

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

November 10, 2022

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

Dear Secretary Fudge:

I write to express my concerns with the Department of Housing and Urban Development's (HUD) draft solicitation for Housing Assistance Payments (HAP) Contract Support Services and its impact on LA LOMOD Corporation (LA LOMOD), a non-profit affiliate of the Housing Authority of the City of Los Angeles (HACLA). I urge the Department to ensure that the final solicitation prioritizes the long-term preservation and oversight of our country's federally assisted housing stock and the needs of residents who rely on this housing.

Performance Based Contract Administrators (PBCAs) are critical in assisting HUD in its oversight of the Project-Based Section 8 (PBRA) program, including processing contract renewals, conducting property inspections, providing tenant complaint intake, and managing ongoing subsidy payments to owners. Given the sensitive nature of the responsibilities of PBCAs, it is important to ensure the participation of mission driven entities that often reinvest contract funds into affordable housing preservation and development as well as supportive services. For example, LA LOMOD has a long track record of providing high-quality, low-cost service to HUD as a PBCA. Since 2003, LA LOMOD has successfully administrated HUD' Southern California portfolio, the second largest of the PBCA program. LA LOMOD has also judiciously utilized proceeds from the fees earned through their administration of PBCA contracts to support successful and much-needed supportive service programs and housing redevelopment in Los Angeles.

Under HUD's current draft solicitation for HAP Contract Support Services, mission driven entities, such as Housing Finance Agencies (HFAs) and Public Housing Authorities (PHAs), including LA LOMOD, would be at a disadvantage and potentially precluded from bidding to remain PBCAs. For instance, HFAs that provide financing to PBRA properties for construction or rehabilitation are expressly prohibited from serving as PBCAs under the draft solicitation. Additionally, the draft solicitation seeks to greatly reduce the number of PBCAs, while increasing the geographic area each PBCA is responsible for through a regional, rather than state-by-state approach. The federally assisted stock of affordable housing is aging and now is not the time to reduce the number of PBCAs, which may diminish the quality of oversight and response to tenants' needs.

While I support efforts to improve the PBCA program, I urge you to consider stakeholder feedback and the concerns I have laid out before moving the solicitation process forward. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, reading "Maxine Waters". The signature is fluid and cursive, with the first name "Maxine" written in a larger, more prominent script than the last name "Waters".

MAXINE WATERS

Chairwoman

Cc: The Honorable Patrick McHenry, Ranking Member