Relief and Support for Low Income Seniors in Federally-Assisted Housing

Regulatory Requests – Department of Housing and Urban Development

- There are several thousand federally-assisted, affordable senior housing communities for older adults with low incomes in the United States. Residents in these communities have more chronic conditions than their peers without housing assistance and are more at-risk for flu-like viruses such as COVID-19; at the same time, they have limited means to prepare for and overcome the current health and economic emergency.

- Federally-assisted affordable senior housing communities are privately-managed, independent living environments where residents are supported as they age in community. Multifamily housing providers manage and maintain safe and decent housing for residents, who have networks of both resident-coordinated and building-coordinated service providers coming and going from their buildings 24 hours a day to achieve the goals of aging in community.

Providers need immediate relief to help navigate COVID-19 in senior housing properties:

1. **Office Hours** HUD’s Office of Multifamily Housing should set up national call-in “office hours” to field questions from providers across the country. HUD should also make technical assistance available for staff who are navigating uncharted territory while prioritizing the wellbeing of residents.

2. **Income Certifications** HUD should streamline the interim income certification process by allowing residents to electronically self-certify income adjustments significant enough to warrant a rent adjustment, and temporarily waive verification requirements for property staff. HUD should also provide flexibility for completing annual recertifications, such as providing more than 90 days for extenuating circumstances in the tenant file, allowing staff to utilize existing information to create a provisional recertification, and overriding the 15-month requirement for recertification information in the Tenant Rental Assistance Certification System (TRACS) so that communities continue to receive housing subsidy payments. For both interim and annual recertifications, HUD should allow recertifications to be processed by property staff and approved by HUD without the need for wet signatures or original documentation, both currently and retroactively, while protecting residents from retroactive changes in provisional certifications that raise their tenant rent contribution.

3. **Electronic Files and Signatures** For transactions requiring resident interactions, HUD should waive requirements for all wet signatures and paper documents, replaced by electronic signatures and file storage/sharing, and eliminate the need for staff to collect wet signatures and original documents at a later date. HUD should also extend any deadlines in TRACS that would prevent subsidy to flow.

4. **Contract Renewals** HUD should allow field staff to automatically and temporarily renew expiring Housing Assistance Payment (HAP) and other subsidy contracts. For budget-based communities, HUD should allow increase requests to be temporarily approved without the need for items requiring resident interaction, such as annual recertifications. If certain components of the increase request process are currently infeasible for housing staff, HUD should offer provisional approval of rent adjustments up to 5% to those communities and allow owners to submit amended requests.
5. **Move-Ins** In order to prioritize the health of new and existing tenants, HUD should allow residents to elect to delay their scheduled move-in date due to COVID-19 concerns without losing their place on waitlists or selection plans. To facilitate this, HUD should expedite the processing of special claims by owners experiencing extended vacancies. HUD should also offer parity between Section 8 and PRAC properties by increasing the current housing assistance payments for vacancy losses for PRAC properties to 80% of contract rent (from the current 50%), as well as extend the assistance payment to 120 days (from the current 60 days). HUD should also temporarily remove any penalties or consequences for extended vacancy rates.

6. **Capital Needs Assessments** HUD should suspend required Capital Needs Assessments (CNAs) or extend the due dates for items that rely on CNAs, such as Budget-Based Rent Increase requests or RAD conversion filings, while provisionally approving such requests or transactions.

7. **Management and Occupancy Reviews** HUD should issue a complete postponement of Management and Occupancy Reviews (MORs) and other ACC requirements. Because properties are taking extraordinary measures to maintain operations, not just in-unit reviews but also tenant file reviews should be postponed until property staff have the capacity and the ability to update file requirements, such as resident signatures and documents.

8. **Incurred Costs** HUD should temporarily expand eligible use categories for applying operating funds, reserve for replacement accounts, and residual receipts to expenses incurred by COVID-19. In addition, HUD should suspend the monthly reserve for replacement deposit requirement, and allow properties instead to keep that money in the operating account for use on COVID-19 expenses without needing approval from HUD. As a result, HUD should relax minimum levels for reserve for replacement and residual receipt accounts. Lastly, HUD should take into consideration that any surplus cash that results from the aforementioned COVID-19 account flexibilities not be counted against properties when annual budgets are resubmitted.

9. **Loans and Grants** HUD should grant a waiver of regulatory agreements that do not allow for other borrowings or encumbrances; for example, HUD should allow properties to accept disaster “loans” from the Small Business Administration to help with payroll costs, particularly because the “loan” acts as a grant doesn’t have to be repaid if the employees remain employed.

10. **Rental Assistance Demonstration** In order for properties to meet outside deadlines for tax credits or other funding sources, HUD should provide flexibility to help RAD transactions, including RAD for 202 PRACs, to continue being processed by the Office of Recapitalization by transitioning requisite onsite activities, like site inspections, to online or other virtual solutions, or by offering provisional processing until normal operations resume.

11. **Resident Services** HUD should increase the per-unit per-month (PUPM) service fee to help providers offset closures of community-based services that residents rely on. HUD should also allocate any new service coordinator funds in such a manner that allows budget-based properties to access service coordinator funding outside of a budget-based rent increase, particularly since the current process requires significant staff time and in-person interaction with each resident.

12. **Access** HUD should work with other agencies to help communities access cleaning, PPE, in-unit internet access, and other critical supplies and services needed to continue serving older adults.

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