



June 10, 2025

The Honorable Scott Turner, Secretary
The Department of Housing and Urban Development (HUD)
451 7th St SW
Washington, DC 20410

CC: Andrew Hughes, Deputy Secretary; Ben Hobbs, Principal Deputy Assistant Secretary, Public and Indian Housing; Lamar Seats, Deputy Assistant Secretary, Office of Multifamily Housing Programs; Tom Davis, Director, Office of Recapitalization

Dear Secretary Turner,

Like HUD, America's aging services providers are navigating a new era of housing and services delivery to meet the needs of older adults with low incomes. On behalf of our nationwide membership of affordable senior housing and other aging services providers, LeadingAge urges HUD to rise to the occasion.

By recommitting to systemic solutions for affordable senior housing that allow older adults with low incomes to age affordably in community, HUD can not only prevent premature and costly higher levels of care, but also pave our country's path into a future of America that values all older adults.

Overall, we ask that HUD pivot toward this era of opportunity by amplifying what works, automating where possible, and aligning the agency's purpose to meet the moment.

About LeadingAge

We represent more than 5,400 nonprofit aging services providers and other mission-driven organizations serving older adults that touch millions of lives every day. Alongside our members and 36 partners in 41 states, we use advocacy, education, applied research, and community-building to make America a better place to grow old. Our membership encompasses the entire continuum of aging services, including skilled nursing, assisted living, memory care, affordable housing, retirement communities, adult day programs, community-based services, hospice, and home-based care. We bring together the most inventive minds in the field to lead and innovate solutions that support older adults wherever they call home. For more information visit [leadingage.org](https://www.leadingage.org).

HUD Organization and Systems

Thank you for considering our overall suggestions to improve HUD's effectiveness, followed by more detailed programmatic suggestions to build on the critical work of HUD's federal workforce.

- 1. Invest in Technology** – HUD's technology systems are deeply antiquated, creating unnecessary burden throughout HUD's vast systems and programs. We urge HUD to commit to efficiency by overhauling outdated tech platforms, consolidating the multitude of grant and data systems across the agency, and automating processing through technology. Specific examples include standardizing and modernizing HUD's resident and rental assistance data across program offices, consolidating Service Coordination and various other grant platforms across the agency, and implementing tech solutions for documents and processing across thousands of stakeholder contracts.
- 2. Reorganize to Meet the Moment** – As our country's proportion of older adult households increases sharply, America's housing supply and preservation crisis deepens. With a strong and streamlined approach, HUD is positioned to lead us toward excellence. We ask that HUD commit to a bold new approach of focusing and streamlining both production and preservation of affordable housing for older adults through a new centralized office. The central office could lead the charge to scale up senior housing supply through new production of elderly-designated housing units, preservation transactions for the current housing stock that is quickly approaching expiration or disrepair, and innovative models that create efficiencies for housing & services delivery across the country.
- 3. Amplify What Works** – HUD has highly effective programs that could reach economies of scale if amplified. One strong example is HUD's project-based rental assistance (PBRA) programs, which leverage the private market to house America. HUD and Congress have not yet fully scaled valuable programs like the Rental Assistance Demonstration (RAD), which moves more properties – including properties serving older adults – over to the PBRA and TBRA platforms. Similarly, HUD should recommit to a streamlined version of its highly effective Section 202 Supportive Housing for the Elderly program by focusing on new elderly-designated PBRA contracts, as well as special purpose vouchers for older adults with low incomes to access both housing and services as they age, as described below.

Production and Preservation

We share HUD's commitment to America's affordable housing supply. Thank you for considering the following recommendations to improve efficiency within HUD production and preservation programs for older adults with low incomes.

- 1. Streamline and Reform Federal Investment in Affordable Senior Housing** – HUD's flagship senior housing program, Section 202 Supportive Housing for the Elderly, is a highly successful model for older adults with low incomes to age independently and should be expanded at the earliest opportunity to serve additional households. For the next generation of HUD's affordable housing for older adults, we recommend a new approach to creating affordable senior housing units that reduces complexity to save time and money.

- a. **Pair New Capital Advances with Section 8 HAP Contracts instead of PRACs** – The current iteration of Section 202 capital advances, which contribute to development costs to create new units of deeply affordable senior housing, are paired with PRACs, a type of rental assistance contract that ensure long-term rental affordability. However, PRACs are limited in their ability to take on debt service, resulting in the need to convert from HUD’s PRAC platform to the Section 8 platform in order to attract the capital needed to upgrade and maintain the property over that long-term commitment of affordability. Instead of developing new Section 202 properties paired with PRAC operating contracts, we urge HUD to pair capital advances with Section 8 contracts and avoid the need for the PRAC conversion.
 - b. **Offer Streamlined New Section 202 Rental Assistance Contracts** – In addition, HUD should consider working with Congress to offer new elderly-designated project-based rental assistance contracts without the need for the Section 202 capital advances, which add tremendous complexity to a development’s capital stack. Instead, housing providers could leverage Low Income Housing Tax Credits and other investment tools to develop the supply of housing and utilize the HUD’s new operating subsidy to ensure deep affordability over the long-term. This approach to streamlining would alleviate burden for both HUD and housing providers in administering the Section 202 capital advances while still ensuring that new units of affordable senior housing are brought online and kept affordable for the future.
 - c. **Streamline Section 202 Capital Advance Processing** – LeadingAge has previously compiled many streamlining recommendations for HUD’s Multifamily production team. We are grateful for our continued partnership with HUD as the agency considers improvements to Section 202 capital advance processing, including reducing the need for leveraging and simplifying the capital stack, clarifying subordination with other funding sources, improving consistency across field offices, and more. Our full list of recommendations is available in our [previous letter to HUD](#) from April 2023.
2. **Waive all Build America, Buy America (BABA) requirements for affordable housing construction and renovation** – BABA requirements substantially increase costs and add time to housing development and preservation. In addition, federally-subsidized, private rental housing does not align with congressional intent for inclusion in new domestic procurement requirements for public infrastructure and therefore should not be subject to Build America, Buy America (BABA) requirements. We urge HUD to reinterpret BABA’s applicability to HUD programs or to waive BABA requirements for all federally-subsidized housing programs.
 3. **Streamline Davis Bacon Requirements** – Because no new project-based Section 8 contracts and properties are currently being created, affordable housing providers need relief from cost burdens associated with renovating and preserving the existing affordable housing stock. We recommend that HUD work with the Department of Labor to adjust Davis Bacon applicability so that the wage requirements wouldn’t apply to renovations of existing, federally-subsidized affordable housing properties, especially high-rise apartments where the renovations take place indoors, with limited impact resulting from the height of

the building. Relief from this requirement would allow owners to invest more in the capital repairs of their affordable properties.

- 4. Reduce Redundancies for Housing Tax Credit Properties** – Properties financed through the Low Income Housing Tax Credit (LIHTC), especially those with other layers of subsidy, are subject to redundant and sometimes divergent requirements and oversight. We recommend that HUD delegate oversight of HUD-assisted LIHTC properties to state housing finance agencies, which are equipped to fully oversee tax credit properties and compliance; this will help eliminate redundant transaction reviews and physical and compliance inspections.
- 5. Continue Improvements to the Rental Assistance Demonstration** – LeadingAge is a strong supporter of the Rental Assistance Demonstration (RAD), which helps Section 202 PRAC properties recapitalize to address capital needs. We are grateful for our partnership with the Office of Recapitalization, which is actively working with us to further improve the Rental Assistance Demonstration (RAD). Some of the solutions we are collaborating on include:
 - a. Make RAD Permanent** – RAD is a critical tool that HUD has effectively administered. In fact, RAD saves the federal government money by leveraging non-HUD funding for building retrofits. HUD should work with Congress to make the Demonstration a permanent program and commit to expanding the program to preserve more PRAC properties, including through additional and enhanced Preservation Rent Increases (PRIs).
 - b. Improve Feasibility** – In order to build financial feasibility, we look forward to continuing our work with HUD and with Congress to explore rent-setting and rent-adjustment solutions that invest in converting properties.
- 6. Streamline Access to Recapitalization and Preservation** – While the Rental Assistance Demonstration (RAD) is an effective initiative, it represents a complex approach to preservation. In fact, the primary reason that conversion to a different HUD rental assistance platform is needed for 202 PRACs is because PRACs are restricted in attracting private capital and debt for building upgrades that are needed to position the affordable portfolio far into the future. A more streamlined path to recapitalization and preservation would be to allow PRAC properties to take on debt service or otherwise leverage private investment. We recommend that HUD work with Congress to adjust the statutory limitations on debt service for PRAC properties.
- 7. Reduce “Previous Participation” Review Burden** - Currently, HUD reviews “previous participation” status – which essentially confirms that the property is in good standing – ahead of each transaction that a HUD-assisted property undergoes, causing burden and redundancy for owners who have already been reviewed on a separate transaction during the same year. We recommend that HUD eliminate redundancies associated with “previous participation” reviews for housing providers within the same calendar year or one-year timeframe.
- 8. Streamline Environmental Reviews under NEPA** – Under a law called the [National Environmental Policy Act \(NEPA\)](#), federal agencies review the impact of proposed infrastructure projects before they are built. At HUD, this means that before certain projects,

such as substantial rehabilitation or new construction of affordable housing units, are approved to progress, they must undergo extensive environmental reviews about the site and the effects of construction. LeadingAge supports reasonable environmental reviews and protections, and we also support action to streamline the environmental review process in order to build housing supply more quickly. We recommend that the agency adjust its environment review regulations, including by relaxing “choice limiting” requirements in early stages of development and by implementing exclusions for properties that have received previous or recent federal assistance.

- 9. Streamlining the Transfer Process for Project-Based Rental Assistance** – The process for transferring subsidy contracts when necessary is critical for retaining investment in affordable units. However, we urge HUD to streamline the Section 8(bb) transfer process. Streamlining should include a simplified and clearly defined process and checklist of required documents, while ensuring the transfer process does not result in the loss of assistance for the families who were assisted at the initial property and that owners receiving the subsidy have the experience, capacity and commitment to provide high quality affordable housing over the long-term.
- 10. Expedite Processing for Affordable Housing Supply Transactions** – During this time of severe housing shortages, we ask that HUD commit to a fully expedited process for approving transactions that address housing supply. For example, in the aftermath of Hurricane Sandy, HUD issued [temporary rules](#) to speed up processing of certain transactions in the impacted area; this included shortened timeframes for HUD’s review and response to certain aspects that required agency approval, as well as streamlining elements under review to remove duplicity. We recommend that HUD adopt the expedited review approach for a broader range of transactions to help address America’s housing supply shortage.

Housing Operations and Asset Management

We are grateful for our continued partnership with HUD’s programmatic offices, including the asset management team within HUD’s Office of Multifamily Housing. We look forward to continuing our work together to improve the following procedures to benefit older adults and those who serve them.

- 1. Simplify and Automate Annual Rent-Setting for Section 202 PRAC Properties**- Currently, after the initial rent-setting, Section 202 PRAC budgets are not automatically adjusted based on market indicators, as are other HUD rental assistance contracts. While access to as-needed budget adjustments is critically important, the process is impractically burdensome for both HUD and housing providers: PRAC properties must actively request approval for any budget adjustment by submitting substantial annual documentation to HUD. The result is a lengthy and inefficient process despite the fact that we can expect inflation and market changes to result in the need for adjusted budgets at an amount that can generally be anticipated based on consumer data each year. We propose that HUD establish a streamlined process, similar to other HUD contracts, through which the contract receives an automatic minimum budget adjustment each year, above which PRACs can utilize their current ability to request an additional budget adjustment as necessary, subject to HUD approval and supporting documentation. In addition, HUD should work with Congress to

modernize how PRAC rents are initially set, bringing them in line with market factors that ensure success for the long-term.

- 2. Standardize and Modernize Management Fees and Add-Ons** - HUD utilizes a regional structure for establishing and overseeing the use of management fees within Multifamily Housing properties to support the operation of housing communities. While LeadingAge supports a geographically-specific approach to establishing fee ranges, there is currently much confusion and little consistency in the process across the country. In addition, the process for establishing management fees has become out of date, with challenges resulting from annual increases that are out of sync with reasonable costs. Lastly, some HUD regions have utilized additional management fees as an incentive for properties serving households who formerly or currently experience homelessness, or for properties that commit to rapidly rehousing survivors of domestic violence. We encourage the agency to modernize and streamline its approach to management fees, and to commit to establishing full scale pilot programs to expand on effective incentives.
- 3. Establish and Invest in a Nationwide Housing Access System** – Currently, older adults and other households eligible for federal rental assistance navigate a highly fragmented system of affordable housing support. Renter households have to apply separately for rental assistance at each individual property, and there is no centralized information, at the state or federal level, for available units, or unit turn-over and eviction data. We urge HUD to explore, alongside Housing Finance Agencies and other partners, approaches for streamlining the fragmented housing identification and application system. This could be paired with a future iteration of strong investment in new project-based rental assistance contracts to meet demand.
- 4. Older Adult Special Purpose Vouchers:** Vouchers are the fastest way to prevent and end homelessness, which is rising rapidly among older adults. Waiting lists for project-based housing can be years long, while vouchers can prevent and end homelessness for older adults quickly and efficiently. We urge HUD to leverage vouchers as an efficient method for addressing older adult homelessness by working with Congress to establish “special purpose vouchers” specifically designed for the housing and services needs of older adults. Older Adult Special Purpose Vouchers could be used to improve affordability in Low Income Housing Tax Credit properties and other types of housing, and to cover the cost of shelter at assisted livings communities.

Portfolio Oversight

We are eager to work together to identify areas of efficiency and streamlining for REAC’s safety protocol. We have identified several areas for improvement, much of which we recently shared with HUD’s REAC leadership in our [April letter](#).

- 1. Reduce Inspection Redundancies** - While LeadingAge supports a robust inspection protocol at regular intervals for federally-assisted housing communities, affordable housing properties – especially those with layered housing subsidies – are subject to very similar physical inspections by various entities, often within overlapping timeframes. We recommend that HUD identify streamlining opportunities by eliminating inspection

repetition and redundancies. This could mean better coordination between HUD and other agencies, or creating a subordination protocol where inspections by certain entities are recognized instead of requiring a repeated inspection. Fewer redundant inspections will free up HUD inspection resources for properties that warrant extra attention. More targeted inspections will also reduce burden on housing providers and residents.

- 2. Improve Software System** – LeadingAge members report heavy burden and inefficiencies resulting from the use of REAC’s current NSPIRE software system. We urge HUD to adjust the software to improve user functionality, including streamlining user access and password resetting functions, allowing bulk actions for submitting mitigating photos and viewing deficiencies, providing automatic dashboard updates on inspection and result status, and more.
- 3. Clarify Standards and Lower the Risk Profile to Reduce Burden and Appeals** – We applaud HUD and the REAC team for launching NSPIRE and updating many standards and approaches in recent years. We ask that HUD further clarify certain standards based on the insight gathered over the first year of NSPIRE to avoid burdensome appeals. In addition, HUD should lower the risk rating for certain key standards, like the presence of fire extinguishers in the unit and the pull cord component of call for aid systems, which are largely out of the control of the housing provider. Clarifying and adjusting standards and risk ratings will make the inspection and enforcement process more streamlined.
- 4. Conditional Waiver for the Call for Aid System:** Our affordable senior housing provider members are subject to a call for aid system requirement that creates a heavy burden for the housing providers but is limited in its benefit for residents. Many of our members have switched to a resident-worn pendant system instead of the static pull cords that were initially required by HUD. However, the [existing MF guidance](#) and [NSPIRE standard for the call for aid systems](#) continues to create confusion and cost barriers for housing communities (including the current non-scored NSPIRE policy that only applies to certain elements of the call for aid standard). In addition, even pull cord systems that are monitored by third parties contribute to higher liability insurance premiums for HUD-assisted communities. We urge REAC to collaborate with the Office of Multifamily Housing programs to adjust or remove the call for aid requirement; in the meantime, REAC should designate all call for aid standard components as non-scored or implement a conditional waiver if it has been inspected by another entity or otherwise is not in need of HUD oversight.
- 5. Pilot Video Remote Inspections** – We ask HUD to leverage technology to make inspections more efficient and less burdensome for residents. For example, HUD could pilot Video Remote Inspections for low-risk properties at certain intervals, while continuing to require in-person inspections by HUD or another entity at least every three to five years.
- 6. Improve Inspector Consistency** - We recommend that HUD implement an inspector certification program or requirement to increase consistency throughout inspections.
- 7. Realign REAC with Multifamily Housing and other Housing Programs**– Currently, REAC is located within the Office of Public and Indian Housing (PIH), despite conducting oversight of other parts of the HUD-assisted portfolio. We recommend that HUD reorganize the agency

to create a REAC “umbrella” structure that aligns effectively with impacted offices within HUD.

Resident Services and Supports

We look forward to continuing our work with HUD to improve and streamline Service Coordinator programs throughout HUD’s Multifamily Housing portfolio.

- 1. Improve Administration of HUD’s Service Coordination Program** – Resident Service Coordinators (RSCs) efficiently connect residents to services and resources that help them age in their communities and avoid much costlier Medicaid-funded nursing homes. In doing so, Service Coordinators play a key role in efforts to ensure housing stability, reduce healthcare costs, and improve healthcare outcomes for America’s older adults and individuals with disabilities. However, program administration has become burdensome for both HUD and housing providers, in part because many Service Coordinator programs are funded through annual grants that require labor-intensive administration each year.
 - a. Instead of annual grant processing, we recommend that HUD work with Congress to transition to three-year grant cycles, relieving the annual processing burden.
 - b. Alternatively, HUD and Congress could shift all grants to the rental assistance budget to be paid out of operating costs instead of via grants, and streamline the rent adjustment process used to add Service Coordinator costs to budgets in non-PRAC properties. HUD should also improve its tracking of existing Service Coordinator programs to better understand the value that RSCs leverage.
- 2. Streamline Service Coordinator Reporting and Leverage Aggregate Data** – Currently, Service Coordinators in HUD-assisted housing spend an inordinate amount of time reporting on resident characteristics. That data, however, is not fully leveraged by HUD or made public. HUD should either adjust the reporting requirements or modernize its systems to better leverage aggregate data resulting from the reporting requirements.
- 3. Leverage Technology to Amplify Resident Safety Supports** – Currently, HUD requires elderly-designated properties to operate and maintain a call-for-aid system throughout the property that residents can access should they fall and need assistance. However, the current requirement is cumbersome and expensive for housing providers to implement, burdensome for HUD to oversee, and ineffective at supporting resident wellness because most systems are stationary and not easily accessible during a fall. In fact, the most effective way to foster safety is by allowing maximum flexibility for properties to adapt to new safety technologies. Innovations in personal safety are far from finished, and supporting a flexible, future-ready approach will most effectively position HUD communities for a safe future while removing burdensome requirements. We propose that HUD remove the current requirement for a call-for-aid system in HUD-assisted properties serving older adults; HUD should replace the current requirement with an option to create a “smart home, safe home” approach that uses in-unit Wi-Fi as the base for a variety of cost-effective resident wellness devices and efficient property operations systems, where internet service is an allowable expense for HUD-supported operating budgets and the installation of any internet-based resident safety supports is funded through property reserve accounts. This approach

promotes efficiency in HUD operations and resident safety by removing barriers to internet access throughout the HUD portfolio.

On behalf of LeadingAge, we look forward to working with you both on overlapping priorities that will streamline and improve HUD-assisted housing for older adults with low incomes. Please reach out to Juliana Bilowich, LeadingAge's Senior Director of Housing Operations and Policy, at jbilowich@leadingage.org to coordinate a time to discuss our recommendations.

Sincerely,

Juliana Bilowich
LeadingAge