



National Association of Housing and Redevelopment Officials

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February 4, 2025

Jeffrey D. Little
General Deputy Assistant Secretary, Office of Housing
Department of Housing and Urban Development
451 7th Street SW
Room 10276
Washington, DC 20410-0500

Re: "60-Day Notice of Proposed Information Collection: Management Review of Multifamily Housing Projects; OMB Control No.: 2502-0178" [Docket No. FR-7086-N-31]

Dear General Deputy Assistant Secretary Little:

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I am pleased to offer the following comments in response to HUD's notice, "60-Day Notice of Proposed Information Collection: Management Review of Multifamily Housing Projects; OMB Control No.: 2502-0178" [FR-6356-P-01].

NAHRO, which was established in 1933, is a membership organization of 26,000 housing and community development providers and professionals throughout the United States. NAHRO members create and manage affordable housing for low- and middle-income families and support vibrant communities that enhance the quality of life for all. NAHRO members administer more than 3 million homes for more than 8 million people.

NAHRO members operate Project-Based Rental Assistance (PBRA) developments, often as a result of the Rental Assistance Demonstration (RAD) program, though not always. NAHRO also works closely with the Local Housing Administrators Coalition (LHAC). The comments in this letter draw on the experiences of housing professionals both performing reviews as PBCAs and receiving Management and Occupancy Reviews (MORs) using HUD Form 9834 as PBRA owners and agents (O/As).

1. Background

In April 2022, HUD published a final rule governing how MORs are conducted, "Streamlining Management and Occupancy Reviews for Section 8 Housing Assistance Programs."¹ This rule governs the methods and schedule contract administrators, including Project-Based Contract Administrators (PBCAs) use to conduct and schedule these reviews.

¹ 87 FR 37990. (2022). <https://www.federalregister.gov/documents/2022/06/27/2022-13426/streamlining-management-and-occupancy-reviews-for-section-8-housing-assistance-programs>.

All citations informal.

George Guy, President; **Sean Gilbert**, SPHM, NAHRO Fellow, Senior Vice President; **Renee Smith NCC**, Vice President - Commissioners; **David S. Gates**, CSO-PH, CSEC-PH, CMPO, C-PHM, CME Vice President - Professional Development **Jeff du Manoir**, Vice President-International Research and Global Exchange; **Duane Hopkins**, CME, Vice President-Budget & Administration; **Shaunté Evans MBA, PHM**, Vice President-Member Services; **Grace Stepter**, Vice President-Community Revitalization and Development; **Lanita Hillen**, Vice President-Housing, **Mark Thiele**, CS-PHM, CME, CMVO, NCC, Chief Executive Officer

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2. General Comments

NAHRO has four general comments that apply to any decisions HUD will make regarding this MOR review form.

1. *Improve MOR Scheduling*—PBCAs report that MOR scheduling has become a challenge since the final rule. Because PBCAs plan for a full year at a time and revise this plan quarterly, the time spent negotiating plans with HUD and implementing revisions makes the scheduling of MORs difficult for PBCAs and thus for PBRA operators as well. The increased frequency and intensity of natural disasters exacerbates this problem, resulting in MOR postponements for Presidentially Declared Disaster (PDDs) even in counties where properties are unaffected. At the same time, PBRA O/As report that certain streamlined processes previously available that allowed for policies, procedures, and forms to be shared electronically are no longer permitted. For most MORs, providing documentation beforehand can begin weeks in advance and following up with action items afterward can take multiple months. HUD needs to make MORs as efficient as possible since complying with scheduled inspections can be excessively time consuming. Additionally, when PBRA developments are shifted from HUD to PBCAs or other elements of the MOR Final Rule apply, there is intense pressure placed on PBCAs to fit MORs into tight deadlines will cause increased pressure on housing providers.
2. *Consider the usefulness of inspection results*—PBRA O/As report that the MOR form 9834 can emphasize items that are not immediately relevant to the quality of housing they provide. For example, because of the lookback period involved in the review, agencies may be required to remedy leasing and occupancy requirements that are no longer relevant. If PHAs were expected to onboard new residents in a specific way and a resident has lived on site for years, providing technical move-in documentation years after the fact is time consuming for housing providers and not impactful for residents' housing quality or satisfaction.
3. *Prepare strategically for the implementation of the Housing Opportunity Through Modernization Act of 2016 (HOTMA)*—the HUD 9834 form will be impacted by HOTMA. Updating the questions and instruction to align with HOTMA before the compliance date will create incorrect findings. Using a form that is not aligned with HOTMA after the HOTMA compliance date will also result in incorrect findings. HUD should align MORs and HOTMA through the following steps:
 1. update new forms to comply with HOTMA,
 2. update TRACS 203A, and finally
 3. align the 9834 with the new HOTMA requirements.

Emphasize consistency—improving the consistency and uniformity of MOR outcomes will mean better housing for residents and reduced regulatory burdens for owners. First, scheduling should be consistent. PBRA O/As who converted through RAD report extreme inconsistency in frequency of MOR. One agency with high MOR scores remains unsure why the project receives an MOR annually while another has not received an MOR since converting under RAD nearly a decade before.

Additionally, both PBCAs and PBRA O/As report subjectivity in the form. This discretion on the part of reviewers is fine as long as it is useful and clear. At times, staff completing MORs need to use their best judgment to establish scores. When this scoring is not explained and overly flexible, it confuses agencies and does not provide action steps they can use. When HUD has shifted from the Uniform

Physical Condition Standard (UPCS) to the National Standards for the Physical Inspection of Real Estate (NSPIRE) protocol, PHAs responded favorably to the way the regulations imposed clear and consistent standards that makes each inspection standardized and predictable. PHAs know what HUD values under NSPIRE and can prioritize those same standards. Though the MOR is prescriptive in how PBCAs must conduct the review—causing them to be time-consuming—the concise instructions and scoring guidelines make them more subjective than the NSPIRE protocol.

Subjective scoring means new agents have weaker guidance into what HUD values. At the same time, because of the risk-based model of MOR scheduling, MOR scores are increasingly important and should be as objective and consistent as possible. The MOR process should result in changes that make housing a better experience for residents.

3. Specific Comments

Neither NAHRO nor its partners received a copy of the proposed form in response to our requests to review it. Our specific comments about a proposed MOR form 9834 follow.

- 1. Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility*

A clear and useful form will have practical utility for PBCAs, other entities performing MORs, and the O/As receiving them. PBCAs have supported agencies, protected residents, and stopped improper payments for more than two decades, so equipping them with a 9834 that is aligned with these comments will benefit all parties. At the same time, NAHRO members strive to perform well, so emphasizing clarity and usefulness will help those being reviewed as well.

The MOR process is an important point of contact between HUD and housing providers considering that an increasing number of PBRA operators used to operate public housing and are coming into the PBRA portfolio via RAD. PHAs who have converted under RAD report a challenging learning curve for different timelines, technical terminology, and processes. HUD should keep in mind that this form is an opportunity to support new agencies as they adjust to the Office of Housing.

- 2. The accuracy of the agency's estimate of the burden of the proposed collection of information*

The eight hour estimate for the MOR review is too low. NAHRO's small agencies report MORs taking roughly eight hours of in-person review. However, the exchange of documentation both before and after review, correction of deficiencies, and certification of changes can take weeks. In-person review times may take considerably longer for larger developments, for developments that have not had an MOR in recent years, and as the MOR Final Rule look back period for tenant certifications extends back 3 years. Because MORs require PHAs to follow-up on every item, this can mean verifying physical condition corrections have been made in hundreds of units when MORs follow a physical inspection. Follow-up can be extremely time consuming in situations where the verification occurs at the next MOR. In-person review can also become more time-consuming due to the mix of questions PBCAs can answer versus only those HUD can answer.

As a result of the significant time commitment of MORs, PBCAs have to find opportunities to be efficient wherever they can be flexible, especially considering the prescriptive nature of the requirements dictating exactly how reviews must be conducted. Currently, the MOR process is significantly less efficient than it

was during the period prior to the MOR Final Rule and when broader permissions for electronic document reviews were permitted.

3. Ways to enhance the quality, utility, and clarity of the information to be collected

While PBCAs must comply with rigorous scheduling and follow-up procedures, the 9834 form is not adequate for performing an MOR without reviewer-created checklists and other tools. While the purpose of the form is aligned with the correct priorities, PBCAs must complement this form with additional checklists, protocols, and guidance to use it. Because O/As will not be exposed to these individualized practices until they receive an MOR, the terse nature of the form can mean PBRA O/As don't know what to expect.

In addition to a terse form, the scoring component leaves room for subjectivity. This means that PHAs must not only learn how their reviewer will operationalize the 9834, they are also subject to judgements in scoring that can be opaque. If the scoring does not clearly incentivize key priorities, it is not actionable for O/As.

At the same time, PBCAs and PBRA O/As emphasize that a number of questions in the 9834 don't feel relevant. Many stakeholders familiar with the 9834 report that the type of deficiencies it can turn up are not substantive, and remedying these deficiencies means correcting minor issues that have little bearing on the quality of housing, the resident experience, or sound financial management. For example, the form asks two questions about the general appearance of the project. While this question does move into a more substantive topic—the physical state of a project—it still can result in an emphasis on minor cosmetic components, a major drawback of the UPCS protocol and a reason HUD moved from using it to moving NSPIRE.

Thank you for the opportunity to comment on this important notice.

Sincerely,

A handwritten signature in black ink that reads "Andrew Van Horn". The signature is written in a cursive, slightly slanted style.

Andrew Van Horn