

# THE KRESGE FOUNDATION

March 9, 2020

Office of the General Counsel  
Rules Docket Clerk  
Department of Housing and Urban Development  
451 Seventh Street SW, Room 10276  
Washington, DC 20410-0001

Submitted via regulations.gov

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

On behalf of The Kresge Foundation, I am writing to express the Foundation's strong and public opposition to the Administration's proposed changes to the 2015 Affirmatively Furthering Fair Housing (AFFH) rule. With this letter, we wish also to outline the various ways we believe this proposed policy change will harm the communities to which our foundation is dedicated.

The Kresge Foundation is one of our nation's oldest and largest foundations and a leader in expanding social and economic opportunity in America's cities. We achieve this mission principally through grantmaking and social investment in Arts & Culture, Education, Environment, Health, Human Services and community development in the city of Detroit and more than 230 other cities nationally. In doing this work, we stand for opportunity structures and policy systems that dismantle persistent and pervasive racial, economic, and political barriers that impede pathways to equality and justice. We are opposed to the perpetuation of racial and ethnic inequities and the enshrinement of new barriers in public policy.

In our hometown of Detroit, we see the legacy of racist housing policy everywhere. Our poorest neighborhoods overlay almost perfectly with the original Federal Housing Agency redline maps. The infamous Grosse Pointe "points system" and similar efforts in the surrounding counties has left metro Detroit one of the most segregated regions in the counties. This segregation did not occur by accident - it was by design. In fact, in Detroit you can still visit the actual wall that was built at the city limits to separate black and white neighborhoods. This legacy is real, it's present, it's powerful, and it requires intentional action to remediate – the very type of action that AFFH enables.

For these reasons and the values they are rooted in, we raise our voice against the Administration's proposed changes to the Affirmatively Furthering Fair Housing rule. Housing has always played a fundamental role in creating social and economic mobility – yet for more than half a century people of color were largely excluded from the housing subsidies and

programs that helped create the American middle class. The 2015 AFFH rule was a critical step in addressing historic and ongoing discrimination; it currently requires communities receiving HUD funding to undertake a planning process every five years to assess segregation locally and regionally, explore disparities in access to opportunity, and engage residents and stakeholders in developing a plan for fostering inclusive communities.

Unfortunately, the proposed rule now under consideration would completely undermine this work by gutting the 2015 rule and proposing a rule that ignores the legacy of segregation and practically eliminates any accountability. The proposed rule would have even less impact on addressing community disparities and inequities than the minimal AFFH process that existed from 1994 to 2015, which the Government Accountability Office (GAO) found to be ineffective.

Arguments by some that the 2015 rule is too burdensome for communities do not reflect the reality that the process was successfully tested and refined in several cities before it was rolled out. Given the magnitude of the disparities experienced in our nation's cities and the impact of those disparities on individuals and families of color, it does not seem to be asking too much for communities to engage in a comprehensive the AFFH process which is required only every five years. In fact, cities like New Orleans that have already completed the AFFH process have found it to be an important tool for addressing the long-term impacts of racial segregation.

In a time in which record numbers of families – particularly families of color, but also over 12 million low income, working households - are struggling to meet rising housing costs, the proposed rule centers on the false idea that simply increasing the supply of market-rate housing will increase fair housing choice. Studies have shown that there is no city in America where a full-time worker on minimum wage can afford a two-bedroom apartment (National Low Income Housing Coalition, 2019). Further, HUD targets regulations that the administration considers barriers to housing development, including important environment, labor, and tenant protections (such as rent control); eliminating these protections is likely to exacerbate inequality along racial, ethnic and socio-economic fault lines.

Through our investment in cities across the nation, not just Detroit, we have come to recognize that a house is more than a roof over one's head. It is a fundamental threshold for good health, educational and economic success and opportunity. We now support innovative efforts where healthcare institutions are investing in housing, and where higher education supports housing stability for its students. In this context, AFFH is a vital tool for American cities to expand opportunity for people with low incomes.

Perhaps most importantly, the proposal contains no meaningful enforcement of the AFFH obligation and would allow jurisdictions uninterested in AFFH to continue ignoring their legal obligation without consequence. The proposed rule also eliminates the public participation process required by AFFH, thus eliminating an important channel for affected communities to influence the decisions of their local housing authorities.

We as a nation have yet to fully come to terms with how generations of institutional racism have created so many of the challenges we face today. The AFFH rule has been a positive step toward reversing racial segregation and planning for more equitable cities and regions. The Kresge Foundation encourages the U.S. Department of Housing and Urban Development to reject the proposed rule and fully implement Affirmatively Furthering Fair Housing.

Sincerely,

Rip Rapson  
CEO, The Kresge Foundation