



**Public Housing Authorities
Directors Association**

511 Capitol Court, NE
Washington, DC
20002-4937

Phone: 202-546-5445
Fax: 202-546-2280
www.phada.org

May 11, 2023

Anna P. Guido, Reports Management Officer
U.S. Department of Housing and Urban Development
451 7th St, SW
Washington, DC 20410

Re: Docket No. FR-7070-N-19; Capital Needs Assessment of Public Housing; OMB Control No.
2528-New

To Whom It May Concern:

On behalf of PHADA, I am pleased to submit comments on the draft survey instrument proposed for use by HUD in collecting information from public housing authorities regarding public housing physical needs assessments.

As you know, PHADA (The Public Housing Authorities Directors Association) is a membership organization representing approximately 1,900 public housing authority (HA) executives from across the nation. Our membership includes HAs of all types, from the largest in the country to some of the smallest. We work with members and on their behalf with HUD and members of Congress and their staff to develop and implement effective policy for existing and new programs. PHADA has several concerns regarding the proposed survey.

1. HUD has significantly underestimated the burden hours needed to complete a response.
 - a. In estimating the response burden, HUD appears to assume that all the requested information is known by respondents or can be accessed in readily available documents, and that the information in such documents can be easily collated and uploaded. It took this reviewer 20 minutes just to read through the survey and draft letters to agencies and to make a few notes.
 - b. Response burden will vary significantly based on the size of agency and the number of properties in their portfolio, and the estimate of 45 minutes would appear to be the barest minimum amount of time it would take for a small agency with one property. The more properties an agency has, the more time it will take to complete the survey.
 - c. In reviewing each question and estimating the time it might take an average agency to gather, enter, and upload information, and to prepare responses to questions that request additional comment, 120 minutes per response would be more realistic. For larger agencies, the time required will likely be more, potentially significantly more.
 - d. Specific items that are likely to require more time include the following:

- i. Identifying, gathering, and providing PNAs for each HA property, including RFPs if outside consultants or firms were procured to complete the PNA. Such documentation may be in archived or in limited access files in various locations throughout an agency, and preparing a 500–1000-word description of the PNA process itself could add time to any response.
 - ii. Gathering and compiling cost estimates from all properties to provide a single dollar amount of capital needs (Q12) could become time-consuming if there are multiple properties, depending in part on the formats of the existing PNAs, which could vary across properties.
 - iii. Identifying other funding used to help address capital needs of public housing could be challenging as such resources, if available at all, are often limited. For example, what time period for outside investments and resources should be reviewed to determine the estimated amounts of outside resources? Is this to be based only on past investments, future planning, or hoped for support? Further, and more importantly, *funding issues are not part of the task of determining the estimated cost of capital needs. **Removing this and similar questions that go beyond the primary purpose of gathering information on how agencies assess their capital needs would reduce the hours burden of this information collection.***
 - iv. The question regarding regulatory barriers also could become time consuming as agencies attempt to identify what steps in the modernization process do or could involve regulatory requirements which add to the cost of capital investments. It is hard to identify regulatory barriers when there is no funding. Further clarification on how regulatory or statutory requirements may be barriers to capital investments is needed. Are increased costs, or timelines, considered barriers? What other regulatory elements would be considered ‘barriers’ to capital investment other than the lack of funding?
- 2. The survey instrument includes questions which require additional clarification, include inappropriate assumptions, or go beyond the scope of the collection regarding how agencies assess the physical needs of their properties. Each of these items is addressed specifically below.
 - a. Question 6 limits answers to one response, but some agencies may have PNA or similar assessments for different properties prepared in different ways, so the option of selecting more than one response may be needed. In addition, it is not clear why RFPs or other procurement documentation is requested for contracted architectural, engineering, or management firms (c), but not for consultants (b). Further, more specific information about what elements of the RFP are required may be appropriate so that neither HAs nor HUD have to include the often voluminous standard documents that are part of many RFPs. The Scope of Services would seem to be the key element. If there are other aspects of the RFP or procurement process that are relevant those elements should be specifically identified.
 - b. Question 11 asks for confirmation of the amount provided by HUD for the annual Capital Fund grant award. Where a PHA disagrees with the amount, it requests the amount for the most recent award. PHADA suggests that if the agency disagrees with the amount for a specific fiscal year identified in question 10, the corrected number provided in question 11 should be for the same fiscal year to avoid confusion.

- c. Question 13 asks about other funding utilized by the HA to meet capital needs of public housing. While we understand researchers' interest in this information, it seems unrelated to the actual estimates of physical needs or the process of assessing physical needs, which should be the focus of this effort. If HUD insists on pursuing this question, further clarification is needed. Funding other than what? Other than formula Capital Fund Grant awards? Other than Public Housing funding including Operating Fund and Emergency Safety and Security grants? Do debt categories include various categories utilized in LIHTC projects? What about improvements completed as part of an Energy Savings Contract or supported by energy cost savings retained through an ESCO or other arrangement? This question is not simple, is not a part of determining what the capital needs are of the properties, and should be removed from the survey.
- d. Questions 14 through 20 ask about the 'methodology' used to conduct the PNA. Are the items listed the only options? What if there is not a specific and named methodology utilized by a consultant or contractor? Perhaps more importantly, prior to the proposed implementation of the Green PNA that was halted by Congress, most of these questions were defined by regulation and required of HAs, including property specific assessment, completed every five years, with significant technical guidance provided. Some information regarding HAs efforts to produce and utilize PNAs in the absence of HUD requirements may be useful. However, without such requirements and the inadequacy of funds, capital assessment and planning may be much less formal, based on tenant and staff experience at the properties, with obvious choices making formal assessments unnecessary. For example, if the roof, furnace, or elevator are continuously breaking and requiring repairs, no formal methodology or outside assessment is needed to determine that such a need is a priority capital investment. Further, when available and anticipated funding is severely inadequate and may not cover the cost of the needed roof, furnace, or elevator repair or replacement, completing additional assessments of capital needs is not a valuable use of time.
- e. Question 23 uses the description of eligible Capital Fund activities as the definition of capital needs. This is wholly inappropriate, as eligible uses of capital funds include activities that are not part of the actual capital needs of the property. An appropriate Physical Needs Assessment should focus on what capital investments need to be made to the property to preserve its safety and functionality. Financing and management improvements are not part of the actual physical needs of the property.
- f. Question 25 needs clarification. Are you asking if the capital funding is enough to produce a PNA? Or if it is enough to address the property's capital needs? If the former, agencies will not be able to answer that question without guidance on what is required to be included in a needs assessment. Furthermore, there are very few, if any, agencies where capital funding is adequate to both assess and address the capital needs of the properties. No additional data gathering is needed to make this determination.
- g. Question 26 requests the 3 areas of greatest need. It is not clear the purpose of this question in assessing the physical needs of the nation's public housing. Furthermore, how was the list identified? Items f. through i. (replacement, refurbishment, sustainability, marketability) all seem redundant to more detailed items on the list and are too general and not specific to the physical needs of the property. Sustainability would be part of site and building systems; refurbishment could apply

to the entire property, or any component. Marketability is likely not an issue as nearly all HAs have significant waiting lists for their public housing properties. Determinations regarding potential property replacement would be based in part on the results of a physical needs assessment, rather than being a part of such an assessment. Further, items such as bath, kitchen would also fall under items such as unit, exterior wall and building exterior would appear to be the same thing, etc. A physical needs assessment should identify ALL needs, not just the areas of greatest need.

- h. Question 27 asks about needs not covered by the PNA tool. This question is very concerning, as several of the items would seem to be essential elements of any competent PNA, such as d. plumbing/sewage systems. e. utility systems, and h. HVAC. Several other items should be part of a PNA going forward even if they have not been included in the past including f. energy conservation and modernization, k. radon/toxics mitigation, m. upgrades for accessibility, and s. risk mitigation. Finally, items are included on this list that while Capital Fund eligible are not capital activities and generally should be covered by operating funds (i. pest control, j. mold control, n. and o. inspections, p. and q. maintenance); or would be based on factors outside physical needs of existing properties (a. new construction and b. reconfiguration). It is not at all clear what information this question seeks to gather, or how such information would be of real value to the department or Congress.
- i. Questions 28 and 29 ask about “recapitalization plans.” This question assumes that capital needs will be addressed by some type of transition or conversion to include private market participation of some kind and that Congress will continue to fail in meeting its obligation to provide capital funding for public housing. This is beyond the scope of a physical needs assessment and should not be included in this survey or in any physical needs assessment system or requirement. The purpose of a PNA/CNA is to determine the capital needs of the properties. Identifying how to address those capital needs and how to pay for those investments is an entirely different and separate task. Furthermore, the physical housing property is stagnant until investment or other intervention is made. Mechanisms to ‘capitalize’ the investments/interventions are ever-changing and political, and thus not easily subject to long-term planning or standardization. HUD should focus its resources on advising Congress of the long-term benefits of funding the needed capital improvements rather than doubling down on the strategies of leveraging assets to lure private equity in exchange for tax breaks and more limited use restrictions. More directly to the point, recapitalization planning is not part of assessing the physical needs of the property and should be removed from the survey instrument.
- j. Question 30 regarding barriers (other than inadequate funding) to meeting capital needs again seems outside the appropriate scope of a PNA and is hard to define in the absence of even reasonable levels of capital funding. Furthermore, the listed examples (except zoning) are established standards or requirements that often add costs to projects but are not otherwise necessarily ‘barriers.’ Does HUD really want to collect data from HAs that says that relocation requirements, fair housing requirements, ADA requirements, and environmental requirements are barriers to addressing capital needs?
- k. Questions 34. and 35. regarding internet access/connectivity is confusing, as it presents free vs. private as the alternatives. This is very unclear, as publicly provided services may have costs to the user, and private services may be available at no cost

in some cases (especially if the Affordable Connectivity Program and other federal grant programs are considered). Further, it is not clear why there is a specific question about free internet being wireless. If HUD is attempting to gather data on the availability of broadband internet connections, it would make more sense to ask if services are available via wireless, coaxial, fiber-optic, and/or other mechanisms. If such a service is available for free, information on the provider and/or source of funding, as well as the mechanism for providing free access would be of much greater value. Finally, any comprehensive PNA should include information on any existing (or absent) connectivity infrastructure.

3. Finally, the draft of the Reminder Email to HA Survey Participants states that if you or another staff member has already completed the survey, thanks. With the web-based submission, we highly recommend HUD and/or its contractor control for this and not send reminders to agencies who have already completed the survey.

PHADA appreciates the efforts of HUD and your consideration of these comments.

Sincerely,

David P Weber
Senior Policy Analyst
PHADA