

PERFORMANCE-BASED CONTRACT
ADMINISTRATORS:
SUPPORTING AFFORDABLE HOUSING THROUGH
RESPONSIBLE STEWARDSHIP OF TAXPAYER DOLLARS

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Prepared for the Local Housing Administrators Coalition

September 2025



ABOUT LHAC

The Local Housing Administrators Coalition (LHAC) represents public housing agency instrumentalities that are performance-based contract administrators under the United States Housing Act of 1937. LHAC members serve residents and taxpayers by monitoring the performance of property owners who receive project-based rental assistance (PBRA), one of the nation's most important rental assistance programs. LHAC members operate in 14 states including six of the nation's eight most populous states, the District of Columbia and the U.S. Virgin Islands, helping to provide safe, decent, and affordable housing for nearly 40% of the approximately 1.3 million low-income households served by the PBRA program.

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Key Terms

Annual Contributions Contract (ACC) The written contract between HUD and a Public Housing Agency (PHA) under which HUD agrees to make payments to the PHA to cover 1) rental subsidy payments to property owners participating in the Project-Based Rental Assistance (PBRA) program and 2) an administrative fee. Under the ACC, the PHA agrees to perform certain tasks and administer the program in accordance with U.S. Department of Housing Urban Development (HUD) regulations.

Housing Assistance Payment (HAP) Contract The written agreement between a PHA and the owner of a rental unit occupied by a PBRA program participant. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of the program participant. The PHA determines the amount of the HAP in accordance with HUD regulations. The HAP is due to the owner on the first day of each month.

Improper Payments Elimination and Recovery Act of 2010 (IPERA) Legislation enacted to reduce improper payments by federal government agencies by enhancing agency auditing and reporting requirements. IPERA requires each agency's Inspector General to perform an annual review of the agency's compliance with IPERA.

Management and Occupancy Review (MOR) The on-site assessment of whether a property owner participating in HUD's PBRA program is complying with HUD requirements. MORs conducted by Performance-Based Contract Administrators help prevent and reduce improper subsidy payments and are essential to HUD's efforts to comply with IPERA.

Performance-Based Contract Administrator (PBCA) A PHA that has been selected to administer the Project-Based Rental Assistance program in a specific jurisdiction. Currently, there are 54 PBCA jurisdictions: one in each state (except for California, which has two), plus Washington D.C., Puerto Rico, and the U.S. Virgin Islands.

Project-Based Rental Assistance Program (PBRA) The HUD program, authorized by the Housing and Community Development Act of 1974, that provides rental assistance on behalf of eligible tenants residing in specific multifamily rental properties. The PBRA currently serves approximately 1.3 million low-income households.

Public Housing Agency (PHA) Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities (including private non-profits) that is authorized to engage or assist in the development or operation of low-income housing under the U.S. Housing Act of 1937.

TOP-LINE TAKEAWAYS

- PBCAs are an indispensable partner to HUD, administering more than 17,500 HAP contracts and serving approximately 1.3 million households assisted through the PBRA program.
- PBCAs perform critical functions for residents of PBRA properties, including protecting resident health and safety, ensuring that the physical condition of the properties is maintained, and providing timely payment of rents to property owners. In accomplishing these tasks, PBCAs bring the best practices and flexibilities of the private sector into the administration of the PBRA program.
- PBCAs have a strong track record of protecting taxpayers, residents, and HUD from waste, fraud, and abuse. MORs conducted by PBCAs help the program save significant amounts of money. PBCAs are the only entities that audit HUD in real time to ensure housing assistance payments made under the HAP contract are correct.
- PBCAs are an essential element of America's affordable housing infrastructure and preservation. Without the critical support of PBCAs in administering the PBRA program, many currently affordable properties would likely either convert to market-rate units or suffer from disinvestment and asset decline. Their work is particularly important considering today's affordable housing supply shortage.
- PBCAs are deeply embedded in the communities they serve and are well-situated to respond in real time to assist property owners and residents. PBCAs are also positioned to respond to national emergencies, as was demonstrated during the COVID-19 pandemic.
- PBCAs minimize risk across the PBRA program and ensure the program is administered as effectively as possible. Procuring the services of PBCAs through fair and open competition is the most effective way to ensure taxpayers receive the best return on their investment in affordable housing.
- By dealing with day-to-day operations, PBCAs help address HUD staff capacity limitations by ensuring proper and efficient management of the PBRA program.

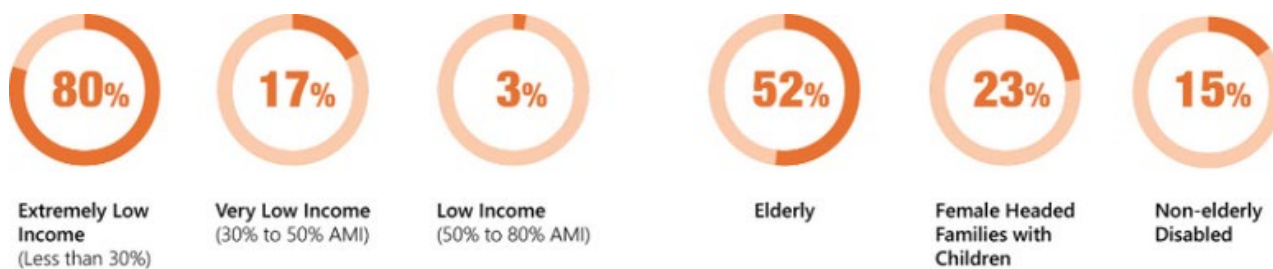
Introduction

PBCAs ensure that residents live in safe, secure homes and support owners in meeting the federal requirements of the PBRA program by performing a broad array of tasks. PBCAs monitor the condition of the housing units in the program by conducting regular on-site management reviews. They support property owners by adjusting contract rents and reviewing, processing, and paying the monthly HAP vouchers submitted by owners. Owners rely heavily on PBCAs for technical assistance to confirm their own compliance with HUD requirements, including the obligation to maintain housing that is decent, safe, and sanitary. PBCAs also support owners and HUD in preserving the quality and inventory of critical affordable housing.

As of 2025, HUD has certified 43 PHAs as PBCAs that serve 49 states and Washington, DC, Puerto Rico, and the U.S. Virgin Islands. Alaska is the only state without a PBCA. On behalf of HUD, they ensure the effective administration of PBRA, one of the nation's most important rental assistance programs. With a Fiscal Year 2025 appropriation of \$16.89 billion, the PBRA program serves approximately 1.3 million households and 2.1 million individuals. Overwhelmingly, those helped are seniors, families with children, and persons with disabilities. See Figure 1.

Figure 1.

WHOM DOES THE PROJECT-BASED RENTAL ASSISTANCE PROGRAM SERVE?



Source: https://www.hud.gov/sites/dfiles/CFO/documents/2024_CJ_Program_-_PBRA.pdf

As of March 2023, HUD has executed more than 17,500 HAP contracts with largely private owners of multifamily rental housing. Through the HAP contract, HUD provides subsidies to the owners to help with the affordability of the property. Without these subsidies, many PBRA properties would likely convert to market-rate units or suffer from disinvestment, further limiting the supply of affordable homes.

Owners, constituting a broad range of for-profit and non-profit organizations, then make units available to low-income residents under PBRA HAP contracts with HUD. PBCAs assist HUD in the administration of the HAP contracts executed by HUD and the owner. In this way, they help HUD fulfill its critical affordable-housing mission by serving as the agency's on-the-ground problem solvers for the PBRA program.

Assessing owner performance and preventing improper payments by controlling program costs are the most important functions that PBCAs perform for HUD. HUD has repeatedly cited PBCAs as integral to the Department's own efforts to improve habitability, ensure owner accountability, and increase efficiencies and oversight of the PBRA program.

Since the introduction of PBCAs in 2000, contract administration under the PBRA program has involved combining all tasks under a single entity that is accountable for each jurisdiction served. Retaining this holistic model of bundling tasks is essential to minimizing risk and securing adequate oversight and management. It is also the most effective way to ensure taxpayers receive the best return on their investment. With rental demand strong, a significant shortage of affordable rental homes, and challenging market dynamics, tapping the potential of PBCAs should be a priority for our nation's policymakers.

History of PBCAs in the PBRA Program

In 1997, Congress passed the Multifamily Assisted Housing Reform and Accountability Act, which amended the Housing Act of 1937 to allow HUD to enter performance-based Annual Contribution Contracts (ACCs) with PHAs to administer project-based rental assistance. ACCs set the terms and conditions for PBCAs to make housing assistance payments to property owners and ensure HUD and PHAs are contractually obligated to abide by all statutory, regulatory, and other federal requirements.

In 1999, a combination of factors – including statutory HUD staffing constraints (primarily in HUD's field offices), internal reform plans, and assertions of mismanagement by the HUD Office of Inspector General – led HUD to outsource certain services related to HAP contract administration. As explained by HUD at the time, the goal was “to release HUD staff for those duties that only government can perform and to increase accountability for subsidy payments.”^[1] For the better part of a quarter of a century, HUD and taxpayers have benefited from PBRA contracts that have been procured through a Congressionally-approved competitive process.

[1] U.S. Department of Housing and Urban Development, HUD's FY 99 Budget Congressional Justifications; <https://archives.hud.gov/budget/fy99/justif99/pih/bpihcfcd.cfm>

This competitive, market-driven approach increased the number of bidders, captured economies of scale, and enhanced the efficient administration of the PBRA program.

After using ACCs, prior HUD administrations have attempted to convert contracts to grant agreements, which would allow HUD leadership to award authority to administer contracts to an entity without the competitive bidding process it currently uses. These attempts to sidestep the bidding process were found unlawful in court and rejected by Congress in multiple annual appropriations bills. Overall, the courts and Congress have recognized that competitively procured ACCs provide HUD, PHAs, property owners, and residents with greater stability and certainty, which in turn supports the critical objective of preserving the stock of affordable housing.

THE BENEFITS OF THE PBCA MODEL

As HUD itself has acknowledged, PBCAs are integral to its own efforts to be “more effective and efficient in the oversight and monitoring” of the PBRA program.^[2] In communities large and small throughout the country, PBCAs work hand-in-hand with residents and property owners to ensure the fair and consistent administration of the PBRA program.

PBCAs are HUD’s Critical Partners

PBCAs do the critical work that HUD itself cannot perform. See Figure 2. With such a large portion of the current HUD staff eligible for retirement and with significant reductions in staffing levels, it is simply impossible to bring the performance of the tasks PBCAs perform back “in house” to HUD. Looking ahead, PBCAs will continue to play an essential role in ensuring the effectiveness of the PBRA program.

[2] U.S. Department of Housing and Urban Development, FY 2017 Congressional Justifications, 24-3.

Figure 2.

KEY TASKS PERFORMED BY THE PBCAs



Since 2015, HUD has consolidated 17 of HUD’s Office of Multifamily hubs into five regions. While potentially improving the overall efficiency of HUD’s Multifamily operations, by HUD’s own admission, the geographic footprint of the Office of Multifamily Housing was considerably

reduced.^[3] The consolidation effort therefore elevates the importance of the PBCAs that work locally and directly with residents, municipalities, and property owners. It is very difficult, if not impossible, to replace the daily interactions that occur between PBCA employees and residents and owners with those of HUD staff who are geographically and operationally removed from the location of PBRA properties.

Above all else, PBCAs provide a level of responsiveness to resident needs that HUD often cannot provide, while also helping to keep owners accountable. PBCAs—nonprofit, mission-driven entities—invest in many private sector-based best practices, tools, and software solutions to efficiently administer HAP contracts. Like many private-sector organizations, they tend to focus on the skills sets of individual employees rather than hierarchy, positions, and titles. As a result, PBCAs are unencumbered by many federal requirements with which HUD must contend. PBCAs are more flexible, nimble, and outcome driven. They are more readily able to pull together employees with different roles in their respective organizations and collectively harness their skills to accomplish specific tasks that HUD often cannot perform. The market demands that PBCAs remain responsive to owners because their business' viability, as well as that of the owner, is on the line. The level of customer service a PBCA can provide both owners and residents has a direct impact on helping HUD meet its affordable housing mission.

PBCAs Help Meet the Housing Needs of Low-Income Families

Helping deserving, low-income families is mission critical for every PBCA. PBCAs educate families about their responsibilities and rights as recipients of federally-assisted housing and provide guidance on how best to meet these obligations. PBCAs are deeply embedded in the local communities they serve through congressional office referrals, collaborations with local government (e.g., code compliance) and resident advocacy/legal advocacy relationships. As a result, they are well-situated to respond in real time to assist property owners and residents.

[3] U.S. Department of Housing and Urban Development, Multifamily for Tomorrow Transformation Progress Report (June 2015); https://portal.hud.gov/hudportal/documents/huddoc?id=MFT_Report_to_Congress.pdf

Protecting resident health and safety and ensuring the property is an asset to the local community are major responsibilities of PBCAs. PBCAs routinely respond to complaints about water leaks, faulty light fixtures, mold, and other problems affecting housing conditions. Since 2000, there have been tens of thousands of physical inspections of properties assigned to a PBCA performed by HUD's Real Estate Assessment Center (REAC), with annual average REAC scores well above 80. (A passing score for a REAC physical inspection is 60 or above.) The involvement of PBCAs in following up on REAC deficiencies identified during an MOR and reviewing the general condition of the property is no doubt partially responsible for these passing REAC scores.

A key reason for PBCA success in helping residents and owners navigate complex federal programs is the PBCA Call Center function, a unique feature that does not exist in the administration of any other HUD program. Most PBCAs operate Call Centers that are available to receive and investigate concerns expressed, and questions raised, by residents and owners alike on a wide range of issues. For example, through the Call Center function, residents can draw attention to property conditions that may need repair, while property owners can seek guidance on program requirements. During the COVID-19 pandemic, the Call Centers played an invaluable role in disseminating critical information that helped to reduce uncertainty and assuage fears.



Call Centers Protect Resident Health and Safety

Protecting resident health and safety and preserving the livability of their surroundings are major responsibilities of PBCAs. Here are some real-life examples:

- *Southwest Housing Compliance Corporation (SHCC): "In mid-February 2021, winter storm Uri left large swaths of Texas without power due to unprecedented snow, ice, and low temperatures. During the storm, the SHCC Resident Help Desk (Call Center) remained operational despite these challenges, including specialists taking resident calls while in their personal vehicles in order to keep their phones charged. In the aftermath of the storm, SHCC received an after-hours resident email regarding the loss of gas utilities at a 100-unit property located in Austin, Texas. SHCC made immediate contact with both the owner and management agent prior to the start of the workday, including guidance on quick response needs for temporary cooking accommodations and securing an on-site shower facility, as well as lists of local resources for meal distributions. In less than four hours, the National Guard and Red Cross were at the property assisting in meal distribution and performing welfare check visits on residents."*

- CMS: “A resident, residing at a multifamily property in Omaha, Nebraska, phoned the Resident Liaison hotline (Call Center) to report that the handrail had been removed from the steps leading to her unit. The removal of the handrail posed issues for a mobility-related disability. Our Resident Liaison opened a general inquiry to address the resident’s concern, and within less than a week, a new handrail had been installed.”
- CMS: “A resident, residing in a multifamily property in Auburn, Washington, phoned the Resident Liaison hotline (Call Center) to report pest concerns and plumbing issues in her kitchen. Our Resident Compliance Coordinator immediately opened an inquiry to address the resident’s concerns. During the inquiry, the management of the property informed us that they had issued a notice of lease termination to the resident due to lease violations and their belief that she required a higher level of care. The resident was deeply troubled by the notice and told our team she had no other place to go. While our Resident Compliance Coordinator worked to resolve the pest and plumbing issues, the resident was able to remain in her apartment.”
- North Tampa Housing Development Corporation (NTHDC): “In the aftermath of Hurricanes Milton and Helene in 2024, many Floridians were without electricity, a situation that lasted up to 14 days in some areas. As a result, many vulnerable citizens found themselves without access to hot food or water. North Tampa Housing Development Corporation (NTHDC) fielded many resident calls to its call center and stepped in to work with non-profits and local officials including ‘Feeding Tampa Bay,’ Hillsborough County, the Southern Baptist Convention, and other key community partners. These efforts resulted in the PHA serving over 26,000 fresh hot meals to more than 3,000 families across the community, including residents at Project-Based Section 8 properties. NTHDC also distributed critical contact information about local food banks and other social service providers so that they could arrange for post-storm assistance for their residents.”

PBCAs Help Property Owners and Agents Navigate Complex Regulatory Requirements

PBCAs are also a critical source of institutional history about the PBRA program, helping property owners navigate the complex web of program rules and regulations that have developed over the years. PBCAs assist owners with implementing requirements under these rules, notify them when practices are inconsistent with requirements, and help owners with minimizing risks, resolving errors, and training staff on program changes.

In addition, PBCAs play a role in supporting the nation’s fair housing laws by helping to train property owners about their responsibilities under these laws. While HUD’s Office of Fair Housing and Equal Opportunity determines whether a property has violated fair housing regulations, PBCAs are required to refer to HUD any indications of potential violations.



PBCAs are the Problem Solvers for the PBRA Program

- *Southwest Housing Compliance Corp. (SHCC): “The SHCC Resident Help Desk (Call Center) received eight resident inquiries for a property in Houston, Texas over the course of one month, all regarding the same concerns for unfair termination of tenancy due to unpaid rent. Based upon staff training for high-risk monitoring, the unusually high number of calls was flagged and elevated for further review. SHCC requested that the property review eviction for the households in question. Management agreed and provided periodic updates to SHCC, who in turn provided updates to HUD. Ultimately, it was determined that the problem was caused by a combination of employee and software error, resulting in improper back rent and late fee charges over many months. Without SHCC’s real-time intervention, the eviction legal proceedings would have proceeded, and it is unlikely that residents would have had the support to contest the incorrect charges.”*
- *Navigate Affordable Housing Partners: “An owner of a PBRA property lost the manager at the property. It turns out that the manager, not the owner, possessed all the knowledge regarding how to create and submit vouchers. After two months of not sending vouchers and not responding to emails, we were eventually able to speak with the owner. The problem: he simply did not know what to do. After reviewing his options, we sent him information about using a voucher service provider. Less than a month later, the owner had selected a service bureau and was vouchering with ease.”*

Many PBCAs, including all members of LHAC, are themselves owners of affordable developments as Public Housing Authorities and, as a result, deeply understand the issues and challenges faced by property owners participating in the PBRA program. LHAC members own, manage, and provide maintenance and resident services like the owners and managers they serve as PBCAs. As a result, they understand industry standards for matters such as work order processing, work quality, and vacancy turnaround times. LHAC members even undergo HUD-performed MORs and REAC inspections. The result is a unique perspective not shared by non-Public Housing Authority PBCAs that allows them to better help owners meet program requirements and interact with PBRA residents.

ACCs Provide Performance Predictability for Property Owners

ACCs, the agreements between HUD and PBCAs to carry out the work of PBRA contract administration, are important in maintaining a level of trust and stability with owners and landlords – a critical need during our current housing affordability crisis. ACCs provide owners with dependable services because the funding for ACCs is more stable than HUD’s historical funding of cooperative agreements.



PBCAs are Well Positioned to Respond Effectively during a Future National Crisis

Demonstrating HUD’s recognition of PBCAs as trusted, nimble partners, PBCAs were indispensable in HUD’s efforts to allocate five rounds of timely emergency COVID relief payments to property owners. The on-the-ground networks and experience made PBCAs uniquely capable of disbursing funds from the CARES Act COVID Supplemental Payment (CSP) program. PBCAs processed thousands of CSP payments and disbursed millions of dollars to owners and residents, stabilizing operations and staffing for owners as well as housing for thousands of families across the country.^[4]

PBCAs HELP HUD ACCOMPLISH ITS AFFORDABLE HOUSING MISSION THROUGH RESPONSIBLE STEWARDSHIP OF TAXPAYER DOLLARS

In addition to helping ensure residents live in safe, decent affordable housing, PBCAs also help prevent subsidy payment errors by HUD, thereby protecting taxpayers. PBCAs achieve this goal by ensuring the rents being requested are accurate and capped at market levels and no higher. PBCAs also verify Unique Entity Identifier (UEI) information through the System for Award Management (SAM.gov) to ensure that only eligible entities are receiving voucher payments. Finally, PBCAs help certify that residents meet the eligibility requirements to receive federal rental assistance.

[4] As of February 2023, the eight members of the Local Housing Administrators Coalition had distributed nearly \$29 million in CSP payments to nearly 3,500 property owners over four rounds of funding.



Getting the Numbers Right: Preventing Payment Errors

Preventing subsidy payment errors is a primary function of PBCAs. The on-site MOR is a critical tool for preventing and reducing improper subsidy payments under the PBRA program. As part of the MOR, a PBCA performs an in-person audit that examines elements of the property's financial management systems specific to the certification and recertification of resident incomes, expenses and deductions, and confirms the appropriate rental assistance and rent payments. This process ensures that the subsidy provided by the federal government is the correct amount and does not constitute an over- or underpayment.

PBCAs have also made a significant contribution to HUD's efforts to mitigate waste, fraud, and abuse by being the primary provider of owner and agent (O/A) training and technical assistance leading up to the implementation of the federal government's Enterprise Income Verification (EIV) system.^[5]

Notably, Form HUD-9834 "Management Review for Multifamily Housing Projects" and the associated "Addendum A-Tenant File Review Worksheet" are the two primary forms used in MORs. These two documents include more than 50 questions related to O/A compliance with HUD requirements for EIV system access, annual security training, and ensuring proper use and implementation of the system to prevent improper payments. As a result of these efforts, owners and agents are encouraged to take actions that mitigate against the risk of income discrepancies (difference between what the EIV system indicates a resident's income is and what the resident reports), multiple subsidies (ensuring HUD is not paying for the same resident at more than one property), and ensuring HUD is not paying subsidies for deceased residents.

In one example, a PBCA's guidance and oversight resulting from MORs and related HAP voucher reviews resulted in substantial savings to taxpayers. The California Affordable Housing Initiative (CAHI) serves HUD's portfolio of more than 43,000 units in northern California. In FY23 and FY24, CAHI's oversight ensured deceased residents were removed from assistance eligibility, subsidized rents were set to market value, and eligible residents were timely certified for continued subsidy assistance. The resulting savings was more than \$1.06 million that was returned to taxpayers.

The Importance of Call Centers to Ensure Appropriate Federal Spending

PBCA Call Centers have also played an important role in helping to uncover incorrect reporting. In one case, a former resident contacted a Call Center to state that she was incorrectly listed as a resident at a PBRA-assisted property, even though she had moved out of the property approximately two years earlier. On the same day the call was received, the PBCA opened an investigation.

[5] EIV is a comprehensive federal on-line system for the verification of various resident information and income that public housing agencies use in determining rental subsidy.

Despite initial reassurances from owner representatives that there were no improprieties or issues with internal controls, the PBCA requested supporting documentation to substantiate the caller as a resident. Upon receipt and review of the information provided by the owner, the PBCA recognized significant inconsistencies in the information and referred the matter to HUD. Following an investigation by HUD's Office of Inspector General, three individuals were prosecuted for fraud, identity theft, and money laundering. The PBCA's efforts also resulted in the recapture of \$800,000 of taxpayer dollars from the property owner.



PBCAs Help Preserve the Affordable Housing Stock

PBCAs are responsible for reviewing, processing, and paying monthly vouchers submitted by the property owners who participate in the PBRA program. PBCAs also work with the owners to renew their HAP contracts at market rents and have assisted owners in preserving a significant portion of the portfolio under 20-year contracts.

These functions are critical ones: failure to process and pay vouchers on a timely and accurate basis, as well as a slow and cumbersome HAP renewal process, can have a very negative impact on PBRA property owners. If the delays are persistent, they may encourage the owner to leave the PBRA program altogether, reducing even further the already-depleted stock of affordable rental homes.

In fact, concerns about late payments and delays in HAP contract renewals by HUD were major factors when Congress encouraged the department to outsource these responsibilities to the PBCAs. Later, a 2005 report by the U.S. Government Accountability Office (GAO) found that thousands of subsidy payments were late from fiscal years 1995 to 2004, with eight percent of all payments made during that period delayed by two weeks or more. GAO criticized HUD's administration of HAPs as "largely a manual, hard-copy paper process that requires multiple staff to complete" and cited the "lack of systematic internal processes to estimate subsidy payments" as a cause for these delays.^[6]

THE INTEGRATION OF TASKS: A CRITICAL FEATURE OF THE PBCA MODEL

Since the adoption of the PBCA model in 2000, HAP contract administration tasks have largely been combined and assigned to one entity that is responsible for serving a single jurisdiction. For example, a single PBCA today has responsibility for administering the PBRA program in Washington, another in Texas, and a third in Florida. PBCAs can and do compete for contracts in multiple states and jurisdictions, but the assignment of full contract responsibilities falls solely to a single contractor in each location.

[6] U.S. Government Accountability Office, Project-Based Rental Assistance: HUD Should Streamline Its Processes to Ensure Timely Housing Assistance Payments (GAO-06-57) (November 2005).

This holistic, integrated, single point-of-contact approach has ensured the most efficient local administration of the PBRA program and promoted accountability.^[7] PBCAs know their turf: they develop a deep understanding of the unique needs of the owners, residents and properties in the jurisdictions they assist. As the sole providers of contract administration services within those jurisdictions, they are the accountable party. Property owners and residents know to contact PBCAs first if there is a problem that needs urgent attention. Likewise, HUD staff knows whom to reach out to communicate important policy and regulatory guidance.

Each task performed by a PBCA is connected to the others. For example, adjusting contract rents (one task) is intimately related to the task of reviewing, processing, and paying monthly vouchers submitted by property owners. Similarly, conducting an on-site MOR is directly linked to the tasks of responding to health and safety issues at the same property and verifying paperwork submitted by property owners to ensure proper payment. As numerous HUD Office of Inspector General reports have demonstrated, the on-site MOR performed by a single PBCA with access to multiple information systems and the files of the property owner also plays a critical role in preventing improper subsidy payments by HUD and identifying poor physical condition.^[8]

Ensuring accurate, timely, and consistent communication with federally-assisted residents, project owners, property management companies, and other concerned parties such as local leaders and the media is a significant part of the PBCA job description. The existing PBCA model that integrates tasks and assigns them to a single PBCA for each jurisdiction served has worked well for more than 25 years, supporting residents, property owners, and HUD itself. There is no compelling reason to deviate from this model.

[7] For a comprehensive discussion of the importance of integrating tasks with a single PBCA for each region served, see CGI, *Avoiding Risks to HUD's Performance Based Contract Administration Program* (2016); http://ahmanch.org/_newsletter/cgi-PBCA-white-paper.pdf.

[8] See, e.g., U.S. Department of Housing and Urban Development, Office of Inspector General, *Compliance with the Improper Payments Elimination and Recovery Act of 2010*, Audit Report No. 2014-FO-0004 (April 15, 2014).



THE PBCA MODEL – MORE IMPORTANT THAN EVER

By helping to ensure that taxpayers and HUD receive the highest possible return on their investment in affordable housing, PBCAs and the work they perform are now more important than ever. The United States is in the midst of a long-running and deepening housing affordability crisis. Today, 12.1 million renter households spend in excess of 50 percent of their incomes on housing costs alone and are considered “severely burdened” under federal standards.^[9] Not surprisingly, most of these households rank among the poorest Americans. PBCAs are critical partners in ensuring these families live in safe, sanitary conditions in properly managed properties.

PBCAs play a key role supporting the preservation of America’s limited affordable housing supply by ensuring that PBRA vouchers are processed on a timely basis and HAP contracts are administered efficiently. Additionally, under the current model, PBCAs work uninterrupted during government shutdowns further stabilizing the HUD inventory for owners and residents. Without the work they perform, some property owners would leave the PBRA program, exacerbating the already-acute supply shortage.



Strengthening the HUD-PBCA Partnership

There are numerous opportunities to strengthen the HUD-PBCA partnership. For example, units continue to convert under the Rental Assistance Demonstration (RAD) to the PBRA program and Project-Based Vouchers. HUD has the opportunity to assign additional properties to PBCAs for servicing in other programs that require administration such as Project Assistance Contract (PAC), Project Rental Assistance Contracts (PRAC), section 202 supportive housing for the elderly, and section 811 supportive housing for the disabled. Through these conversions, HUD is tapping into the experience and expertise of PBCAs to mitigate HUD workloads and ensure the continued availability of this critical source of affordable housing. PBCAs possess deep subject matter expertise and stand as a willing partner in contributing to recommendations for regulatory reform.

[9] Harvard Joint Center for Housing Studies Harvard University, State of the Nation’s Housing 2025 (7/24/25); www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_theNations_Housing_2025.pdf

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