from speculative investment.<sup>1</sup>
- > Strengthen the financial capacity of Community Development Financial Institutions (CDFIs) to support community land trusts and other types of community ownership and control of housing resources.

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<sup>1</sup> See, e.g., Bo McMillan and Reggie Jackson, “Corporate Landlords Profit from Segregation, at Cost of Black Homeownership and Wealth,” *Shelterforce* (October 2022).

> Require robust tenant protections for any and all housing developed as a result of ICIC investments, including just cause eviction protections, prohibitions on conversion of affordable rental housing to market rate rental housing, tenant opportunity to purchase requirements for any future sales; and prohibition on source of income discrimination.<sup>2</sup>

> Assess the extent to which investments may affect surrounding property values and avoid federal investments that will lead to displacement of existing residents.

> To the extent that the ICIC plans to invest in additional housing for low-income families, ensure that low-income housing investments are equitably distributed in low poverty, high opportunity communities, to both ensure that low-income families have a full range of housing choices and to comply with ICIC member agencies' duty to affirmatively further fair housing. The ICIC's obligations are not just to underserved "places" but also to the needs, rights, and aspirations of families living in those places.

> To the extent that low-income housing investments are planned for high poverty, segregated neighborhoods, ICIC guidelines should require that such housing includes a mix of family incomes and is accompanied by significant surrounding economic and community development, consistent with the Low Income Housing Tax Credit's mandate to include a "concerted community revitalization plan" for housing investments in Qualified Census Tracts.<sup>3</sup>

> Assess all federal agency housing investments (including LIHTC) to measure the percentage of private for-profit versus public/non-profit ownership in each program and state and track progress over time.

Coordination of federal agency investments in traditionally underserved communities at a time of substantially increased public funding presents both new opportunities and old challenges. New investment has the potential to fuel the same cycle of segregation, disinvestment, profit-taking, speculation, displacement, and exclusion that we have seen before, if aggressive preemptive steps are not taken across all of the agencies involved in this initiative. In low-income neighborhoods, robust tenant protections and expansion of community ownership and control of housing are key elements of this response.

Sincerely,



Philip Tegeler  
Executive Director

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<sup>2</sup> See generally this October 21, 2021 letter to HUD Secretary Marcia Fudge from the Alliance for Housing Justice, <https://www.prrac.org/pdf/ahj-implementing-tenant-protections-in-affh.pdf>.

<sup>3</sup> 26 USC §42(m)(1)(B)(ii)(III).