



April 12, 2019

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Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Room 4176  
Washington, DC 20410-5000

Re: Statutorily-Mandated Collection of Information for Tenants in LIHTC Properties, Docket No. FR-7007-N-08

To Whom It May Concern:

The National Council of State Housing Agencies (NCSHA) appreciates the opportunity to comment on the U.S. Department of Housing and Urban Development's (HUD) process for collecting data from state Low Income Housing Tax Credit (Housing Credit) administering agencies on tenants residing in Housing Credit properties and on HUD's proposals for modifying both the HUD LIHTC Tenant Data Collection Form (HUD-52697) and the LIHTC Database Data Collection Form (HUD-52695).

NCSHA represents the nation's state Housing Finance Agencies (HFAs), including the HFAs of the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands, most of which act as their state's Housing Credit administering agency. NCSHA also represents the agencies that administer the Housing Credit in the few states where the HFA does not.<sup>1</sup>

NCSHA and our members are committed to working with HUD to collect data on tenants of Housing Credit properties as mandated by the Housing and Economic Recovery Act of 2008 (HERA) and providing additional data to HUD about the properties HFAs finance with the Housing Credit to populate HUD's LIHTC Placed-In-Service (PIS) database.

We believe that it is critical that information about the Housing Credit and the people it serves is publicly available, so that members of Congress, those in the Housing Credit community, and the public at large can be aware of the significant positive impact the Housing

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<sup>1</sup> NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

Credit has had in providing affordable rental housing to those who need it and revitalizing and improving communities across the nation.

While collecting and disseminating this data is imperative, it is also important to be cognizant of the staff time and financial resources required to undertake this data collection, and to carefully weigh the benefits the data provides against the burden and financial implications of its collection. Moreover, every change to the data request forms requires modifications to software and data systems, which can be costly. Therefore, we urge HUD to be sensitive to this balance and only modify its data collection request forms when absolutely necessary.

Our specific comments on the tenant data collection process and on the proposed modifications to both forms follows:

#### Comments on Data Collection Process

When Congress passed HERA, mandating Housing Credit tenant data collection, it authorized \$6 million to support the effort, but Congress has never appropriated these funds. State Housing Credit administering agencies and HUD have done their best to meet the mandate under HERA by using existing agency resources. The tenant data collection initiative required significant upfront costs for state agencies, which often needed to develop new data systems to meet the mandate. Moreover, in some cases, states have had to convert what had been paper records into digital format through data entry, which has been a staff-intensive process.

Tenant data collection also has annual financial implications for state agencies, as they must modify their systems whenever changes are made to HUD's data request, and devote staff time to yearly transferring and scrubbing the data before they can upload it for HUD's use. While states continue to make progress each year towards providing HUD with complete tenant data, it is an ongoing challenge for some states to fully meet these data collection requirements.

NCSHA has heard from our members that HUD makes some changes—either seeking additional data or modifying a field format for an existing data point—nearly every year. We strongly urge HUD to minimize annual changes to data collection to the greatest extent possible, as every change made adds to software maintenance costs.

This said, in some instances we recognize that these changes are needed. For example, as noted below, the changes to both the Tenant Data Collection Form and the LIHTC Database Data Collection Form to take into account the new Average Income Test minimum set-aside are necessary to reflect changes to the Housing Credit program.

Despite our concerns about the burden of data collection, we believe that the data provided to HUD—both tenant data and property data—has practical utility in better understanding the households served and gauging the Housing Credit program's accomplishments.

NCSHA believes HUD could improve the data collection process and/or the utility of the data collected by:

- Considering allowing states the option of providing data to HUD in aggregate format, rather than on a per household member basis;
- Exploring with Housing Credit software vendors establishing automatic data feeds for property data to reduce the burden on state agencies;
- Providing validation to states within 24 hours of receiving their submission (States have reported to NCSHA that they do not necessarily know if a submission fails, which means they later must re-run reports and resubmit the information);
- Giving states the ability to review the *Understanding Whom the LIHTC Serves* report prior to its publication so that they may double-check their data submission; and
- Sharing the final report results with Housing Credit administering agencies in MS Office format so that they may convert the tables to graphs or use the data in other documents.

#### HUD LIHTC Tenant Data Collection Form

NCSHA generally supports the proposed changes to the HUD LIHTC Tenant Data Collection Form. Importantly, the revised Form appropriately reflects the new Average Income Test minimum set-aside, which will allow greater flexibility in tenant eligibility and facilitate development of more units affordable to very and extremely low-income households.

The revised Form also collects more detailed information about other federal and state capital programs that may be used in conjunction with the Housing Credit to finance properties. We note that the Housing Trust Fund is not among the programs listed in Part VIII: Program Type, and would encourage HUD to add it there.

#### HUD LIHTC Database Data Collection Form

NCSHA also generally supports HUD's proposed changes to the HUD LIHTC Database Data Collection Form. We believe the additional information that would be collected adds value. In particular, we support modifications to the Form to reflect the new Average Income Test minimum set-aside.

We also are pleased to see HUD's proposal to add the question regarding why properties that are no longer monitored for compliance are no longer in the program. It is critical to distinguish between properties that are no longer part of the program because they have come to the end of their expected affordability period and those that have fallen out of the program due to non-compliance or sale under Qualified Contract. NCSHA is increasingly concerned that a significant number of properties are lost due to Qualified Contracts, which poses a major threat to our efforts to provide affordable housing to low-income households.

While some of the modifications to this Form are only relevant for new properties being placed in service, such as the Average Income Test minimum set-aside and whether a property's financing includes equity from a Qualified Opportunity Zone fund, other changes to the Form are relevant to existing properties that are already in the PIS database. It is not clear to us whether HUD intends to ask Housing Credit agencies to update the information about properties already in the database to capture information such as whether the property is a scattered site or the length of its affordability period.

If it is HUD's expectation that agencies review existing entries, we are concerned that this could be a significant and time-consuming burden.

We appreciate HUD's efforts to work with states on Housing Credit data collection and urge HUD to be mindful of the burden additional data requirements have on state agencies and accordingly only make modest changes when needed to the data collection forms. Please do not hesitate to reach out to me if you have any questions about our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman", with a long horizontal flourish extending to the right.

Garth Rieman  
Director, Housing Advocacy and Strategic Initiatives