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Dear HUD Leaders:

Thank you for taking the time to speak with National Apartment Association (“NAA”) and National Multifamily Housing Council (“NMHC”) staff and our volunteer leaders about housing providers’ ongoing challenges with REAC inspections. We write this letter to follow-up on the ideas we previously discussed, reiterate the industry’s concerns, and propose areas for us to work together to ensure the REAC inspection process meaningfully addresses resident safety concerns and does not put unnecessary limitations on participating housing providers who provide quality, affordable housing to the millions of renter households served by HUD programs.

As background, NAA and NMHC have partnered to provide a single voice for America’s apartment industry for more than 25 years. Our combined memberships are engaged in all aspects of the apartment industry including ownership, development, management and finance. NMHC represents the principal officers of over 1,700 of the industry’s largest and most prominent firms. As a federation of more than 145 state and local affiliates, NAA encompasses over 91,000 members representing nearly 11 million apartment homes globally. The apartment industry today plays a critical role in housing and the health of the broader U.S. economy by providing apartment homes to 40.1 million residents and contributing \$3.4 trillion annually to the economy.

We strongly support the REAC inspections program’s mission to protect renters who live in HUD-assisted housing and ensure that federal funds contribute to quality, affordable housing options for low- and moderate-income households. The resumption of REAC inspections following the COVID-19 pandemic was welcomed by non-profit, affordable, and market-rate housing providers who continue to partner with HUD and work with the Department and local program administrators to return operations to a new normal.

The pandemic has amplified a number of existing industry challenges with the REAC program that we hope to work with the Department to resolve moving forward. Participating housing providers continue to deal with factors, many beyond their control, that keep their units from being “REAC-ready” within the new abbreviated timeframe prior to being notified of a scheduled inspection, such as: 1) new health and safety protocols, 2) supply chain delays resulting in deferred capital needs and subsequent backlogs, 3) emergency-only work orders, 4) unprecedented staff turnover and recruiting challenges, including with contractors, 5) plunges in collection rates and halted rent increases, and 6) residents who are apprehensive post-pandemic and provide fewer opportunities for maintenance to make necessary, in-unit repairs.

Moreover, many of our members report losing points on their final inspection scores for many of the same reasons. For example, rental community staff rely on their residents to make them aware of potential safety hazards and notify them when certain REAC requirements are fulfilled, such as an unblocked egress. Combined with the loss of institutional knowledge due to high turnover of REAC inspectors, these factors continue to adversely impact REAC scores and put good quality housing at risk for “red flags”, which could ultimately affect property operations and the residents living in these communities. We share HUD’s goal to ensure that tenant safety is prioritized but urge more flexibility in REAC assessments.

Furthermore, we ask that HUD implement a variety of targeted solutions which are within your existing authority to foster preservation and growth of vital, quality, affordable housing:

1. Include a review of documented housekeeping issues which would result in an inspection citation and acknowledgement of planned work as part of REAC inspections, consisting of transparent status updates which outline the housing provider’s efforts;
2. Ensure inspectors allow on-the-spot resolutions of issues which were beyond the control of facilities teams and/or caused by residents;
3. Update requirements for certain repairs which are not industry standard. To resolve issues identified during the inspection, the industry would benefit from a 6-month cure period with clearly outlined requirements;
4. Provide inspectors the authority to make judgements on contextual issues instead of following inflexible checklists. A greater effort to reduce inconsistent assessments from individual inspectors is essential for reasonable preparation by the housing provider;
5. To ease the hardship on preservation and rehab properties, we ask that inspections of these properties be delayed in accordance with existing HUD notice criteria.

These programmatic solutions, in addition to increased transparency and disclosure of new policies, would greatly improve the rental industry’s ability to comply with the REAC requirements and would foster real, practical, and actionable improvements in resident safety. Thank you once again for meeting with us. We look forward to our ongoing partnership with HUD and would be grateful for the opportunity for continued dialogue on improving the REAC process. Please contact Nicole Upano, AVP of Housing Policy & Regulatory Affairs at [nupano@naahq.org](mailto:nupano@naahq.org) or Kimble Ratliff, NMHC’s Vice President of Government Affairs, at [kratliff@nmhc.org](mailto:kratliff@nmhc.org) to coordinate further discussions.

Sincerely,

Handwritten signature of Gregory S. Brown, consisting of the letters 'A', 'S', and 'B' in a stylized, cursive font, followed by a horizontal line.

Gregory S. Brown  
Senior Vice President, Government Affairs  
National Apartment Association

Handwritten signature of Cindy Chetti, written in a cursive script.

Cindy Chetti  
Senior Vice President, Government Affairs  
National Multifamily Housing Council

Cc: Adrienne Todman, Deputy Secretary, HUD

Julia Gordon, Assistant Secretary for Housing and Federal Housing Commissioner, HUD