



National Association of Housing and Redevelopment Officials

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May 1, 2026

U.S. Department of Housing and Urban Development
Regulations Division
451 7th Street SW
Room 10276
Washington, DC 20410-0500

Re: "Establishing Flexibility for Implementation of Work Requirements and Term Limits" [Docket No. FR-6520-P-01]

To Whom It May Concern:

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I offer the following comments in response to HUD's proposed rule, "Establishing Flexibility for Implementation of Work Requirements and Term Limits" [FR-6520-P-01].

NAHRO, which was established in 1933, is a membership organization of 26,000 housing and community development providers and professionals throughout the United States. NAHRO members create and manage affordable housing for low- and middle-income families and support vibrant communities that enhance the quality of life for all. NAHRO members administer more than 3 million homes for more than 8 million people.

1. Background

As part of the Moving to Work (MTW) demonstration, agencies were allowed to experiment with imposing term limits and work requirements on residents of HUD-assisted housing, beginning with the original 39 agencies admitted to the program. While most agencies chose not to implement term limits or work requirements for public housing or general-purpose housing choice vouchers, a handful of agencies did. HUD proposes extending a similar flexibility to all agencies through this proposed rule. Doing so would be optional and would require agencies to make policy decisions regarding applicability, documentation, and enforcement in their agency plans. Agencies choosing to implement term limits, work requirements, or both would need to assess the barriers to self-sufficiency facing residents and either provide supportive services or partner with outside organizations to do so. However, agencies would not be permitted to use most program funds for the purposes of this rule.

2. General Comments

NAHRO has the following general comments.

Sean Gilbert, PHM, SPHM, NCC, NAHRO Fellow, President; **Ivory Mathews**, Senior Vice President; **Marsha Parham-Green, CME, CPHM, CSI-HQS**, Vice President - Budget & Administration; **Joe Grisson, NCC**, Vice President - Commissioners; **Taryl Bonds**, Vice President - Community Revitalization & Development; **Angie Garcia-Nguyen**, Vice President - Housing; **Lisa Baker**, Vice President - International Research and Global Exchange; **Beverly Banks**, Vice President - Member Services; **Diane Cohen, CME, NCC**, Vice President - Professional Development; **Mark Thiele, C-PHM, CME, CMVO, NCC**, Chief Executive Officer

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1. *NAHRO applauds the decision to make the policies in this notice optional.*

NAHRO supports the Department's decision to make the notice optional for agencies to implement term limits, work requirements, or both. Public Housing Agencies (PHAs) operate in diverse local employment and housing contexts and are accountable to local boards for policy-setting and oversight as well as local political realities. For these reasons, HUD is correct that PHAs are best suited to decide whether term limits or work requirements would benefit residents. It is essential that HUD ensure that these flexibilities—which NAHRO thanks the Department for—truly are at PHAs' discretion and that agencies do not feel any pressure to implement these policies. If an agency decides this rule is not in the best interest of their residents and community, HUD must not base future funding or oversight decisions on agencies' choice. Partial implementation must also be honored—PHAs may implement only portions of this rule and may set more generous limits within this rule's framework. The Department should not penalize agencies who tailor their policies to meet their communities' needs.

2. *In order to further the flexibility and local control espoused by this rule, HUD should add language that this rule preempts state laws in which the policies are not optional. This concern may extend to future state laws.*

NAHRO is concerned that certain state laws could eliminate agency discretion in deciding whether to implement these policies. For example, once final, this rule could serve as the starting point for Wisconsin and Arkansas state laws to take effect. These laws are more restrictive than HUD's proposed rule, will pose a greater compliance burden, and do not include the discretion that HUD's version does. Additionally, Arkansas's law will require PHAs to request guidance for work requirements every two years in certain situations. PHAs are struggling to understand how these laws are supposed to work in practice and how they can realistically comply with both sets of standards, creating significant confusion and implementation challenges. Additionally, it is NAHRO's understanding that some states are considering laws that would prevent housing agencies from applying these flexibilities.

Because these and possibly future state laws differ from HUD's approach, HUD should include language in the final rule that states the following:

- In instances where state law varies from HUD's rule, the federal regulation should preempt state law;
- The final rule should contain explicit language stating that it preempts state law;
- Term limit and work requirement policies must be discretionary; and
- State requirements may not be more restrictive than those at the federal level.

There is precedent for this type of pre-emption. For example, in cases where state laws vary from HUD's treatment of marijuana, HUD's guidelines prevail.

3. *Agencies generally already know whether this policy is feasible for their community and agency. Agencies that choose to implement neither of these policies should not be negatively impacted either via future assessments or through funding selections.*

NAHRO members have a strong sense of whether the optional policies in this rule will work for their communities. While NAHRO supports furthering the economic self-sufficiency of residents, offering only "the stick" and not "the carrot" cannot overcome the challenging economic reality of many local economies. It is essential to maintain the discretionary component of this rule because in many situations, this will not be enough to foster economic self-sufficiency alone. While NAHRO recognizes the benefit of

affordable housing on families and acknowledges the research into increasing earnings, none of the studies cited in this rule adequately account for the rising costs of housing and do not directly comment on private rent increases outpacing wages. In many instances, the residents of HUD-supported housing work hard, earning as much as they can. However, when wages do not provide enough to afford market rents, imposing these requirements cannot change that reality. Agencies grappling with this reality must not be penalized.

- 4. Term limits and work requirements cannot be implemented without services, but agencies have limited capacity. HUD should allow existing funds to be used flexibly and increase program funding.*

Without exception, NAHRO members have reiterated that without strong supportive services, term limits and work requirements cannot be implemented successfully. Residents must have the tools necessary to thrive in their local economies, and without providing supports, they will not be able to reach self-sufficiency. Although the proposed rule requires that agencies provide services to impacted residents, funding realities make that difficult to provide. At the same time, this rule specifically forbids using Housing Choice Voucher administrative fees and certain Section 8 Project-Based Rental Assistance funds. Further, recent cash management requirements have decreased the amount of flexibility agencies have to use public housing funds to support these efforts.

Family Self-Sufficiency (FSS), Resident Opportunity and Self-Sufficiency (ROSS), and Jobs Plus grants are limited and remain in high demand. This is further complicated by the fact that the administration has proposed eliminating funding for these vital self-sufficiency programs in Fiscal Year 2026 and 2027 budgets. As a result, most agencies are unable to provide these services in-house. In future presidential budget requests, HUD should request increased funding that would allow agencies to perform these services, and they should also allow agencies to use the prohibited funds if feasible for the agency. Although this would be a helpful step, in most cases, allowing agencies to use funds flexibly would not fully meet their needs, as agencies remain underfunded.

The proposed rule recommends that agencies find community partners who can meet the service needs of residents. In communities where these potential partners exist, NAHRO supports this strategy. However, America is large and geographically varied with a landscape of community supports of different types. Much of the U.S. is rural, and in these communities, service providers may be inaccessible or far from the residents who need the services. NAHRO members reiterate that for outside service-providers to meet their needs consistently, it is vital to sign Memoranda of Understanding (MOUs). Often, relying on the goodwill of resource-limited organizations leads to inconsistent support for residents. Whether potential partners exist at all and whether these partners would be willing to formalize agreements is no guarantee. Agencies cannot be instructed to rely on outside partners as a national strategy due to the inconsistent availability of services and the resources constraints of those potential partners. For this reason, HUD must fund supportive services to make this rule feasible.

- 5. This proposed rule will add additional administrative burden to landlords, who may choose to stop participating in the Housing Choice Voucher Program if agencies implement either policy.*

Participation in the Housing Choice Voucher program is optional for landlords and partnering with PHAs to develop new housing is optional for developers. Eroding these partners' faith in the stability of HUD programs would be destructive to local economies. Landlords have expressed concern that if residents must leave the program after a term limit or if they are more likely to be terminated over inadequate

amounts of work, they face less rental income stability, more unit turnover, and less motivation to participate in the program. If landlords leave the program, the number of affordable units will be further decreased beyond the current shortage.

Private developers who work with agencies could also be harmed. Doing increased administrative work to maintain similar rents will mean that affordable housing units are harder to finance.

Finally, if housing authorities must terminate a family in order to enforce these policies, they must go to local court for a judge to evict the family. These filings take considerable amounts of time and consume PHAs' limited resources. Neither PHAs nor the courts are interested in increasing the rate of terminations tenants would face because of this rule.

In each of the three examples above, PHAs must be mindful of how difficult their potential policies could be for landlords, developers, and the courts and should not be penalized if they choose not to implement these policies.

6. HUD should specify whether other flexibilities are allowed if necessary.

There are few examples of these policies being implemented in isolation. In many previous instances of Moving to Work (MTW) agencies implementing term limits or work requirements, they did so in conjunction with specific program supports, for specific populations, or in combination with different rent structures. Instances of agencies implementing this for large portions of those served are limited. HUD should clarify which policies PHAs may enact to support residents as part of implementing this rule. At a minimum, HUD should consider allowing agencies with the resources to use program funds to do so and request additional funding to allow more agencies to participate in self-sufficiency programs like FSS.

7. Performance-Based Contract Administrators (PBCA) should not be required to ensure owners that opt in comply with the policy.

If a Section 8 Project-Based Rental Assistance owner or agent chooses to implement one or both of these requirements, Performance-Based Contract Administrators (PBCAs) should not be required to enforce administration, compliance, or reporting of these policies. PBCAs sign contracts with HUD specifying their duties and scopes of work, and this rule should not represent an unfunded mandate for contract administrators. Just as HUD should not perform oversight of PHAs' enforcement of an optional policy beyond staying within the outer limits set forth in the rule, they should not use entities contracted to support their work to review owners' enforcement either.

8. Compliance with and enforcement of the Community Service and Self-Sufficiency Requirement (CSSR) poses administrative burdens to agencies. These policies will provide similar challenges in implementation and enforcement.

Residents and agencies find CSSR administratively burdensome to enforce with limited benefits for communities. Considering the difficulty of forcing residents to participate in service and training activities, NAHRO advises HUD to preserve this rule's flexibility. Agencies must retain the freedom to implement it as makes sense for its staff capacity and community needs to avoid replicating the high cost and limited reward of CSSR requirements. If HUD is allowing agencies to implement work requirement or term limit policies at their discretion, those that do should be waived from meeting CSSR requirements.

3. Specific Comments

NAHRO has the following comments on specific language included in the proposed rule.

1. *HUD should allow for PHAs to implement different methods for reducing the administrative burden of documentation and compliance.*

NAHRO submits the following possibilities.

- a. Allow for biannual or triennial certification or recertification of compliance;
 - b. Allow for resident self-certification;
 - c. Allow PHAs to develop specialized portals for document upload and review; or
 - d. Support agencies in establishing data-sharing MOUs with SNAP or Medicaid recipients who face work requirements.
2. *HUD should provide guidance for implementing term limits and work requirements in compliance with fair housing law.*

NAHRO has identified several fair housing concerns within the proposed rule.

First, PHAs subject to state work requirement laws express that more guidance is needed to implement these policies in compliance with fair housing law.

PHAs must be sure not to run afoul of the fair housing definition of disability, which would exempt residents. At the same time, PHAs are not allowed to make determinations about a person's disabilities or pregnancy status, nor should they.

Finally, HUD must explain how agencies can apply this law only to families without pregnancies or children under the age of six. Appropriate guidance for agencies to follow is necessary.

4. Conclusion

As the policies in this rule are optional, HUD should not perform any enforcement or compliance reviews beyond ensuring agencies stay within the outer limits set forth in the rule. These policies should be left to the discretion of the implementing agency. Considering HUD's prioritization of this rule, it must provide additional resources or spending flexibilities if it expects any significant uptake by agencies.

Thank you for the opportunity to comment on this proposed rule.

Sincerely,



Andrew Van Horn, NAHRO Policy and Research Advisor