



January 5, 2024

The Honorable Patty Murray
Chair
Senate Appropriations Committee
S-128 Capitol Building
Washington, District of Columbia 20510

The Honorable Susan Collins
Vice Chair
Senate Appropriations Committee
S-128 Capitol Building
Washington, District of Columbia 20510

The Honorable Kay Granger
Chairwoman
House Appropriations Committee
H-307 Capitol Building
Washington, District Columbia 20515

The Honorable Rosa DeLauro
Ranking Member
House Appropriations Committee
H-307 Capitol Building
Washington, District Columbia 20515

The Honorable Brian Schatz
Chair, Senate Appropriations Subcommittee
on Transportation, Housing and Urban
Development
Washington, District of Columbia 20510

The Honorable Cindy Hyde-Smith
Ranking Member, Senate Appropriations on
Subcommittee on Transportation, Housing
and Urban Development
Washington, District of Columbia 20510

The Honorable Tom Cole
Chair, House Appropriations Subcommittee on
Transportation, Housing and Urban
Development
Washington, District of Columbia 20515

The Honorable Mike Quigley
Ranking Member, House Appropriations
Subcommittee on Transportation, Housing and
Urban Development
Washington, District of Columbia 20515

Dear Chair Murray, Vice Chair Collins, Chairwoman Granger, Ranking Member DeLauro, Chairman Schatz, Ranking Member Hyde-Smith, Chairman Cole, and Ranking Member Quigley:

The National Council of State Housing Agencies (NCSHA), on behalf of its state Housing Finance Agency (HFA) members, respectfully urges Congress to preserve language included as Section 251 of Title II of Division C of H.R. 4366, as amended and passed by the Senate on November 1, 2023. This general provision would allow HUD to continue its longstanding partnership with HFAs and other Public Housing Agencies (PHAs) to preserve and protect a critical source of our country's affordable housing stock.

HFAs and PHAs have overseen Project-Based Section 8 Rental Assistance (PBRA) payments, contract renewals, property inspections, and rent increases for decades. In 33 states, HFAs administer contracts covering almost 9,800 properties containing more than 692,000 affordable apartments.

As state-based, mission-driven organizations, HFAs have a deep knowledge of local housing markets and their needs, as well as robust relationships with the PBRA property owners and tenants they serve. These connections facilitate efficient and effective implementation of PBRA contracts, timely response to tenant complaints, and the leveraging of other federal and state resources to maintain affordability.

Directing HUD to issue new Performance-Based Contract Administration (PBCA) awards under a cooperative agreement model, including preferences for entities with demonstrated experience successfully managing PBRA properties and units, would help maintain these long-standing relationships to the benefit of vulnerable households in every state. At a time when access to affordable housing is critically limited in many parts of the country, disrupting this proven model for PBRA administration would exacerbate the challenges that many families face in securing a place to call home.

In addition, enacting legislation to clarify how HUD may enter into contracts with PBRA contract administrators is necessary now because HUD's recent efforts to rebid the contracts have been unsuccessful. There appears to be no way for it to move forward without legislation.

Accordingly, we respectfully urge you to retain the language included below in any potential conference report or future legislation providing funding for HUD for Fiscal Year 2024. If you have any questions about this letter, please contact Robert Henson (rhenson@ncsha.org) or Garth Rieman (grieman@ncsha.org).

Sec. 251. Notwithstanding section 3(b)(6) of the United States Housing Act of 1937 (the Act) and chapter 63 of title 31, United States Code, amounts made available to the Secretary in this or any prior Act under the headings "Project-Based Rental Assistance" or "Housing Certificate Fund" for performance-based contract administrators to carry out section 8 of the Act (42 U.S.C. 1437f), as implemented by the Secretary in chapter VIII of title 24, Code of Federal Regulations, may be awarded through a Notice of Funding Opportunity (NOFO) not subject to procurement laws or regulations: Provided, That such awards shall be deemed for all purposes to be cooperative agreements: Provided further, That for purposes of such NOFO, eligible applicants are public housing agencies as defined by section 3(b)(6)(A) of the Act and nonprofits of such agencies when operating outside of the State or territory in which such agency is established, notwithstanding any provisions of such section 8(b) to the contrary: Provided further, That the Secretary shall award one cooperative agreement for each State or territory, except that the Secretary may award more than one agreement for a State or territory if the population of such State or territory exceeds 35,000,000: Provided further, That any cooperative agreements issued by the Secretary shall, at minimum, assign the rights and responsibilities as provided in section 8 of the Act: Provided further, That the Secretary shall assign such rights and responsibilities to the furthest extent possible to ensure effective and efficient program oversight and monitoring: Provided further, That when selecting a performance-based contract administrator, the Secretary shall provide a preference to applicants that have demonstrated experience with properties receiving project-based assistance, experience in multifamily housing preservation, addressing the concerns of low-income tenants, making assistance payments to owners, and performing the other

functions assigned to a public housing agency under section 8(b) of the Act: Provided further, That if no qualified applicant applies under NOFO, the Secretary may utilize a procurement contract subject to all procurement laws and regulations to assist in carrying out section 8 of the Act: Provided further, That the Secretary shall provide for incentive-based fees as part of such awards.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Garth Rieman

Director of Housing Advocacy and Strategic Initiatives

CC: The Honorable Chuck Schumer, Majority Leader, U.S. Senate
The Honorable Mitch McConnell, Minority Leader, U.S. Senate
The Honorable Mike Johnson, Speaker, U.S. House of Representatives
The Honorable Hakeem Jeffries, Minority Leader, U.S. House of Representatives