



National Council of
State Housing Agencies

April 12, 2019

Anna P. Guido
Reports Management Officer, QDAM
Department of Housing and Urban Development
451 7th Street, SW
Room 4176
Washington, DC 20410-5000

Re: Statutorily-Mandated Collection of Information for Tenants in LIHTC Properties, Docket No. FR-7007-N-08

To Whom It May Concern:

The National Council of State Housing Agencies (NCSHA) appreciates the opportunity to comment on the U.S. Department of Housing and Urban Development's (HUD) process for collecting data from state Low Income Housing Tax Credit (Housing Credit) administering agencies on tenants residing in Housing Credit properties and on HUD's proposals for modifying both the HUD LIHTC Tenant Data Collection Form (HUD-52697) and the LIHTC Database Data Collection Form (HUD-52695).

NCSHA represents the nation's state Housing Finance Agencies (HFAs), including the HFAs of the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands, most of which act as their state's Housing Credit administering agency. NCSHA also represents the agencies that administer the Housing Credit in the few states where the HFA does not.¹

NCSHA and our members are committed to working with HUD to collect data on tenants of Housing Credit properties as mandated by the Housing and Economic Recovery Act of 2008 (HERA) and providing additional data to HUD about the properties HFAs finance with the Housing Credit to populate HUD's LIHTC Placed-In-Service (PIS) database.

We believe that it is critical that information about the Housing Credit and the people it serves is publicly available, so that members of Congress, those in the Housing Credit community, and the public at large can be aware of the significant positive impact the Housing

¹ NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

Credit has had in providing affordable rental housing to those who need it and revitalizing and improving communities across the nation.

While collecting and disseminating this data is imperative, it is also important to be cognizant of the staff time and financial resources required to undertake this data collection, and to carefully weigh the benefits the data provides against the burden and financial implications of its collection. Moreover, every change to the data request forms requires modifications to software and data systems, which can be costly. Therefore, we urge HUD to be sensitive to this balance and only modify its data collection request forms when absolutely necessary.

Our specific comments on the tenant data collection process and on the proposed modifications to both forms follows:

Comments on Data Collection Process

When Congress passed HERA, mandating Housing Credit tenant data collection, it authorized \$6 million to support the effort, but Congress has never appropriated these funds. State Housing Credit administering agencies and HUD have done their best to meet the mandate under HERA by using existing agency resources. The tenant data collection initiative required significant upfront costs for state agencies, which often needed to develop new data systems to meet the mandate. Moreover, in some cases, states have had to convert what had been paper records into digital format through data entry, which has been a staff-intensive process.

Tenant data collection also has annual financial implications for state agencies, as they must modify their systems whenever changes are made to HUD's data request, and devote staff time to yearly transferring and scrubbing the data before they can upload it for HUD's use. While states continue to make progress each year towards providing HUD with complete tenant data, it is an ongoing challenge for some states to fully meet these data collection requirements.

NCSHA has heard from our members that HUD makes some changes—either seeking additional data or modifying a field format for an existing data point—nearly every year. We strongly urge HUD to minimize annual changes to data collection to the greatest extent possible, as every change made adds to software maintenance costs.

This said, in some instances we recognize that these changes are needed. For example, as noted below, the changes to both the Tenant Data Collection Form and the LIHTC Database Data Collection Form to take into account the new Average Income Test minimum set-aside are necessary to reflect changes to the Housing Credit program.

Despite our concerns about the burden of data collection, we believe that the data provided to HUD—both tenant data and property data—has practical utility in better understanding the households served and gauging the Housing Credit program's accomplishments.

NCSHA believes HUD could improve the data collection process and/or the utility of the data collected by:

- Considering allowing states the option of providing data to HUD in aggregate format, rather than on a per household member basis;
- Exploring with Housing Credit software vendors establishing automatic data feeds for property data to reduce the burden on state agencies;
- Providing validation to states within 24 hours of receiving their submission (States have reported to NCSHA that they do not necessarily know if a submission fails, which means they later must re-run reports and resubmit the information);
- Giving states the ability to review the *Understanding Whom the LIHTC Serves* report prior to its publication so that they may double-check their data submission; and
- Sharing the final report results with Housing Credit administering agencies in MS Office format so that they may convert the tables to graphs or use the data in other documents.

HUD LIHTC Tenant Data Collection Form

NCSHA generally supports the proposed changes to the HUD LIHTC Tenant Data Collection Form. Importantly, the revised Form appropriately reflects the new Average Income Test minimum set-aside, which will allow greater flexibility in tenant eligibility and facilitate development of more units affordable to very and extremely low-income households.

The revised Form also collects more detailed information about other federal and state capital programs that may be used in conjunction with the Housing Credit to finance properties. We note that the Housing Trust Fund is not among the programs listed in Part VIII: Program Type, and would encourage HUD to add it there.

HUD LIHTC Database Data Collection Form

NCSHA also generally supports HUD's proposed changes to the HUD LIHTC Database Data Collection Form. We believe the additional information that would be collected adds value. In particular, we support modifications to the Form to reflect the new Average Income Test minimum set-aside.

We also are pleased to see HUD's proposal to add the question regarding why properties that are no longer monitored for compliance are no longer in the program. It is critical to distinguish between properties that are no longer part of the program because they have come to the end of their expected affordability period and those that have fallen out of the program due to non-compliance or sale under Qualified Contract. NCSHA is increasingly concerned that a significant number of properties are lost due to Qualified Contracts, which poses a major threat to our efforts to provide affordable housing to low-income households.

While some of the modifications to this Form are only relevant for new properties being placed in service, such as the Average Income Test minimum set-aside and whether a property's financing includes equity from a Qualified Opportunity Zone fund, other changes to the Form are relevant to existing properties that are already in the PIS database. It is not clear to us whether HUD intends to ask Housing Credit agencies to update the information about properties already in the database to capture information such as whether the property is a scattered site or the length of its affordability period.

If it is HUD's expectation that agencies review existing entries, we are concerned that this could be a significant and time-consuming burden.

We appreciate HUD's efforts to work with states on Housing Credit data collection and urge HUD to be mindful of the burden additional data requirements have on state agencies and accordingly only make modest changes when needed to the data collection forms. Please do not hesitate to reach out to me if you have any questions about our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman", with a long horizontal flourish extending to the right.

Garth Rieman

Director, Housing Advocacy and Strategic Initiatives

Hill, Ronald M

From: Hollar, Michael K
Sent: Friday, April 26, 2019 9:43 AM
To: Garth Rieman
Cc: Jennifer Schwartz; Guido, Anna P; Hill, Ronald M
Subject: RE: Statutorily-Mandated Collection of Information for Tenants in LIHTC Properties, Docket No. FR-7007-N-08

Garth,

Thank you for your comments on HUD's Statutorily-Mandated Collection of Information for Tenants in LIHTC Properties. I greatly appreciate feedback from NCSHA as a representative of the housing finance agencies that submit this information to HUD. Your insight helps us understand the burden and ability to provide the requested information. Your letter lists five process recommendations and one suggestion for addition to the form. These are addressed in order below.

- Consider allowing states the option of providing data to HUD in aggregate format, rather than on a per household member basis;
The original tenant data collection forms were based on the NCSHA model Tenant Income Certification (TIC) form, which allowed for information per household member rather than aggregate information. HUD chose this form in part because many state TICs included this form of information collection. This also is the most efficient way to collect the information on race, for which tenants can submit multiple responses, and age, because HFAs can collect and report date of birth without having to recalculate member ages as they move from one age group to another. HUD continues to prefer this method of collecting household member information and changing to an aggregate count would create additional costs for states, whose systems are already designed to submit individual member data.
- Explore with Housing Credit software vendors, the establishment of automatic data feeds for property data to reduce the burden on state agencies;
HUD has held many conversations with the LIHTC software vendors to discuss how to reduce the reporting burden. Some vendors submit data directly to HUD on behalf of their clients, but most prefer to have HFA staff upload the data files themselves in case data entry errors exist which can only be corrected by HFA staff and not the vendors. We would be happy to discuss this further along with the vendors.
- Providing validation to states within 24 hours of receiving their submission (States have reported to NCSHA that they do not necessarily know if a submission fails, which means they later must re-run reports and resubmit the information);
HUD's upload site validates files and indicates whether a file has errors and if it does, an error log is produced. The validation process is sometimes lengthy when large files are uploaded, but the system returns the results as soon as possible. HFAs are encouraged to submit as early as possible to avoid long validation queue, rather than waiting until late September. Submitting files during the summer months would reduce this wait time.
- Giving states the ability to review the *Understanding Whom the LIHTC Serves* report prior to its publication so that they may double-check their data submission; and
Prior to producing the *Understanding Whom the LIHTC Serves* report, HUD produces detailed summaries that are provided to each HFA. These summaries contain much more detailed information than is included in the report in order to show how HUD make the calculations. Since these summaries are quite detailed, HUD can

also provide the data tables used in the report to allow a better understanding of how the summaries are represented in the report.

- Sharing the final report results with Housing Credit administering agencies in MS Office format so that they may convert the tables to graphs or use the data in other documents.

HUD can certainly provide the final report results in MS Office format for their use.

Finally, you recommended that the National Housing Trust Fund be added as a field in Part VIII Program Type on the tenant form and in the list of financing options in the property form. We agree that since the National Housing Trust Fund is becoming an important source of funds for LIHTC development, we should inquire about its use.

We are also cognizant that changing the data collection forms presents a burden on the HFAs and often produces additional costs for software changes. In some years technical changes were needed to improve the data collection, for example placing a limit on the amount of monthly rent or household income to identify typos, but HUD has resisted adding many fields. While we cannot predict what new programmatic or policy changes may necessitate future changes, we pledge to not change the forms within the PRA three-year approval.

Thank you again for taking to time to provide comments on this data collection effort!

Sincerely,
Michael Hollar
Senior Economist
Office of Policy Development & Research (PD&R)

From: Garth Rieman <GRieman@ncsha.org>

Sent: Friday, April 12, 2019 11:41 AM

To: Guido, Anna P <Anna.P.Guido@hud.gov>

Cc: Hollar, Michael K <Michael.K.Hollar@hud.gov>; Jennifer Schwartz <jschwartz@ncsha.org>

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Garth Rieman, NCSHA

Garth Rieman | *Director of Housing Advocacy and Strategic Initiatives*
National Council of State Housing Agencies
444-North Capitol Street NW | Suite 438 | Washington, DC 20001
p. 202-624-7710 | f. 202-624-5899
grieman@ncsha.org | www.ncsha.org



⁽¹⁾ NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

