

November 27, 2012

The Honorable Shaun Donovan  
Secretary  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Room 1000  
Washington, DC 20410

Dear Secretary Donovan,

The organizations submitting this letter are writing to express collective concern about the U.S. Department of Housing and Urban Development's (HUD) development of the Location Affordability Index (LAI). The LAI aims to measure the true affordability of housing choice by factoring in both housing and transportation costs in a neighborhood.

We respectfully ask that you delay the planned December posting of the LAI on HUD's website until it can be reviewed thoroughly by additional stakeholder groups and problems with the model's methodology can be properly addressed. There are continuing issues with the methodology that have not been resolved, and we do not believe this will happen quickly.

HUD's explanations of how the regional scale LAI Index and individual cost calculator relate and justifiably can be used remain fundamentally unclear, which is of particular concern with regard to any potential policy applications. Further, the process for developing the LAI has not been open and transparent, and the pool of stakeholders and commenters who have been given access to the actual development of the Index and its applications has been very small. Until the LAI model and calculator are fully developed and explained, and their possible policy uses are carefully considered and publicly vetted, it is premature to consider using them or citing them.

We would welcome the opportunity to meet with you to discuss our concerns in further detail. Debra Bassert is the designated point of contact and can be reached at 202-266-8443 or [dbassert@nahb.org](mailto:dbassert@nahb.org).

Council for Affordable and Rural Housing  
Leading Age  
Mortgage Bankers Association  
National Affordable Housing Management Association  
National Apartment Association  
National Association of Home Builders  
National Leased Housing Association  
National Multi Housing Council