

2022 Year in Review: Affordable Senior Housing

Part 1: Executive Branch

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- **January 31, 2022: HUD to Enforce Carbon Monoxide Protections in Affordable Housing**
Enforcement of CO detectors in HUD Multifamily Housing began December 27, 2022.

In a [Notice](#) issued on January 31, 2022, HUD implemented a requirement for carbon monoxide alarms or detectors in housing with fuel-burning appliances or an attached garage. HUD will begin enforcement of the new requirement on December 27, 2022, in Multifamily Housing, Public Housing, and Housing Choice Voucher units with a CO source. HUD's January 31 Notice requires housing providers to install CO detection in line with International Fire Code. The Notice states that owners of properties receiving assistance through the PBRA, Section 202, and/or Section 811 program can utilize the property's reserve for replacement account, residual receipts, general operating reserves, owner contributions, or secondary financing to fund the purchase, installation, and maintenance of CO alarms and detectors. LeadingAge has asked REAC to share insight about the planned enforcement for the new requirement; in late December 2022, HUD released [a new decision tree](#) for determining CO requirements based on sources of carbon monoxide and location. LeadingAge has compiled a [members-only PowerPoint with more information on CO detector compliance](#).

- **April 21, 2022: HUD Reinforces Fair Housing Guidance on Unit Marketing, Waitlist Management**
HUD's Office of Fair Housing and Equal Opportunity reinforced non-discrimination in occupancy processes at HUD-subsidized multifamily properties.

On April 21, 2022, HUD's Office of Fair Housing and Equal Opportunity issued [guidance](#) to reinforce non-discrimination in the marketing and application processing at HUD-subsidized multifamily properties. The guidance document gives background on discrimination across the HUD-assisted Multifamily portfolio and describes how certain marketing, rental application processing, and waitlist management practices may perpetuate segregation and disparate outcomes by race, color, or national origin. The Office of Multifamily Housing programs also issued an implementation guide to assist housing communities in adjusting policies. HUD's [guidance](#) and [implementation sheet](#) come on the heels of HUD's April 13, 2022, announcement of an FHEO racial equity agreement with a Section 202 housing provider. Since April, at least two LeadingAge housing provider members have been subject to Voluntary Compliance Agreements with HUD related to Title VI discrimination.

- **June 6, 2022: LeadingAge Pushes Back as HUD Proposes Limits to Services in Section 8 Rent Setting**
LeadingAge called on HUD to create a stronger, clearer, and more consistent rent setting policy across HUD's project-based portfolio through the Rent Comparability Study process, including a commitment to strong investment in place-based services.

In response to Section 8 rent setting policy changes proposed by HUD, LeadingAge has [pushed back strongly](#) to preserve the federal government’s investments in non-shelter services at HUD-assisted senior housing communities. Earlier this year, HUD [proposed revisions](#) to Chapter 9 of the Section 8 Renewal Guidebook to adjust the process for Rent Comparability Study appraisal valuations.

In comments to HUD, LeadingAge urged the HUD to strengthen the process for transparency and appeals in Rent Comparability Studies, to reduce administrative cost and workload on both HUD and the housing provider, and to implement a feasible method for valuing – and investing in – internet access at senior housing communities.

- **June 24, 2022: HUD Implements Long-Awaited Risk-Based Schedule for MORs**
Effective after September 2022, HUD will assign a file review frequency schedule for Section 8 properties based on an assigned risk level.

In late June, HUD [published a final rule](#) shifting Management and Occupancy Reviews (MORs) to a performance-based schedule. The new “risk-based” review schedule for project-based Section 8 properties, including Section 202/8s, are based on a property’s previous score and HUD’s assigned risk level for the property, which translate to “troubled,” “potentially troubled,” and “not troubled.” Instead of annually, reviews can now occur between 12 and 36 months of the previous MOR. The new schedule is effective for property review cycles beginning after September 2022.

- **July 15, 2022: LeadingAge Calls for Affordable Housing Exemption from New “Buy America” Requirement**

In Federal Register comments to HUD, LeadingAge urged HUD to exclude HUD funds from a new “Buy America, Build America” requirement for construction and manufacturing materials used in new construction and rehab of public infrastructure.

On July 15, LeadingAge submitted [comments](#) calling on HUD to reconsider the scope and applicability of a new “Buy America Preference” (BAP) to exclude HUD-assisted housing programs. The Build America Buy America Act, enacted in November 2021, established a new domestic procurement requirement for construction and manufacturing products, as well as all iron and steel products, used in the construction, alteration, maintenance, and repair of federally-funded infrastructure in America. In June, HUD published a [Request for Information](#) to housing stakeholders asking for input as the Department implements the major new procurement sourcing restrictions for HUD-funded projects; following advocacy from LeadingAge and other stakeholders, HUD in November issued continued temporary waivers and will continue the implementation process of the BAP in 2023.

- **August 1, 2022: LeadingAge Urges Feasible Fire Safety, Drinking Water Oversight for HUD-Assisted Communities**

In feedback to HUD, LeadingAge urged HUD to develop a robust physical inspection oversight mechanism that can be operationally implemented by housing providers through HUD’s new NSPIRE protocol.

In June, HUD [proposed](#) the development of new NSPIRE standards for inspections of HUD-assisted housing. The proposed new standards involve banning certain types of space heaters, monitoring the indoor unit temperature at HUD-assisted properties, inspecting the drinking water quality in

HUD housing, adjusting inspections for mold and infestation, and other key safety areas. In comments to HUD, LeadingAge [urged](#) HUD to develop a robust physical inspection oversight mechanism that can be operationally implemented by housing providers through HUD's new NSPIRE property inspection protocol. LeadingAge balanced full support for measures that provide the highest quality housing for older adults with caution regarding infeasible new physical inspection standards at federally-assisted properties.

- **September 21, 2022: HUD Announces Competition for \$185M for New Section 202 Homes**
On September 21, HUD announced the Notice of Funding Opportunity (NOFO) for new Section 202 Supportive Housing for the Elderly grants.

The NOFO will provide \$186.6 million for capital advance funds and Project Rental Assistance Contracts to provide ongoing operating subsidy in those capital advance-funded units. The Section 202 program serves older adults 62+ with incomes below 50% of the area median income ("very low income"). Residents pay about 30% of their household income for their housing costs and the PRAC operating subsidy makes up the difference between resident rent payments and what it actually costs providers to operate and maintain qualify affordable senior housing (up to limits set by HUD). Applications for this Section 202 NOFO are due January 25, 2023. This [article](#) provides an overview of the new NOFO, including changes compared to the previous NOFO and resources.

- **September 28, 2022: LeadingAge Urges Improvements, Transparency in HUD Contract Administration Overhaul**
LeadingAge calls for minimal disruptions and improved streamlining in the rebid of Section 8 contract administration.

Under the project-based Section 8 program, HUD provides monthly rental assistance payments to 1.2 million households through Housing Assistance Payment (HAP) contracts with private property owners. Currently, HUD partners with Performance-Based Contractor Administrators (PBCAs) to conduct 90% of the day-to-day monitoring and oversight of the HAP contracts. After years in the making, HUD took official steps in the summer of 2022 to develop a new solicitation for the contract administrators. HUD's draft solicitation proposed several major changes to HUD's contract administration structure, including a regional reorganization, a change to the payment structure, and a greater involvement by HUD in approving standard property procedures. In response, [LeadingAge pushed back strongly](#), asking HUD to minimize disruptions, standardize data transfers, streamline contract administration, achieve stability and consistency, and adjust payment structures. Most PBCA contracts expire in 2023, with options for term extensions; HUD has stated that it is now waiting for additional direction from Congress for the future of contract administration.

- **September 29, 2022: HUD Notice Shifts Section 202 PRACs to 5-Year Renewal Contracts**
Beginning December 31, 2022, HUD moves Section 202 PRAC properties from annual contracts to five-year terms.

On September 29, HUD issued an eagerly anticipated [Notice](#) establishing a process to move all Section 202 Supportive Housing for the Elderly PRAC properties from the current annual contracts to contracts with a 5-year term, phased in over the next three years. Properties in multi-year contracts retain the ability to request an annual rent adjustment based on operating cost expenses, a key priority for LeadingAge. The Notice describes the phase-in process, as well as adjustments to mid-

month expiration dates and contract renewal language for Section 202 and Section 811 PRACs. LeadingAge had advocated to HUD for streamlined PRAC renewal processes, including multi-year contract renewals, and applauds HUD for taking steps to streamline senior housing.

- **October 24, 2022: LeadingAge Pushes Improvements for 2023 Service Coordinator Grant Administration**

After strong advocacy by LeadingAge, HUD opened the renewal application period for Calendar Year 2023 Service Coordinator grants with much-needed adjustments.

Following [major delays](#) in grant payment funds for Calendar Year 2022, HUD is making funding available in two rounds for 2023: the first will be 30% of the annual amount, and the second will be 70% (once full annual funding is made available from Congress). HUD is also making a Cost of Living Adjustment (COLA) of 8.7% available, which is historically high but in line with the Social Security COLA and reflective of inflationary cost increases. LeadingAge applauds HUD for getting an earlier start to the renewals for 2023, as well as for providing the adjusted payment approach that could help mitigate the funding delays experienced during the Calendar Year 2022 grant renewal process. In response to a [letter](#) sent by LeadingAge and the American Association of Service Coordinators (AASC) to HUD Secretary Fudge in August, HUD reaffirmed its commitment to resident wellness by creating safe, sustainable, inclusive communities. In [HUD's response letter to LeadingAge](#), HUD outlined actions taken to strengthen the HUD's Service Coordination program administration, including by increasing staffing levels, better leveraging data, and improving technology. LeadingAge will continue working with HUD to improve the Service Coordinator grant administration process; we'll also continue helping members incorporate Service Coordinator funding into property budgets to create more consistent funding streams.

- **October 31, 2022: HUD Opens CSP Round Five with Reduced Reimbursements for Senior Housing**
HUD's fifth round of COVID-19 Supplemental Payments to offset the cost of internet installation, back-up generators, staffing costs, and other expenses related to operating housing properties through the pandemic.

On October 31, 2022, HUD opened the fifth and final round of [COVID-19 Supplemental Payments](#) (CSPs) for Multifamily Housing providers. CSPs help housing providers address operating cost increases incurred by owners to prevent, prepare for, or respond to COVID-19 at their properties. The request deadline is February 21, 2023, for expenses incurred through January 31, 2023 through a reimbursement. Following advocacy from LeadingAge, the fifth round continues to support reimbursement for the previously eligible operating costs, like staffing, security, and cleaning, as well as for the previously eligible capital costs, like internet infrastructure installation and backup generator installation. In addition, HUD added two eligible uses for reimbursement: resident training on use of technology to access on-line property management portals and supportive services, as an eligible Category A, operational cost; and costs to enhance outdoor seating spaces that support gatherings, as an eligible Category B, capital cost. However, as expected, there is less CSP funding available for Section 202 properties this round. As a result, there is less than \$2 million available for Section 202 properties in round five, compared to almost \$140 million available for projected-Based Section 8 properties. LeadingAge has made [FAQs](#) and "office hours" available on CSPs to assist members.

- **November 15, 2022: LeadingAge Applauds HUD on New OCAFs, Urges More Improvement**
Inflation-adjusted Operating Cost Adjustment Factors (OCAFs) effective February 11, 2023

In response to feedback from LeadingAge and others, HUD on November 15, 2022 [proposed a change to the calculation](#) of Operating Cost Adjustment Factors, or OCAFs, which are used annually to adjust the operating budgets of certain HUD-assisted housing communities. HUD's proposed adjusted calculation results in higher OCAFs than in previous years, bringing the national average from 3.1% in 2022 to 6.1% in 2023. The proposed changes include using new and different data to calculate some of the nine weighted components that make up the annual increase rate. A key area of improvement is property insurance cost calculations, which LeadingAge had specifically advocated for. However, despite the positive changes that HUD proposed, the 2023 OCAFs would still fall short of cost increases over the past year. For example, inflation rates were higher than 8% for more than half of 2022; similarly, the Social Security Cost of Living Adjustment (COLA) was set at 8.7% for 2023. In December 15th comments to HUD, LeadingAge welcomed HUD's proposed changes to affordable housing property budgets for 2023, but [urged the Department to go further](#).

- **November 21, 2022: FCC Targets Internet Connectivity to HUD-Assisted Households**
The Federal Communications Commission (FCC) is working with HUD to increase internet connectivity among HUD-assisted households.

On November 21, the FCC [opened applications](#) for a \$5 million "Your Home, Your Internet" one-year pilot program to increase awareness of, and encourage participation in, the Affordable Connectivity Program by households receiving all kinds of federal housing assistance. Among the long list of activities these grants can be used for are ACP application assistance, digital campaigns, outreach materials, direct mail, ACP service provider locator, and personnel / benefits. The FCC's recent grant announcement comes on the heels of a clarification in guidance that HUD-assisted Multifamily Housing communities are eligible for the same benefits as HUD's Public Housing Programs; following advocacy from LeadingAge, FCC also began work in 2022 to establish a data-sharing agreement with HUD to ensure smoother ACP verification and enrollment for HUD Multifamily Housing property residents.

- **November 21, 2022: HUD Moves Forward with New Housing Safety Inspections**
HUD readies new NSPIRE housing inspection protocol for October 2023 implementation.

On November 21, LeadingAge joined HUD leadership and other housing stakeholders for a discussion on the new inspection protocol rolling out to housing providers in calendar year 2023. Called "NSPIRE," the program is projected to replace HUD's inspection protocol for Public Housing Authorities and HUD-assisted Multifamily Housing providers in April and October of 2023, respectively. During the November 21 session, HUD described the upcoming implementation path for NSPIRE, including a scoring Notice for public comments, and final revised inspection standards. HUD is hosting "NSPIRE Get Ready" sessions across the country to engage with stakeholders; members can read LeadingAge's inside scoop from the first HUD's NSIPRE "Get Ready" sessions and HUD's upcoming NSPIRE implementation plans [here](#).

- **November 23, 2022: LeadingAge Urges Improvements to Senior Housing Preservation**
As the Department updates Rental Assistance Demonstration (RAD) regulations, LeadingAge is urging HUD to make key improvements to the affordable senior housing preservation tool.

In response to a request for comment by HUD, LeadingAge [urged](#) HUD to improve key parts of the Rental Assistance Demonstration (RAD) for PRAC properties, an important affordable housing preservation tool. HUD recently initiated the process of expanding RAD access to Section 811 Supportive Housing for Persons with Disabilities; in the process, HUD is also making improvements to the rules for RAD for Section 202 PRAC properties serving older adults. LeadingAge recommended improvements in the areas of access to rent adjustments; initial rent-setting processes; feasibility benchmarks; Capital Needs Assessment time limits; Reserve for Replacement planning; rent bundling; HUD process improvements; energy efficiency; and design for independent aging. LeadingAge will continue working with HUD to improve preservation options for affordable senior housing.

- **December 22, 2022: HUD and HHS Open Ordering Portal for Section 202 Providers to Receive Bulk, No-Cost COVID Tests**

LeadingAge announced its partnership with HUD and HHS to launch of a resource to protect affordable senior housing residents against COVID-19 and promote community health and well-being.

LeadingAge urged the White House, HHS, and HUD to coordinate to deliver no-cost COVID tests to Section 202 communities. Through the new federal Health Partner Ordering Portal (HPOP), created by HUD and HHS, the nearly half a million older adults living in Section 202 Supportive Housing for the Elderly communities nationwide will be able to access COVID-19 test kits free of charge. “We are proud to be able to rally the joint expertise of LeadingAge, HUD, and HHS to achieve a shared goal: ensuring older Americans’ health and safety – particularly at-risk populations.” says Dr. Thomas Tsai, Testing and Treatment Coordinator on the White House’s COVID-19 Response Team. Read more about [this effort and register to receive the no-cost test kits here](#).

Part 2: Legislative

Hearing of note: Senate Banking, Housing, and Urban Affairs Committee’s March 31, 2022, hearing: “Affordability and Accessibility: Addressing the Housing Needs of America’s Seniors.” Read [LeadingAge’s statement for the hearing record](#).

Legislation Enacted:

- **FY22 HUD funding**

The FY22 HUD funding bill was signed into law on March 15, 2022.

The omnibus FY22 appropriations bill, included a 21% increase for HUD’s Section 202 Supportive Housing for the Elderly program and the largest funding for new Section 202 homes since fiscal year 2010. The final FY22 bill, which was enacted more than five months into fiscal year 2022, included other LeadingAge priorities: funding and improvements for the participation of Section 202/PRACs in HUD’s Rental Assistance Demonstration program; full renewal funding for existing Section 202 Project Rental Assistance Contracts (PRACs), Section 8 Project-Based Rental Assistance, and Service Coordinator grants; funding for new Service Coordinators; and, instructions for HUD on helping to address the gap in broadband access among HUD-assisted households. A [detailed article on the FY22 bill and affordable senior housing is here](#).

- **Reauthorization of the Violence Against Women Act (VAWA)**
The VAWA Reauthorization Act of 2022 was included in the omnibus fiscal year 2022 appropriations bill.

The VAWA Reauthorization Act of 2022 adds to existing VAWA requirements by prohibiting retaliation against persons exercising their rights or participating in processes related to VAWA housing protections; protecting the right to report crime from one’s home; reauthorizing funding for fiscal years 2023 through 2027 for transitional housing grants for victims of domestic violence, dating violence, sexual assault, or stalking; expanding the definition of “covered housing program” to include additional housing and homelessness programs, including the Section 202 Direct Loan (1959 – 1974) and national Housing Trust Fund programs; and reauthorizing funding for fiscal years 2023 through 2027 for collaborative grants to increase the long-term stability of victims who are homeless or at risk of becoming homeless and grants to combat violence against women in public and assisted housing and other updates. For more on VAWA reauthorization, see [this article](#). In January 2023, [HUD issued](#) a proposed rule to implement several VAWA 2022 provisions.

- **FY23 HUD funding**
In the final days of 2022, Congress completed its work on an FY23 HUD funding bill as part of a larger omnibus package.

Overall, the enacted fiscal year 2023 omnibus bill provides \$58.2 billion for HUD, an increase of \$4.5 billion compared to fiscal year 2022. Funding for HUD’s Section 202 account increased by \$42 million, to \$1.075 billion while the much larger Section 8 Project-Based Rental Assistance account increased by \$1 billion to \$14.9 billion. [Here is a summary of the bill’s provisions](#) of particular interest to affordable senior housing and other aging services providers. While the bill did not fully reflect [LeadingAge’s priorities](#) and [requests to Congress](#), important gains were made.

HUD Appropriations Chart: Multifamily Senior Housing



	HUD FY21 enacted 12/27/20	HUD FY22 Enacted 3/9/22	White House HUD FY23 Request 3/28/22	House-Passed HUD FY23 Bill HR 8294 7/20/22	Senate HUD FY23 Bill 7/28/22	Omnibus FY23 Bill 12/20/22
Section 8 PBRA renewals	\$13.400B	\$13.940B	\$15.000B	\$14.940B	\$14.690B	\$14.9B
PBRA BBRIs for new Service Coordinators	0	0	\$31M	\$31M	\$0M	\$0M
PBRA BBRIs for distressed M2M properties	\$0	\$0	\$275M	\$275M	\$53M	Provides authority
Section 202 Account	\$855M	\$1.033B	\$966M	\$1.200B	\$1.033B	\$1.075B
PRAC & SPRAC renewals	\$641M	“fully fund”	\$742M	“fully fund”	\$742M	fully fund
New Section 202 homes	\$52M	\$199M	\$100M	\$323M	\$132M	\$110M
<i>Intergenerational</i>	\$10M	\$10M	0	\$25M	\$0	\$25M
Service Coordinators	\$110M	\$125M	\$120M	\$125M	\$145M	\$120M
<i>New grant-funded</i>	<i>yes</i>	<i>yes</i>	<i>unlikely</i>	<i>yes</i>	<i>yes</i>	<i>unlikely</i>
RAD for PRAC	0	\$6M	\$10M	\$6M	\$10M	\$6M

- **Inflation Reduction Act**

The sweeping Inflation Reduction Act includes funds that can be used improve the energy efficiency and climate resiliency of affordable multifamily housing, including multifamily subsidized by HUD and Low Income Housing Tax Credits.

The Act includes \$1 billion for HUD's Green and Resilient Retrofit Program for multifamily housing, including for owners and operators of Section 8, Section 202, and Section 236 properties, to improve energy or water efficiency, indoor air quality or sustainability; implement the use of low-emission technologies, materials, or processes, including zero-emission electricity generation, energy storage or building electrification; address climate resilience; and for energy and water benchmarking. A separate \$4.3 billion program, HOMES Rebate Program, from the Department of Energy to be administered by state energy offices will provide rebates for the costs of energy efficiency retrofits that are modeled to achieve or have achieved verifiable minimum energy use reductions. Another \$4.5 billion program in the Act, the High-Efficiency Electric Home Rebate Program, will provide rebates for qualified home electrification projects to low- or moderate-income homeowners and multifamily building owners undertaking a qualified electrification project and entities carrying out qualified electrification projects on behalf of LMI homeowners and multifamily building owners. In addition, the IRA establishes a bonus credit for solar and wind facilities connected to low income communities. For information, [see this article](#).

- **Public and Federally Assisted Housing Fire Safety Act of 2022 (H.R. 7981)**

In response to deadly fires in HUD-assisted housing, Congress enacted legislation, as part of the FY23 omnibus package, to require the installation of either tamper resistant or hardwired smoke alarms in federally assisted housing.

Specifically, for HUD-assisted units built prior to the enactment of that do not already have a hardwired smoke alarm, the bill requires the installation of tamper resistant battery-powered smoke alarms that: 1) are sealed; 2) include a silencing mechanism; and 3) are able to provide notification for persons with hearing loss. For new or substantially rehabilitated units, the bill would require the installation of hardwired smoke alarms. The new law also requires HUD to run a national educational campaign about housing health and safety requirements, and how to properly use fire safety features including smoke alarms. The bill authorizes such sums as may be necessary to carry out its provisions.

Legislation of Note, Not Enacted:

- Affordable Housing and Credit Improvement Act of 2021 (HR 2573, S. 1136). These House and Senate bills had significant bi-partisan support and a large network of supporters yet failed to secure inclusion in the final FY23 omnibus package or other vehicle for passage. LeadingAge will continue to work to improve and expand the Low Income Housing Tax Credit program.
- Twin Parks North West Fire Safety Act of 2022 (HR 6529) and the Housing Temperature Safety Act of 2022 (HR 6528). These bills, which LeadingAge worked with Hill staff to improve, would have required each owner of a covered federally assisted rental dwelling unit to ensure that all interior corridor and stairwell access doors in the building containing the unit are self-closing doors and would have established a HUD pilot to install and study the efficacy of temperature sensors in federally assisted housing to better ensure tenant health and safety, respectively.

- Housing Inspections Accountability Act of 2022 (HR 8476). This bill, which LeadingAge worked with Hill staff to improve, would have made changes to tenant involvement in the HUD inspection process.
- Grandfamily Housing Act of 2021 (HR 3111, S 2179). This bill, which LeadingAge worked with Hill staff to improve and LeadingAge supported, would have authorized a \$100 million HUD pilot program to hire Service Coordinators and to support the needs of intergenerational families, among other uses.
- Expanding Service Coordinators Act (HR 8866). This bill, which LeadingAge worked with Hill staff to improve and LeadingAge supported, would have authorized funding for 350 new Service Coordinators and made other improvements to HUD Service Coordinator programs.