June 25, 2021

HUD Regulations Division
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
451 7th St NW
Washington, DC 20410

Re: Docket No. FR-5246-N-04 - Housing Trust Fund: Request for Public Comment on Prior Interim Rule

RESULTS submits the following public comments in response to the Department of Housing and Urban Development's (HUD) request for public comment on its Housing Trust Fund (HTF) prior interim rule. RESULTS supports using 100 percent of HTF funds to assist extremely low-income (ELI) households, urges HUD to increase affordability from 30 to 50 years, and recommends rent limitation wherever the federal poverty guideline is higher than 30 percent of the area median income (AMI) so that these renters with household income at 30 percent of AMI will not be cost burdened by the maximum rent.

RESULTS creates the public and political will to end poverty by empowering individuals to exercise their personal and political power for change. We support a network of more than 115 chapters with over 650 active volunteers (and an additional 7,000 members in our email action network) across the U.S. Our grassroots advocates educate members of congress, work with the media, and build awareness within their communities on housing programs and policies, basic nutrition and health programs, along with budget and tax policies. Our grassroots network includes a specific focus on engaging young leaders and elevating the voices of low-income Americans who have firsthand experience of poverty. To this end, RESULTS supports laws and policies that address the affordable housing crisis. Proper implementation of the HTF rule is critical to advancing this broad goal to build, rehabilitate, preserve, and operate rental housing for extremely low-income people.

Income Targeting

RESULTS strongly supports the income targeting rule requiring 100 percent of HTF funds to be used to benefit households who have an income at or less than the federal poverty line or 30 percent of the AMI, whichever is greater, in years when there is less than $1 billion made available for the HTF. The purpose for creating the HTF was to address the gap in rental homes affordable and available to ELI households, which is currently at 6.8 million
units. Extremely low-income renters face a shortage in every state and major metropolitan area. We urge HUD to resist any efforts to loosen this requirement.

The minimum 30-year period of affordability

The National Housing Trust Fund Campaign, a group of national nonprofits, met frequently for many years to suggest provisions to include in proposals for creating a national Housing Trust Fund introduced by various Members of Congress over the years. The Campaign stressed the importance of long-term affordability. They settled on a 50-year affordability term. RESULTS urges HUD to increase the affordability period to 50 years. As a point of comparison, the 30-year affordability period required under the Low-Income Housing Tax Credit Program is a minimum that should be extended wherever possible.1

Rent Limitations

The interim rule established the maximum rent (including utilities) that an ELI household should pay at 30 percent of the federal poverty guideline or 30 percent of the income of a hypothetical household whose annual income equals 30 percent of AMI, whichever is greater.

The National Low Income Housing Coalition has long observed that wherever the federal poverty guideline is higher than 30 percent of AMI, renters with household income at 30 percent of AMI will be cost burdened by the maximum rent. The vast majority of metropolitan and nonmetropolitan Fair Market Rent (FMR) areas have maximum rents based on the federal poverty guideline for apartments larger than one bedroom. Absent rental assistance, households at 30 percent AMI renting units with at least two bedrooms will be cost-burdened by maximum HTF rents in most FMR areas. Maximum rents based on the federal poverty guideline are more common in non-metro FMR areas than in metro FMR areas. In addition, the poorest areas, where the federal poverty guideline is much higher than 30 percent of AMI, have the highest potential cost burdens. All of this is particularly concerning given the 30 percent standard of affordability already overestimates the ability of poorer and larger households to afford housing costs.

Therefore, RESULTS strongly recommends that HUD amend the interim rule to read:

The HTF rent plus utilities of an extremely low-income tenant shall not exceed the lesser of 30 percent of the federal poverty line or 30 percent of the income of a family whose annual income equals 30 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. HUD will publish the HTF rent limits on an annual basis.

---

1 https://www.irs.gov/pub/irs-utl/IRC_42.pdf
Thank you for considering our comments. If you have any questions or concerns, please contact Michael Santos, Senior Policy Associate at RESULTS at msantos@results.org or 202-783-4800 ext. 122.

Respectfully submitted,

Michael Santos  
Senior Policy Associate  
RESULTS Educational Fund  
1101 15th Street NW Suite 1200  
Washington DC 20005  
Msantos@results.org  
www.results.org

Noemi Wilson  
Ethnic Young Adult RESULTS Intern  
RESULTS Educational Fund  
1101 15th Street NW Suite 1200  
Washington DC 20005  
nwilson@results.org  
www.results.org