



November 18, 2008

Mr. Richard Celli
Director
Housing & Community Development Department
City of Houston
P.O. Box 1562
Houston, Texas 77251

Delivered Electronically

Dear Mr. Celli:

Houston LISC appreciates the opportunity to contribute the following recommendations for consideration regarding the City's Neighborhood Stabilization Program Draft Plan, currently open for public comment.

One of our most pressing concerns is that the NSP Plan would include only the minimum Affordability Period required by HUD, i.e., 5 years. The legislation creating this one-time funding opportunity, HERA, clearly anticipated "continued affordability" and encourages Grantees to "ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed-upon homes and residential properties under this section remain affordable...".

We encourage you to consider various ways to increase the affordability period for the properties purchased with NSP funds. For the past fifteen years, HUD has recognized the value of Community Land Trusts, as evidenced by the Notice issued on December 20, 1993, CPD-93-42, stating that

"Community Land Trusts are, perhaps, one of the most effective means of ensuring permanent affordability of resident ownership simply because the trust maintains ownership of the land. The objective of a CLT is to acquire land and make it available to individual families, cooperatives and others through long term leases up to 99 years. While the leaseholders do not hold title to the land, they may own the buildings or housing units/structures on the land."

We encourage the City of Houston to specifically include Community Land Trusts in the Program design, and to work with local non-profits to create one or more Community Land Trusts in Houston. LISC is available as a resource for this effort. The City of Austin has created a successful model that is consistent with Texas law and market conditions.

Secondly, acknowledging that we are experiencing an historic tightening of credit, particularly home mortgage lending for buyers with incomes below 50% of AMI, we recommend that Acquisition/Rehabilitation activity include and encourage non-profit ownership of rental properties for individuals and families below 50% AMI, as an alternative to homeownership. This will also ensure the timely use of the NSP funding, regardless of market conditions.

The Local Initiatives Support Corporation (LISC) is a national nonprofit community development support organization with a local presence. LISC is dedicated to helping community organizations transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity — good places to work, do business and raise children.

Thank you for your efforts to create a plan to assist Houston neighborhoods during this challenging time. We appreciate your consideration of our comments. We look forward to working with you in the implementation of the Neighborhood Stabilization Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Timm", with a long horizontal flourish extending to the right.

Amanda Timm
Executive Director