

PRRAC

Poverty & Race Research Action Council

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April 17, 2020

R. Hunter Kurtz
Assistant Secretary for Public and Indian Housing
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410-0500

Re: Guidance on expenditures of CARES Act funds directed to PHAs

Dear Assistant Secretary Kurtz,

Thank you for the recent guidance provided by HUD in Notice PIH 2020-05, regarding COVID-19 Statutory and Regulatory Waivers for the Public Housing, Housing Choice Voucher, and Indian Housing and Community Development Block Grant Programs. Many of these waivers will provide important tenant protections during this national crisis, and we hope that they are implemented in an affirmative manner to keep HUD-assisted tenants safe and secure in their homes. We were concerned, however, with the lack of more forceful mandates governing basic PHA obligations in the Housing Choice Voucher program during the COVID-19 crisis, and we are writing to urge you to include stronger, enforceable standards for PHAs in HUD's forthcoming guidance on expenditure of CARES Act funds.

In Section 3 of PIH 2020-05, HUD urges PHAs to "continue using available funding to house families, keep families in their homes and conduct critical operations," and goes on to define some of these basic PHA responsibilities as they pertain to the Housing Choice Voucher program:

"Some critical functions for PHAs include, but are not limited to issuing vouchers so families can find housing, processing Requests for Tenancy Approvals (RFTAs) so families can be approved to move into a unit, processing requests for portability moves...and completing reexaminations for participants who have experienced a decrease in income."

We agree that these are essential PHA functions for the Housing Choice Voucher program (along with other key functions such as ensuring tenants are residing in safe and secure housing, and that payment standard adjustments are processed in a timely fashion), yet in spite of all the waivers granted to PHAs, there is no corresponding mandate in the Notice that PHAs perform these critical functions to any particular standard, and HUD's "SEMAP" assessment tool, intended to provide accountability for the HCV program, has been suspended by the Notice.

HUD has an opportunity to correct this oversight in the forthcoming Notice governing expenditure of PHA funds appropriated under the CARES Act. Title XII of the CARES Act

allocates \$1,250,000,000 to HUD “to provide additional funds for public housing agencies to maintain normal operations” in the HCV program, along with “other necessary actions” during the coronavirus crisis. In order to ensure that the “critical functions” noted above are adequately carried out, we recommend that HUD reserve a meaningful proportion of the additional administrative funds provided by the CARES Act for allocation specifically to PHAs that have increased HAP costs and administrative costs from an increased number of interim recertifications, and that are maintaining voucher issuance rates (thereby providing that these funds flow to PHAs that are sustaining their leasing and/or facing significant increases in interim recertifications).

In addition, the Secretary of HUD is empowered to “specify alternative requirements” for “any provision of any statute or regulation that the Secretary administers in connection with the use of the amounts made available under this heading.” The grant of authority to HUD in these sections of the CARES Act is quite broad, and also mandates an exercise of that authority to maintain current levels of operation in support of PHAs’ critical functions on behalf of the families they serve. Given this broad grant of authority, and the underlying purpose of the CARES Act provisions governing the Housing Choice Voucher program, it is appropriate for HUD to insist on high levels of PHA performance in implementing their “critical functions.” We therefore also recommend that HUD spell out these standards for critical functions in the forthcoming Notice, and if there is notice or evidence that a PHA is failing to meet these standards, there should be a procedure specified for withholding or recovery of a portion of CARES Act administrative fees allocated to that agency.

We would be happy to meet with you or to provide more detail on these standards in further correspondence. And again, we appreciate HUD’s efforts during this crisis and the hard work that PHAs are doing to assist HUD-assisted tenants across the country.

Sincerely,

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