



The Honorable Scott Turner
Secretary
U. S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410

RE: Streamlining Regulations in Housing Assistance and Community Development Programs

Dear Secretary Turner:

The Council for Large Public Housing Agencies (CLPHA), the Moving to Work (MTW) Collaborative, the National Association of Housing and Redevelopment Officials (NAHRO), and the Public Housing Authorities Directors Association (PHADA) represent nearly all U.S. public housing agencies (PHAs) and work to ensure they are equipped to meet local housing needs. We appreciate this Administration's efforts to streamline federal housing programs, reduce bureaucratic barriers, and empower PHAs to provide safe, stable, and affordable housing. Our members manage public housing, Housing Choice Vouchers (HCVs), and project-based rental assistance programs, supporting nearly 9 million people across more than 4.2 million homes. They also leverage critical community development resources, such as the HOME Investment Partnerships Program and Community Development Block Grants (CDBG), to strengthen neighborhoods and expand housing opportunities.

Despite funding challenges, stringent regulations, and rising costs, PHAs remain committed to providing quality, affordable housing. Addressing the nation's housing affordability and supply crises requires the leadership of PHAs and Community Development Agencies (CDAs), which manage billions in federal, state, and local funds while building trust with residents and landlords. Members of the undersigned associations ensure the effective delivery of federal rental assistance and community development programs through strict accountability and performance standards. Even with chronic underfunding, they continue innovating, forging partnerships to tackle housing shortages and rising costs. Their work sustains local economies, supports essential workers, and empowers families through self-sufficiency programs that strengthen communities.

Below is a list of regulatory streamlining measures recommended for the Department to pursue—small but impactful changes that will enhance PHAs' ability to serve their communities.



Cross-Cutting Programs

Overly prescriptive regulations impact multiple HUD programs, creating unnecessary burdens, reducing efficiency, and increasing costs. Many have been implemented inconsistently without the necessary technology for effective execution. Revisiting the following policies is needed for successful program implementation.

- **HOTMA**
 - Rescind section IV.B of Notice PIH 2024-38 titled “Housing Opportunity Through Modernization Act (HOTMA) Sections 102 and 104: Updated Guidance to Public Housing Agencies (PHAs) on Compliance,” which established a required compliance date for some provisions of July 1, 2025.
 - Reopen rulemaking to create a new effective date of at least one year after the Housing Information Portal (HIP) is launched before PHAs must comply with the rule and allow for the option to further delay if needed via a notice published in the *Federal Register*.
- **30-Day Notification Requirement Rule**
 - Rescind the 30-Day Notification Requirement Prior to Termination of Lease for Nonpayment of Rent final rule. This would ensure PHAs can align their efforts with state and federal law, both of which are subject to change. Agencies that want to maintain the 30-day policy would still be allowed to in their plans, if permitted by state law.
- **Build America Buy America (BABA)**
 - Exempt federally-assisted housing from BABA requirements to increase the pace and cost-efficiency for agencies modernizing public housing properties and developing other housing.
 - Waive the applicability of BABA for small grants of up to \$1 million for housing and community development programs (up from \$250,000).
 - Increase the de minimis threshold for which housing and community development programs are exempt from BABA to 15% of the total cost of a project’s iron, steel, manufactured products, and construction materials (up from 5%).
 - Allow federal agencies to approve project-specific waivers or require strict timelines for a central review.

Expanded Flexibilities to Enable Local Decision Making

Agencies should be granted additional flexibility to effectively address housing issues within their local communities. Providing PHAs with flexibility in areas where MTW agency-



developed modifications have been adopted across all PHAs will enhance operational efficiency and effectiveness.¹

- **Local Preferences, Admission, Continued Occupancy Policies and Priorities**
 - Allow PHAs to develop and adopt local preferences and other policies and procedures consistent with applicable Fair Housing and non-discrimination laws, for admission into programs so long as the families assisted qualify as low-income.
- **Local Process to Determine Eligibility**
 - Allow PHAs to develop a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act.
- **Initial, Annual, and Interim Review Process**
 - PHAs should be authorized to restructure the initial, annual, and interim review process to affect the frequency of the reviews and the methods and processes used to establish the integrity of the income information provided.
- **Retrospective Income Determination Streamlining.**
 - PHAs should have the ability to use any 12-month period ending in the prior calendar year before an income determination is conducted for the voucher program and the public housing program.
- **Income Recertification Streamlining.**
 - Allow PHAs to consider self-certification or third-party income determinations as the highest form of income verification for the voucher program and the public housing program.
- **Provide Broad Regulatory Relief through Proven MTW Waivers**
 - Attachment C of the MTW Standard Agreement² lists specific sections of the 1937 Act and/or its implementing regulations that an MTW PHA can waive as part of its MTW flexibility. This list includes policies MTW Agencies have been able to implement to streamline their agency policies, better serve their communities, and operate more cost-effectively. For a quarter of a century MTW agencies have successfully implemented many of these policies, and studies have shown numerous positive outcomes and no negative impact on

¹ [MTW Influence on Low-Income Housing Policy Report FINAL \(Word Version 9.26.2024\)](#)

² [MTW Authorizations](#)



residents. Where possible, HUD should extend existing MTW waiver options to any PHA that requests them, just as MTW agencies currently can.

- **Remove Mandated Small Area Fair Market Rents (SAFMRs)**

Streamline and Deregulate Federal Rental Assistance Programs

Empowering PHAs to implement innovative policies is crucial for improving program operations. The following recommendations will support PHAs in driving innovation to better serve their communities.

- **Expand Eligible HAP Uses**
 - Allow HAP to be used for short term financial assistance such as:
 - Security deposits;
 - Screening fees;
 - Application fees;
 - One-time utility deposits;
 - Hold fees;
 - Renter's insurance when required by the property owner;
 - Other similar short-term financial assistance; and
 - Allow HAP to be used to create risk mitigation funds that would reimburse landlords for any damages that voucher holders may cause to a unit. While landlords rarely file claims, having this fund provides reassurances to the landlord and makes them more likely to participate in the program.
- **Allow Public Housing-only PHAs to complete Conversions to Project-Based Vouchers (PBVs)**
 - Public housing only PHAs using a conversion method to switch funding streams (including, but not limited to, the Rental Assistance Demonstration Program, voluntary conversion, and the Demolition or Disposition process articulated by notice) should have the ability to convert their public housing funding streams to project-based vouchers and retain management of that funding.
- **Exclude MTW Expansion Agencies from PHAS**
 - As is the case with original MTW cohort, MTW Expansion agencies should be excluded from PHAS to allow them to implement innovative programs that are not constricted by current program assessments.
- **Waive Voucher Inspections in Certain Instances.**



- PHAs should be able to waive initial inspections for units less than 5 years old so long as the owner certifies the unit meets local occupancy and inspection standards.
- Waive inspection requirement for new or rehabbed PBV units when a Certificate of Occupancy is issued and the PHA accepts an owner's certification stating that they have no reasonable basis to believe life-threatening conditions exist in the unit(s).
- Allow PHAs to inspect PHA-owned PBV units to certify their suitability for occupancy.
- **Allow for voucher unit pre-inspections.**
- **Streamline PBV Waiting Lists**
 - Streamline off-site PBV waiting list administration under 24 CFR 983.251(c) to reduce PHA administrative burden and liability relating to owner-operated site-based waiting lists.

Improvements to Non-Office of Public and Indian Housing Programs

The following recommendations focus on the Project-Based Rental Assistance and HOME programs, both essential for preserving and developing affordable housing.

Project-Based Rental Assistance Improvements

- Do not require use of updated forms covering HOTMA, such as 9839, until after HOTMA is in effect.
- Do not require retroactive corrections to leasing or occupancy documents that do not substantively impact quality of housing or set a limited lookback period for when retroactive corrections are required.
- Change the frequency of Form 9250 reviews, the withdrawal request for the multifamily/PBRA Reserve for Replacement account, from monthly to quarterly to further incentivize owners to use their savings for capital needs.

HOME Investment Partnerships Program (HOME)

- Allow surety bonds or security deposit insurance to be used in lieu of a security deposit in the HOME final rule – this will help families access HOME units that may not be able to afford to pay a security deposit.

Lastly, burdensome regulations are often the direct result of overly restrictive statutory requirements, creating a cycle of inefficiency and increased costs. PHAs have been subjected to numerous statutes that impose rigid restrictions and requirements, effectively



limiting local input and decision-making in how programs are administered. This lack of flexibility not only drives up costs but also reduces the overall efficiency of housing programs, making it harder to meet the needs of local communities. To address this issue, we ask HUD to work collaboratively with Congress to reform and streamline statutory requirements, ensuring that PHAs have the necessary local flexibility to operate programs effectively and efficiently.

We appreciate your dedication to ensuring safe, secure housing in communities nationwide. Please feel free to reach out anytime to discuss the proposals in this streamlining list. We look forward to collaborating with the administration to enhance the efficiency, effectiveness, and impact of housing and community development programs.

Thank you,

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