



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

September 28, 2022

Cathy Baker,
Contracting Officer
307 W. 7th St., Suite 1000
Forth Worth, Texas 76102
United States

RE: Solicitation #: 86614622R00001

To Ms. Baker:

Thank you for the opportunity to comment on the subject request, Housing Assistance Payments (HAP) Contract Support Services (HAPSS) (formerly known as Performance-Based Contract Administrator (PBCA) Program). The recommendations below are submitted on behalf of the National Affordable Housing Management Association (NAHMA). At a high-level, NAHMA members have expressed concerns, specifically: this new approach creates inefficiencies in a system that has worked fine for over two decades and HUD's capacity to take on additional workload, given their staffing levels. Some NAHMA members believe HUD could use this opportunity to build PBCA processing consistency from state to state, however the new sub-subregional contractor could be problematic, absent alignment and standardization, for the O/As and state contractors. In similar, members are concerned on the impact to larger O/As with properties currently served by PBCAs and with the proposed level of HUD involvement in every task assigned to the contractor, which does not align with practices in the current PBCA program. The potential for a change in contractor or multiple contractors will cause confusion, raise accountability issues, and decrease the partnerships under the current program. Members understand that HUD may need to have a new solicitation, however they remain unclear as to why the day-to-day operation of the program must change so dramatically.

NAHMA still has many of the same concerns and recommendations that we conveyed in 2018, under HUD's previous effort. In 2018, NAHMA recommended that HUD convene stakeholder meetings to explain the rationale behind this new proposal and give some clarity to the industry. We remain concerned this effort could negatively impact the affordable housing industry at large, as it may lead to potential loss of owners and units from the PBRA program, as well as critical institutional knowledge from key stakeholders. NAHMA also remains concerned about the increased cost due to oversight changes and the potential impact on tenants.

About NAHMA

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.

Under the proposed HAPSS approach, NAHMA members will be directly impacted by HUD's new proposed Region and Sub-Region Model. As we historically shared with HUD leadership, we strongly recommend HUD reconsider both the terminating of the current PBCAs and the implementation of a new bifurcated model that would lead to increased burden, lack of local market knowledge, and less efficient property oversight. In response to HUD's 2018 National/Regional Proposed Model, NAHMA provided the following recommendations to improve the current PBCA program and we re-emphasize some for this draft solicitation, as they are still applicable. Specifically, the proposed model would lead to the following:

- **Elimination of PBCAs and Bifurcation of their duties into Regional and Sub-regional.** HUD does not articulate the reason for eliminating the current PBCA contracts. NAHMA recommends that HUD convene stakeholder meetings to explain the rationale behind this new proposal and give some clarity to the industry. We are very concerned with the chilling effect this could have on the affordable housing industry at large, as it may lead to potential loss of owners and units from the PBRA program, as well as, critical institutional knowledge from key stakeholders. In addition, the Regional and Sub-Regional duties add additional burden and create a new layer between HUD and property oversight.
- **Increased cost due to oversight changes.** The Draft PWS does not provide any discussion on whether the proposed Regional and Sub-Regional Contractor model is intended to be more cost effective than the current PBCA system. Rather, NAHMA believes the change will lead to increased costs, as updates to HUD IT systems (like TRACs) and additional training will be needed to accommodate the changes. This economic (inflation and labor shortages) and funding environment is simply not conducive to supporting any increased costs.
- **Impact on Tenants.** Members are especially concerned with changes to MORs, physical inspections, and providing property access to new entities. Specifically, we do not believe HUD has educated tenants throughout the entire process. Currently, tenants have an understanding of PBCA roles and responsibilities. NAHMA recommends HUD will need to provide clear and extensive outreach to tenants on the impacts on any changes to oversight of the PBRA program. This responsibility should not be pushed onto O/As.
- **Consistency, Transparency, and Risk-based Approach:** Under any model, NAHMA recommends HUD ensures that PBCAs, or the new proposed authority, apply a consistent oversight standard across the country. Historically, O/As with properties in different states is that HUD Offices and PBCAs are inconsistent in how they interpret HUD regulations and apply them to property oversight. Throughout the pandemic, oversight consistency was improved significantly. Now is not the time to eliminate all the hard work and lessons learned. In addition, the use of technology and a risk-based approach to portfolio oversight will help reduce costs. We applaud HUD's Office for Multifamily Housing for finalizing the Streamlining Management and Occupancy Review (MOR) Final Rule. Please ensure the risk-rating is publicly available, as the risk-based approach will greatly benefit and reduce burden on HUD and O/As.

NAHMA continues to remain neutral on the question of which organizations should win under the proposed procurement process. HUD should avoid negative impact on property operations, including MORs and REAC physical inspection follow-up. If HUD is not responsive to our member concerns, as listed above, and continues forward with the Regional and Sub-Regional contractor model, please consider the impact this will have on the portfolio, frontline staffs, and residents.

Thank you for the opportunity to provide comments and your consideration of our feedback. Please contact Larry Keys, NAHMA Director of Government Affairs, at lkeys@nahma.org, with any questions.

Sincerely,



Kris Cook, CAE
Executive Director