

Office of Housing Counseling
2022 Community Conference
PIH Spotlight

Clair Weatherby: Hello, and welcome to this spotlight session on HUD's offices of multifamily housing and public and Indian housing. My name is Clair Weatherby, and I'll be your ICF host for this session.

As with the other conference sessions, if you have any technical issues, please submit them via the Zoom chat box and send your message to the host so that we can sort out your issue. And if you have any content related questions, you can feel free to submit them in the question and answer box and send that to host presenter and panelists.

This is a shorter session for the spotlight at 30 minutes. So we may or may not have time for audience questions at the end, but we will do our best to get your questions answered in writing along the way.

I'd now like to welcome your moderator from the office of housing counseling, housing specialist Tammy Dunn.

Tammy Dunn: Thanks Clair. Hi, my name is Tammy Dunn. I'm with the office of outreach and capacity building with the office of housing counseling. I am so excited to be moderating this session. I have the unique experience of having spent nine years in multifamily housing on the asset management side and three years in HUD's office of public and Indian housing.

So it is with great honor to be speaking with them today and I would like to introduce our two speakers. First of all, from HUD's office of multifamily housing, we have Ethan Handelman. He is deputy assistant secretary for the office of multifamily housing programs at HUD and he was appointed in February of 2021.

The office of multifamily housing programs administers the federal housing administration mortgage insurance program for multifamily properties and oversees more than 23,000 assisted properties, including affordable housing for the elderly and persons with disabilities.

Approximately 2.6 million families find housing in multi family's portfolio of 30,400 properties, which are found in every state and some US territories urban, suburban, and rural areas. Prior to joining HUD, Ethan was a senior policy analyst at the federal housing finance agency. Prior to joining FHFA, he spent seven years at the national housing conference.

We are delighted to be joined also with Danielle Bastarache. She's the deputy assistant secretary for the office of public housing and voucher programs. Ms. Bastarache has over 24 years of experience in the affordable housing industry. While pursuing her law degree, she worked at the Winn Housing Authority in Massachusetts.

In 2001, she joined HUD's office of general counsel assisted housing division as an attorney, focusing on mixed finance transactions and the HCB program. Danielle joined the office of public and Indian housing in 2007, working on voucher policy and disaster voucher programs, post Hurricane Katrina.

In 2014, Danielle became a senior executive, directing the office of policy programs and legislative initiatives. In 2016, Danielle was appointed to the deputy assistant secretary for the office of public housing and housing choice voucher programs.

I would like to welcome both Ethan and Danielle, and I'm going to begin today by going through some multifamily questions. So I'm going to -- I'm going to -- I think there's a lot of confusion out there in the industry about what the differences are in multifamily and public housing. So I think in order to keep that to a minimum that we're just going to separate on our questions.

So Ethan, can you tell us about the work of multifamily around assisted housing and your eviction rate?

Ethan Handelman: Sure, happy to do it. And thanks for having me, Tammy. It's great to be here. Thanks to you and to David Behrman, who I know has been working hard with many on the team to organize this. I love talking with housing counselors because they are upfront on this, dealing with some of the trickiest housing challenges that people face.

And that's a lot of what the work of the office of multifamily tries to do is -- is make people's housing challenges easier. We oversee three main areas of work. One is managing our portfolio of assisted housing. So that's I think project based section 8, rental assistance, or the section 202 housing for the elderly or the section 811 housing for people with disabilities. Those are major areas of our asset management work.

The second area is new loans for assisted housing and for market rate housing through our FHA mortgage insurance. And the third area is our office of recapitalization that handles among other things, the rental assistance demonstration conversions of public housing or older assisted housing into new section 8 contracts. It's a way to preserve and stabilize those properties for the long term.

So when we think about the eviction rate, a lot of our focus has been on assisted housing, properties that have rental assistance attached to them and benefits the residents, which means the residents are paying 30 percent of their income. One of the biggest challenges during, especially the start of the COVID 19 pandemic, but throughout, has been when people's incomes drop suddenly, that makes paying the rent harder.

One of the few bright spots in all of it was assisted housing allows residents to come in and re-certify their income. They can say, hey, my income went down, my rent should go down, because my rent is tied to being 30 percent of my income. We saw a lot of that activity. And we saw special appropriations from congress under the Cares Act to help pay for the rent differential that -- that was created.

So within the assisted housing portfolio, eviction rates have been quite low. We're still working on tracking that and making sure that all of the protections that -- that are in place are being followed, recognizing that there are other reasons someone can be evicted as well.

If you violate your lease separate from a failure to pay rent, right, if you misuse the property, threaten the safety of others, that can still lead to an eviction and we did -- we regularly see and do see some of that activity at a pretty low level.

But generally speaking, assisted housing has not seen high rates of eviction, even during the most recent disruptions.

Tammy Dunn: Well, that's fabulous news because the -- if you read the news, it -- it tells a -- a little bit different story. So it's really good to hear from out of the horse's mouth that it really is not an issue on our HUD properties. What's being done out there to prevent the evictions on the HUD multifamily properties as far -- that would be helpful.

Ethan Handelman: Sure. And it's a great question. And throughout the COVID 19 pandemic, we've been issuing guidance to help make sure our property owners who are dealing with residents know what rules they're supposed to follow. Some of that is about making sure that they knew while there was an eviction moratorium in place, that it was in place and they -- they weren't supposed to evict anyone for nonpayment of rent.

Since the expiration of the eviction moratorium, there's been guidance about the 30 days' notice required. There was an interim final rule and we've made that clear to our property owners and program participants through email bulletins, our Q&A, all of our normal communications channels. And it's matched by action on the public housing side that I'm sure Danny will talk about.

Tammy Dunn: That's fabulous. What can housing counselors expect in term of RAD, tenant rights, and responsibilities.

Ethan Handelman: That's a good question. And -- and as a reminder for folks, RAD refers to the Rental Assistance Demonstration, which is a program, it's been around about 10 years, where we can take a public housing property or an older assisted multifamily property, there

There are a few of those that are included as well, but mostly it's -- it's public housing properties and convert the public housing assistance to a section eight contract. From the resident's perspective, it's not a big change. They still pay the same rent. They still have the same rights and responsibilities as residents, but what it means is the property can get new financing and do a bunch of repairs and upgrades to make it safer, healthier, more viable long term, a better place to live for the residents.

In some cases, those RAD transformations can be part of a bigger redevelopment where there's new homes created on the site, potentially other changes that really bring properties from 40, 50 years ago into use we might expect today from -- from new development of affordable housing.

So as housing counselors, if you are working with folks who are living in a property that is planning or undergoing a transformation through RAD, it means they will be getting regular communications from the housing authority that is putting together that transformation.

And one of the powerful things about RAD that has made it so successful is the level of tenant protections it has that are both explicit and have a lot of process around them so residents can know what to expect and when to expect it. One of the links that I think Dani actually has in her slide deck is a link to our tenant flyer.

It's called RAD resident rights in public housing, and it helps -- it's a great thing frankly you can share with residents you may be counseling to help them understand what their rights are prior to the RAD conversion.

So it's about when they're going to get notices, how they're going to be able to comment on the conversion plan so that residents are engaged in being part of the decisions made about what the property's going to look like as it gets repaired and sustained and improved, when conversion occurs, how they can maintain their residency, what the protections are when --- if and when they have to be temporarily relocated.

Because they have a right to maintain their assistance into return to the property when it's renovated and their rights after the conversion, which means generally paying no more than 30% of their income rate, the same sort of rental assistance they had before, having the rights to participate in a resident organization, the option for choice mobility so if they move, they may have the ability to take voucher assistance with them, rights to have their lease renewed, and having good protections in the event that there's an action to terminate their lease including grievance procedures they can follow.

So there's a lot of protections there, and those are the kind of things that a housing counselor potentially may be able to help guide residents through.

Tammy Dunn: That's great. That's great to know our tenants are being very well protected. Also, just going to let everybody know that the resident's rights and responsibilities that Ethan discussed will be part of the materials provided as part of this session.

My last question to you, Ethan is what's going on with REAC? Is it fully up and running? Are they at full capacity or are they still doing things from a distance? Give us an update on REAC.

Ethan Handelman: Sure. And for those who -- who speak [inaudible], but not HUD that is the real estate assessment center that takes a look at operations of both multifamily properties and public housing properties to make sure that they are providing safe, decent, sanitary housing, according to the law, right? They're -- they're meeting their responsibilities as required and that it's a good place to live.

The REAC is up and running. Folks may remember that during the early part of the COVID 19 pandemic, we largely suspended those in person REAC inspections because bringing people into contact, especially where they lived, was a risk. It was a risk to the residents, to the property management, and to the REAC inspectors themselves.

Soon after the Biden administration came in, Secretary Fudge instructed us to take a careful look at reopening those REAC inspections, because we had to balance the risks of bringing people

into contact with the risks of not inspecting the real estate, which we know also affects people's health and wellbeing.

Back in June of last year, we were able to resume regular REAC inspections across the portfolio. That's been going quite -- quite effectively. We have good protocols in place so that we can do inspections safely. We've been giving property owners some additional advanced notice to make sure that they can prepare because there was time off and you're coming back, and also to make sure that we can adjust if there is a COVID outbreak at the property.

And we have a number of ways to do that. It's possible to postpone an inspection, if necessary. Most of the time, it's not. We can adjust which units we do. All of our inspectors follow safety protocols informed by the best science. So it really has been possible to fully resume inspections, which is essential because we need to keep a close eye on the real estate.

I know from my -- my latest update that the REAC has done, I believe over 15,000 inspections since the resumption, and that's just of multifamily properties. There's a bunch happening on the public housing side as well.

So they are doing a great job. We're seeing strong results. For the most part properties are not scoring much differently than on -- on average than they did prior to the pandemic. So while in some instances there were properties that slipped right where we lost a lot of ground and things went a little sideways during the -- the downtime, for the most part that is not the case.

And that -- that is always a risk, but the portfolio of thousands of properties, there's always a small percentage that need direct attention. But the vast majority of our properties provide great housing and do it well, score consistently highly on their REAC inspections and provide housing that you or I would be glad to live in.

Tammy Dunn: I know historically we've always had a really good portfolio of good owners and good management agents. So that's really good to hear that the REAC being kind of out -- out of the picture for a couple of years, didn't -- did not impact in a negative way. So that's good.

Ethan Handelman: And it was -- it wasn't -- it wasn't two, it was -- it was only around a -- it was really just during the beginning of the COVID pandemic.

Tammy Dunn: Was it?

Ethan Handelman: Yeah.

Tammy Dunn: Oh, that's good to know too. That's very good to know. Well, thank you for answering my questions. And I'm now going to ask Danielle to come on screen so I can pick and probe at PIH.

Danielle Bastarache: Hey, Tammy. How are you?

Tammy Dunn: Good to see you. Great. Great -- great. I'm going to start with probably the program that most HCAs are most familiar with in the PIH portfolio. What are family self-sufficiency, otherwise known as FSS, related resources that HCA's can use for their clients.

Danielle Bastarache: Okay. So first I'm sure folks are familiar with this and aware of this, but I just wanted to point out that HUD did publish a new FSS rule. We published that on May 17th. It became effective on June 16th and house PHA's have until November 14th to come into compliance with the new rule.

We think it's really exciting. We think that there have been a lot of significant changes. One of which is, as you know, multi-family owners have been eligible to participate in FSS since 2015. Now they are also eligible to receive FSS coordinator funding. So we think that's a really great change that's coming into effect.

Second, we expanded the eligibility. Normally it was limited to just head of household and now we have expanded eligibility to adult dependents in the household, which is great because we know that we have a sizable population of head of households where the head of household might be unable to work due to a disability or something like that.

And then third, we've also made some program tweaks, which we think will help ensure success, I guess is the best way to put it. Things like making it easier for folks to get contract extensions. So like extension for the contract participation. We have also removed some monthly caps on the amount that higher income families can pay into escrow.

And then in terms of another resource, I just wanted to point out is that a lot of FSS programs rely on CFPB materials, which actually are -- are really great. And in particular, there's one I wanted to point out and I will drop it into the chat. It's called Your Money, Your Goals Toolkit.

And so that contains like a ton of resources. It has some financial education tools and it's designed really for a broad range of individuals to use. So I will drop that in the chat after this, but again, it's called Your Money, Your Goals, and it's on the CFPB website.

Tammy Dunn: Thanks for that. Yeah, CFPB always has so many excellent resources.

Danielle Bastarache: Yes.

Tammy Dunn: They just really do. It's the good -- they're a good place to go. Okay. What's going on with fair market rents? I hear rumors.

Danielle Bastarache: Yeah. Okay. So I mean you all know this, the rental market has, like we are in uncharted territory here, right? I think the one thing that HUD heard a lot of during the pandemic now is that the FMRs aren't necessarily tracking the rents that people are experiencing locally.

In other words, the FMRs are below that, that HUD publishes every year and become effective October 1st. And so, some of that was because of the ACS, American Census Surveys, community surveys data that we have, which during the pandemic wasn't really all that reliable.

So what HUD has done is issue a notice of material change proposal that went out in the federal register July 13th, and basically it describes different ways that HUD wants to supplement the regular, or being from Boston, I say regular way of doing the FMRs with private rental market data, which we believe is more up to date.

And we're looking at using between three to six sources, so like Zillow or something like that, which would help us be able to more accurately adjust the part of the calculation where we're measuring year to year increases in the FMRs.

So I highly encourage folks to take a look at that notice and if you want to make comments, the comments are actually due on August 13th. The plan is to get those comments, to write up responses, finalize the FMRs, and then publish the FMRs on or around September 1st to then be effective on October 1st.

But we are really excited about it. This is the first time that we have ever done something like this and we really hope that it brings, you know, much needed relief to communities.

Tammy Dunn: There's definitely a need, so I'm really glad to hear that. That's really awesome.

Danielle Bastarache: Me too.

Tammy Dunn: Yeah, I mean it's going to really -- it's going to affect a lot of people.

Danielle Bastarache: Yes.

Tammy Dunn: What is your new administrative fee notice for landlord recruitment, retention, etcetera?

Danielle Bastarache: Okay. So this applies to the housing choice voucher program, which you know, is very much tied to FMRs and really what we were hearing, I guess before the pandemic, but during the pandemic was that certain components of the voucher program, which used to be like nice to have, like security deposit assistance, owner incentive payments, owner retention, payments, in today's market, in the rental markets are now necessary to have.

So what we did, we issued our PIH notice 2022-18 on June 13th, and basically that notice provides that PHAs can use their ongoing administrative fees to provide those types of costs so you can provide security deposits, landlord incentive payments, bonus payments and retention payments, stuff like that.

Before, you could only do that with your admin fee reserves and there really wasn't that many of those. So now with this change, we've sort of opened the door so that PHAs can use those ongoing admin fees in this way. We think this is a really positive change.

It's a step in the right direction, and it's also kind of this recognition that in this market today, it is very difficult for renters to find units, in particular low-income renters in particular for the voucher program, 75 percent of your new admissions are at extremely low income, which is 30 percent of your area median income.

So that is one change that we are pushing. We actually have a webinar on this that we recorded on the 21st of July and you can Google it. It will come up on the HUD voucher webpage.

Tammy Dunn: Oh, that's awesome. That's awesome. I'm going to -- I'm going to switch over to the same topic that I covered with Ethan a little bit. What types of resources do housing counseling agencies need as far as eviction prevention when it comes to the HCV or public housing stock?

Danielle Bastarache: Yes. So I would say the best resources, we have an eviction prevention and stability toolkit, and the best way to get there, because I've done this, is just to Google it and it will come up. And we spent, as Ethan said, a lot of time putting it together.

We have in there everything from a sample repayment agreement to tenant flyers in multiple languages, talking about eviction prevention and resources and what a tenant should do if they've experienced a decrease in income.

And then one of the other things that we did is we have something from urban strategies. We actually have like this, a survey that you can conduct, which you can use to identify your resident's needs and the potential reasons for nonpayment of rent, which have changed kind of over time, especially with inflation and the cost of utilities and -- and people being forced to make really kind of difficult decisions.

So I would say that and we are in the process of actually updating that as well. So I would say the eviction prevention and stability toolkit contains just a multitude of resources. So it does go beyond the eviction moratorium to really sort of the more operational, the regular operational aspects of public housing, section 8 project based as well as housing choice vouchers.

Tammy Dunn: That's awesome. It sounds like a resource that can be used for years to come by - by a lot of different groups of people.

Danielle Bastarache: That is our hope.

Tammy Dunn: Yeah. Yeah. Yeah. Well, why don't you tell us a little bit about the PIH and voucher dashboards?

Danielle Bastarache: Yes. I love this topic. So we, over the past year and a half, we have really been trying to increase transparency in our programs. And so, what we have done is we've produced a voucher -- HCV voucher dashboard, again, you can Google it. It comes right up.

And we just released the public housing dashboards about three months ago and from those dashboards, it's basically a set of interactive dashboards where you can take a look at how the voucher program is doing nationally, you can cut it by state, you can look at individual PHAs and from that data, as you flip through the pages, you can see everything from current utilization on the voucher side, level of reserves.

You can see how many, I don't know, HUD-VASH vouchers, a PHA has and what their utilization rate is, so you know if they have available HUD-VASH vouchers. You can do the same thing for our mainstream vouchers, which are available for families with disabilities, same with foster youth and family unification program vouchers.

On the public housing side, it contains sort of the basic snapshot, what is your occupancy rate, what are -- what is your operating cost for the year? You can do deep dives at the project level into utility costs. I know I'm geeking out here, sorry. For people that like public housing and vouchers, and really like to nerd out over it, like these dashboards are for you.

It is a wealth of information. We have data dictionaries, drop down menus to go in and explore it, and then the other thing I wanted to mention too is that we have spent a lot of time doing landlord recruitment activities for the voucher program. And so, most recently we have produced these really short video series.

They're like little vignettes, which are targeted towards owners, on like some of the benefits of participating in the programs, snapshots, which really try to break down and simplify the process for renting to a voucher family. And those are all in a video library on the voucher webpage as well. So I just wanted to make sure I pointed that out too.

Tammy Dunn: That is great news that that's out there because you do have a lot of landlords that are -- that don't know the ins and outs of the program and what a great idea to -- information is always good and I'm like you, I'm a data geek, so I love the idea of the dashboards.

Danielle Bastarache: Me too.

Tammy Dunn: I love it. I love it. So I'm going to ask Ethan to come back on camera and then I'm going to ask Clair Weatherby, she's the -- she's the one posting every -- almost instantaneously posting as people have mentioned resources, so she's been doing a great job with that, but I wanted to see if there were any questions in the Q&A box that we could possibly ask of Dani or Ethan.

Clair Weatherby: Yeah. So I think Ethan got -- got in here and gave an answer to this question, but I think it'd be nice to ask it out loud. So if someone is asking whether landlords can have a payment system like electronic benefit transfer to expedite payments and increase recruitments.

Ethan Handelman: So I can answer. First, for the -- the project based rental assistant portfolio, Dani may -- may have a slightly different answer on the voucher side. The way our payments work, the HUD portion of the rent goes directly to the property owner from HUD. And we, you

know, we use a system to do that. It's admittedly an older system, like many of ours, the finest technology that the 1990s could produce.

But it is -- it is direct. So it doesn't have to pass through the resident. The resident's portion of their rent, that 30 percent of income I talked about before, the resident pays that directly to the property owner and they can -- they collect that just like anyone would collect rent. It can be a check, they may use electronic payment means, they may use dropping it off directly at the property management office and their complex, whatever works best for the -- each individual property.

So Danny, do you want to talk about on the voucher side?

Danielle Bastarache: I mean, it's basically the same thing except the PHA is the one paying that portion of the rent and then the tenant is paying their own portion, which I imagine, occurs in different ways, but not through like an EBT type transfer.

Ethan Handelman: Right. Because EBT is -- is when the government is essentially providing resources for a recipient to go spend somewhere. And in this case, we've even cut out that step, the rent just gets -- gets largely paid by the government.

There was a second part of the question asking about whether departments of building codes and standards have enough employees in different areas. I mean the quick answer to that is no. We know that's an underfunded function. Different communities do better or worse in staffing that up.

It is an area where within our multifamily team, so we have field offices across the country divided up into five regions. We work closely with the HUD FPM staff, who connect to the local building codes. The -- you know, the -- the building inspectors, because that is one indicator for us of whether a building's in trouble and whether they -- they need some focus and help from us on asset management to make sure that they bring things back up, back up to par.

Tammy Dunn: Thank you for that answer very much for both of you. We are almost out of time. We are actually at time, so I'm going to turn it back over to Clair to close us out. And thank you guys so much. Thank you, Danielle. Thank you, Ethan. It was a pleasure talking to you both.

Clair Weatherby: Tammy, I want to say that I see a question here about how would you report a violation of RAD resident rights? So maybe we can -- we can answer that over in Whova, because I think that's really important.

But it also connects to this page that we have here, which is a listing of multifamily resources related to that question, resident rights in a rental assistance demonstration. So we have brochure, YouTube video and a number of fact sheets. And again, all of this is located on Whova and on the conference webpage so you can access these links.

We will, again, encourage you to continue the conversation on Whova to find out more information and connect with your colleagues and fellow conference attendees, and also to stay

connected via again, the conference webpage, the HUD Exchange, and by email at housing.counseling@HUD.gov.

Later today, we'll have culturally sensitive and linguistically appropriate housing counseling and then concurrent sessions on partnerships with minority serving institutions and the housing counseling and disaster recovery process.

So I want to thank you all for attending and thanks again to Ethan and Danielle for joining and sharing insights from your offices and to Tammy for moderating. Thanks everybody.

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