PHAs Juggle Technical Issues, Compassion during COVID-19 Pandemic

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During a pandemic, the role of a public housing authority (PHA) changes.

“We work in a technical world, but we have to put compassion into the equation during times of crisis,” said Victor Cirilo, executive director of the Newark Housing Authority in New Jersey. “We just purchased 15,000 masks for distribution to our residents. We understand that they may not have the wherewithal to purchase them, especially since we are encouraging everyone to stay home. That level of compassion had to come in—you can’t just get wrapped up in regulations and bureaucracy. ... A lot of us are experiencing a higher call and we’re getting through it.”

As more states and cities began issuing shelter-in-place orders in March, PHAs were forced to juggle safety and administrative requirements. By early April, most had shifted how employees work and had eliminated many of the regulatory items that required face-to-face interaction.

“They’re still doing reviews, they’re still busy at work,” said Rich Larsen, a partner in Novogradac’s office in Toms River, N.J. “But they’re not doing inspections, they’re not meeting with tenants. They’re making sure emergencies are processed and handled, making sure they’re collecting rent, making sure people are taken care of.”

The U.S. Department of Housing and Urban Development (HUD), which operates nearly all the programs that PHAs use, issued guidelines as COVID-19 spread. And the Coronavirus Aid, Relief and Economic Security (CARES) Act, which was signed into law March 27, includes a provision forbidding most evictions for 120 days.

It is an unprecedented event.

“Even the stock market crash in 2008 was nothing like this—PHAs were somewhat insulated from that event,” Larsen said. “This has been going on for
weeks and it seems like housing authorities are adapting pretty well. They’re on the phone, still working, we are still talking to [chief financial officers] and directors of finance, still getting PHA audits done and submitted to HUD.”

Newark is one of the largest PHAs in the nation. Cocoa, Fla., is much smaller, but the directors at each PHA said this was a unique scenario.

“The closest we came was Hurricane Sandy,” Cirilo said. “It was a visible enemy, this is invisible. So far, only one staff member out of 500 has tested positive. Out of residents, we had one death [as of April 8].”

“We have hurricanes, of course, that put everybody in a state of fright,” said Herb Hernandez, executive director of Cocoa Housing Authority (CHA). “That’s more of an intense fright, but the hurricane passes through in a few hours or in a day and you survive, breathe a sigh of relief and move on. This is much different. It might be a month, it might be a few months, it might be more. That affects a lot of people’s mental status. The anxiety increases for everyone.”

The COVID-19 pandemic hit PHAs—both small and large—hard.

Cocoa, Fla.: ‘Our Biggest Hitch is Trying to do Inspections’
CHA converted its entire 327-apartment inventory through HUD’s Rental Assistance Demonstration (RAD) program and all properties have a private-sector property manager. However, the housing authority still controls the property as the general partner of the ownership entity—with a five-person maintenance staff as well as a handful of administrative staff members.

As the pandemic spread, employees split their time between home and the office.

“People are working from home half the time and coming to the office half the time,” Hernandez said. “Our office is large enough that we’re not crossing paths. Our biggest hitch is trying to do inspections, since we don’t want our staff going into people’s apartments. We’re doing the bare minimum.”

That was particularly true for seniors and disabled residents.

“About 40 percent of our tenants are elderly or disabled,” Hernandez said. “We know from the [Center for Disease Control and Prevention] that seniors should stay at home, which also means no one should be coming into their homes, either.”

Hernandez said in Florida, which had more liberal shelter-in-place orders than many states, it wasn’t obvious where to draw the line.

“Our governor has not issued strict stay-at-home orders,” Hernandez said. “What is considered essential is a broad swath, but anything serving affordable housing is considered essential service. We also have renovation construction occurring and the governor also considers this an essential service.”

However, Hernandez said the CHA property management company elected to stop routine maintenance and was doing only urgent or emergency repairs. The reasoning is obvious, he said.

“If you read the [Occupational Safety and Health Administration] guidelines, it’s pretty clear,” Hernandez said. “You’re not supposed to send people to work in any environment that’s rated hazardous—like this, where you would be sending them into a building where someone may have coronavirus.”
Construction continues on the final 100 apartments of the RAD conversion, but Hernandez said the contractor is being affected by some workers being quarantined and breakdowns in the supply chain.

**Newark, N.J.: ‘We Started with Containment’**

In New Jersey, the speed of the pandemic was unexpected, but the NHA went into action quickly.

“Just like everybody else, this came out of nowhere,” said Cirilo. “The first thing we did was educate our residents and ourselves.”

Newark, just 15 miles from Manhattan, is a COVID-19 hot spot. That brought a sense of urgency for a PHA that has more than 8,000 public housing apartments and 6,500 Section 8 vouchers.

“We started with containment,” Cirilo said. “We educated our staff and residents—we sent fliers to every resident and posted a video on our website. We prioritized senior buildings, because the CDC identified seniors as most vulnerable.”

NHA quarantined its 3,000 senior apartments immediately, allowing only essential workers in and out. Cirilo said HUD’s relaxation of regulations concerning inspections and certifications helped in Newark.

“HUD has given us the ability to streamline our day-to-day operations, to cancel or defer some inspections and certifications,” Cirilo said. His agency created no-contact certification, where the forms are left on the tenants’ doorstep and returned to a safe box.

Cirilo said about 80 percent of the 500-plus NHA employees are working from home, but that the maintenance team has seen changes. One immediate action was to institute a daily schedule of sanitizing common areas three times a day. The maintenance department was put on a schedule of working three days followed by two paid days off. NHA stopped routine repairs, focusing on emergency repairs with special body suits purchased for the maintenance crew. Cirilo takes part in twice-a-day, seven-days-a-week meetings led by Newark Mayor Ras Baraka.

“We have significant concerns,” said Cirilo. “Our mayor has been very proactive and we’ve been made part of those conversations.”

While Cirilo said NHA waited on HUD for some guidance early in the pandemic, he had praise for the department, particularly for how HUD worked with NHA to provide extra shelter. The housing authority and HUD worked to renovate a closed property into a 46-unit facility for people who test positive for COVID-19 but are either homeless or live in a situation where they can’t quarantine.

**Handling the No-Eviction Rule**

HUD issued guidance for multiple issues concerning COVID-19, but the issue that got the most attention was the 120-day no-eviction order that was part of the CARES Act.

Larsen said that impact isn’t as big as many might suspect.

“The eviction process takes a while,” Larsen said. “An eviction is usually something that’s probably in the works for four or five months. I don’t think it will be that big a deal. It’s not like [PHAs are] evicting a ton of people. PHAs try to work with residents.”

Hernandez agreed with the provision.

“I think it’s a smart thing to do,” he said. “We had no qualms about that. Unfortunately, the flip side is if [a
tenant] knows they won’t be evicted, maybe they won’t pay rent this month. We think there’s going to be people who take advantage of the situation and not pay their rent. We hope they will, though.”

Larsen said he has heard very few gripes from PHAs about HUD’s actions.

“HUD has quickly issued several notices that waived certain regulations for PHAs, which has enabled them to focus on resident health and safety,” said Larsen. “PHAs generally have been very appreciative of HUD’s response.”

This article first appeared in the May 2020 issue of the Novogradac Journal of Tax Credits.

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