

May 12, 2023

Marcia Fudge, Secretary
Adrienne Todman, Deputy Secretary
Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410

Dear Secretary Fudge and Deputy Secretary Todman,

As national civil rights and housing advocacy organizations deeply committed to fair housing, we are writing today to urge you to follow through on important regulatory reforms in HUD's largest housing program, the Housing Choice Voucher program, to advance that program's largely unrealized promise to affirmatively further fair housing and expand housing choices for low income families, the majority of whom are people of color.¹

We understand that two long overdue civil rights advances in the voucher program are currently pending at the HUD – reforms to the Section 8 Management Assessment Program (SEMAP) and the scheduled expansion of the Small Area Fair Market Rent (SAFMR) program. Some of us have participated in “listening sessions” held by HUD on of both these pending programs, but we want to take this opportunity to further underscore the importance of these two programs in advancing civil rights and housing justice for the families you serve. As we will note below, both SEMAP and the expansion of the Small Area FMR program are necessary to meet HUD's obligations to affirmatively further fair housing in the voucher program.

First, the SEMAP regulation: Based on the listening sessions held by HUD last year, we understand that HUD is finally considering, in the annual review of public housing agency (PHA) performance, a) progress in reducing voucher concentration (the proportion of families living in higher poverty neighborhoods) and b) progress in increasing the proportion of families who are able to access lower poverty neighborhoods, as *mandatory* factors in grading PHA performance. These measures are particularly important for programs located in metropolitan areas, where racial and economic segregation are often recognizable characteristics of the voucher program, and where voucher holders often struggle to use their vouchers to rent apartments in high-opportunity neighborhoods. Accountability for locational outcomes is crucial, especially for PHAs that take little responsibility for their fair housing obligations and continue, year after year, with policies and practices that steer families to high poverty, segregated neighborhoods. The Housing Choice Voucher program is supposed to provide real *choice*, and to affirmatively promote fair housing. Recent research has confirmed the long term benefits for families who move from higher to lower poverty neighborhoods,² and confirmed that many families are indeed interested in making these moves.³ SEMAP is a crucial accountability mechanism to encourage PHAs to provide these opportunities. We recognize that metropolitan PHAs have different areas of operations and different regional contexts – but these differences shouldn't matter if PHAs are measured on their annual progress in helping families access lower poverty, often higher-opportunity neighborhoods, with significant

¹ “Housing Choice Voucher Program Explained.” Washington, DC: Fannie Mae, <https://fm.fanniemae.com/media/5861/display>.

² Chetty, R., Hendren, N., & Katz, L.F. (2015). The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment. Cambridge, M.A.: Harvard University and National Bureau of Economic Research, http://www.equality-of-opportunity.org/images/mto_paper.pdf.

³ Bergman, P., Chetty, R., et al. (2019, updated 2023). Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice, https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_paper.pdf.

scoring that provides real incentives. We understand that HUD is also considering measuring other important family outcomes such as rent burdens and lease-up rates as part of a SEMAP rule. This data is critical to understanding the success of local voucher programs and how well a local PHA is applying discretionary policies to support housing choice and mobility, fundamental aspects of the voucher program.

Second, the expansion of Small Area FMRs: The 2016 SAFMR rule was one of the signature fair housing rules of the Obama Administration, changing voucher rent caps from a single regional fair market rent (“FMR”) to differential rent caps defined by zip codes, thus giving families many more choices of housing outside of low rent neighborhoods. When the rule was illegally suspended in 2017, several of the undersigned groups successfully sued the Trump Administration to reinstate it. The rule, implemented by HUD in 2018, imposed SAFMRs on all PHAs in 24 metropolitan areas, and required HUD that add additional metro areas in five years, using the same formula. We urge HUD to act quickly to add as many additional metropolitan areas as possible. Although voluntary adoption of SAFMRs has been moderately popular, voluntary adoption does not work in regions with multiple PHAs covering the same housing market. The absence of SAFMRs in highly segregated markets literally traps families with vouchers in lower rent, higher poverty neighborhoods. HUD’s new mobility services competitive grants program is unlikely to succeed without the use of Small Area FMRs. Indeed, no mobility program can succeed without the option of meeting the market in higher opportunity communities – which is exactly what SAFMRs provide.

HUD’s proposed Affirmatively Furthering Fair Housing rule correctly focuses on public housing authority administration of the Housing Choice Voucher program as a central fair housing issue, and suggests steps for PHAs to take to expand choice in the program, including the adoption of a housing mobility program as a goal. But HUD is also obligated directly under the Fair Housing Act to affirmatively further fair housing, and including progress on locational outcomes in the SEMAP rule and expanding Small Area FMRs are two very basic fair housing steps that are needed to make this commitment real in HUD’s largest assisted housing program.

Thank you for considering our position, and we would be happy to meet to discuss our concerns in more detail.

Sincerely,

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