



**National Community
Stabilization Trust**

March 12, 2020

Mr. Paul Compton, Jr.
General Counsel
Department of Housing and Urban Development
451 Seventh Street SW, Room 10276
Washington, DC 20410-0001

RE: Affirmatively Furthering Fair Housing Proposed Rule, Docket No. FR-6123-P-02

Dear Mr. Compton:

The National Community Stabilization Trust strongly opposes HUD's proposed changes to the 2015 Affirmatively Furthering Fair Housing rule. We urge HUD to withdraw the proposed rule and instead to implement the current rule, which was developed over several years through a thoughtful process that included many stakeholders.

The National Community Stabilization Trust is a nonprofit, non-partisan organization that works to restore vacant and abandoned properties to productive use and to protect and to protect neighborhoods from blight. Established in 2008, NCST has worked with hundreds of local partners across the nation to renovate more than 27,000 foreclosed homes and put them back into productive use for homeownership or affordable rental. We have also managed pools of highly distressed mortgage loans to stabilize neighborhoods and assist homeowners.

In the neighborhoods where we do the majority of our work, we still see housing finance practices that disadvantage residents who are members of protected classes and that result in weaker communities and local economies. We also see the toxic legacy of redlining – the systematic, government-sanctioned denial of credit to communities inhabited by residents of color. Neighborhoods where banks and FHA did not finance mortgages before 1968 are still plagued by blight and substandard housing. Lack of access to capital for community development or mortgage credit for homeownership continues to fuel a cycle of blight and disinvestment in neighborhoods, which in turn harms families and reduces economic growth. The harm caused by housing discrimination in the past should make us more vigilant, not less, about ensuring it does not happen in the future. The 2015 AFFH rule was a critical step in

addressing historic and ongoing discrimination. It created a data-driven approach to assessing fair housing and planning actions that clearly defined AFFH as a means to address disparities, integrate communities, eliminate concentrated areas of poverty, and encourage compliance with civil rights and fair housing laws.

Unfortunately, the proposed rule would be a big step backward, both eviscerating the 2015 rule and replacing it with a rule that ignores the legacy of segregation and will allow local governments to perpetuate segregation. The proposed rule would be worse even than the minimal AFFH process that existed from 1994 to 2015, which was widely derided as ineffective. Because jurisdictions would no longer need to use data to analyze the housing barriers in their communities, the proposed rule would not increase housing choice for members of protected classes under the Fair Housing Act.

The research of Raj Chetty and other economists has demonstrated conclusively that children who grow up in distressed, disinvested neighborhoods have worse life outcomes, simply due to the misfortune of being born in the wrong zip code.ⁱ The AFFH process in the 2015 rule began the process of ensuring that localities use HUD funds to increase access to the kinds of opportunities that are tied to where a person lives – jobs, transportation, schools, healthy environment, and the like – for members of protected classes. For HUD to propose a new, ineffective regime that does not increase access to opportunity is a dereliction of HUD's responsibilities under the Fair Housing Act.

To recap, the National Community Stabilization Trust opposes this proposed rule and we urge HUD to retract it and fully implement the 2015 AFFH rule. Please contact me if you have any questions.

Sincerely,

Julia Gordon
President

ⁱ <https://opportunityinsights.org/>