August 19, 2016

Colette Pollard, Departmental Reports Management Officer, QDAM
U.S. Department of Housing and Urban Development
451 7th Street SW., Room 4160
Washington, DC 20410–5000


Dear Ms. Pollard:

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I am pleased to offer the following comments in response to the 30-Day Notice of Proposed Information Collection (Docket No. FR–5909–N–51) entitled “Public Housing Agency Executive Compensation Information,” regarding HUD Form 52725, published in the Federal Register on July 21, 2016. Formed in 1933, NAHRO represents over 20,000 individual and agency members. Collectively, our membership manages over 970,000 public housing units, or approximately 83 percent of the entire public housing inventory, as well as 1.7 million Housing Choice Vouchers. Many of NAHRO’s members are also involved in the administration of federal funding through Community Planning and Development programs. NAHRO works to support policies that allow housing authorities to efficiently and effectively meet the needs of their communities.

Previously, NAHRO has raised serious concerns in response to executive compensation information collection. However, we have been pleased that many HUD changes to HUD Form 52725 represent incremental improvements from previous iterations. NAHRO is also pleased that HUD has worked to simplify and reduce the administrative burden on PHAs regarding HUD Form 52725 over the years and continues to allow Public Housing Authorities (PHAs) to report compensation data derived from annual Internal Revenue Service (IRS) W–2 forms.

NAHRO understands HUD’s statutory requirement to collect information on salary and bonuses from the top management and financial official as well as the highest paid employee outside of those roles at all PHAs. However, NAHRO remains concerned about the usefulness and
relevance of this data collection and its implications regarding the value and merit of operating a PHA, an increasingly difficult and understaffed job.

NAHRO remains concerned that HUD does not understand the unique differences that exist between PHAs nationally that impact their overall operation. Although using a standardized drop-down menu of titles streamlines the form and allows the Department and others to more easily analyze executive compensation data, it erases meaningful differences among executive roles at varying PHAs. HUD Form 52725 places top management and financial officials into specific categories that often minimize additional roles they may be required to fill at their PHA. For example, this categorization obfuscates the difference between Executive Directors who have only a single set of responsibilities and those who have multiple titles. It also muddles distinctions between management officials whose sole responsibility lies with a PHA and city or county executives who have little to do with a PHA that is a component of a unit of the local government. The tasks and duties of each top management and financial official are not the same at every PHA across the country. PHA salaries should be allowed to reflect additional roles and tasks required of management and financial officials that may not be necessary at every PHA. An arbitrary cap on salaries and bonuses detracts from a PHA’s ability to do this.

NAHRO would also like to take this opportunity to remind HUD that given the organizational and governance structures of PHAs, a database of salary and benefit information removed from the context of PHA size and location creates a false impression of comparability between PHAs. Without providing information regarding the job markets in which PHAs are located, the responsibilities included in each position, the seniority and experience level of the employee, the total budgets each PHA manages (including Public Housing, Voucher programs, Project-Based Section 8 Multi-family Housing Assistance, Low-Income Housing Tax Credits, Section 202, Shelter-Plus Care, state and locally-funded housing and homeless programs, other unrestricted general funds, etc.), such a database is ripe for exploitation and misinterpretation, thus running entirely counter to HUD’s justification of transparency and accountability.

In this time of budget cuts and ever-increasing regulatory and funding uncertainty, NAHRO is particularly disappointed that the Department continues to devote its oversight resources to efforts such as this that have little or no value rather than focusing on pursuing meaningful regulatory reform that will streamline the delivery of housing and services to low-income Americans. This information collection maintains reporting burdens borne by PHAs and destabilizes the operating environments in which PHAs function. NAHRO continues to recommend that the Department reevaluate the essential utility of this reporting requirement and respectfully requests that use of the HUD-52725 form be discontinued.

Lastly, arbitrary caps on salaries place PHAs at risk of losing their ability to hire the most qualified individuals. Although HUD allows non-federal sources to augment the federal salary cap, the amount of outside funding available to individual PHAs varies. This could leave some PHAs more capable than others of recruiting top tier talent. The effective management of a PHA requires flexibility. Although transparency and fiscal responsibility are necessary, limiting pay through arbitrary salary caps and rigid tiers places an unnecessary burden on PHAs. HUD should
allow PHAs to determine fair and appropriate salaries for their executives and staff that reflect their unique challenges and circumstances.

Thank you for the opportunity to comment on HUD Form 52725 and the opportunity to convey our member’s concerns regarding this information collection in general. We look forward to continuing to work with HUD to ensure that PHAs are able to effectively and efficiently serve and meet the needs of their communities.

Sincerely,

[Signature]

Eric Oberdorfer
Policy Advisor for Public and Affordable Housing