



Who is LHAC and what do its members do?

- Local Housing Administrators Coalition, Inc. (LHAC) members are federally defined public housing agencies (PHAs) under the United States Housing Act of 1937 (“’37 Housing Act”) and act as performance-based contract administrators (“PBCAs”) under the ‘37 Housing Act.
- All LHAC members are public housing authorities or their instrumentalities (Housing Authorities) that act as PBCAs and work to assure the performance of owners who receive project based rental assistance (“PBRA”) that provide America’s most vulnerable residents and families with safe, decent, and affordable housing.
- LHAC members serve 6 of the nation’s 8 most populous states; LHAC members act as PBCAs representing nearly 40% of the 1.3 million PBRA program’s resident units, nationwide, half of whose residents are children, a third of whom are elderly, and 20% of whom are living with disability.
- Together, LHAC members have made it possible for HUD to meet its PBRA program responsibilities under the ‘37 Housing Act for over 22 years.
- Residents served by LHAC’s members live in 14 states and 40% of the US population, stretching across the country, including the District of Columbia and the United States Virgin Islands.
- LHAC champions a PBCA competition that complies with ‘37 Housing Act together with applicable federal law.
- Conducting a competition in compliance with the ‘37 Housing Act amongst the nation’s 3,500 PHAs assures a robust competition among PHAs who know their states and communities better than anyone, including HUD.
- Every PHA acting as a PBCA is a publicly created entity and/or an instrumentality of one with a public purpose and committed to the affordable housing mission. No contract calls on PBCAs to take on inherent government activity.

What has HUD done in the Draft Solicitation?

- HUD’s Request for Information/Draft Solicitation (HAPSS HAP Contract Support Services) (“Draft Solicitation”) turns the clock back to 1998, by reasserting direct HUD administration of PBRA-related housing assistance payment contract management using task based professional services instead of the ‘37 Housing Act-required PBCA services.
- The Draft Solicitation is incomprehensible to PBCAs because it indirectly bars most current PBCAs and public housing agencies from competing; and further, undermines public comment and participation by placing restrictions that deny residents and small owners the chance to make their views known.
- HUD’s Draft Solicitation ignores the ‘37 Housing Act and clearly articulated Congressional intent by tasking out individual services.
- Worse yet, the Draft Solicitation impedes participation by the nation’s 3,500 PHAs by adopting standards that only allow “for profit” Small Business competitors and bars parties that finance multifamily developments, like housing authorities, their instrumentalities, and housing finance agencies.

What is the effect on residents and owners?

- HUD will cause owners to reassess participation in the PBRA program.
- Its Draft creates 30 new duties that require direct consent from HUD, thereby regressing to a failed bureaucratic model, dependent on an already under-staffed and overburdened HUD workforce. HUD’s IG reported a 30% drop in staff over the last 10 years (last November).
- HUD proposes to avoid the ‘37 Housing Act and create a task order system in order to avoid PHAs, meaning that instead of PHAs acting as PBCAs with community or state knowledge, residents and owners will suffer from delays and inferior services rendered by “big box, punch list” entities whose focus is shareholders.
- HUD’s Draft threatens new PBRA program vulnerability if government shutdown/ funding impasse occurs.
- HUD’s Draft Solicitation risks many of the nation’s 18,000 owners “opting out” of the PBRA program if HUD reacquires administration.

What should HUD do?

- **Withdraw the Draft Solicitation and start again, complying with the ‘37 Housing Act.**
- **Engage residents and the public with a comment process, dropping barriers to submit views. Listen to them.**
 - HUD should conduct public meetings in a “Neg Reg”-like setting and listen to resident, owner, public, and PBCA concerns.
 - The Draft prohibited the public from commenting except using a HUD-prescribed form. Promote input. Engage with residents and stakeholders.