May 24, 2019

Mr. Todd M. Richardson
General Deputy Assistant Secretary, Public Finance and Regulatory Analysis Division
Office of Policy Development and Research
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 8216
Washington, D.C. 20410-0500


Dear Mr. Richardson:

On behalf of the Los Angeles Continuum of Care (LA CoC), the Los Angeles Homeless Services Authority (LAHSA) submits our response to the request for comment regarding a Review of HUD Policy in Opportunity Zones as issued in the April 17, 2019 Federal Register (Docket No. FR-6155-N-01).

LAHSA is a joint-powers authority of the City and County of Los Angeles and serves as the lead agency in the LA CoC. LAHSA is responsible for funding a significant portion of the interim housing, permanent housing, and supportive services for individuals and families experiencing homelessness in Los Angeles County. LAHSA’s mission is to combat homelessness and to ensure everyone in the LA CoC has access to safe and stable housing and as such we support comprehensive policies which aim to improve the lives of low-to extremely low-income individuals who are most at risk of homelessness.

Opportunity Zones, created by the 2017 Tax Cuts and Jobs Act, were designed to drive long-term capital and private investments into low-income communities. Consequently, they have both potential benefits and risks. New investments in economically distressed communities can lead to a stronger infrastructure, increased access to safe and healthy affordable housing, well-equipped schools and transportation options, good job opportunities, and an overall healthier environment.¹ On the converse, however, they can also have detrimental effects as increased investment can lead rising housing costs and displacement of residents. Given the opportunities and risks presented by Opportunity Zones, LAHSA has the following suggestions for the U.S. Department of Housing and Urban Development (HUD) to consider:

Preserve Existing Fair Housing Protections
LAHSA strongly recommends preservation and strengthening of fair housing requirements in Opportunity Zones, in order to ensure discriminatory real estate practices do not proliferate. More specifically, the fair housing assessment tool, the use of consistent and objective data sets, annual performance reports on fair housing goals and progress, monitoring of fair housing obstacles, and the inclusion of community participation sessions should continue to be required in these zones. Lack of enforcement of fair housing requirements can lead to the

entrenchment of racial segregation, further fueled by displacement, which is correlated with disparities in wealth, health, and rates of homelessness.\(^2\)

In Los Angeles County, this is felt most heavily in the Black/African American community and is demonstrated through the overrepresentation of Black/African American individuals in the total population experiencing homelessness. Black/African American individuals make up 36% of the entire population experiencing homelessness in Los Angeles County,\(^3\) yet they make up just 8% of the County’s general population.\(^4\) One of the key recommendations that emerged from LAHSA’s 2018 *Report and Recommendations of the Ad Hoc Committee on Black People Experiencing Homelessness*,\(^5\) a nationally recognized and regarded report, was a need for enhanced enforcement and education around fair housing. The committee recognized how institutional racism and generations of systematic discrimination, especially in housing, has exacerbated the homelessness crisis for Black/African American individuals. The report asserts that fair housing requirements are necessary to begin alleviating some of these negative consequences.

**Preserve Equal Access to Housing in HUD Programs Rule**

At present, HUD-funded programs must abide by HUD’s “Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity” rule. This rule ensures fair and equal access to housing for all individuals regardless of their sexual orientation, gender identity, nonconformance with gender stereotypes, or marital status. These regulations should be preserved in Opportunity Zones as well, as LGBTQ youth tend to be disproportionately represented in the population experiencing homelessness and face high rates of discrimination as well. Any changes or relaxation to this rule could lead to disruptions in the delivery of homeless services or other needed housing assistance to vulnerable individuals and families.

**Provide Flexibility in Housing Quality Standards for Large Families Experiencing Homelessness**

LAHSA suggests that HUD provide flexibility in housing quality standards for CoC-funded Rapid Re-Housing and Housing Choice Voucher programs that seek to serve homeless families. Strict occupancy requirements limit the ability of large families to move into affordable units, resulting in families remaining unhoused for longer periods of time or moving into larger units that are unaffordable to these families in the longer-term. These occupancy requirements should be loosened for Continuum of Care-funded Rapid Re-housing and Housing Choice Voucher placements in Opportunity Zones to increase the number of families able to be stably housed using HUD subsidies, while continuing to ensure housing is safe and healthy for families. In Los Angeles County, there were over 8,200 family members experiencing homelessness in 2018, with over half of those being children under age 18.\(^6\)

Opportunity Zones and Qualified Opportunity Funds have the potential to play a role in helping to prevent and/or reduce homelessness. However, in order to do so, critical protections that prevent housing instability and homelessness must also be preserved. LAHSA requests that HUD ensure that fair

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housing and equal access regulations are maintained, as well as seek to loosen burdensome regulations that prevent low-income individuals and families from being housed are of paramount importance. We thank HUD for allowing the public and other stakeholders to provide feedback on regulatory reform in Opportunity Zones. We would welcome the opportunity to work together to ensure that Opportunity Zones fulfill their promise of creating equitable economic development that benefits all residents, including those that are most vulnerable.

Sincerely,

Sarah Dusseault
Vice Chair, LAHSA Commission

Peter Lynn
Executive Director