

NEW YORK HOUSING CONFERENCE

May 1, 2026

SUBMITTED VIA REGULATIONS.GOV

Regulations Division
Office of the General Counsel
Department of Housing and Urban Development
451 Seventh 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, RIN 2501-AE15

To the Regulations Division, Office of General Counsel:

New York Housing Conference (NYHC) submits this comment in strong opposition to the U.S. Department of Housing and Urban Development's (HUD) Notice of Proposed Rulemaking, "Establishing Flexibility for Implementation of Work Requirements and Term Limits" which would allow public housing authorities (PHAs) and owners to implement work requirements and term limits on tenants living in public housing or receiving Housing Choice Vouchers (HCV), Project Based Vouchers (PBV), or Project Based Rental Assistance (PBRA) for non-elderly, non-disabled families. NYHC is a nonprofit affordable housing policy and advocacy organization that works to advance policies to support decent affordable housing for all New Yorkers. We are a broad-based coalition comprised of a balanced mix of nonprofit and private developers, owners, managers, professionals, and funders of affordable housing.

Punitive policies like time limits and work requirements ignore the fundamental issue facing renters in this country - the shortage of affordable housing. They are ineffective in promoting self-sufficiency and can have severe consequences for tenants, landlords and lenders. We strongly oppose this proposed rule and urge HUD to withdraw it.

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Arbitrary Restrictions on Assistance Only Increase Housing Instability

Renters facing cost burdens continues to hit record highs as incomes don't keep pace with rising rents. From 2001 to 2024, renter incomes increased by 9 percent while rents increased by 30 percent. Half of renter households were cost burdened in 2024 – with over 12 million spending more than half of their income on rent and utilities¹. This is why federal rental assistance helps house more than 10 million people yet still fails to serve three quarters of households that qualify.²

Allowing PHAs and project-based rental assistance owners to implement work requirements and time limits would only create more barriers to housing stability for individuals and families that can't keep up with the housing market. Most households receiving Section 8 or living in public housing are elderly or disabled. Those that are work eligible but have no wage income only make up about one-fifth of households in the impacted programs but this still means 950,000 households are at risk of losing assistance – almost 70 percent of them have children³. Further, these policies do not take into account the realities of low wage jobs where hours are not guaranteed, job security is precarious and any emergency can result in loss of employment.

When we face a national affordable housing shortage, term limits are a particularly cruel policy intervention that all but guarantee eviction. **HUD's own impact analysis shows 44 percent to 52 percent of families where they expect five-year term limits to be adopted would lose assistance.** But the reality is low-income tenants simply do not make enough income to afford market rent. HUD's estimates show the median annual income of households impacted by the rule is just \$15,400⁴. In Arkansas where HUD assumes full implementation of the rule – a household would have to increase their income by 156 percent to afford the state's \$987 FMR. In New York City, where the housing market is especially tight, all households on HUD

¹ Harvard University Joint Center for Housing Studies. *America's Rental Housing 2026*. Retrieved from: https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2026.pdf

² Center on Budget & Policy Priorities. (2025). *United States Federal Rental Assistance Fact Sheet*. Retrieved from: <https://www.cbpp.org/sites/default/files/atoms/files/12-10-19hou-factsheet-us.pdf>

³ Housing Solutions Lab (2025). *Policy at a crossroads: What we know about work requirements and time limits in federal housing assistance*. Retrieved from https://www.localhousingsolutions.org/policy-insights/policy-insights-work-requirements-and-time-limits-in-federal-housing-assistance/#elementor-toc_heading-anchor-2.

⁴ Hud. Regulatory Impact Analysis FR-6520-P-01: "Establishing Flexibility for Implementation of Work Requirements and Term Limits," 2026.

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assistance have an average income of \$24,375⁵ – enough to afford just over \$600 in rent. However, FMR for a two-bedroom apartment in the New York Metro Area is \$2,910⁶. Term

limits mean the average household would have to increase their income by 377 percent or lose their apartment. In fact, there is no state, metropolitan area, or county where a full-time minimum-wage worker afford a modest two-bedroom rental home at FMR⁷.

Term Limits and Work Requirements Pose a Threat to Landlords, Lenders and Investors

The rapid turnover of rental assistance would not only destabilize tenants, but it would also increase costs for PHAs and owners and threaten the financial viability of buildings that rely on the stable rental income. HUD anticipates that when half of families lose assistance due to term limits, the cost of turning over those units will range from \$15 million to \$255 million with 46 percent to 73 percent being taken on by the landlords that accept HCVs. Over ten years, administrative costs can range from \$1.29 million to \$26.9 million per year on average.⁸ Added costs and high turnover will make federal rental assistance less appealing to private landlords and for those who continue to participate, their ability to pay for operating expenses including utilities, real estate taxes and debt service on their loan will be impacted.

Further, building owners rely on federal rental assistance programs to finance buildings and improvements with commercial multi-family mortgages. Lenders and investors have considered Section 8 project-based vouchers to be a stable source of funding to support an extremely low-income tenancy and underwrite their loans and/or investments against that income. The Low-Income Housing Tax Credit, for example, was just expanded in the One Big Beautiful Bill and is deeply intertwined with these programs. At least 57 percent of LIHTC units in 2023 received either PBRA, HCV, or PBVs⁹. Term limits make this housing temporary and transitional, contrary to what building owners and investors expect in long-term contracts. The investments of Government-Sponsored Enterprises (Fannie Mae and Freddie Mac) could also be undermined

⁵ HUD. *Picture of Subsidized Households*

⁶ HUD. FY 2026 Fair Market Rent

⁷ National Low Income Housing Coalition. (2026) *Out of Reach: The High Cost of Housing*. 2025.

⁸ HUD. *Regulatory Impact Analysis FR-6520-P-01: "Establishing Flexibility for Implementation of Work Requirements and Term Limits," 2026.*

⁹ HUD. 2023 Low-Income Housing Tax Credit (LIHTC): Tenant Level Data.

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by renter instability brought by term limits A NYHC analysis found that the GSEs are also deeply invested in the stability of federal rental assistance. From 2018 through 2023, they supported more than \$49,563,000,000 in financing—through loan purchases and guarantees—for 238,634 multi-family units in properties across the U.S. participating in HUD’s Section 8 and RAD programs. The GSEs guaranteed \$48 billion in loans for 220,336 units using Section 8 tenant-based and project-based vouchers and more than \$1.5 billion covering 18,298 units in HUD’s RAD program¹⁰.

We strongly encourage HUD to withdraw this proposal in its entirety and instead work with policymakers to ensure that everyone has access to safe, accessible, and affordable housing.

Thank you for the opportunity to comment.

Sincerely,



Rachel Fee
Executive Director
New York Housing Conference

¹⁰ New York Housing Conference Retrieved from <https://thenyh.org/wp-content/uploads/2025/07/NYHC-HUD-Cuts-Impact-on-Housing-Market-Policy-Brief-Final.pdf>.