

May 11, 2023

Anna P. Guido
Office of Policy Development and Research
Reports Management Officer
Department of Housing and Urban Development
451 Seventh Street, SW
Room 10276
Washington, DC 20410-5000

RE: [Docket No. FR-7070-N-19] 30-Day Notice of Proposed Information Collection: Capital Needs Assessment of Public Housing; OMB Control No.: 2528-New Collection

Dear Ms. Guido,

The Council of Large Public Housing Authorities (CLPHA) is a non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education. Our membership of more than seventy large public housing authorities (“PHAs”) own and manage nearly half of the units in the nation’s public housing program, administer more than a quarter of the subsidies in the Housing Choice Voucher (HCV) program, and operate a wide array of other housing programs.

CLPHA believes we are at a critical juncture with respect to assessing and providing for the recapitalization needs of the nation’s public housing developments. Working together, PHAs and their redevelopment partners have taken significant steps to address those needs across their portfolios using the limited resources available. However, significant doubt remains regarding the scope and cost of unmet recapitalization needs and, therefore, about the best way to address them within an expedited but realistic timeframe. To develop some data on those questions and to identify the magnitude, type, and sources of funding required, CLPHA advocated for HUD to conduct a study, which was authorized by Congress in the FY 2021 HUD appropriations act.

We appreciate that HUD provided stakeholders with a copy of the Capital Needs Assessment (CNA) Survey Instrument (Appendix A) to provide comments. Much of our comment letter will focus on the survey instrument. We have provided feedback on specific questions found in the PHA Survey Instrument in Appendix to our comment letter. Yet in the view of CLPHA and its members, neither of these tools as presently designed completely captures the breadth of recapitalization costs over the short- and long-term. **CLPHA is concerned that the study will not provide the level of detail necessary to develop a long-term 10-year action plan to address capital needs. CLPHA is also concerned that no consistent standard exists for evaluating the needs of the public housing portfolio and feels strongly that HUD should use a market-based standard when doing so as is the case in other HUD programs.**

Inadequacy of Existing Capital Needs Assessment

The last study of the condition of the public housing portfolio is now over 10 years old. It concluded that the unmet capital need for the portfolio exceeded \$26 billion dollars. HUD estimated the capital needs of public housing using a mixed approach that primarily relied on extrapolating data from a small statistical sample of public housing developments. The 2010 study was based on inspections at a nationally representative probability sample of 548 properties in 140 housing authorities. Based on conversations with CLPHA members, we believe the 2010 top-line estimate of \$26 billion was likely much lower than the actual capital needs of the time.

Since the last CNA study was conducted in 2010, several trends have affected the portfolio. First, chronic underfunding of the capital and operating needs, since the fieldwork for the last study began in 2008, has significantly exacerbated the disinvestment in the portfolio resulting in the loss of approximately 10,000 units each year. Second, the implementation of the Rental Assistance Demonstration (RAD), and other HUD policy changes, created intentional policies to recapitalize the portfolio. However, these important policy and program changes are not currently supported by additional funding levels, nor are they adequately captured by the current tools like the Capital Needs Assessment (CNA) or Physical Needs Assessment (PNA).

A renewed public housing portfolio analysis is critical at this juncture to determine the necessary policies and resources to complete the recapitalization of the public housing portfolio for long-term preservation and sustainability. Previous studies offered only a national aggregated capital need number and were not tied to specific policy and funding solutions. The new portfolio analysis should provide sufficient and detailed portfolio analytics to develop a 10-year plan to recapitalize the portfolio using current and potentially new streams of investment including, but not limited to, appropriated funds, TPVs, tax credits, health and safety investments, infrastructure investments and leveraged private capital. The CNA should consider these new streams of investment in its conclusions, which would be used to inform appropriators and advocates alike. The goal of the CNA should be to capture a complete portfolio analysis to identify the package of tools and resources that will be required to fully meet capital needs over the next 10 years.

Need for Long-Term Estimates

Given the chronic underfunding of Capital Fund Program (CFP) appropriations over decades, most CLPHA members have become quite experienced at raising private equity and debt financing to make up the gap so they can pursue their redevelopment plans. Through that lens, rather than sizing a scope of work to a HUD PNA/CNA requirement, they try to maximize the amount of private and public funding available in determining the scope. In that way, and heeding years of HUD guidance, they are acting similarly to private owners of low-income housing, who use a market-based standard in terms of design, construction, and other factors. CLPHA members report great frustration at being told to limit their plans to a lower standard because their developments are public housing. In the early days of public housing construction, developments were built to a “cost containment” model and many developments today suffer under those same constraints. In recent discussions, CLPHA members have said “we would never build it that way now”, that “we want to build affordable housing we are proud of”, that “we are trying to achieve goals beyond just providing shelter”, and that “our developments should be places where residents can live with dignity.”

To CLPHA members, the former PNA and CNA merely capture costs needed to achieve a bare minimum for habitability and are not planning tools they use to achieve their goals as described above. Creative use of PNAs, RAD CNAs, and REAC data could result in baseline estimates of short-term needs that are extrapolated to other units. These estimates of short-term capital needs

are more useful for planning purposes than estimates of longer-term capital needs. In CLPHA's view, if HUD's aim is to collect PHAs' data on their CNA estimates, their practices to arrive at those estimates, and their use of those estimates, then the task is to produce a survey that is useful in achieving our mutual goals of recapitalizing the portfolio over the short- and long-term. At the same time, CLPHA and its members are realistic about the funding environment and the fact that immediate capital needs must be addressed while more ambitious long-term plans are made.

CLPHA reiterates the call for a 10-year roadmap as part of a long-term effort to fully understand recapitalization needs. For CLPHA, that roadmap is at least as important as measuring total need at a very high level of precision. Rather, since we know that the so-called "backlog" of public housing needs is enormous, significant effort must be directed to producing the resources necessary to address it.

In recent years, HUD has done work to produce a range of repositioning tools for PHAs. CLPHA believes the CNA should be a primary tool used to inform the allocation of resources toward recapitalizing the public housing portfolio while remaining consistent with HUD's approach to repositioning.

Scope of the CNA and PNA

Fundamental to the study is how "capital needs" are defined. The absence of a clear goal regarding the physical and social standards to which public housing recapitalization should aspire is apparent. The CNA study design rightfully devotes much attention to how capital needs data will be captured and obtained, but the plan's definition of "capital needs" should be expanded. Failure to adopt an appropriate definition of capital needs based on a market standard will inevitably lead to an underestimate of capital needs, in addition to confusion and uncertainty among PHAs in the stratified sample about what to include in responses, leading to inaccurate estimates.

The Research Design and Data Collection and Analysis Plan states that "some types of capital need to be excluded from the analysis, such as upgrades and reconfigurations." CLPHA disagrees that these should be excluded from analysis, as they are necessary for PHAs to achieve a higher standard of public housing beyond meeting bare minimum habitability needs. Instead, capital needs estimates for upgrades and reconfigurations should be included along with needs for capital needs for repairs and replacements. Including these types of capital needs would give policymakers and advocates a more holistic view of the types of costs that PHAs have, thereby improving the ability to advocate for higher-quality public housing.

Moreover, different HUD programs and regulations now espouse different standards, particularly for existing developments, most of which were constructed decades ago when considerations such as location, design, density, sustainability, energy efficiency, resilience, environmental justice, accessibility, equity, and social mobility received less emphasis. For example, CLPHA members perceive the following differences among HUD programs:

- The CFP uses a "repair and replace" standard, which seems to assume that existing units and developments are viable indefinitely as originally constructed and that needs can simply be rolled up into a single top-line number nationally which can be adequately funded by annual CFP appropriations.
- Demolition and disposition of existing public housing under Section 18 uses an obsolescence standard set at a certain percentage of Total Development Cost (TDC), which triggers the ability to replace a public housing development as well as eligibility for tenant

protection vouchers (TPVs) which may be project-based on the same or a different site. HUD interpretation and implementation of the obsolescence standard through regulations and other guidance has shifted over time and PHAs often complain that the standard is too difficult to meet.

- The Rental Assistance Demonstration (RAD) uses a [RAD PCNA] as an upfront assessment tool to determine which capital improvement needs must be addressed in conjunction with the conversion of public housing assistance to Section 8 assistance and which needs may be deferred through deposits to a replacement reserve. PHAs may, and often do, exceed the minimum scope of work required for the initial conversion.
- The Choice Neighborhoods Initiative (CNI), which replaced the HOPE VI program, is intended to address distressed public housing developments for which there is consensus that demolition and replacement are necessary.

However, CLPHA members report that in practice and “on the ground”, they see the recapitalization needs of their public housing developments much more holistically and in a complex local context that does not fit neatly into any of the program models described above. They typically have ambitious goals for the recapitalization of their developments that are consistent with the Biden Administration’s Housing Supply Action Plan. As a result, CLPHA members are hesitant to work with a CNA tool that is much less ambitious and does not define the recapitalization goals and metrics which they and the Administration strive for.

Expand Scope of Definition of “Capital Needs”

A capital needs assessment is defined by HUD as “A detailed physical inspection of a property to determine critical repair needs, short- and long-term rehabilitation needs, market comparable improvements, energy efficiency, unmet physical accessibility requirements, and environmental concerns.” The CNA as currently construed is not a planning tool for major renovations or improvements. In recent discussions specifically on this matter, CLPHA members feel that CNAs are presently designed to ascertain replacement reserve needs and to identify costs needed to repair and replace. Doing that work may incur zoning and building code requirements that require additional PHA staff time and resources to meet, all of which the CNA does not account for in its projections.

The PNA is defined in 24 CFR 905.108 as “a systematic review of all the major physical components of a property, producing a long-term schedule for replacement of each component and estimated capital costs required to meet the replacement need.” Until recently, HUD has been prohibited by law from requiring PHAs to complete PNAs of their properties. CLPHA recently submitted comments to HUD expressing significant concerns for its recent proposal to reintroduce the requirement for PHAs to complete and submit PNAs to HUD once every 5 years and update them annually. CLPHA does not believe that HUD’s proposal will accomplish more than cataloging a portion of the unmet needs without a plan to provide necessary federal funding and other resources to address those needs. As we have stated in prior letters to HUD, the PNA requirement also imposes on PHAs significant new reporting and cost burdens.

CLPHA members have reported that while they complete PNA forms because HUD strongly encourages them, the PNA fails to provide a useful platform for accurately assessing and pursuing true recapitalization needs and is, therefore, ineffective at best. Members have reported that PNA numbers only capture around half of the actual costs of renovations, often due to the age of buildings. One member noted that they had commissioned a PNA which yielded between \$25-30

million in redevelopment costs for a property built in 1953 and questioned whether it made sense to renovate that property or build a new property, as well as whether the PNA accurately captured the totality of the need. Multiple housing authorities commented that PNAs also do not capture everything needed for utilities and underground infrastructure, making it difficult to capture the financial needs of proposals that aim to improve the quality of housing beyond the bare minimum standards.

Underfunding of the Study

The 2010 CNA study cost roughly \$10 million to conduct, partly because it included actual inspections of a sampling of properties. **Onsite inspections are undoubtedly the most accurate method of producing an estimate.** Yet this study is not intended to replicate the 2010 study. The cost of conducting on-site inspections at a large representative sample of housing units is prohibitive, especially given that only \$1.5 million was appropriated for this study. The President's FY24 Budget requested \$15 million for a CNA/PNA study. Without adequate funding to conduct this study, Econometrica must collect data from existing sources to attain enough data for an accurate estimate of capital needs across the portfolio. To that end, Econometrica's research design document indicates the CNA plans to improvise by collecting data from existing sources.

Comments on the CNA Survey Design

The CNA's overall objective must be a long-term, holistic, market-based approach to recapitalization which aspires to a higher standard for public housing. That would obviously result in a much higher needs estimate and would likely depend on substantial private financing in addition to federal funds. Focusing now on that longer-term approach now would give us the information necessary to influence the availability of such resources in the future so that public housing recapitalization needs can be addressed across the entire portfolio in a reasonable timeframe. In short, CLPHA believes this study should provide a long-term needs assessment that can be used and not just a short-term estimate of repair and replacement needs. With this in mind, CLPHA's comments on the CNA survey design are below.

Data Sources and Collection

The current CNA study modifies the approach of the 2010 study by incorporating multiple secondary data sources with no collection of primary data. This survey will use PIH Information Center (PIC), Housing Information Portal (HIP), CNA e-tool, REAC inspection, RAD, and Green Physical Needs Assessment (GPNA) data that HUD already collects and/or encourages PHAs to use, supplemented with PNA data collected from a sample of PHAs for capital needs planning and additional PNA data prepared by a third party that is part of the research team. Using existing HUD data to estimate capital needs is challenging because HUD data collection is constrained by a lack of standardization, uneven data-sharing across programs, and congressional appropriations language limiting the collection of some types of data.

For example, the CNA study plans to use REAC data. In the 2010 study, estimates based on Abt's direct observable method couldn't be tested against REAC scores. Inspection scores should be used by the CNA study to connect the physical conditions in units to the capital funding necessary to improve substandard conditions. Generally, lower inspection scores should lead to a higher capital needs estimate for that property. Yet REAC is currently pushing ahead with the implementation of the new NSPIRE inspection standards, despite significant concerns from PHAs and industry groups that NSPIRE is not ready for implementation and multiple requests for more time to adjust the scoring methodology. Initially, NSPIRE calculations will not be reliable for capital needs estimates due to the likelihood of adjustments to the scoring methodology, which would ultimately influence capital needs estimates stemming from property scores and the number

of deficiencies. For this reason, NSPIRE scores should not be counted initially in the CNA until all the issues with the NSPIRE scoring methodology are resolved. Once the NSPIRE methodology is finalized, it is important that properties with substandard conditions are accounted for in the CNA study so that inspection scores can be directly linked to capital funding needs estimates.

Furthermore, numerous HUD systems are currently undergoing upgrades and modernization. IMS/PIC is being phased out in favor of the HIP, but HIP itself is still undergoing testing. Our PHA members and the software vendor community have expressed serious doubts that HIP will be ready by year-end and acknowledge that there will be technical challenges as the new platform is rolled out. This is in addition to new software for the NSPIRE implementation, planned changes to PHAS and SEMAP, upgrades to e-VMS, the Operating Fund Web Portal, and enhancements to the Energy Performance Information Center (EPIC) system. These simultaneous software modernization efforts present a significant challenge to collecting data from each system. Econometrica must work closely with HUD, PHAs, and IT vendors alike to ensure the CNA data collection can successfully pull data from these various sources.

Statistical Sampling Design

The survey is set to be administered in two phases to a stratified statistical sample of PHAs. However, the design document does not indicate which PHAs will be surveyed. It is critical that the sample include a broad swath of PHAs of all sizes. Additionally, the survey documents shared with CLPHA do not indicate the specific stratification variables. Without knowing the specifics of the stratification variables, CLPHA cannot assess whether the CNA survey will be representative of PHAs of all sizes, or whether it will yield accurate results.

Methods of Estimating Capital Needs

The study plans on classifying and calculating per-unit capital needs estimates using each of the following three methods: 1) CNAs from the PHA, 2) CNAs supplemented by HUD data sources, and 3) best practices. The survey will ask PHAs how they estimate their capital needs and includes a request for details describing their approach.

The potential for inconsistent responses raises questions on how Econometrica will standardize and verify the data received. A significant challenge will be for Econometrica to obtain capital needs estimates that meet acceptable standards of best practices. It will undoubtedly be difficult for Econometrica to validate PHA-reported data with HUD data given the non-universal databases that HUD currently employs for various programs. Econometrica could work with research organizations like the Public and Affordable Housing Research Corporation (PAHRC) to corroborate findings.

Testing Survey Software

CLPHA suggests that the online survey software be tested by both HUD staff and by industry groups such as CLPHA, NAHRO, PHADA, and the MTW Collaborative. This will allow groups to pre-test the collection instrument, check the survey flow, clarity of questions, length, time to complete, and general data collection procedure. Testing the survey collection platform enables groups to verify that the data reporting process will be simplistic and easy for PHAs to complete.

Administrative burden of data collection

This data collection represents a major administrative burden on PHA staff. It will take significant time for staff to gather all the required documents to answer the survey questions. The design document and survey instrument both note that multiple PHA staffers may be required to answer

all questions. HUD and Econometrica should consider all possible avenues to reduce the administrative burden that the CNA data collection will place on PHAs.

Timing Considerations

Another factor that must be considered is the administrative burden this survey could place on PHAs. PHAs that do not already have CNA data prepared will need significant time to compile it. Additionally, it may require more than one staff person at a PHA to complete the survey. In these cases, it will add additional time to hire consultants to gather the data the survey is requesting. PHAs should be given at least 120 days to respond to the survey. A shorter turnaround time may increase the nonresponse rate.

Response Rate Concerns

We are particularly concerned that the response rate will not be high enough to guide the development of a 10-year recapitalization plan, which should be the goal of this data collection effort. The plan does not specify how nonresponses will be handled. Nonresponses can greatly impact the overall weighting of the data, so a nonresponse adjustment factor is needed. CLPHA also recommends that in cases where a PHA does not respond to the survey, HUD should ask industry groups to reach out to the non-responsive PHA and facilitate their participation. In cases of non-responses, HUD and Econometrica should engage industry groups like CLPHA to help inform PHAs when they've been selected in the survey. These groups can serve as an extra conduit of information back to HUD. For this CNA to be successful, a high response rate is necessary.

Below, we have provided feedback in blackline on specific questions found in Appendix A: PHA Survey Instrument. CLPHA and our members stand by to continue dialogue with HUD and provide further input on this crucially important Capital Needs Assessment.

Sincerely,

A handwritten signature in cursive script, reading "Sunia Zatterman".

Sunia Zatterman
Executive Director
Council of Large Public Housing Authorities

CLPHA Comments on Appendix A: PHA Survey Instrument

Note: CLPHA's suggested edits are in red text. CLPHA's [comments are in blue brackets].

A.1. Survey Instructions

This survey consists of five sections that ask a series of questions about your public housing agency's (PHA) capital needs and how you conduct and use Physical Needs Assessments (PNAs) or Capital Needs Assessments (CNAs). [Insert definition of PNA 24 CFR 905.108] A PNA is defined as "A systematic review of all the major physical components of property to result in a long-term schedule for replacement of each component and estimated capital costs required to meet the replacement need." Capital needs are defined as the cumulative backlog, current, and future costs of the repair or replacement of building site, structure, fixtures, or components, *excluding routine maintenance*. [Clarify that for the purposes of this survey, HUD is using the terms CNA and PNA interchangeably.] There are two questions that request uploading files. The first is a request for all recent PNAs [Requesting staff upload PNAs can be confusing because until recently HUD was prohibited from requiring PNAs. HUD should clarify this.]. The second is for uploads of your procedures manual or documentation used in hiring a contractor [Clarify whether HUD is asking for contractors that conducted CNA/PNA or conducted inspections. These are likely different contractors. HUD should clarify what is asked for here and provide examples]. While we strongly encourage you to complete as many sections as possible, we understand that in some cases only specialized PHA staff may be able to answer specific sections [Move this sentence from above to here]. Please be prepared to share the files as part of the survey response. Please select which sections you will answer and which sections you would like us to pass along to someone else:

Capital Needs Assessment Survey		
I - Verification of Public Housing Portfolio; Upload documents	Total units administered, total public housing units and developments, and project-based voucher developments owned and/or directly managed by the PHA.	Complete myself/pass along
II - Estimates of Capital Needs & Estimation Practices, including data uploads. Regulatory and statutory barriers.	Estimates of PHA capital needs, areas of greatest need, and additional sources of funding. Current approach to estimating capital needs and who conducts PNAs or CNAs for your PHA. Describe regulatory and/or statutory barriers your PHA faces in meeting its capital needs, other than its capital funding.	Complete myself/pass along
III - Opinions about Capital Funding and PNAs	Best practices in estimating capital needs.	Complete myself/pass along
IV - Capital Needs Related to Lead-Based Paint and Broadband	Questions about approaches to dealing with lead-based paint and internet access.	Complete myself/pass along
V – Closing Section	Final question to allow for an open comment if something important was missed in the rest of the survey.	Complete myself/pass along
Survey Glossary	Defines terms use throughout the survey	

[For each section that is passed along, ASK]

Could you provide contact information for the person we should contact about [section name]?

_____ [specify Name]
_____ [specify Email]
_____ [specify Phone Number]

Navigation

To navigate within each section, use the forward and back arrows to move between pages. At the top of each page there is a “HOME” button that will take you to the opening page of the section.

Each section is independent and does not need to be accessed or completed in order.

The HOME page also has a “COMPLETE AND SUBMIT” button that will bring up any skipped questions and allow you to submit responses. This allows specialized staff to go straight to questions that they need to answer and to submit the section.

Please answer all the questions. Some questions may contain follow-up questions. You may skip questions and pass them along for someone else to answer, but you will be prompted to answer any skipped questions before you can submit the section. **[If a staffer can complete some but not all questions in a section, they should be able to submit partially completed sections]**

To submit responses to each section, click on the “SUBMIT” button on the last page of the section. You will be prompted to answer any skipped questions before your responses are finalized.

Glossary and Help **[Given this will be an electronic survey, everything must be easily accessible to respondents. Recommend adding a “read aloud” option if possible.]**

At the top of each page there is a “HELP” button that will bring up these survey instructions and the survey glossary. Some key terms will also be defined within the survey. For additional help with the survey, please call XXXX or email us at XXXX.

I. Verify PHA Information and Upload Files

1. Please provide contact information for the point of contact (POC) at your PHA who is answering this survey:
 - a. POC Name.
 - b. POC Title.
 - c. POC Phone number.
 - d. POC email.
2. Please confirm that the number of developments at your PHA is *[prefilled number]*.
 - a. [If not correct, please share the correct number: ____]
[Clarify where these numbers are being pulled from in each question.]
3. Please confirm the number of public housing units at your PHA is *[prefilled number]*.
[Clarify if this includes public housing units that are offline]
 - a. [If not correct, please share the correct number: ____]
4. PNAs can include green physical needs assessments, physical conditions assessments, or any other document you use to estimate the current and future capital needs of all your public housing developments.
 - a. How many of your developments do you have a PNA for? **Include any completed and any in-progress PNAs.** Answer: number.

5. For each public housing development that has a PNA or similar assessment, please upload a copy of the most recent document. Please include the year of the assessment. **[HUD was until recently prohibited from requiring PNAs. This question should be clarified, marked as optional for completion, and not required to submit the survey.]**

Answer: Browse/Upload button.

6. Who conducts and prepares your PHA's PNA(s)? *Answer: Select one.* **[Multiple answers could apply. Many PHAs are likely to have different PNAs completed at different points in time. PHAs could use a consultant for some, in-house staff for others, etc.]**
- PHA employees (in-house).
 - Consultant(s) working under the direction of the PHA.
 - A contracted architectural, engineering, or management firm. [Skip to Q.Y [about RFP or other documentation of the process]
 - Other (specify).

7. ~~**If you have a procedures manual for your PNA process, please upload a copy.**~~ **[It is unclear how HUD will use these manuals. This info is unlikely to be standardized across PHAs. Recommend striking this question.]**

Y/N if NO go to Q8 (immediately below about typing out process)

Answer: Browse/Upload button

[Skip to Q about capital fund after answering.]

8. ~~**Provide a brief, step-by-step outline of how your PHA conducts its PNA.**~~ **[This question is duplicative of Question 7. Recommend striking Question 8 from the survey.]**

Answer: Text input box (approximately 500–1,000 characters).

9. Please upload a copy of the RFP or other documentation used to procure the contract **for a contractor to perform the PNA.**

[The RFP is going to be used to provide an outline of the services the PHA is trying to procure. It is not likely to go into detail on the level of capital or physical needs that the project/portfolio has. HUD could simply instead ask PHAs what standard and scope of work they are using when procuring someone to conduct a CNA/PNA.]

II. Estimates of Capital Needs

10. Please confirm this is your PHA's annual Capital Fund subsidy from [YEAR]?

[prefilled number]

11. If the subsidy amount in the previous question was incorrect, what is your PHA's most recent annual Capital Fund subsidy?

a. Answer: dollar input.

12. Please provide an estimate of your PHA's annual total capital needs (dollar amount) for public housing.

a. *Answer: Dollar input.*

Add question here: Please provide an estimate of your PHA's total aggregate capital needs in addition to annual capital needs (dollar amount).

a. **Answer: Dollar input.**

Follow-up question: can you provide a project-by-project breakdown?

Y/N; if NO go to Question 13

b. **Answer: two text entry fields (project name field - text) and cost (dollar amount). After each, an "add another project" button will add a new row of 2 text boxes.**

13. Does your PHA utilize other funding to help meet the capital needs of its public housing **and/or mixed-finance housing? Ballpark estimates are acceptable.**

Outside Funds	Source	Estimated Amount	<u># of Projects Served by source</u>
None			
Grant funds <u>(e.g. competitive federal grants)</u>	Specify: _____	Est. Amount: _____	# of projects: _____
Public debt <u>(e.g. bonds)</u>	Specify: _____	Est. Amount: _____	# of projects: _____
Private debt	Specify: _____	Est. Amount: _____	# of projects: _____
Guaranteed debt <u>[remove this; it's duplicative of public and private debt]</u>	Specify: _____	Est. Amount: _____	# of projects: _____
Private donations/fundraisers	Specify: _____	Est. Amount: _____	# of projects: _____
<u>Tax Credit equity (e.g. LIHTC)</u>	Specify: _____	Est. Amount: _____	# of projects: _____
Other	Specify: _____	Est. Amount: _____	# of projects: _____

14. Does your PHA prepare single PNAs for each public housing development, a combined PNA for all public housing developments in total, or a combined PNA for only some public housing developments? *Answer: Select one.*

- Single PNA.
- Combined PNA for all developments.
- Combined PNA for some but not all developments.
- Other. Specify: _____

15. How often does your PHA conduct a PNA? *Answer: Select one.*

- a. Every 1–5 years.
- b. Every 6–9 years.
- c. Every 10 years.
- d. Less frequently than every 10 years.
- e. Irregularly or only when necessary (for example, for outside funding or major construction)
- f. Never.
- g. Other. Specify: _____

16. What methodology does your PHA use to conduct PNAs? *Answer: Select one.*

- a. HUD's CNA e-Tool. [*Skip to Q18*]
- b. HUD's PNA tool or methodology developed by your state's housing finance agency.
- c. A tool or methodology developed by an outside consulting firm.
- d. A tool or methodology developed in-house.
- e. Other. **Specify:** _____

17. Please provide the name of the tool or methodology used to conduct your PNA:

- a. Text: _____

18. To what extent does your PNA methodology include in-unit inspections? *Answer: Select one.*

- a. No in-unit inspections.
- b. Limited in-unit inspections (fewer than 10% of all units).
- c. Moderate in-unit inspections (10% to 25% of all units).
- d. Extensive in-unit inspections (more than 25% of all units).
- e. Do not know.
- f. Other. Specify: _____

19. To what extent does your PNA methodology cover the capital needs for all building systems and components? *Answer: Select one.*

- a. All building systems and components.
- b. Most building systems and components.
- c. Selected building systems and components.
- d. No requirement specified for building systems and components.
- e. Do not know.
- f. Other. Specify: _____

20. To what extent does your PNA methodology use standardized cost assumptions based on current and local costs? *Answer: Select all that apply.*

- a. Uses standard cost factors.
- b. Uses current costs.
- c. Uses local costs.
- d. No cost standards are specified.
- e. Don't do PNAs/not done since accepted the position **[This answer selection is confusing. It could be interpreted as the PHA doesn't conduct the PNA or the staff person completing the survey does not conduct the PNA. Clarify this.]**
- f. Other. Specify: _____

21. To what extent does your PNA methodology estimate current capital needs and estimate future capital needs? *Answer: Select all that apply.*

- a. Estimates critical capital needs, such as correcting health and safety deficiencies, that should be addressed immediately.
- b. Estimates short-term capital needs, including deferred maintenance, that should be addressed by next year if possible.
- c. Estimates long-term capital needs for the next 5 years.
- d. Estimates long-term capital needs for the next 10 years.
- e. Estimates long-term capital needs for the next 20 years.
- f. Estimate long-term capital needs beyond 20 years.
- g. Do not know.
- h. Other. Specify: _____

Add a question asking what the current and future capital needs are based on each PNA that the PHA has (to the extent known).

22. How do you use your public housing PNA(s)? *Answer: Select all that apply.* **[It is unclear how HUD will use this information. This info is unlikely to be standardized across PHAs. Recommend striking this question.]**

- a. For planning.
- b. For budgeting.
- c. For financing.
- d. For reporting.
- e. Other. Specify: _____

III. Opinions about Capital Funding and PNAs

23. Is HUD's current definition* of "capital needs" inclusive of the capital needs related to your development(s)? *Answer: Select one.*

- a. Yes
- b. No.
- c. Don't know.

*Capital Needs Definition - Needs associated with the development, financing, and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings the development of mixed-finance

projects. Eligible activities include: modernization, development, financing, vacancy reduction, nonroutine maintenance, planned code compliance, and/or management improvements. (24 CFR Part 905, with Section 200)

24. Please provide any additional information to contribute to the definition of “capital needs” below:

Text response _____

25. Do you agree with the following statement: “My PHA’s capital funding is adequate to meet the time and resource demands associated with PNA processes.”

Answer: Select one.

- a. Yes.
- b. No.
- c. Don’t know.

26. What are your PHA’s three areas of greatest need of capital funding based on the PNA Tool? *Answer: Select three.* **[This question should not be limited to three response choices. PHAs should be allowed to select any number of choices and rank them.]**

- a. Site.
- b. Building exterior.
- c. Building system.
- d. Common areas.
- e. Unit.
- f. Replacement.
- g. Refurbishment.
- h. Sustainability.
- i. Marketability.
- j. Accessibility.
- k. Bath.
- l. Exterior wall.
- m. Kitchen.
- n. Roof.
- o. Window.

p. Other

27. What are your PHA’s three areas of greatest need of capital funding **not covered** by the PNA tool? *Answer: Select three.* **[This question should not be limited to three response choices. PHAs should be allowed to select any number of choices and rank them.]**

- a. New construction.
- b. Reconfiguration
- c. General upgrades
- d. Plumbing/sewage systems.
- e. Utility systems.
- f. Energy conservation and modernization.
- g. Computer and/or Internet access/connectivity
- h. HVAC.
- i. Pest control.

- j. Mold control.
 - k. Radon/toxic chemical mitigation.
 - l. Damage repair (for example, from natural disasters, fire, tenant damage).
 - m. Upgrades for accessibility.
 - n. Inspections – in-house.
 - o. Inspections – contractual.
 - p. Maintenance – in-house.
 - q. Maintenance – contractual.
 - r. Underground structures (parking).
 - s. Risk mitigation—natural disasters.
28. ~~Would PHAs benefit from developing 10-year recapitalization plans in addition to PNAs?~~ *Answer: Select one.* [This question should be re-worded. As currently written, it may induce biased responses if staff interpret the question to be asking if a PHA would benefit from developing its own 10-year recapitalization plan] Would PHAs benefit if a 10-year recapitalization plan were developed in addition to PNAs?
- a. Would benefit from both.
 - b. Wouldn't benefit from either.
 - c. PNA only.
 - d. Recapitalization plan only.
 - e. Don't know.

29. Please provide any additional comments about recapitalization plans:

Text response _____

30. Please list and rate on a scale of 1 to 4 any regulatory or statutory barriers (other than capital funding) to meeting your PHA's capital needs, where 1 is a modest barrier and 4 is the most severe barrier. Examples of such barriers may include Capital Fund regulations, tenant relocation requirements, fair housing requirements, energy efficiency standards, American Disability Act requirements, local zoning standards, and/or environmental regulations. [Asking PHAs to distinguish between statutory vs regulatory barriers and rank them is unnecessarily complex. HUD could ask respondents to identify barriers in a text box.]

Barrier	Ranking			
Statutory Barrier 1	1	2	3	4
Statutory Barrier 2	1	2	3	4
Statutory Barrier 3	1	2	3	4
Regulatory Barrier 1	1	2	3	4
Regulatory Barrier 2	1	2	3	4
Regulatory Barrier 3	1	2	3	4

31. Please provide a brief explanation on how these barriers limit your PHA's ability to meet its capital needs, including interactions with funding limitations (for example, raising costs), and impacts on planning and capital needs prioritization
- a. *Answer: Text input box (approximately 500–1,000 characters).*

IV. Capital Needs Related to Lead-Based Paint and Broadband

32. For properties that have lead-based paint, we would like to know how you determine whether any paint, and if so, how much paint, will be disturbed during a housing maintenance or rehabilitation project that involves lead-based paint.

Specifically, do you look at lead paint inspection or risk assessment reports, or do you presume that all paint in the work area is lead paint?

- a. We look at the reports.
 - b. We presume the paint is lead paint.
 - c. This question does not apply to us because none of our properties have lead paint.
33. How and where do you document paint-disturbing activities for housing maintenance or rehabilitation work orders that involve paint that is lead paint or might be lead paint?
- a. The property management staff records lead-related maintenance or rehab projects with each work order.
 - b. The maintenance staff records whether maintenance or rehab projects at the unit level are lead related.
 - c. Lead activity is not recorded in the documentation of maintenance or rehab activities.

Add a question here about radon. Similar to Question 32.

34. Is public or private internet access/connectivity present in any developments? *Answer: Select one.*

- a. Yes, free and private access present
- b. Yes, private access present only
- c. No

35. If free internet access is present, is it wireless? *Answer: Select one.*

- a. Yes
- b. No
- c. N/A – (no internet access)

Add a question related to capturing infrastructure costs of redevelopment.

V. Closing Section

36. Thank you for taking the time to participate in this study. If there is anything else you would like to share about the PNA process or something important that we missed, please share it below.

a. Open text field.

[Closing thank you message. Option to include contact information for Econometrica and/or HUD.]

A.2. Letter to PHA Survey Participants

[Letter to be sent on HUD Letterhead]

Dear XXXX,

The U.S. Department of Housing and Urban Development (HUD) has asked Econometrica, Inc., a research organization, to conduct an assessment of the capital needs of public housing authorities (PHAs). The purpose of this study is to:

1. Estimate the capital needs of HUD's public housing portfolio.

Assess how well HUD's data can be used for this purpose.

Determine if a different approach than used in the past studies can yield results as good, if not better.

As part of this study, we will survey PHAs on their current approaches to estimating their capital needs. The responses to this survey are extremely important and will provide details to HUD that can inform policies and develop best practices for measuring and addressing capital needs of HUD's public housing portfolio.

This survey is not an evaluation of you or your organization. These responses will only be used for research purposes and will **not** be used for compliance. The results will be reported in aggregate and include responses from other PHAs. Responses from PHAs will be kept confidential, per 5 CFR 1320.8(b)(3). HUD will receive a copy of the survey responses with all personally identifying information removed, including PHA identifiers. Participation in this survey is completely voluntary.

You will be receiving an email inviting you to participate in this effort and explaining more about the survey. The survey should take approximately 45 minutes to complete. I hope you will take the time to help us in this important effort.

If you have questions about the survey or the study, please contact Mark Reardon, Program Analyst with HUD's Office of Policy Development and Research and the point of contact for this study, at (202) 402-2133 or Mark.A.Reardon@hud.gov, or Dennis Stout, Econometrica's Project Director, at (240) 204-5155 or DStout@EconometricaInc.com.

We greatly appreciate your time.

Sincerely,

[[Signature]]

Name

Title

HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. This survey was approved by the Office of Management and Budget (OMB). The OMB control number is 2528-XXXX and expires on x.

A.3. Email to PHA Survey Participants

Dear XXXX,

The U.S. Department of Housing and Urban Development (HUD), in partnership with Econometrica, Inc., a research firm, recently sent your organization a letter asking you to participate in a survey regarding your agency's public housing capital needs.

The survey should take approximately 45 minutes to complete; we ask that you submit your responses by **[DEADLINE]**.

Click here to take the survey.

This survey will inform a broader study assessing:

1. The capital needs of public housing.

How well HUD's data can be used for this purpose.

How an approach using HUD and other public data sources can yield reliable and valid results.

The responses to this survey are extremely important and will provide details to HUD that can inform policies and develop best practices for measuring and addressing capital needs of the public housing stock. As a reminder, **this survey is not an evaluation of you or your organization**, and your responses will be used for research purposes only. The results of the survey will be reported in aggregate and will include responses from other PHAs. Responses from PHAs will be kept confidential per 5 CFR 1320.8(b)(3). HUD will receive a copy of the survey responses with all personally identifying information removed, including PHA identifiers. Participation in this survey is completely voluntary.

If you have questions about the survey or the study, please contact Mark Reardon, Policy Analyst with HUD's Office of Policy Development and Research and the point of contact for this study, at (202) 402-2133 or Mark.A.Reardon@HUD.gov, or Dennis Stout, Econometrica's Project Director, at (240) 204-5155, or DStout@EconometricaInc.com.

We hope that you will participate and answer these critical research questions. We greatly appreciate your time.

Sincerely,

Name

Title

HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. This survey was approved by the Office of Management and Budget (OMB). The OMB control number is 2528-XXX **and expires on X.**

To opt out of future emails for this survey, send an opt-out email here.

A.3. Reminder Email to PHA Survey Participants

Dear XXXX,

The U.S. Department of Housing and Urban Development (HUD), in partnership with Econometrica, Inc., a research firm, recently sent you an email asking you to participate in a survey regarding your agency's public housing capital needs. If you or another member of your agency has already completed the survey, please accept our sincere thanks.

The survey should take about 45 minutes to complete; we ask that you submit your responses by **[DEADLINE]**.

Click here to take the survey.

This survey will inform a broader study assessing:

1. The capital needs of public housing.

How well HUD's data can be used for this purpose.

How an approach using HUD and other public data sources can yield reliable and valid results.

The responses to this survey are extremely important and will provide details to HUD that can inform policies and develop best practices for measuring and addressing capital needs of the public housing stock. As a reminder, **this survey is not an evaluation of you or your organization**, and your responses will be used for research purposes only. The results of the survey will be reported in aggregate and will include responses from other PHAs. Responses from PHAs will be kept confidential per 5 CFR 1320.8(b)(3). Participation in this survey is completely voluntary.

If you have questions about the survey or the study, please contact Mark Reardon, Program Analyst with HUD's Office of Policy Development and Research and the point of contact for this study, at (202) 402-2133 or Mark.A.Reardon@hud.gov, or Dennis Stout, Econometrica's Project Director, at (240) 204-5155, or DStout@EconometricaInc.com.

We hope that you will participate and answer these critical research questions. We greatly appreciate your time.

Sincerely,

Name

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To opt out of future emails for this survey, send an opt-out email here.