February 10, 2017

Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2016-77)
Room 5203
P.O. Box 7604
1111 Constitution Avenue, NW
Washington, DC 20044

Notice 2016-77 – Satisfying the Required Qualified Allocation Plan Preference in Section 42 (m)(1)(B)(ii)(III) Concerning Concerted Community Revitalization Plans

Enterprise Community Partners (Enterprise) appreciates the opportunity to provide comments on the Treasury Department’s notice regarding concerted community revitalization plans as factors in the allocation of Low-Income Housing Tax Credits (Housing Credit). While we applaud the Treasury Department’s efforts to clarify fair housing obligations related to the Housing Credit, we do not recommend that Treasury establish a prescriptive definition of concerted community revitalization plans at this time. Instead, Enterprise recommends that Treasury first provide broad parameters that provide additional clarity while allowing state housing finance agencies to develop definitions for concerted community revitalization, with the goal of identifying best practices appropriate to a range of local needs and contexts.

Enterprise is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. Since 1982, Enterprise has raised and invested more than $23.4 billion in equity, grants and loans to help build or preserve nearly 358,000 affordable homes in strong neighborhoods. As one of the nation’s leading syndicators of Housing Credit equity for affordable housing development, Enterprise has invested over $11 billion in Housing Credit equity to date, creating or preserving nearly 137,000 affordable homes across more than 2,000 developments. Enterprise also co-chairs the A Call To Invest in Our Neighborhoods (ACTION) Campaign, a national, grassroots coalition of over 1,800 organizations, nonprofits and businesses advocating on behalf of the Housing Credit.

Enterprise is deeply committed to promoting fair and inclusive communities with access to opportunity. We have been especially engaged in fair housing and equity issues in recent years, with particular emphasis on implementation of the Department of Housing and Urban Development’s Affirmatively Furthering Fair Housing (AFFH) rule. Enterprise believes in a balanced approach to fair housing, which includes preserving existing affordable housing, supporting the revitalization of distressed communities and encouraging the construction of new affordable housing in high-opportunity areas. Enterprise has partnered with the Lawyers’ Committee on Civil Rights to lead a Fair Housing and Community Development Working Group, which includes national, regional and local housing, community development and fair housing organizations working jointly to provide advice on the implementation of the AFFH rule and review research at the intersection of community development and fair housing.
In the summer of 2016, the Fair Housing and Community Development Working Group undertook an effort to study how states define concerted community revitalization efforts. As part of this research, Enterprise assumed the role of researching how the urban planning field defines revitalization. After completing this review, we found that there is no agreement among urban planning researchers on a definition or a methodology as it relates to concerted community revitalization. Various researchers have proposed their own definitions based on case studies, but there is no evidence of a convergence of views or a consensus in the field. However, we were able to identify broad principles that many affordable housing practitioners use to define successful revitalization. These principles include: meaningful public participation; a formally adopted plan with goals, strategies, and actionable steps; evidence of public, private, or philanthropic investment; and a method to track progress.

Enterprise and the National Housing Trust have both analyzed state Qualified Allocation Plans across the country. Our research shows a wide variation in how states define concerted community revitalization efforts. While some states lack even a minimal definition of revitalization, a number of states are engaged in promising efforts to define concerted community revitalization efforts, and many are still exploring this policy area. Because many states’ policies related to concerted community revitalization are new or evolving, their impacts may not yet be known and it would be unwise to develop federal requirements prior to analyzing state findings. In addition, the National Council of State Housing Agencies is in the process of updating its “Recommended Practices” which guide the state housing finance agencies in administering the Housing Credit program. We expect the revision to address concerted community revitalization plans and we believe that analyzing the outcomes of this initial effort will be critical for preparing future guidance on the topic.

Defining concerted community revitalization is important to ensure consistency in fair housing policy, but doing so prematurely, at the federal level, could have the effect of preventing development or redevelopment in areas where it is critically needed, limiting the housing choices for low-income families in those communities.

Enterprise and our partners are committed to continuing research in this arena, and we look forward to working with Treasury to refine the guidance around concerted community revitalization. More broadly, we look forward to working with the Administration to build on the progress that has been made in providing additional clarity around fair housing obligations.

If you have any questions regarding these comments, please contact me at mmcfadden@enterprisecommunity.org or 202.649.3920, or Emily Cadik, Director, Public Policy, at ecadik@enterprisecommunity.org or 202.403.8015.

Sincerely,

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Enterprise Community Partners