

February 24, 2021

Matt Ammon, Acting Secretary  
Attn: Jenn Jones, Chief of Staff  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW Washington, DC 20410

Dear Acting Secretary Ammon:

The COVID-19 pandemic has underscored the importance of a stable home and HUD plays a vital role in ensuring affordable homes exist for millions. Moreover, the sweeping changes required by the crisis have spotlighted the essential nature of internet connectivity to stable housing; an online connection is critical to access healthcare, financial support and social connection that help stave off social isolation, and yet far too many residents of HUD-assisted housing lack this essential service. In fact, affordable housing residents are nearly twice as likely to lack high-speed internet connections as the general population.<sup>1</sup> *The time has come to close the digital divide and leverage the full range of online tools and connections to create healthier, more equitable communities beginning at home.*

Stewards of Affordable Housing for the Future (SAHF), National Leased Housing Association (NLHA) and National Affordable Housing Management Association (NAHMA) represent owners and operators that provide high-quality affordable rental homes to people with low incomes across the country. [Though our members have creatively sought solutions to address the digital divide in multifamily affordable rental housing,](#) fully scaled, long-term solutions to the digital divide will require federal policy and regulatory changes.

We were pleased to see the Office of Public and Indian Housing take an important step to [ensure connectivity for residents on January 19, 2021](#), clarifying how to use public housing funds to support access to broadband internet and devices for residents of public housing. However this guidance also highlights the disparity in treatment between HUD programs on internet connectivity, as Public Housing makes important headway while the Office of Multifamily Housing still lags behind. It also raises serious questions as to how residents' broadband access could change if the property they live in undergoes a Rental Assistance Demonstration conversion—from public housing where broadband is an eligible expense to project-based assistance where guidance remains inadequate and unclear. It is time that all HUD-assisted households have support for this essential service. Below are administrative recommendations to ensure that residents of HUD Multifamily Housing properties (including Section 8 Project-Based Rental Assistance, Section 202 Housing for the Elderly, and Section 811 Housing for Persons with Disabilities) can also have support for broadband internet.

- **Improve broadband access for residents by updating guidance to ensure owner-provided broadband is appropriately reflected in rent-setting:** Providing broadband connection for all units in the building can be a cost-effective way for a property owner to ensure that residents are connected. HUD's current interpretation of guidance (and gaps therein) around owner provided internet in multifamily properties is unclear and at times inaccurate, creating inequities between HUD-assisted households. For properties with project-based Section 8 contracts and rents set by market comparability, HUD's Section 8 Renewal Guide clearly requires that appraisers recognize the true market value of owner-provided broadband service so HUD should 1) clear up confusion created by the ambiguous COVID-19 FAQs that appeared to conflate budget-based rent increases with rent comparability grid adjustments<sup>2</sup>; and 2) clarify for field staff that if net adjustments included in an RCS for non-shelter services exceed the threshold of \$50/5% of the comparable's unadjusted rent, the adjustment is NOT capped, but rather that the appraiser must also support the overall adjustment with market-based evidence regarding the value of these services.<sup>3</sup> For properties with rents set based on an annual operating budget, HUD should clarify that owner-provided broadband is an eligible property expense.<sup>4</sup>

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<sup>1</sup> Insight Policy Research. [ConnectHome Final Report](#). Department of Housing and Urban Development, 2018.

<sup>2</sup> HUD Section 8 Renewal Guide, Appendix 9-1-2.C. Part D – Line 21:

<sup>3</sup> HUD Section 8 Renewal Guide, Chapter 9, Appendix 9-1-2. Important Notes for Lines 29, 20, 31, and 32.

<sup>4</sup> HUD Multifamily Asset Management and Project Servicing, Chapter 7. 4350.1

- **Secure access to low cost broadband with building-wide eligibility and data-sharing:** The Lifeline program, regulated by the Federal Communications Commission (FCC), includes some broadband support for low-income households but there remain multiple barriers for HUD-assisted households to access it. FCC and HUD should improve data sharing and verification to clarify the eligibility of people participating in project-based Section 8 and Section 202 programs. Current data sharing efforts<sup>5</sup> focus on public housing and vouchers and not on project-based programs that are generally subject to the same income requirements and have comparable resident income profiles. HUD should work with the FCC to publish a list of all assisted multifamily properties where all or substantially all units are assisted under project-based Section 8 or Section 202, where residents can be presumed income eligible based on eligibility requirements for the housing program (there is precedent for this type of blanket eligibility and collaboration with multifamily housing after the expansion of the Weatherization Assistance Program in the American Recovery and Reinvestment Act). FCC should clarify that owners of listed properties should be eligible to connect all units at Lifeline pricing and levels of service while residents would retain the option to enhance service if they desired. Blanket eligibility for Lifeline will also help residents in HUD-assisted housing access the Emergency Broadband Benefit program (established in the Consolidated Appropriations Act of 2021) that uses the Lifeline National Verifier system to confirm eligibility.
- **Create a demonstration program to couple property-wide broadband access with operational efficiencies:** Given the wide range of operational efficiencies (like the use of online tenant portals and Wi-Fi enabled sensors to help control utility costs) and the deep services and supports that can be unlocked with property-wide broadband, HUD should create a demonstration program to couple property-wide broadband access to track resident and property performance outcomes, and make the case for further investment by public and private actors incentivized by outcomes. This demonstration would build on the work done under ConnectHome and help expand connectivity into multifamily assisted housing.

On behalf of affordable housing multifamily providers across the country, we appreciate this opportunity to provide recommendations on advancing connectivity solutions for HUD-assisted households. We look forward to working with the new leadership of HUD to ensure every household has access to reliable and affordable internet access.

If you have any additional questions regarding these recommendations, please contact Althea Arnold ([aarnold@sahfnet.org](mailto:aarnold@sahfnet.org)).

Sincerely,

  
Andrea Ponsor  
President & CEO  
SAHF

  
Denise Muha  
Executive Director  
NLHA

  
Kris Cook, CAE  
Executive Director  
NAHMA

CC: Peggy Bailey, Senior Advisor; Joe Carlile, Senior Advisor; Richard Cho, Senior Advisor; Gina Metrakas, Senior Advisor for Executive Orders and Executive Actions; Dominique Blom, General Deputy Assistant Secretary for Public and Indian Housing; Ethan Handelman, Deputy Assistant Secretary for Multifamily Housing Programs; Jeff Little, Associate Deputy Assistant Secretary for Multifamily Housing Programs; Erika Poethig, Special Assistant to the President for Housing and Urban Policy, White House Domestic Policy Council

<sup>5</sup> “Computer Matching Agreement Between United States Department of Housing and Urban Development, the Universal Service Administrative Company, and the Federal Communications Commission” December 10, 2019.