

Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

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December 21, 2017

NAHMAanalysis 2017-1220

HUD Tests Idea of PBCA Alternative: National and Regional Support Services

Background

Since 1999, HUD has engaged with Performance-Based Contract Administrators (PBCAs) to oversee the majority of its Housing Assistance Payment (HAP) contracts from across the country. The legal rights and responsibilities of PBCAs are established in the 53 Annual Contribution Contracts (ACCs) currently in effect. In early December, 2017, HUD published a draft Request for Proposal (RFP) which states that once the existing 53 ACCs expire (or are terminated), the PBCA program will end and HUD will become the contract administrator for all HAP contracts in the Multifamily Housing portfolio. The release states that it is merely a “sources sought notice” with no commitment to move forward with a formal solicitation: “This Is a Sources Sought Notice. This is not a request for offers, quotes, or proposals. This notice does not represent a commitment by the Government to issue a formal solicitation or award a contract. This is a market research tool to solicit comments on the draft RFP from capable sources and to determine the capability of potential sources.”

HUD has requested comments on draft changes to the HAP contract oversight. Based on HUD’s draft request for proposal (RFP), NAHMA believes that HUD intends to significantly alter the current PBCA program to establish a national and regional oversight approach titled “HAP Contract National / Regional Support Services” (HAPNSS / HAPRSS).

This NAHMAanalysis reviews HUD’s draft RFP with regard to Performance Work Statement (PWS) of both the National and Regional HAP Contract Support Services.

New Alternative for HAP Contract Oversight

The draft RFP released by HUD this month would seek to replace the Performance-Based Contract Administrator (PBCA) program with a national and regional support system for HAP Contract oversight: the Housing Assistance Payment Contract National Support Services (HAPNSS) and the Housing Assistance Payment Contract Regional Support Services (HAPRSS).

The draft RFP indicates that HUD would end the PBCA program and use the RFP to obtain HAP Contract support services to assist with the administration of approximately 17,000 HAP

Contracts. Based on the draft RFPs, the national and regional contractors would conduct the following support services:

The primary responsibilities of the **National Support Services Contractor** are to conduct HAP contract portfolio analysis and risk reporting; renew HAP Contracts, process Owner opt-outs, terminations, expirations, combinations, bifurcations, and assumptions; and review and adjust contract rents and utility analysis.

- Portfolio Analysis primarily consists of providing HUD with evaluation and analyses of HAP Contract data across the entire HUD Multifamily portfolio consisting of over 17,000 properties. The National Contractor will collect and aggregate data, like physical inspection scores and risk ratings, from HUD systems to deliver insight on the health of the housing portfolio, forecasting, and other ad hoc reports on the portfolio.
- HAP Contract Administration Support consists of preparation and contacting O/As for HAP contract renewals, as outlined in the Section 8 Renewal Policy Guide. The National Contractor will oversee HAP Contract Rent Adjustments (including Budget-Based, Annual Adjustment Factor (AAF), Operation Cost Adjustment Factor (OCAF), and Special Adjustments options) and oversee opt-out transactions in accordance with HUD regulations and requirements.

The primary responsibilities of the **Regional Support Services Contractors** include conducting Management and Occupancy Reviews (MOR), HAP Voucher Processing, Tenant Health and Safety, and HAP Contract Opt-out and Termination Support. It is not clear how many Regional contractors there will be; however the regional breakdowns include: Region 1 – Southwest, Region 2 – Midwest, Region 3 – Southeast, Region 4 – Northeast, and Region 5 – West.

- MOR Activities include Scheduling On-site Review, completing Desk Review, Conducting On-Site Review, Completing MOR Report, Completing Follow Up Actions; Processing Reviews and Appeals; Taking Action for a nonresponsive O/As, and Completing Closing Reviews.
- Monthly HAP Vouchers and Special Claims Processing activities consist of processing Section 8 HAP vouchers (Vouchers) and special claims for each assigned property monthly.
- Tenant Health and Safety oversight includes accepting and recording tenant concerns including but not limited to health, safety, and maintenance issues and follow-up with owners to ensure that owners take appropriate corrective action. The Regional Contractor will maintain a tracking system for recording and reporting concerns and inquiries, and input this applicable information into iREMS.
- HAP Contract Opt-Outs and Terminations includes oversight of opt-out activities of the O/A and facilitation of the residents' transition to tenant-based vouchers based on HUD requirements.

NAHMA Member Feedback

NAHMA is requesting member feedback on the draft RFPs before HUD's deadline early in the New Year (Jan. 2). Members are encouraged to review the Performance Work Statements (PSW) for each HUD solicitation to understand the responsibilities associated with both the National and the Regional Support Services. A breakdown of each region accompanies the Regional Support Services draft RFP:

- [Draft RFP HAP National Support Services](#) (PWS begins on pg. 9)
- Draft RFP HAP Regional Support Services
 - [Draft RFP HAP Regional Support Services](#) (PWS begins pg. 6)
 - [Multifamily Regions and Sub regions](#) (Breakdown of each Region/Regional Offices)

Next Steps

NAHMA believes that the solicitation is a clear indication that HUD will significantly alter the current PBCA program, potentially by reducing the 53 existing Annual Contribution Contracts (ACCs) to fit with a split-level national / regional model. Such a change would dramatically change the landscape of HAP Contract monitoring and oversight. We encourage members to provide feedback on the impact this may have on your operations.