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HUD Finalizes New Central Planning Rules for Communities

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The U.S. Department of Housing and Urban Development (HUD) has finalized new regulations for local communities receiving federal government funds, requiring communities to identify and eliminate deviations from mandated demographic and socioeconomic ratios and quotas.

The new HUD mandate, officially billed as the Affirmatively Affirming Fair Housing (AFFH) rule, is expected to increase the annual burden on taxpayers by about \$34 million, according to government analyses.

Census or Senseless?

Randal O'Toole, a senior fellow with the Cato Institute, says the new rule micromanages lifestyle decisions traditionally made by individual families.

"If you read the rules, they go down to the Census tract and neighborhood level," O'Toole said. "So, not just cities or suburbs, but Census tracts have to be reflections of society or the urban area they're in."

For statistical purposes, the U.S. Census Bureau divides areas into tracts, or subdivisions, of local government units following physical features or geographic boundaries.

"You're going to be hard-pressed to even find people who want to live in neighborhoods of other groups," O'Toole said. "The existing housing patterns are a result of centuries of history ... but there are also some other reasons why housing patterns are not going to be perfectly integrated."

Pick-Up Trucks and Priuses

O'Toole says people choose to live and work where they do for many reasons.

"Not every household has the same taste," O'Toole said. "For example, working class households are more likely to shop at Wal-Mart and drive around in pickups. Middle-class or upper-class households are more likely to shop at Whole Foods and drive Priuses. Those kinds of tastes dictate the neighborhood we live in [and] dictate the jobs we get and the location of those jobs, things like that."

Strings Attached

Compliance with the new central planning regulations is the price communities will have to pay for taking federal money, O'Toole says.

"It only applies to governments who accept federal housing grants," O'Toole said. "If you don't accept a federal housing grant, you're not required to do anything."

Rick Manning, president of Americans for Limited Government, a nonprofit organization involved with identifying, exposing, and working with Congress and state legislatures to prevent the continued expansion of government, says AFFH is a solution in search of a problem to solve.

"People choose to live in neighborhoods based on a whole variety of issues," Manning said. "To try to overcome that through social engineering from Washington, DC shows the exact kind of hubris that we became familiar with when watching places like the Soviet Union and its five-year plans."

'They Should Just Back Off'

Manning says people should be allowed to live where they wish to live, instead of engineering communities to achieve federally mandated socioeconomic mixtures.

"These are local decisions made for a variety of reasons, and to try to overlay the federal government on top of it is doomed to fail," Manning said. "It's not their role, and they should just back off. It's bad for the people they want to help; it's bad for local governments; and it's bad for local communities."