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Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, D.C. 20410-0500
Via: www.regulations.gov

**RE: White House Council on Eliminating Regulatory Barriers to Affordable Housing Request for Information
Docket No. FR-6187-N-01**

To Whom It May Concern:

Thank you for the opportunity to comment on the subject request. The National Affordable Housing Management Association (NAHMA) commends the continued efforts to streamline rules and reduce regulatory burdens. As you are aware, there are a number of major affordable housing challenges currently facing the nation. NAHMA has provided a few policy recommendations to relieve burden on housing providers for your policy consideration:

NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing. NAHMA supports legislative and regulatory policy that promotes the development and preservation of decent and safe affordable housing, is a vital resource for technical education and information and fosters strategic relations between government and industry. NAHMA's membership represents 75 percent of the affordable housing management industry, and includes its most distinguished multifamily owners and management companies.

Preserving and developing new affordable housing units

A key priority for our members is to always ensure full funding for HUD and USDA Rural Housing Service rental assistance and affordable housing programs. We are sure you are aware of the importance housing programs to the nation's most vulnerable population, including seniors and persons with disabilities. NAHMA requests your consideration regarding the funding of the Section 8 Project-Based Rental Assistance (PBRA), Housing Choice Voucher (HCV), HOME Investment Partnerships (HOME), Section 538 Loan Guaranty, Section 515 Direct Loan, and Section 521 Rental

Assistance (RA) programs. NAHMA is concerned that funding for these important programs is inadequate and often delayed under a continuing resolution. We urge sufficient funding, timely renewal of all rental assistance, and new increased funding for all critical affordable housing programs.

Regulatory Review and Streamlining

NAHMA welcomes the Administration's priority to review and overhaul federal regulations and reduce the burdens felt by businesses and program participants. Given the Administration's interest in removing regulatory barriers, NAHMA would like to highlight some federal regulations that, while well-intentioned, concern our members trying to operate decent and safe affordable housing in an environment of reduced federal funding. We urge the Administration to pursue reforms or rescind the following regulations:

1. **Collaboration on Occupancy Handbook Changes:** There are discrepancies contained in the HUD 4350.3 Handbook, as well certain guidance being too vague. The industry used to work with HUD on Handbook changes. NAHMA welcomes the opportunity to collaborate with the administration to update all HUD Handbooks in a way that reduces burdens.
2. **Streamline Management and Occupancy Reviews (24 CFR Parts 880, 881, 883, 884, 886, and 891):**

Eliminate Physical Copy Requirement of MOR: NAHMA members state that HUD's requirement to have a physical copy of the resident file available for review during the MOR at the site is costly and burdensome to the property. We ask to HUD realize that these expenses have a direct correlation to the rent needed to operate assets, and that the Department and its Contract Administrators (CA) begin to recognize and audit electronic files. LIHTC programs already allow for review of electronic files and HUD should do the same.

Risk-based MORs: HUD should consider scheduling MORs on the rating based on risk, similar to the REAC inspections, rather than annually?

3. **Flexibility in Tracking Payroll (HUD Handbook 4381.5 Rev. 2):** NAHMA members have indicated that requiring staff to specifically allocate hours and track those hours through the use of timesheets is not easily managed or efficient. It is members belief that a system whereby staff hours would be reasonably allocated to properties based on unit count would be more efficient, less onerous and prove to allocate payroll fairly and appropriately over the course of time. HUD should consider issuing guidance to grant flexibility in meeting payroll requirements, by allowing units and square footage, in addition to the current requirement.
4. **Criminal Background Screening (OGC Memo issued April 4, 2016):** NAHMA strongly encourages HUD to focus on the challenges created by its criminal

screening guidance, which in direct conflict with owners' and managers' duties to provide safe housing and a safe work place for our employees.

5. **Flexibility to Transfer Funding (HUD Handbook 4350.1):** NAHMA members recommend HUD allow greater flexibility in the use of cash flow to further the mission of housing preservation including the ability to more easily transfer funds to reserve accounts to fund needs that have been documented in capital needs assessments.

NAHMA members also recommend HUD allow greater flexibility in the management of assets across a portfolio by allowing better performing assets to provide financial support to under-performing assets either through loans or other risk sharing concepts.

6. **Automatic Rent Increase in PRAC properties (HUD Handbook 4350.1):** Until the RAD for PRAC program is fully implemented, NAHMA members recommend HUD streamline rent setting generally but specifically allow for longer term PRAC contracts and an automatic rent increase option or a simple request to renew at current rents.
7. **Streamline Transfer of Physical Assets (TPA) Process for High Performers ((HUD Handbook 4350.1):** NAHMA members recommend HUD update, streamline and simplify the TPA processes for TPA's involving high performing ownership entities and involving simple financing transactions.
8. **Triennial System for Awards Management (SAM) Registration:** HUD requires an update of our SAM Registrations (System for Awards Management) every year. Can this be minimized so that the update is required every three years, unless there is a material change?
9. The HUD Section 8 Renewal Guide requires that properties that have Annual Adjustment Factor (AAF) rent increases that are still in the original term of their HAP contract submit a new Rent Comparability Study (RCS) each year. Can the handbook be amended so that the RCS is only required every five years?
10. **Reduce Burdensome Utility Allowance Requirements (24 CFR 245.405(a) and 245.410; H-2015-04, FR-5913-N-27)**
 - a) HUD's new Utility Allowance Calculation Policy increased the sample size requirements. Can the sample size requirements be reduced?
 - b) HUD regulations require a tenant notice for 30 day comment be provided for all Utility Allowance Decreases, even if the Utility Allowance is based on a Factor published by HUD. Since there is no analysis involved, and the calculation is determined by HUD, can this requirement be eliminated?
 - c) Eliminate the burdensome Utility Benchmarking requirement. A key question is whether the data is meaningful. To be meaningful, all the variables impacting

utility usage need to be considered. Members have reported wide variance between similar buildings in the same city. They report variations due to microclimates, age of tenants, age and exposure of the buildings (north, south, etc.) etc.

11. **Eliminate Tenant Review Requirement in M2M:** HUD's Section 8 Contract Renewal Guide requires that a tenant notice for 30 day comment be provided for Mark Up to Market Rent Increases. This step is really unnecessary. Can this requirement be eliminated?
12. **Improve USDA/RHS Processing and Oversight:** In many states, USDA's State Rural Development office lacks capacity to do very little more than basic servicing. This has created a significant barrier and long delays for development approvals for members, who are trying to preserve this portfolio. While members appreciate the new leadership in Headquarters, a work-sharing process with updated points of contact in headquarters must be implemented to improve the processing delays.

Thank you for the opportunity to provide recommendations. Please contact Larry Keys, NAHMA Director of Government Affairs, at lkeys@nahma.org, with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Cook". The signature is fluid and cursive, with the first name "Kris" being more prominent than the last name "Cook".

Kris Cook
Executive Director