



## Performance-Based Contract Administration Talking Points 2021

### **Audience**

Every member of Congress, with special focus on members of the Appropriations Transportation-HUD Subcommittee, House Financial Services Committee, and Senate Banking Committee

### **Request**

Ask your member of Congress to support the role of state housing finance agencies (HFAs) as Performance-Based Contract Administrators (PBCAs) and to ensure HUD's procurement solicitation does not impede HFAs from bidding on state-based contracts that recognize the importance of mission-oriented entities performing the PBCA work.

### **Why Support HFAs as PBCAs?**

- PBCAs are integral to HUD's efforts to be more effective and efficient in the oversight of the project-based rental assistance portfolio, maintaining and protecting the long-term historic federal investment in this affordable housing, which would be costly to recreate.
- For years, 33 state HFAs have acted as PBCAs, meeting and often exceeding performance expectations on a state-by-state basis.
- HFAs have been successful PBCAs in large part because of their familiarity with their states' particular laws, regulations, and governance. State HFAs also possess valuable knowledge of local markets; cultivate strong working relationships with tenants, communities, owners, managers, and other housing policy-makers and stakeholders within their states; and have access to other housing resources, including many they administer themselves, that they can bring to bear to support their PBCA portfolios.

### **How Can Congress Support HFAs as PBCAs?**

- In December 2017, HUD published draft Requests for Proposals (RFPs) soliciting bids for national and regional PBCA contractors. This provided many in the industry the first opportunity to see how HUD intends to procure this work, and stakeholders overwhelmingly responded that, if implemented, the plans would be detrimental to the long-term federal investment in the performance-based rental assistance (PBRA) portfolio and to the 1.2 million vulnerable households who rely on this housing. These RFPs also would most certainly warrant bid protests and further litigation.
- These draft RFPs failed to comply with statutory requirements that HUD contract with public housing agencies (PHA) and undermined the ability of rental assistance administrators to best serve the needs of assisted tenants, the properties in which they

live, the communities in which those properties are situated, and ultimately, HUD's stated goals.

- In March 2018, HUD cancelled these draft RFPs after receiving extensive stakeholder comments and to reconsider its plans for obtaining the services to replace the current PBCA services.
- Congress should ensure that, as HUD prepares to release a new solicitation for PBCA contracts, it does not make similar mistakes to the first draft solicitations. Specifically, Congress must ensure HUD complies with the Housing Act of 1937 requirement that it contract with public housing agencies for the administration of federal rental assistance. Contracting with PHAs is vital because PHAs, including HFAs, are publicly accountable, mission-driven entities devoted to the same affordable housing mission as HUD.
- Congress should ensure HUD's PBCA procurement solicitation does not impede HFAs from bidding on comprehensive, state-based contracts that recognize the importance of mission-oriented entities performing the PBCA work.