



Council of Large Public Housing Authorities

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March 19, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader McConnell, Republican Leader McCarthy, Democratic Leader Schumer:

The COVID-19 pandemic represents a serious threat to the short- and long-term well-being of the vulnerable seniors and families in public housing, other HUD-assisted housing and to the public housing authorities that own and manage housing and vouchers for nearly 3.3 million households. In addition to supporting residents, housing authorities must make efforts and provide appropriate funding and resources to support and protect the health of their staff. To enable housing authorities to properly care for their residents and staff while maintaining their mission of providing safe and affordable housing, Congress and the U.S. Department of Housing and Urban Development (“HUD”) must provide substantial resources and flexibilities to housing authorities as quickly as possible.

The Council of Large Public Housing Authorities (“CLPHA”), which represents 70 of the nation's largest housing authorities, requests the following funding and statutory and regulatory relief for the public housing and housing voucher programs during this heightened crisis resulting from the COVID-19 pandemic. The attached document delineates CLPHA’s specific funding and waiver requests, along with brief explanations.

Thank you for considering our request on behalf of the low-income residents CLPHA members serve. We look forward to working with Congress to help housing authorities obtain the resources that their residents and staff desperately need. Please do not hesitate to contact me with any questions you may have regarding this request.

Sincerely,

Sunia Zaterman
Executive Director

March 19, 2020

Council of Large Public Housing Authorities
CORONAVIRUS SUPPLEMENTAL REQUEST

FUNDING REQUEST

CLPHA recommends the following amounts be included in the next coronavirus supplemental legislation:

\$5.0 billion total for public housing authorities in the supplemental. Breakdown as follows:

- Lost revenue: \$2.0 billion
- Short term mitigation/operation costs: \$1.5 billion
- Emergency staffing, communications, retrofits: \$1.5 billion

\$3.5 billion for housing vouchers in the supplemental. Breakdown as follows:

- Voucher renewals: \$3.0 billion
- Administrative fees: \$500 million
- Incremental vouchers: assistance to all households with 30% AMI or less

CLPHA members report the coronavirus impact will be intense and diverse for months to come requiring both upfront costs and long-term adjustments for preparedness.

Explanations

\$2 billion in lost revenue

Explanation: The Operating Fund pays for public housing management and operations, making up the difference between operating costs and tenant rents. Since most employment income is attributed to low-wage workers residing in public housing, oftentimes hourly-wage, or tip-dependent, or seasonal employment, with few if any personal savings, it is expected that at least half of these workers will become unemployed. That would result in approximately \$2 billion in lost income from tenants, and lost revenue to housing authorities.

\$1.5 billion in short term mitigation and operational costs

Explanation: The need for increased funding to address the projected increased costs associated with mitigating the virus infection in and around public housing facilities cannot be overstated or underappreciated. Housing authorities are facing operational challenges as the cost of maintaining clean, safe, and infection-free environments will quickly escalate far beyond normal operating costs. The purchase of hazmat suits, disposable gloves, masks, and other personal protective equipment will take on new urgency and require significant expenditure as these items are not usually budgeted to any appreciable extent, causing an exponential rise in operating costs incurred by housing authorities. In addition, based on feedback from CLPHA members, we expect utility consumption will increase

since tenants will be sheltering in place, will suffer loss of employment and spend more time at home, and will have to care for children during the day at home due to school closures. Therefore, we expect utility costs to double or more.

\$1.5 billion for emergency staffing, communications, retrofits

Explanation: Housing authorities require additional funding for emergency staffing needs, particularly with the unanticipated increased cost of overtime and hazard pay, and with maintenance staff whose staff hours may be increased due to efforts to combat the COVID-19 virus in their facilities. Housing authorities will need to provide housing for residents who have contracted the virus and must be separated from other family members, particularly those who may come in contact with seniors. In addition, once a person who has tested positive for the COVID-19 virus has been cleared, there may be a need to provide a comprehensive industrial cleaning of the unit to ensure the virus does not spread to other households. Housing authorities have significant unanticipated expenses for cleaning, staffing, and equipment.

Housing authorities must regularly and thoroughly sanitize buildings, pay for overtime or temporary staffing to cover work shortages, and purchase personal protective equipment, cleaning supplies, and hardware for staff who must work remotely but are not currently set up to do so. Collectively, these represent enormous unforeseen costs to housing authorities, and existing operating funds are simply inadequate for covering these costs. By way of example, NYCHA estimates it will cost over \$100 million to regularly deep clean every building over the next six months. Since many CLPHA members and other housing authorities will not be able to collect rent during this crisis, housing authorities will also experience a loss of revenue to maintain operations, increased costs associated with the need to provide childcare (due to school closings), and increased costs to accommodate other supportive services in public housing facilities. Seniors, children and other vulnerable populations will confront increased food insecurity requiring increased access to meals and meal delivery.

\$3.0 billion for voucher renewals

Explanation: Stakeholders estimate the loss of rent revenue at an average of \$200 per month per Housing Choice Voucher (HCV), and given the HCV population is frequently low-wage workers similar to public housing, it is not unreasonable to expect half, if not more, of these workers will also suffer the loss of employment. With 1.8 million vouchers in circulation, it is estimated rent revenue losses translate to over \$3 billion in six months.

\$500 million for additional administrative fees

Explanation: Administrative fees are essential to housing authorities who administer HCVs. Administrative fees provide funding for many HCV functions, including determining eligibility, conducting the lease-up process, processing annual recertifications, performing interim recertifications, and inspections. Interim recertifications are conducted by housing authority staff at the request of a voucher recipient if the recipient's circumstances change and are often requested when there is a change in income.

Recertifications require housing authorities to verify income, review eligibility, and recalculate the tenant payment, at an average cost of \$144 per recertification. Supplemental administrative fees will

be critical for housing authorities experiencing a large increase in interim recertification requests due to job loss or reduced work hours and working to respond to each request in a timely manner.

Voucher assistance to all households with 30% AMI or less

Explanation: The COVID-19 crisis, the affordable housing crisis, and the homeless crisis create a perfect storm and highlight the need for the federal government to address housing insecurity in a comprehensive manner. We strongly urge Congress to provide housing assistance, in the form of HCVs, to all households with incomes at 30 percent or less of area median income (“AMI”). In 2016, the Congressional Budget Office estimated the annual cost of providing assistance to this income group at approximately \$29 billion.

REGULATORY AND STATUTORY WAIVER REQUESTS

As housing authorities will require significant statutory and regulatory waivers, Congress must act now to provide HUD with the necessary flexibility it needs to respond to the COVID-19 pandemic. While we encourage HUD to exercise the full extent of its waiver authority under 24 C.F.R. § 5.110, HUD will also need authorizations from Congress to provide blanket statutory and regulatory waivers to ensure that housing authorities can receive all needed waivers expeditiously. Statutory and regulatory waivers requested of HUD include the following:

Funding Flexibility. Housing authorities face significant, unanticipated costs in responding to the COVID-19 pandemic. Congress should allow HUD to temporarily expand the eligible uses of both public housing and voucher funds to allow housing authorities to pay for the extraordinary costs incurred, regardless of whether such costs arise in the public housing or voucher programs.

Project-Based Vouchers. As the COVID-19 pandemic spreads, housing authorities may need to relocate residents on a large-scale to provide for cleaning and sanitization of buildings and the quarantining of residents. To facilitate such large-scale relocations and to ensure the uninterrupted provision of housing assistance, Congress should allow housing authorities to immediately project-base vouchers on an as-needed basis by waiving the percentage limitation (program cap), administrative plan, and other requirements that would impede a housing authority’s ability to quickly and efficiently project-base its Section 8 vouchers.

Inspections. Until further notice, HUD should suspend all HQS inspections and temporarily allow housing authorities to self-certify that the unit either meets HQS standards or does not have any life-threatening conditions in order to allow households to move into Section 8 units without delay and without the need for additional Administrative Plan amendments or other approvals.

Reporting and data submission requirements. Housing authorities are experiencing staff absences, leaving them unable to complete many basic functions. HUD should implement 90-day extensions for all reporting and data collection submissions coming due in March and April 2020, including but

not limited to extensions for recertifications, competitive grant applications, and Annual or MTW Plan deadlines.

Requirements involving leaving home or large events. Because residents in many communities are required or advised to stay home, HUD should temporarily waive the community service requirement for public housing residents and waive requirements for any public meetings, including for Public Housing Authority (“PHA”) Plan submissions.

Electronic signatures. Many agencies have staff working remotely, where they are unable to collect signatures from residents for required paperwork, such as leases and recertifications. HUD should expedite approval and implementation of electronic signatures for these and other file documents requiring resident signatures.

HUD’s Rental Assistance Demonstration (“RAD”) program and other housing authority affordable housing transactions. HUD should extend deadlines required for RAD conversions, mixed finance development, subsidy layering reviews, Section 18 demolition and disposition, and other forms of housing authority affordable housing transactions so that housing authorities have adequate time to complete all required submissions.

HUD rulemaking. To allow housing authorities to fully participate in the rulemaking process, HUD should extend the comment period for the Affirmatively Furthering Fair Housing notice that ended on March 16 and place a moratorium on publishing any APA rulemaking or PRA information collections unrelated to COVID-19 in the Federal Register.

Public Housing Assessment System and Section 8 Management Assessment Program Scoring. HUD should temporarily hold harmless housing authorities on Public Housing Assessment System (“PHAS”) and Section 8 Management Assessment Program (“SEMAP”) scores or allow housing authorities to carry over the prior year’s score.

Monitoring and reviews. Due to housing authority staff reductions and staff time spent responding to COVID-19, HUD should suspend routine reviews and monitoring of housing authority programs.

Moving to Work Annual Plan & Process. HUD should temporarily waive the public hearing and public comment requirements for amendments to Annual Moving to Work (“MTW”) Plans, as described in the MTW Standard Agreement between MTW agencies and HUD.

Guidance

In addition to waiving the above statutory and regulatory requirements, CLPHA’s members request that HUD provide additional guidance on several issues, including for:

- Sending out and receiving resident paperwork such as leases in a remote setting;
- Determining temporary versus permanent income loss; and
- Collecting electronic signatures from residents.

Waivers and guidance will be critical tools to housing authorities as they respond to the pandemic.