



400 North Columbus Street
Suite 203
Alexandria, VA 22314
(703) 683-8630
(703) 683-8634 FAX
www.nahma.org

April 22, 2021

Lopa Kolluri
Principal Deputy Assistant Secretary
Office of Housing and the Federal Housing Administration
U.S. Department of Housing and Urban Development

Ethan Handelman
Deputy Assistant Secretary
Office of Multifamily Housing Programs
U.S. Department of Housing and Urban Development

Dear Ms. Kolluri and Mr. Handelman,

The National Affordable Housing Management Association (NAHMA) looks forward to learning about your vision for HUD's multifamily housing programs, which are critical to providing quality rental housing to families in need and to improving economic opportunity for all Americans. NAHMA members are delighted to work with you on affordable housing issues and have provided recommendations on a few policy priorities below.

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.

As you are aware, there are a number of major affordable housing challenges facing the nation, even as we tackle and recover from the pandemic. NAHMA looks forward to partnering with you and your staff to address these challenges, including providing emergency rental assistance to tenants and operational assistance to property owners adversely impacted by the pandemic; ensuring HUD's rental assistance and service coordination programs are fully funded, and preserving and developing new affordable housing units. Our members recommend the following policy priorities for your consideration:

1. Providing pandemic relief through emergency rental assistance and operational assistance to individuals, families, and housing providers

NAHMA members and their staff have served as "first responders" and essential employees on the front lines of this crisis, but they did not have the resources to perform this vital role. As a result, significantly increased operating costs have included expenses for such items as deep-cleaning and sanitizing units and common areas; new approaches to protecting resident health, safety and security; new approaches to protecting management company office and site staff health, safety and security; and many other extraordinary initiatives required in response to the pandemic. Existing operating reserves were not calculated or funded to meet these significantly increased costs and are therefore insufficient. NAHMA members have faced reduced revenue,

which has drained reserves, caused deferred maintenance and capital improvements, and placed many housing providers on the precipice of economic jeopardy.

NAHMA members are now facing skyrocketing increases in insurance costs for their multifamily properties, even with significant increases in deductibles and exclusion of some types of risk. Members have shared they have been denied some types of insurance coverage entirely for an array of reasons being cited, from status as affordable housing, to use of crime statistics in the underwriting process, to the presence of pull cords etc. on the property, to discontinuation of types of coverage (such as assault and battery), and beyond. These skyrocketing insurance costs are putting substantial pressure on the operating budgets of multifamily properties, often resulting in significant cost-cutting in other areas of operation. NAHMA has joined with industry partner associations (NLHA, NAA, NMHC, IREM) to survey and gather important data on the significant increases in insurance costs being experienced by multifamily properties. We look forward to sharing this data with you in early to mid May.

Finally, NAHMA members continue to work with their residents impacted by the pandemic by assisting with obtaining emergency rental assistance (ERA), implementing rent repayment arrangements, waiving fees and connecting them with social service resources. However, a significant issue relates to tenants who participate in Federally-assisted housing programs. The statute provides that such residents are eligible as long as the rental assistance payments are not duplicative of other federally funded rental assistance; the FAQs issued by the Treasury further describe the parameters for eligibility including that the renter household may receive ERA for the tenant-owed portion of the rent or utilities “that is not subsidized.” Yet, many States and localities are flatly refusing to allow subsidized renters or their landlords to apply. These households have accrued thousands of dollars in unpaid rent that they will never be able to pay. The amounts are such that the housing providers have no ability to absorb the losses, which will ultimately lead to the eviction of thousands of families.

2. Preserving and developing new affordable housing units, while fully funding rental assistance programs

A key priority for NAHMA members is ensuring full funding for HUD’s rental assistance programs, including Project Based Section 8 (PBRA) housing assistance payment contracts. Among the 1.3 million residents of HUD’s PBRA programs, more than 45 percent are seniors who depend on these HUD programs for their affordable, quality housing. The increasing demand for affordable housing for older adults far outpaces supply. Please continue the positive momentum of current initiatives, such as the Rental Assistance Demonstration (RAD) program and increased investments in the PBRA, Section 202, and Section 811 programs to address the shortage. We also recommend increased funding for programs such as HOME, CDBG, and the Housing Trust Fund to expand the supply of affordable housing across the nation. We applaud HUD Secretary Fudge for advocating for increased funding for preservation and new construction of affordable housing in HUD’s FY22 Budget Request and the President’s proposed American Jobs Plan. NAHMA looks forward to working with the department to advance these proposals.

3. Ensuring tenants can access supportive service and economic opportunity

As HUD considers additional relief packages and budget requests to address the economic impacts of the pandemic, we strongly encourage you to seek additional funding and policies to Bridge the Digital Divide, ensure full funding for Service Coordinators, expand access to the Family Self Sufficiency Program (FSS) for working families in PBRA, and continue the IWISH Supportive Services Demonstration for Elderly Households. These programs are essential to provide families in HUD’s affordable housing with the support they need to recover from this crisis, build the financial security necessary to weather uncertain times, access telehealth services, safely learn about opportunities and programs within their own communities, overcome language barriers, and combat the negative physical and mental health effects of social isolation.

We look forward to partnering with you to address the nation's affordable housing challenges and priorities listed above. Please contact Larry Keys at 703-683-8630 x 111 or lkeys@nahma.org, or myself, for additional information.

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, CAE
Executive Director, NAHMA