

COVID-19: Vaccine Access, Financial Support, and Transparency

HUD's Overall Approach to the Health Crisis

Senior housing communities are on the front lines of the COVID-19 crisis. HUD's Office of Policy Development and Research (PD&R) recently compared HUD resident characteristics against the CDC's COVID-19 risk factors, showing that HUD-assisted residents, and in particular HUD-assisted renters of color, are especially vulnerable to COVID-19 risks because of the intersectionality and compounding of multiple reported risk factors.¹

We agree with PD&R's conclusion that a COVID-19 response that supports HUD-assisted renters, including through vaccine distribution, is critically important. We urge HUD to take a more proactive role in guiding the housing portfolio through the health crisis.

- **Vaccine Access**

HUD is uniquely positioned to help older adults with low incomes build pandemic resiliency and connect with health resources. With COVID-19 vaccinations well underway throughout the country, some of the most at-risk individuals are being left behind. Onsite access to COVID-19 vaccines and testing is critical for HUD-assisted older adults, who have high rates of frailty and mobility restrictions, as well as limited means to access offsite COVID-19 support. We strongly urge the agency to partner with HRSA, CDC, and the White House to establish a dedicated path for ongoing *onsite* vaccination and testing access for HUD-assisted communities, including senior housing properties and family properties housing a mix of ages.

- **CARES Act Funds and Authorizations**

In March 2020, Congress awarded HUD emergency funds to help the Multifamily Housing Portfolio combat COVID-19; much of the funds are still available for disbursement to the portfolio. Moving forward, we ask that HUD release the remaining funds to communities as quickly as possible:

- **Retroactive and Proactive Eligible Uses:** The Multifamily Housing portfolio needs financial support to take every COVID-19 protective measure possible at senior housing communities. The CARES Act funds were appropriated to the HUD portfolio not just to respond to COVID-19, but also to prevent and prepare for the virus – and yet the first three rounds of CSPs offered only a *reimbursement option* for communities to cover some of their COVID-19 expenses. HUD-assisted communities have not known in advance which expenses would be reimbursable and could not spend funds they did not have or did not have guaranteed reimbursement for. Both of these factors have led to safety precautions still not taken at HUD-assisted communities. Future CARES Act payments to housing properties should *allow for both retroactive and proactive payments* to properties for documented COVID-19 protective measures.
- **Eligible Uses:** We applaud HUD's addition in the April CSP Notice to cover expenses related to testing or vaccine clinics at communities, as well as transportation services for residents accessing offsite vaccination or testing. In addition, eligible uses of the funds should be expanded to retroactively and proactively cover the following COVID-19 protective measures at housing communities:
 - **Building-wide internet capacity and in-unit internet services** to allow for widespread use of telehealth technology for residents;
 - **Capital improvements at communities specific to COVID-19 risks** (improving ventilation and physical distancing, etc.);
 - **Costs associated with the delivery of goods to program participants**, including medical supplies and meal and nutritional supports for residents;
 - **Hazard pay** for onsite staff, as well as other staffing expenses resulting from the pandemic

¹ "COVID-19 Risk Factors Among HUD-Assisted Renters," HUD PD&R. <https://www.huduser.gov/portal/pdredge/pdr-edge-trending-020821.html>

- **Quality of life programming for residents**, including therapeutic and mental health activities;
- **Expenses related to encouraging and conducting pandemic-safe move-ins**, including incentives to applicants and professional moving services
- **Increased property insurance rates resulting from COVID-19**; and
- **Extended vacancies payments** beyond the special claims period and percentage.
- **Information and Outreach:** Many properties continue to be unaware of the full breadth of CSP uses at their communities. HUD should make every effort to share best practices for the benefit of the full portfolio.
- **Timing:** We urge the agency to move quickly to disburse the remaining CARES Act fund for MFH programs, clearing the path for communities to implement more protective measures. Unlike in previous award cycles, MF owners and agents need more notice for the application period and more time to turn-around the application; HUD could consider a rolling application period as costs emerge.
- **Residual Receipts:** Many properties postponed or cancelled projects onsite due to COVID-19 concerns. This left properties with residual receipts and therefore barred them from applying for the CSPs. However, these projects will still need to occur once safely possible; in the meantime, and to complement HUD's current extension of residual receipt offset flexibility, HUD should relax CSP eligibility restrictions for properties with residual receipts under a certain threshold.
- **Multi-Property Applications:** Many costs incurred by housing providers span multiple properties or are tracked and handled by a centralized accounting position within a broader organization. We encourage HUD to review adaptations to the CSP application that would allow for multi-property applications; for example, an adapted application could allow owners to attribute COVID-19 spending to various properties while allowing for the expenditures to be grouped on a single application.
- **Flexibilities and Waiver Authority**
 In addition to disbursement of the CARES Act funds, HUD's Office of Multifamily has made several key operational flexibilities temporarily available to MFH properties during COVID-19. However, the office has made only limited use of statutory and regulatory waiver authority granted by the CARES Act.
 - **Continued Flexibility:** Even with progress toward mass vaccination, owners and agents will need to time to recover their systems, properties, and files from COVID-19 adjustments. We urge the agency to maintain and increase current flexibilities, including around residual receipt offsets, remote or adapted unit self-inspection requirements, recertification completion in TRACS, and annual financial audit reporting.
 - **Waiver Authority:** We also ask that the agency utilize the CARES Act waiver authority to help communities protect against COVID-19; for example, the agency should extend subsidy payments past the 14-day cutoff after move-out and in particular following the death of a sole resident to allow family to travel safely to the location to remove belongings. HUD should also raise limits on vacancy claim percentages and timing cutoffs to provide leeway for safely turning units and conducting pandemic-adjusted move-ins. HUD could also implement a "financial vacancy" special claims category to financially support owners while residents remain in their units during the eviction moratorium without paying rent (which could be credited back to HUD through the regular voucher process as residents repay or emergency rental assistance kicks in). Lastly, HUD should expand COVID-19 flexibilities around the use residual receipts, and reserve accounts if needed, for communities to offset higher insurance premium and deductible costs resulting from the crisis.

Service-Enriched Housing

Service-enrichment is a cornerstone of HUD-assisted senior housing. In order to promote wellbeing and allow older adults to age in community, we urge the agency to take the following steps to enhance service coordination and programming at senior housing communities.

- **Supportive Services Fee**

We ask that HUD prioritize issuing guidance for owners and field offices on eligible uses for the Per Unit Per Month Services Fee for Section 202 communities. There is currently much confusion about the services fee authorization among both owners and HUD field staff, resulting in vast underutilization of this important resource. We also urge the agency to adjust budget request numbers to Congress to reflect full use of the supportive services fee across the program. HUD should also clarify that the fee can go to support all residents at a property, not only those who are currently designated as “frail.”

- **Rent Comparability Studies**

Current HUD guidance limits the measure of services without considering real costs. Instead, HUD should adjust Rent Comparability Studies to remove the constraint on adjustments (\$50 per unit or 5% of rent) to reflect real-world services needs and costs.

- **Budget-Driven Service Coordinators**

Given the importance of Service Coordination in resident health outcomes, we ask that HUD commit to bringing budget-driven Service Coordinator to every Section 202 and other elderly-designated community lacking Service Coordination; this can be accomplished by increasing HUD’s budget request to Congress to reflect higher budget numbers, and by encouraging consistent field approval of proposed Service Coordinator budgets. HUD should also encourage appropriate resident-to-service coordinator ratios, regionally-driven cost adjustment levels to recruit and retain trained professionals, and robust quality assurance of service coordination program infrastructure.

- **Grant-Funded Service Coordinators**

As HUD continues to administer the more than 1400 Service Coordinator grants in its portfolio, we urge the agency to streamline and improve the grant renewal process. To condense the renewal process, we recommend that the agency employ the same approach to grant approval and disbursement that was used for completing CARES Act grant-funded Service Coordinator payments, which included a streamlined approach for approvals in GrantSolutions. We also support HUD’s streamlined renewal process this year, which allowed for renewal with an automatic COLA rather than budget submissions.

- **Expand Service Coordination Beyond Section 202**

In addition to the above efforts to expand Service Coordination programs. HUD should make every effort to expand Service Coordination to HUD-assisted communities serving older adults outside of the Section 202 program, including in the 811 and project-based Section 8 programs.

- **Standards for Success Reporting**

HUD has implemented Standards for Success reporting for budget-driven and grant-funded Service Coordinators; we encourage the agency to transparently utilize the data to support increased investments in Service Coordination, for example by publishing reports of non-sensitive data and by reporting data to Congress.

- **Collaboration with HHS**

LeadingAge is very interested in the progress of HUD’s collaboration with CMS on how Medicare and Medicaid funds can be used to support HUD-assisted resident health outcomes, as directed and funded in the final fiscal year 2021 HUD appropriations bill.

Connectivity

Connectivity is not only a critical determinant of health, but also a key equity issue in our country. Older adults with low incomes need access to the internet in their homes, both during the pandemic and beyond. At the same time, housing communities need wall-to-wall internet capacity for efficient housing operations, like uploading work orders during unit inspections or implementing HUD's new guidance on electronic signatures and file storage. HUD's Office of Multifamily Housing Programs should take these key steps to expand internet capacity across the portfolio for the benefit of both projects and residents:

- **Approving Building-Wide Internet Services within Property Budgets and Utility Allowances**
Section 8, 202, and 811 statutes do not prohibit the inclusion of internet as a housing cost in terms of a subsidized utility, nor do they prohibit using operating accounts to cover internet costs that benefit the whole project, including in resident units. Similar to the Office of Public and Indian Housing's recent Notice² allowing internet costs to be paid for through operating accounts, we urge HUD's Office of Multifamily Housing Programs to issue guidance allowing properties to use operating accounts to provide internet services throughout the building (in both units and common areas). In addition, HUD should allow adaptations to Utility Allowances and to owner paid utility budgets to support the cost of in-unit connectivity as a subsidized utility. The agency's budget requests to Congress should reflect the increased rental subsidy costs associated with these changes.
- **Authorizing Use of Project Funds for Internet Installation and Make Grant Available for Capital Retrofits**
Internet capacity throughout Multifamily Housing communities benefits property operations as much as it benefits residents. HUD should allow property-wide broadband and Wi-Fi installation as a project expense fundable through residual receipts and reserves accounts and should issue guidance to the field about the use of project funds to install and fund internet capacity at HUD-assisted communities. HUD should also include in requests to Congress funding for grants to support the retrofitting of existing properties for baseline internet capability, as defined in 81 FR 92626.³
- **Expanding ConnectHome Pilot Program and Reviving the Neighborhood Networks Program**
HUD's ConnectHome pilot program has helped mainly Public Housing communities and residents across the country connect to the internet. HUD's Office of Multifamily Housing Programs should partner with the Office of Public and Indian Housing (PIH) to bring more MF communities into the ConnectHome program, and HUD should work with Congress to bring in new funding for the program. HUD should also revive its Neighborhood Networks program, which successfully brought computer centers to properties for the benefit of residents but which is no longer supported or staffed by agency headquarters or regional offices.
- **Working with the FCC to Bridge the Connectivity Divide**
The Federal Communications Commission's work on phone and internet access for low income older adults intersects directly with HUD's mission to utilize housing as a platform for improving quality of life and to build inclusive and sustainable communities. We encourage HUD to partner with the FCC to improve the Lifeline program's eligibility verification and enrollment procedures for Multifamily Housing residents; current practice provides automatic eligibility for public housing residents, but not for residents of HUD's Multifamily Housing programs. Like PIH, Multifamily should work with the Lifeline's Universal Service Administrative Company (USAC) to verify enrollment for residents. We also urge HUD to work with the FCC to identify project-based communities that could benefit from the new Emergency Broadband Benefit and to engage in regular data sharing to bridge gaps in connectivity among low income households.

² "Use of Public Housing Funding to Support Internet Connectivity for Residents," HUD PIH, January 19, 2021

³ "Narrowing the Digital Divide Through Installation of Broadband Infrastructure in HUD-Funded New Construction and Substantial Rehabilitation of Multifamily Rental Housing," December 20, 2016

Portfolio Oversight and Asset Management

As the pandemic stretches from a short-term to long-term crisis, HUD should continue key supports and flexibilities for housing communities by continuing to prioritize safety during physical inspections and by helping providers offset increased insurance rates. HUD should also commit to congressional budget requests that support a robust and health-focused senior housing portfolio for the post-COVID world.

- **Budget Requests for a Robust, Health-Focused Senior Housing Portfolio**

We urge HUD to update its Section 202 budget request numbers to Congress to reflect a more robust and health-centered housing portfolio, both to keep up with regular operations needs and to better position for the future:

- **Regular Operations:** At a minimum, HUD's Section 202 budget request numbers should include adequate budget increase funding for full renewals at rising inflation rates. This includes rent increases for properties positioning for RAD conversion, as well as adequate budget increases to cover the cost of dramatically increasing insurance premiums across the portfolio and other annualized COVID-19 costs at properties.
- **Health-Centered Housing:** In addition to regular operations considerations for a healthy HUD Section 202 account, budget requests to Congress should reflect the need for service-enriched environments, including the cost of budget-driven Service Coordination programs at every community. Additionally, HUD's budget request should cover the \$15 Per Unit Per Month services fee at every eligible property. The budget requests should be updated to reflect an expanded definition of "housing costs" that includes the costs of baseline in-unit internet services. Additionally, as the population ages rapidly, we must identify funding sources to retrofit more units to full accessibility.

- **Expediting and Improving Staffing Capacity and Streamline Operations**

Over recent years, staffing levels at HUD have not kept pace with increased workload. HUD employees are also increasingly tenured, which risks loss of institutional knowledge. The agency should expedite hiring practices and increase cross-training among staff to preserve knowledge in the case of retirements.

- **Prioritizing Safety for At-Risk Residents during Physical Property Inspections**

We applaud the agency's decision last March to suspend REAC inspections, and we appreciate the thoughtfulness with which HUD is approaching the return to operations. We understand that REAC is currently planning a RTO 2.0 for June, and we urge the agency to continue to exempt communities serving at-risk populations, including older adults and people with disabilities, from inspections throughout the duration of the public health emergency. We also value the flexibilities outlined by HUD in the Multifamily Housing COVID-19 Q&A from January 4, 2021, related to unit inspections and encourage the agency to provide resources and clarity for housing providers to that end.

- **Addressing Increased Insurance Rates at Housing Communities**

As the pandemic reaches beyond its first year, housing providers across the country are reporting double-digit property liability insurance rate increases, resulting from market pressure rather than historical property claims. We urge HUD to support providers through these exorbitant costs by issuing a special OCAF adjustment and by allowing the use of CARES Act funds to offset significant rate increases.

Production and Preservation

Older adults with low incomes need housing first. We support HUD's efforts to preserve, improve, and increase the supply of affordable senior housing, and we urge HUD to shape new and preserved housing with an emphasis on health-centered retrofits and approaches.

- **Emphasizing Preservation and Production for Deeply Affordable Units**

We applaud HUD's recent actions to maintain and strengthen the agency's preservation and production options, including by restarting the 8bb transfer process and by reorganizing the underwriting prioritization order. Moving forward, we look forward to working with HUD's Office of Recapitalization to retain pre-1974 Section 202 Direct Loan projects at their maturity dates, including by increasing awareness among owners of options to refinance and make use of project-based or tenant-based vouchers. We encourage HUD to work with Congress to request high enough account levels to absorb residents under the Tenant Protection Voucher (TPV) set-aside and to prevent losing any affordable units.

- **Supporting RAD for 202 and 811 PRACS**

The Rental Assistance Demonstration is an important tool for portfolio preservation, and properties readying for conversion are in a unique position to increase health-focused and age-friendly nature of communities. HUD should support these efforts by conducting early outreach to pipeline properties regarding strategies to incorporate services fees and internet capacity throughout the conversion process. For example, internet wiring as a capital cost should be approved through CNAs for every property positioning for RAD; similarly, properties should be guided through the process of adding increased services fees prior to conversion. To that end, we also support continued HUD efforts to request RAD rents to be increased above current thresholds to allow for services costs.

- **Strengthening and Clarifying Notices of Funding Opportunity for Section 202**

We strongly support new funding for construction and rehabilitation to expand Section 202. As HUD continues to publish Notices of Funding Opportunity on an annual basis, we urge HUD to clarify how debt restructuring will apply for new 202 projects leveraging various funding sources through the current and recent NOFOs, and then subsequently position for RAD. We also ask that HUD clearly and consistently approach the issue of age restrictions in projects funded in part by new Section 202 dollars, which has been interpreted by some HUD regional production staff as requiring the 202 program's age restriction to be applied not only to the 202-funded units but across the entire project. Lastly, we urge HUD to further emphasize services and place-based health design components within the scoring of applications under future NOFOs.

Partnerships and Collaborations

Housing is a key part of aging in community. We support HUD's efforts to collaborate across federal agencies to enhance housing, health, and services access for older adults with low incomes, and encourage HUD to actively seek out and invest in these collaborations.

- **Reconvening the Rental Policy Working Group (RPWG)**

U.S. federal rental housing policy is determined by various entities within the executive branch. With a goal of aligning and strengthening affordable rental housing solutions across programs and agencies, HUD should prioritize reconvening the Rental Policy Working Group to bring together many of the entities, including OMB and the Treasury Department, the White House Domestic Policy Council and the National Economic Council, and USDA.

- **Collaborating with CMS on Housing as a Platform for Healthy Aging**

In Fiscal Year 2020, Congress approved \$500,000 for a collaboration with the Centers for Medicare and Medicaid Services on how Medicare and Medicaid funds can be used to support programs that use affordable senior housing as a platform for coordinating health, wellness, and supportive services and programs to help older adults remain healthy, age in their community, and reduce their use of costly health care services. We strongly support this type of interagency collaboration and urge HUD to provide an update to housing stakeholders about the collaboration.

- **Working with the CDC to Publish MFH Recommendations for COVID-19**

The CDC has issued recommendations that broadly apply to communities participating in HUD's Multifamily Housing programs, including "Considerations for Multifamily Housing providers" and "Recommendations for Retirement Communities and Independent Living." As the COVID-19 landscape continues to shift, HUD-assisted housing providers need clear CDC recommendations on how to provide safe community environment for a mix of fully, partially vaccinated, and unvaccinated residents and applicants. We encourage HUD to continue working closely with CDC and White House initiatives to identify and publish solutions, strategies, and recommendations for the federally-subsidized Multifamily Housing setting.

- **Collaborating with HRSA to Connect Housing Providers to Federally Qualified Health Centers**

HUD resident characteristic data⁴ has shown the increased risk and ongoing health needs of federally-assisted older adults. During the pandemic and beyond, affordable housing communities need strong partnerships with accessible and affordable health centers that can offer onsite or nearby physical health, mental health, and telehealth resources. We urge HUD to collaborate with the Health Service and Resources Administration to connect project-based affordable housing with Federally Qualified Health Centers.

- **Working with the FCC to Bridge the Connectivity Divide**

The Federal Communications Commission's work on phone and internet access for low income older adults intersects directly with HUD's mission to utilize housing as a platform for improving quality of life and to build inclusive and sustainable communities. We encourage HUD to partner with the FCC to improve the Lifeline program's eligibility verification and enrollment procedures for Multifamily Housing residents; current practice provides automatic eligibility for public housing residents, but not for residents of HUD's Multifamily Housing programs. Like PIH, Multifamily should work with the Lifeline's Universal Service Administrative Company (USAC) to verify enrollment for residents. We also urge HUD to work with the FCC to identify project-based communities that could benefit from the new Emergency Broadband Benefit and to engage in regular data sharing to bridge gaps in connectivity among low income households.

⁴ "COVID-19 Risk Factors Among HUD-Assisted Renters," HUD PD&R. <https://www.huduser.gov/portal/pdredge/pdr-edge-trending-020821.html>

Fair Housing

Fair Housing protections remain as critical as ever for the portfolio. We applaud the agency for its early expansion of Fair Housing protections to include gender identity and sexual orientation, and for HUD's recent steps to revive Affirmatively Furthering Fair Housing (AFFH) tools and the Disparate Impact Rule. We look forward to working with HUD to advance the President's equity goals.

- **Implementing Fair Housing Requirements and Expanded Fair Housing Protections**

We applaud HUD's recent actions to reinstate Affirmatively Furthering Fair Housing (AFFH) tools, as well as the Disparate Impact rule. We also welcome HUD's February announcement to expand Fair Housing protections for gender identity and sexual orientation, and urge the agency to move quickly on implementation and awareness activities for the expanded protections.

- **Ensuring Fair Housing and Privacy Protections during COVID-19**

We recommend that the agency take a more proactive role in clarifying Fair Housing implications of actions taken at communities during COVID-19. For example, HUD's Office of Fair Housing and Equal Employment should weigh in as communities navigate resident vaccination status and "reopening" activities on site. In particular, HUD should emphasize the need to protect the privacy of residents when handling medical information to host onsite clinics, and should clearly tell HUD-assisted housing communities that they cannot take adverse actions against residents based on their health status, for example by opening up community activities only to vaccinated residents.

Disaster Preparedness

HUD plays a key role in the country disaster response. In 2020, some parts of the Multifamily Housing portfolio were hit with dual emergencies: a natural disaster and COVID-19. Housing providers need strong support and clear guidance from HUD, and residents need a coordinated federal response, to safely overcome emergencies. At-risk communities also need investments through HUD and other federal agencies to position for future disasters.

- **Strengthening the Multifamily Disaster Response Team**

We applaud the establishment in 2020 of the Multifamily Disaster Response Team (MFDRT) to better coordinate HUD Multifamily's nationwide response to natural disasters and other emergencies. We recommend that the agency set up stakeholder calls on disaster preparedness and utilize the new Team to increase portfolio preparedness ahead of the upcoming hurricane and wildfire seasons.

- **Updating the Multifamily Disaster Preparedness Handbook Guidance**

In light of COVID-19 and other emergencies, HUD should review and update 4350.1, Chapter 38 Multifamily Emergency/Disaster Guidance, in collaboration with housing stakeholders, to apply lessons learned and present actionable guidance for housing providers during a new age of disasters.

- **Automating Protections for Disaster-Impacted Residents and Increase Resiliency Investments**

For FHA-insured homeowners, presidentially declared disasters trigger automatic relief options, including foreclosure moratoria, deferred payments, and waived late fees. No such automatic relief options are made available for renters, who are instead left housing-insecure during disasters. We urge HUD to establish automatic relief options for renter households in disaster areas and to work with Congress to direct infrastructure and resiliency investments to minority and underserved communities at risk for natural disasters and the impacts of climate change.