

Public Housing Agency Small Agency Forum

How to Get Things Done With Less Resources

Contact Information

- D L Morgan & Associates
 - Dennis Morgan- Senior Associate/Owner
 - 6119 Winchester Place
 - Sarasota, FL 34243
- Telephone- 941 355 5912
- Fax- 941 355 7823
- Cell- 941 704 4068
- Email- dlmorgan1127@att.net

Today's Topics

- What we'll cover
 - Required public housing agency plans
 - Policies required in public housing and assisted housing management
 - Streamlining Process
 - Take Advantage of What is There Already
 - Other policies to consider
 - Consortia Structure for Small PHAs
 - Policy and procedure development
 - Special thanks to Nan McKay and HUD on the display of some PPTs from the internet

Streamlining Regulations for Public Housing, Housing Choice Voucher, and Community Planning and Development Programs

Rule Changes

- Consistent with statutory direction, this final rule completes the process to codify in regulation the statutory changes made to the 1937 Act by the 2014 Appropriations Act and to solicited comment on HUD's implementation of these changes through the published notices.

Rule Making Changes

- Final changes to streamline regulatory requirements pertaining to certain elements of the Housing Choice Voucher (HCV), Public Housing (PH), and various multifamily housing (MFH) rental assistance programs; to reduce the administrative burden on public housing agencies (PHAs) and MFH owners; and to align, where feasible, requirements across programs.
- One of the final changes would also affect the HOME Investment Partnerships program, Continuum of Care program, and the Housing Opportunities for Persons With AIDS (HOPWA) program which are administered by HUD's Office of Community Planning and Development.

Statutory Changes Early Notices

- PIH 2013-03
- PIH 2013-26
- Flat Rent PIH Notice
- Utility Allowance Notice
- Biennial Inspection Notice
- HOTMA
- If 90% of the income is from a fixed source
- Etc.

Programs Impacted by Streamlining Notices

- *PH and HCV Program*
- *Project-Based Section 8 (New Construction, State Agency-Financed, Substantial Rehabilitation, Rural Housing Services, Loan Management Set-Aside, and Property Disposition Set- Aside).*
- *Section 8 Moderate Rehabilitation.*
- *Rent Supplement Program.*
- *Section 202 Supportive Housing for the Elderly (including PAC and PRAC).*
- *Section 811 Supportive Housing for Persons with Disabilities (including PRAC and PRA).*
- *Section 235.*
- *Section 236.*
- *Section 221.*
- *HOME and CDBG*

Verification of SSN at Admission Exception

- For PH, HCV and MFH
- Except as provided in the regulations, if the PHA determines that the assistance applicant is otherwise eligible to participate in a program, the assistance applicant may retain its place on the waiting list for the program but cannot become a participant until it can provide the documentation to verify the SSN of each member of the household.

SSN for Admissions

- If a child under the age of 6 years was added to the assistance applicant household within the 6-month period prior to the household's date of admission (or, for the HCV program, the date of voucher issuance), the assistance applicant may become a participant, so long as the documentation required is provided to the PHA within 90 calendar days from the date of admission into the program (or, for the HCV program, the effective date of the Housing Assistance Payment contract).

SSN at Admission

- The PHA must grant an extension of one additional 90-day period if the PHA determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the assistance applicant.

SSN for Admissions

- If the applicant family fails to produce the documentation required within the required time period, the PHA must follow the provisions of the regulations- which includes termination of the assistance

Mixed Family Proration of Assistance

- HCV- Process for proration of assistance did not change
- Public Housing proration of assistance changed

Public Housing Method of Proration

- *Step 1.* Determine the total tenant payment in accordance with regulations. Greater of:
 - 10% of monthly annual
 - 30% of monthly adjusted
 - Minimum rent or Welfare Rent
- (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)

Proration of Assistance- continued

- *Step 2.* Subtract the total tenant payment from the PHA-established flat rent applicable to the unit.
- The result is the maximum subsidy for which the family could qualify if all members were eligible (“family maximum subsidy”).

Proration of Assistance- continued

- *Step 3.* Divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status (“eligible family member”).
- The subsidy per eligible family member is the “member maximum subsidy.”

Proration of Assistance

- *Step 4.* Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status (“eligible family members”).

Proration Rent Calculation- Public Housing

- The product of steps 1 through 4 of is the amount of subsidy for which the family is eligible (“eligible subsidy”).
- The family’s rent is the PHA- established flat rent minus the amount of the eligible subsidy.
- It is the difference between the flat rent for the unit and the prorated subsidy provided by HUD

Method of Proration when the TTP is Greater than the Flat Rent

- When the mixed family's TTP is greater than the flat rent, the PHA must use the TTP as the mixed family TTP.
- The PHA subtracts from the mixed family TTP any established utility allowance, and the sum becomes the mixed family rent.

New Definition of Extremely-low Income- Used for Income Targeting

- Extremely Low-income Family is the higher of:
 - The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved (except in the case of families living in Puerto Rico or any other territory or possession of the United States); or

Definition of Extremely Low-income continued

- ❖ Thirty (30) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Revised Student Rule Provisions

- Only impacts the HCV Program under the student rule provisions
- Eligibility under the student rule did not change
- The change is only in the calculation of income used under the student rule

Exclusion of Mandatory Education Fees from Income-Student Rule Provisions

- Current regulations provide that education assistance in excess of amounts needed for tuition is to be counted as income for the purposes of determining whether an individual is eligible to receive assistance.
- However, in recent years, appropriations acts have also excluded from income amounts needed to pay required fees charged to students as part of a growing trend among institutions of higher education moving from a traditional tuition-only structure to a structure of tuition and fees.
- Fees often include, but are not limited to, student service fees, student association fees, student activity fees, and laboratory fees.

Fees Included as Tuition

- HUD is amending the definition of income with respect to higher education costs pursuant to the recent statutory changes.
- HUD believes that including many of these fixed fees within the definition of tuition, in accordance with statutory instructions in recent years, will increase opportunities for its participants to further their education.

Streamlining Annual Reexaminations- PH and HCV

- The final rule allows for **streamlined income** for any fixed source of income, even if a person or a family with a fixed source of income also has a non-fixed source of income.
- If 90% of income is from fixed source, PHA has discretion on verification of non-fixed source. Must state it in the ACOP or Admin Plan
- The final rule requires that, upon admission to a program, third- party verification of all income amounts must be obtained for all family members, and a full reexamination and redetermination of income must likewise be performed every 3 years

Streamlining Income

- In the interim, a streamlined income determination may be performed for a family member with a fixed source of income by applying to a previously determined or verified source of income a cost of living adjustment (COLA) or interest rate adjustment specific to each source of fixed income.

Streamlined Annual Reexamination

- The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation.
- In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

Streamlined Annual Reexamination

- Rule applies to:
 - PH
 - HCV TBV and PBV
 - MFH
 - Section 8 – other than mod rehab
 - 202/8711
- Does not apply to
 - Rent Supplement
 - Section 236 and 221(d)(3)

Streamlining Income Determination

- For any family member with a fixed source of income, an owner may elect to determine that family member's income, as required by the regulations, by means of a streamlined income determination.

Streamlining Income Determination

- A streamlined income determination must be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount

Family Member on Fixed Income

- “Family member with a fixed source of income” is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:

Streamlined Income Determination

- Social Security, Supplemental Security Income, Supplemental Disability Insurance;
- Federal, state, local, or private pension plans;
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest

Streamlined Income Determination

- An owner must use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount.
- The owner must verify the appropriate COLA or current rate of interest from a public source or through tenant-provided, third party– generated documentation

Streamlined Income Determination

- ❖ If no such verification is available, then the owner must obtain third-party verification of income amounts in order to calculate the change in income for the source.

Streamlined Income Determination

- For any family member whose income is determined pursuant to a streamlined income determination, **the PHA must obtain third-party verification of all fixed-income amounts every 3 years.**
- Other income for each family member must be determined pursuant ACOP or Admin policies
 - EID
 - Third Party, etc.

Streamlined Annual Reexamination

- HUD has issued separate regulations of families on families with 90% or more of their income from fixed sources
- HUD has issued triennial recertification verification process for families meeting specific criteria

Earned Income Disallowance

- This one will potentially disappear with HOTMA
- PH and HCV
- Ultimately, the only change to the existing regulation adopted in the final rule is that the benefit now applies for a straight 24- month period, with a clear start date and end date, irrespective of whether a family maintains continual employment during the 24-month period.

Earned Income Disallowance

- PHAs and grantees are no longer obliged to track employment starts and stops, but only the start date, the 12-month date (on which the amount of the disregard may change from 100 percent to not less than 50 percent of earned income), and the 24-month (end) date.
- Track the period- and change will occur from 100% to 50% after the first 12 months- no matter if they used it or not

Earned Income Disallowance

- For families enrolled and participating in EID prior to the effective date of this regulation, the previous requirements will continue to apply.
 - Effect of changes on currently participating families.
 - Families eligible for and participating in the disallowance of earned income prior to May 9, 2016 will continue to be governed by the 48 month window of opportunity in effect as it existed immediately prior to May 9, 2016.

Family Declaration of Assets Under \$5,000

- This is a time saver
- For a family with net assets equal to or less than \$5,000, a PHA may accept, for purposes of recertification of income, a family's declaration that it has net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration.

Family Declaration of Assets Under \$5,000

- The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.
- A PHA must obtain third-party verification of all family assets every 3 years.

Utility Reimbursements

- May or may not result in savings
- Optional policy for PHAs in HCV and PH
- The PHA may elect to establish policies regarding the frequency of utility reimbursement payments for payments made to the family

Utility Reimbursements

- The PHA will have the option of making utility reimbursement payments not less than once per calendar-year quarter, for reimbursements totaling \$45 or less per quarter.
- In the event a family leaves the program in advance of its next quarterly reimbursement, the PHA must reimburse the family for a prorated share of the applicable reimbursement.
- PHAs exercising this option must have a hardship policy in place for tenants

Utility Reimbursements

- If the PHA elects to pay the utility supplier, the PHA must notify the family of the amount of utility reimbursement paid to the utility supplier.

Ceiling Rents- Public Housing

- Time saver in the calculations
- A PHA using ceiling rents authorized and established before October 1, 1999, may continue to use ceiling rents, provided such ceiling rents are set at the level required for flat rents under this section.
- PHAs must follow the requirements for calculating and adjusting flat rents in accordance to the regulations when calculating and adjusting ceiling rents.

Community Service Verification Changes- Public Housing

- May result in savings- run the numbers
- The PHA must give the family a written description of the service requirement, and of the process for claiming status as an exempt person and for PHA verification of such status.
- The PHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt persons.

Community Service

- The PHA must also notify the family that it will be validating a sample of self-certifications of completion of the service requirement accepted by the PHA under the Community Service regulations.

Community Service

- The PHA must review family compliance with service requirements and must verify such compliance annually at least 30 days before the end of the 12-month lease term.
- If qualifying activities are administered by an organization other than the PHA, the PHA may obtain verification of family compliance from such third parties or may accept a signed certification from the family member that he or she has performed such qualifying activities

Community Service

- The PHA must retain reasonable documentation of service requirement performance or exemption in a participant family's files.
- The PHA must comply with non-discrimination and equal opportunity requirements on LEP and affirmatively further fair housing in all their activities in accordance with the AFFH Certification

Community Service- Acceptable Documentation

- ❖ If qualifying activities are administered by an organization other than the PHA, a family member who is required to fulfill a service requirement must provide one of the following:
 - ❖ Documentation from a third party
 - ❖ Self certification

Self-certification

- The signed self-certification must include the following:
 - A statement that the tenant contributed at least 8 hours per month of community service not including political activities within the community in which the adult resides; or participated in an economic self-sufficiency program (as that term is defined in 24 CFR 5.603(b)) for at least 8 hours per month;

Self-certification

- The name, address, and a contact person at the community service provider; or the name, address, and contact person for the economic self-sufficiency program;
- The date(s) during which the tenant completed the community service activity, or participated in the economic self-sufficiency program;
- A description of the activity completed; and
- A certification that the tenant's statement is true

Self-certification

- If a PHA accepts self-certifications, the PHA must validate a sample of such self-certifications using third-party certification.

Public Housing Grievance Procedure

- Results in time savings
- Lease Requirements
- The lease must provide that all disputes concerning the obligations of the tenant or the PHA must be resolved in accordance with the PHA grievance procedures.
- The lease must include a description of the PHA's policies for selecting a hearing officer.

Definitions

- *Complainant* shall mean any tenant whose grievance is presented to the PHA or at the project management office.

Expedited Grievance

- *Expedited grievance* means a procedure established by the PHA for any grievance concerning a termination of tenancy or eviction that involves:
 - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the PHA's public housing premises by other residents or employees of the PHA; or
 - Any drug-related or violent criminal activity on or off such premises.

Hearing Officer

- *Hearing officer* means an impartial person or persons selected by the PHA, other than the person who made or approved the decision under review, or a subordinate of that person.
- Such individual or individuals do not need legal training.
- PHAs must describe their policies for selection of a hearing officer in their lease forms as required by § 966.4, and changes to which are subject to a 30-day comment period as described in § 966.3.

Hearing Scheduling

- The hearing must be scheduled promptly for a time and place reasonably convenient to both the complainant and the PHA and held before a hearing officer.
- A written notification specifying the time, place, and the procedures governing the hearing must be delivered to the complainant and the appropriate official.

Fail to Attend Hearing

- If the complainant or the PHA fails to appear at a scheduled hearing, the hearing officer may make a determination to postpone the hearing for no more than 5 business days or may make a determination that the party has waived his right to a hearing.
- Both the complainant and the PHA must be notified of the determination by the hearing officer.

Determination of Waiver

- A determination that the complainant has waived the complainant's right to a hearing will not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in an appropriate judicial proceeding.

For Grievance Actions- Limited English Proficiency

- PHAs must comply with HUD's "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" issued on January 22, 2007

Decision of the Hearing Officer

- The hearing officer must prepare a written decision, including the reasons for the PHA's decision within a reasonable time after the hearing.
- A copy of the decision must be sent to the complainant and the PHA.
- The PHA must retain a copy of the decision in the tenant's folder.

Decision of Hearing Officer

- The PHA must maintain a log of all hearing officer decisions and make that log available upon request of the hearing officer, a prospective complainant, or a prospective complainant's representative.

Binding Decision

- The decision of the hearing officer will be binding on the PHA unless the PHA **Board of Commissioners** determines that:
 - The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease on PHA regulations, which adversely affects the complainant's rights, duties, welfare or status; or
 - The decision of the hearing officer is contrary to applicable Federal, State or local law, HUD regulations or requirements of the annual contributions contract between HUD and the PHA.

Opportunity for Trial de Novo or Judicial Review

- *A decision by the hearing officer or **Board of Commissioners** in favor of the PHA or which denies the relief requested by the complainant in whole or in part will not constitute a waiver of, nor affect in any manner whatever, any rights the complainant may have to a trial de novo or judicial review in any judicial proceedings, which may thereafter be brought in the matter.*

Changes to the Inspection Protocol for HCV Program

- Allows for Biennial Inspections
- The PHA may not charge the family for an initial inspection or re-inspection of the unit.
- The PHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit.

Reasonable Fee for Re-inspection

- The PHA **may establish a reasonable fee** to owners for a re-inspection if an owner notifies the PHA that a repair has been made or the allotted time for repairs has elapsed and a reinspection reveals that any deficiency cited in the previous inspection that the owner is responsible for repairing pursuant to § 982.404(a) was not corrected.

Use of Fees

- The owner may not pass this fee along to the family.
- Fees collected will be included in a PHA's administrative fee reserve and may be used only for activities related to the provision of Section 8 Tenant-Based Rental Assistance.

24 Hour Inspection and Repairs

- If a participant family or government official reports a condition that is life-threatening (*i.e.*, the PHA would require the owner to make the repair within no more than 24 hours in, then the PHA must inspect the housing unit within 24 hours of when the PHA received the notification.

Non-life Threatening Repairs

- If the reported condition is not life-threatening (*i.e.*, the PHA would require the owner to make the repair within no more than 30 calendar days in accordance with § 982.404(a)(3)), then the PHA must inspect the unit within 15 days of when the PHA received the notification.

Waiver of 24-Hour or 15-Day Inspection Requirement

- In the event of extraordinary circumstances, such as if a unit is within a Presidentially declared disaster area, HUD may waive the 24-hour or the 15- day inspection requirement until such time as an inspection is feasible.

Use of Alternative Inspections

- A PHA may comply with the inspection requirement in Annual/Biennial Inspections by relying on an alternative inspection (*i.e.*, an inspection conducted for another housing assistance program) only if the PHA is able to obtain the results of the alternative inspection.

Sample Must Include HCV Units

- If an alternative inspection method employs sampling, then a PHA may rely on such alternative inspection method to comply with the requirement in Annual/Biennial inspections only if HCV units are included in the population of units forming the basis of the sample
- May be some units- does not require all the units in the sample to be HCV program units

Triennial Inspections

- Units in properties that are mixed- finance properties assisted with project- based vouchers may be inspected at least triennially pursuant to 24 CFR 983.103(g).

Project-based Voucher- Biennial Inspections

- At least biennially during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS.
- Turnover inspections are not counted toward meeting this inspection requirement

Project-based Biennial Inspections

- If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, then the PHA must re-inspect 100 percent of the contract units in the building
- A PHA may also use the procedures applicable to HCV units and inspect all units on an annual or biennial bases- if they so choose.

Mixed-Financed Properties Inspections

- In the case of a property assisted with project-based vouchers that is subject to an alternative inspection, the PHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement of the re-inspection (annual or biennial.)

Administrative Plan

- A PHA relying on an alternative inspection to fulfill the requirement must identify the alternative inspection method being used in the PHA's administrative plan.
- Such a change may be a significant amendment to the plan, in which case the PHA must follow its plan amendment and public notice requirements, in addition to meeting the requirements before using the alternative inspection method.

Eligible Inspection Methods

- A PHA may rely upon inspections of housing assisted under the HOME Investment Partnerships (HOME) program or housing financed using Low- Income Housing Tax Credits (LIHTCs), or inspections performed by HUD, with no action other than amending its administrative plan.

Alternatives other Than HQS or UPCS

- If a PHA wishes to rely on an inspection method other than a method listed regulations, then, prior to amending its administrative plan, the PHA must submit to the Real Estate Assessment Center (REAC) a copy of the inspection method it wishes to use, along with its analysis of the inspection method that shows that the method “provides the same or greater protection to occupants of dwelling units” as would HQS.

Alternative Inspection Approvals

- A PHA may rely upon such alternative inspection method only upon receiving approval from REAC to do so.
- A PHA that uses an alternative inspection method approved under this paragraph must monitor changes to the standards and requirements applicable to such method.

Alternative Inspection Approval

- If any change is made to the alternative inspection method, then the PHA must submit to REAC a copy of the revised standards and requirements, along with a revised comparison to HQS.
- If the PHA or REAC determines that the revision would cause the alternative inspection to no longer meet or exceed HQS, then the PHA may no longer rely upon the alternative inspection method to comply with the inspection requirement.

Results of Alternative Inspection

- In order for a PHA to rely upon the results of an alternative inspection to comply with the inspection requirement, a property inspected pursuant to such method must meet the standards or requirements regarding housing quality or safety applicable to properties assisted under the program using the alternative inspection method.

Procedures to Adhere to Alternative Inspection

- If a property is inspected under an alternative inspection method, and the property receives a “pass” score, then the PHA may rely on that inspection to demonstrate compliance with the inspection requirement of Annual/Biennial.

Procedures for Compliance

- If a property is inspected under an alternative inspection method, and the property receives a “fail” score, then the PHA may not rely on that inspection to demonstrate compliance with the inspection requirement at Annual/Biennial.

If No Pass/Fail Rating in Alternative

- If a property is inspected under an alternative inspection method that does not employ a pass/fail determination—for example, in the case of a program where deficiencies are simply identified—then the PHA must review the list of deficiencies to determine whether any cited deficiency would have resulted in a “fail” score under HQS.

Procedures for Compliance

- If no such deficiency exists, then the PHA may rely on the inspection to demonstrate compliance with the inspection requirement of Annual/Biennial;
- If such a deficiency does exist, then the PHA may not rely on the inspection to demonstrate such compliance.

If Failing or Issues- PHA Must Inspect

- Under any previously described in which a PHA is prohibited from relying on an alternative inspection method for a property, the PHA must, within a reasonable period of time, conduct an HQS inspection of any units in the property occupied by voucher program participants and follow HQS procedures to remedy any identified deficiencies.

Record Retention

- As with all other inspection reports, and as required by the regulations, reports for inspections conducted pursuant to an alternative inspection method must be obtained by the PHA.
- Such reports must be available for HUD inspection for **at least three years** from the date of the latest inspection.

Using Payment Standard at 120% for HCV Program

- The PHA may establish an exception payment standard of not more than 120 percent of the published FMR if required as a reasonable accommodation for a family that includes a person with a disability.
- Any unit approved under an exception payment standard must still meet the reasonable rent requirements

HUD Approval in Certain Cases

- The HUD Field Office may approve an exception payment standard amount from above 110 percent of the published FMR to not more than 120 percent of the published FMR (upper range) if the HUD Field Office determines that approval is justified by either the median rent method or the 40th or 50th percentile rent method (and that such approval is also supported by an appropriate program justification in accordance with the regulations)

Median Rent Method

- In the median rent method, HUD determines the exception payment standard amount by multiplying the FMR times a fraction of which the numerator is the median gross rent of the exception area and the denominator is the median gross rent of the entire FMR area.

40th or 50th Percentile Rent Method

- In this method, HUD determines that the area exception payment standard amount equals either the 40th or 50th percentile of rents for standard quality rental housing in the exception area.
- PHA will present statistical history

PHA Approval of Higher Payment Standard as Reasonable Accommodation

- If the family includes a person with disabilities and requires a payment standard above the basic range, as a reasonable accommodation for such person, in accordance with the regulations, the PHA may establish a payment standard for the family of not more than 120 percent of the FMR

Utility Allowance Schedule- HCV Program

- The PHA must use the appropriate utility allowance for the lesser of the size of dwelling unit actually leased by the family or the family unit size as determined under the PHA subsidy standards.

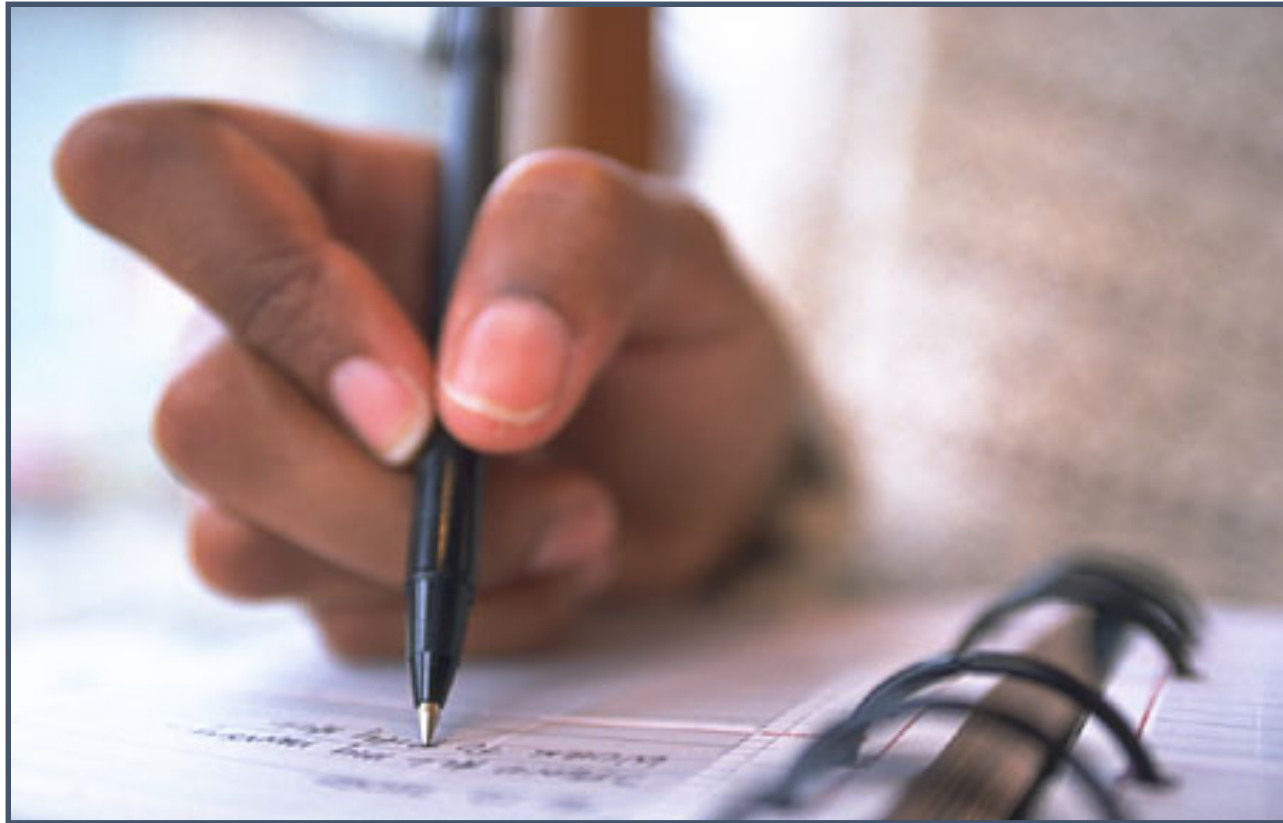
Utility Allowance Schedule- Reasonable Accommodation

- In cases where the unit size leased exceeds the family unit size as determined under the PHA subsidy standards as a result of a reasonable accommodation, the PHA must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.

Public Housing – Operating Fund Subsidy Limit on Vacancies

- HUD will pay operating subsidy for a limited number of vacant units under an ACC.
- The limited number of vacant units must be equal to or less than 3 percent of the unit months on a project-by-project basis based on the definition of a project (provided that the number of eligible unit months does not exceed 100 percent of the unit months for a project).

Required Public Agency Plans



Consolidated Plan

- Mandated in 1995
 - Required only of PHAs in larger metropolitan areas
- Model for the PHA Agency Plan
- Usually prepared by the jurisdiction
 - City, county, or state

Consolidated Plan

- Purpose:
 - Bring several resources together to develop viable urban communities
 - A policy planning document
 - An inclusive application for federal funds under HUD formula grants

Consolidated Plan

- A collaborative tool
 - Integrates economic, physical, environmental, community, and human development in a comprehensive and coordinated fashion so that families and communities can work together

Consolidated Plan

- Acts as a policy document for jurisdictions, requires citizen input
- Inclusive grant application for:
 - CDBG
 - Emergency Shelter Grant (ESG)
 - HOME Investment Partnerships (HOME)
 - Housing Opportunities for Persons with AIDS (HOPWA)

Submission of Consolidated Plan

- Submission no less than every five years
 - Jurisdictions all opted for five year cycle
- Submission of Annual Action Plan
 - What jurisdiction will do with funds in FY
- Guidelines for Consolidated Plan development

Consolidated Plan

- Completed Consolidated Plan includes:
 - Analysis of housing & homeless needs
 - Housing market analysis
 - Strategic or action plan
 - Attachment 2
 - Certifications

Consolidated Plan

- Executive summary must include the objectives and outcomes identified in the plan and an evaluation of past performance
- Important that the Consolidated Plan, PHA Plan and ACOP “talk” to each other

Consolidated Plan Management System

- There is a HUD tool
 - PHAs aren't required to use this tool - information can be displayed in any clear, concise format

PHA Agency Plan



PHA Plans

- The Reform Act (QHWRA) mandated PHA Plans
 - Includes a 5-year plan and annual planning process
 - Can be found in Part 903 of 24 CFR

PHA Agency Plan

- Submitted in two cycles
 - Five Year Plan
 - Strategic long-range goals & objectives
 - Annual Plan
 - Discretionary policies & activities planned for FY

PHA Plans

- Purpose is to provide a framework for:
 - Local accountability
 - An easily identifiable source by which PH residents, HCV participants, and public may locate basic PHA policies concerning the PHA's operations, programs and services

The Law

- Specifies both the information to be included and the steps a PHA must go through to obtain resident and public involvement in the plan
- Law also requires it to be consistent with the PHA's Consolidated Plan

Public Document

- PHA Plans, including attachments and documentation, must be available for inspection at the main PHA office during normal business hours
 - Both during the public review period prior to board hearing and submission to HUD, as well as after HUD approval

PHA Agency Plan

- Extensive citizen participation required but is focus is on PHA client base rather than full jurisdiction

PHA Agency Plan

- Agency Plan requirements
 - Statement of housing needs
 - Should not conflict with Consolidated Plan
 - Statement of financial resources
 - Entity-wide...

PHA Agency Plan

- Agency Plan requirements
 - PHA's discretionary policies
 - ACOP discretionary provisions
 - Waiting List preferences, unit assignment, annual reexams
 - Keep it simple
 - Flat rent methodology...
 - Keep it simple

PHA Agency Plan

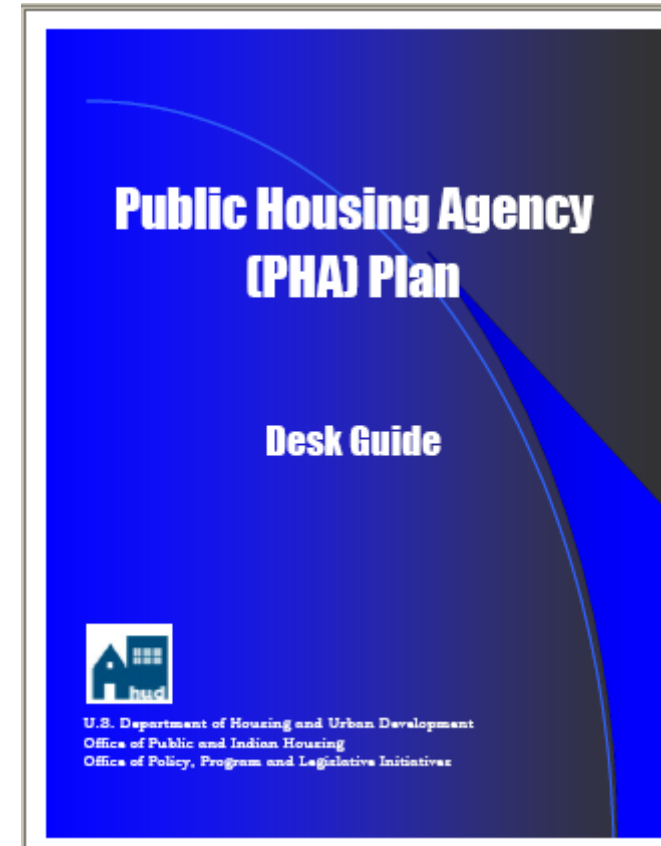
- Agency Plan requirements
 - Capital improvement needs and plans
 - Planned demolition or disposition
 - PH to be designated elderly or disabled only
 - Planned conversion of PH to tenant-based...

PHA Agency Plan

- Agency Plan requirements
 - PHA plans for homeownership
 - FSS (includes community service in PH)
 - PHA's safety and crime prevention measures
 - PHA pet policies
 - Civil rights certifications
 - Statement of asset management

PHA Plan Desk Guide

- Available at
 - <http://www.hud.gov/offices/pih/pha/policy/pha-plan-guide.pdf>
 - Attachment 3
 - Doesn't address asset management



Format

- Format is on a HUD electronic template
 - Attachments and related documents aren't submitted but must be available for HUD review
 - For example, discretionary portions of the ACOP that would be considered a significant change

PHA Agency Plan

- Any change in the Agency Plan affecting tenancy should be incorporated into the ACOP and/or lease as appropriate
 - Significant changes or deviation to the annual plan submission require the full resident participation process prior to implementation of changes

Significant Amendments

- Also known as substantial deviation
 - Guidebook provides a full explanation and sample definition
 - Notice PIH 99-51 suggested definition:
 - Changes to rent or admission policies or organization of the waiting list...

Significant Amendments

- Notice PIH 99-51 suggested definition:
 - Additions of non-emergency work items (not included in the current Annual or 5-Year Plan) or change in the use of replacement reserve funds under the capital fund...

Significant Amendments

- Notice PIH 99-51 suggested definition:
 - Additions of new activities not included in the current PHA Plan; and
 - Any change with regard to demo or dispo, designation, homeownership programs or conversion activities

Significant Amendments

- Any significant amendment or substantial deviation is subject to same requirements as the original PHA Plan:
 - PHA must consult with the RAB
 - PHA must ensure consistency with the Consolidated Plan...

Significant Amendments

- Same requirements as original PHA Plan:
 - PHA must provide for a review of the amendments by the public during a 45-day review period
 - PHA may not adopt the amendment until board has met and approved...

Significant Amendments

- Same requirements as original PHA Plan:
 - PHA may not implement the amendment until notification of the amendment is provided to HUD and approved by HUD

Question

- So do updates throughout the year require submission of the entire plan again?
 - Depends on how the PHA defines substantial amendment – only these go through the entire process, including public review, and are submitted to HUD throughout the year
 - Changes not defined as substantial amendment are made and included in next submission

When to Submit 5-Year Plan

- Must be submitted no later than 75 days before the start of the PHA FY
 - You need to give yourself enough time for the 45-day public review period, the public hearing and accepting public comments, and getting signed certifications and board certification

When to Submit 5-Year Plan

- PHAs may choose to update their 5-Year Plan every year – management decision
- PHAs must explain any significant amendment from their 5-Year Plans in their Annual Plans

Resident Advisory Board

- PHAs must establish one or more Resident Advisory Boards (RAB)
 - Represents residents assisted by the PHA
 - RAB makes recommendations regarding the Plan and any significant amendments or modifications

Resident Advisory Board

- If the PHA doesn't have a jurisdiction-wide resident council, should appoint resident councils or their representatives
 - PHA may require that resident councils choose a limited number of representatives to serve as RAB members

Resident Advisory Board

- If no resident councils, the PHA appoints
 - Should give adequate notice to residents assisted by the PHA and encourage residents to form resident councils
 - HCV participants should also be adequately represented if the HCV program is 20% of assisted households

Resident Advisory Board

- No fixed term for membership on RAB
 - PHA establishes policy
 - If, after making all efforts, PHA isn't successful in establishing a RAB, may appoint all assisted residents – and notify all
 - And provide notification of meetings at least 48 hours in advance

Comments from Residents

- How do you include comments on the electronic submission – do you scan?
 - Comments can be included in the form of minutes of the meeting that were held
 - Files can be electronically submitted then in any format – word, excel, pdf

Deregulation for Small PHAs

- On September 9, 2003, HUD published Notice PIH 2003-21 (HA) in the Federal Register; titled “Deregulation for Small Public Housing Authorities (PHAs) and Submission Requirements for New Small PHA Streamlined Annual PHA Plans”

The PHA Plan and PBM

- There has been a new part 17 of the PHA Plan template added for asset management
 - But this isn't adequate to really plan for project-based and asset management

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

- ☐ PHA Goal: Expand the supply of assisted housing
Objectives:
 - ☐ Apply for additional rental vouchers:
 - ☐ Reduce public housing vacancies:
 - ☐ Leverage private or other public funds to create additional housing opportunities:
 - ☐ Acquire or build units or developments
 - ☐ Other (list below)

- ☐ PHA Goal: Improve the quality of assisted housing
Objectives:
 - ☐ Improve public housing management: (PHAS score) ☐
 - ☐ Improve voucher management: (SEMAP score) ☐
 - ☐ Increase customer satisfaction:
 - ☐ Concentrate on efforts to improve specific management functions:
(list, e.g., public housing finance; voucher unit inspections)
 - ☐ Renovate or modernize public housing units:
 - ☐ Demolish or dispose of obsolete public housing:

5 Year Plan Page 1

- ☐ Provide replacement public housing:
- ☐ Provide replacement vouchers:
- ☐ Other: (list below)

Annual PHA Plan
PHA Fiscal Year 20
[24 CFR Part 903.7]

i. Annual Plan Type:

Select which type of Annual Plan the PHA will submit.

☐

Standard Plan

☐

Troubled Agency Plan

ii. Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (x)]

Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (x)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

Table of Contents

- i. Executive Summary
- ii. Table of Contents
 - 1. Housing Needs
 - 2. Financial Resources
 - 3. Policies on Eligibility, Selection and Admissions
 - 4. Rent Determination Policies
 - 5. Operations and Management Policies
 - 6. Grievance Procedures
 - 7. Capital Improvement Needs
 - 8. Demolition and Disposition
 - 9. Designation of Housing
 - 10. Conversions of Public Housing
 - 11. Homeownership
 - 12. Community Service Programs
 - 13. Crime and Safety
 - 14. Pets (Inactive for January 1 PHAs)
 - 15. Civil Rights Certifications (included with PHA Plan Certifications)
 - 16. Audit
 - 17. Asset Management

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component.
High performing and small PHAs are not required to complete this component.

1. ☐ Yes ☐ No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock, including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?
2. What types of asset management activities will the PHA undertake? (select all that apply)
 - ☐ Not applicable
 - ☐ Private management
 - ☐ Development-based accounting
 - ☐ Comprehensive stock assessment
 - ☐ Other: (list below)
3. ☐ Yes ☐ No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

Your Real Asset Management Plan

- All Things with Asset Management are not Bad!!!!
- The PHA Plan template won't get you where you need to be for project-based and asset management
 - There are other resources you'll need

Compliance with Asset Management

- Best definition so far is Notice 2006-14(HA)
 - Guidance on successful conversion has some good performance standards



Seven Criteria for Compliance with Asset Management

1. Project-based accounting

- Monthly operating statements for each project – revenues and expenses vs. budget levels, including all fees from the COCC and Capital Fund
- Must reasonably reflect the financial performance of each project - sum of operating statements = total PH

Seven Criteria for Compliance with Asset Management

2. Project-based management

- Property management services are arranged or provided in the best interest of the property considering needs, cost, and responsiveness, relative to local market standards

Seven Criteria for Compliance with Asset Management

3. Central office cost center (COCC)

- All central office fees must be reasonable
- COCC must operate on the allowable fees and other permitted reimbursements from its PH and S8 programs
- In other words, the COCC must support itself

Seven Criteria for Compliance with Asset Management

4. Centralized services

- Centralized services that directly support projects are funded using a fee-for-service approach or through other allowable charge-backs
- Each project is charged for actual services received - must be reasonable compared to local market

Seven Criteria for Compliance with Asset Management

5. Review of project performance

- PHA systematically reviews financial, physical, and management performance of each project, and identifies non-performing properties

Seven Criteria for Compliance with Asset Management

5. Review of project performance – a non-performing property has:
 - PHAS physical score below 70
 - Significant crime and drug problems
 - Below 95% occupancy
 - TARS that exceed 7% of monthly rent roll
 - FAQ clarifies this means rent...

Seven Criteria for Compliance with Asset Management

5. Review of project performance – a non-performing property has:
- PHAS grade of “D” or below for vacant unit turnaround and work orders
 - Utility consumption more than 120% of agency average
 - Other major management problems

Turnaround = D more than 30 days

WOs = D more than 40 days

Seven Criteria for Compliance with Asset Management

5. Review of project performance

- Long-term prospects for each property:
 - Maintain project as is
 - Identify capital improvements needed
 - Dispose of property (demo, sale, etc)
 - Financial condition of each project
 - Political ramifications

Seven Criteria for Compliance with Asset Management

6. Capital planning

- Physical needs assessment and a five-year plan for each project
 - Five-year plan needs to consider revenue sources, market, tenancy, and AMP needs
- PHA demonstrates commitment to long-range energy consumption reduction

Seven Criteria for Compliance with Asset Management

6. Capital planning

- Note: For small PHAs, op fund and cap fund will still be totally fungible
- There is still 20% for management improvements – but can't go to the COCC for central needs – has to benefit the AMP
- Example: training for the AMP, policies, etc

Seven Criteria for Compliance with Asset Management

7. Risk management responsibilities related to regulatory compliance
 - PHA not carrying out responsibilities if:
 - Designated troubled under PHAS
 - Any outstanding FHEO findings or voluntary compliance agreement not implemented...

Seven Criteria for Compliance with Asset Management

7. Regulatory noncompliance if:

- No current energy audit...
- Outstanding IG audit findings w/no progress
- Not in compliance with ACOP
- Unsatisfactory progress under RHIIP/RIM
- PIC (50058) reporting rate under 95%
- Any other major compliance deficiency

Fungibility

- Use the concepts to increase local performance of the agency

Small PHAs



Small PHAs Not Implementing Asset Management

- Will have the following attributes:
 - Should generally have only one AMP
 - Will use the same FDS template as all other PHAs when reporting to HUD
 - One AMP will contain all Operating Fund and Capital Fund activity for this PHA

Small PHAs Not Implementing Asset Management

- Will have the following attributes (cont'):
 - Will not have a COCC
 - Should maintain allocation systems for the recovery of overhead across programs, i.e., no fee-for-service or excess cash

Small PHAs Not Implementing Asset Management

- Will incorporate the updated FDS chart of accounts when reporting to HUD
 - However, many of these accounts will not be used as they are directly related to fee-for-service
- Will report gross potential and vacancy loss associated with rent and subsidy

Small PHAs Implementing Asset Management

- Small PHAs that convert to asset management have the following options:
 1. They can adopt all the associated requirements that apply to PHAs with 250 or more units, including the adoption of a fee-for-service model and the creation of a separate COCC

Small PHAs Implementing Asset Management

2. A small PHA with only one AMP can adopt a modified asset management model
 - The PHA need not establish a separate COCC (and the tracking of individual costs between the AMP level and the COCC) but instead will be governed by “reasonable” total administrative costs as established by HUD

Small PHAs Implementing Asset Management (continued)

- PHAs adopting this modified model must limit their actual administrative costs to the total administrative cost benchmarks

Small PHAs Implementing Asset Management (continued)

- Proving total administrative costs are within the established limits
 - the PHA will be recognized as being in compliance with the Criteria for Successful Conversion

Admissions & Continued Occupancy Policy

- ACOP is required
- Use it to your advantage
- Keep it simple- but comprehensive

ACOP

- Principle statement of policies in the public housing program
- Must be formally adopted by the board
- Doesn't have to be approved by HUD but must be available for audit
- Attachment to the PHA Plan
- Provides a roadmap for operations

Contents of the ACOP

- Must meet HUD regulations, civil rights laws, ACC and state and local laws
- Must include a tenant selection and assignment plan
 - Organization of waiting list, selection of applicants and unit offers, transfer criteria

More Contents of the ACOP

- Must include PHA's standards for determining eligibility, suitability and the size and type of unit and project needed
- PHA verification standards
- PHA's deconcentration methods
- PHA's waiting list preferences and their relative weights

ACOP

- Must include:
 - Policy objectives
 - Eligibility criteria and how and where to apply
 - Waiting list preferences, opening and closing...

ACOP

- Must include:
 - Occupancy standards
 - How rent is calculated
 - Verification policies
 - Resident selection
 - Leasing...

ACOP

- Must include:
 - Pet policy
 - Annual reexamination procedures
 - Interim reexams
 - Transfer policy
 - Terminations
 - Grievance procedures
 - Debts and fraud
 - VAWA
 - Recent Changes

The ACOP

- PHA must post copies of ACOP where applications are received
- Must provide applicants with requested portions of ACOP

The Lease

- This is *the* contract between the PHA and the family
- HUD requirements in CFR 966.4
- HUD requires PHAs to develop leases that permit prompt eviction of tenants unable or unwilling to live up to terms of lease

The Lease

- QHwRA added significant requirements
 - For example, choice of income-based and flat rents, community service, termination for certain drug and criminal activity
- VAWA needs to be incorporated into the lease

Procurement Policy

- Establishes level of expenditure for executive director and designees
 - Amount may spend before board approval needed



Procurement Policy

- Includes methods used for purchase and contracting
 - Micro Purchasing, Small purchases, competitive proposals, sealed bids, RFQs
- PHAs must comply with state laws concerning procurement

Procurement Policy

- May include travel and disposition requirements
- Determination of “small purchase” limit
 - Federal limit is \$150,000 and many states have limits

Procurement Policy

- Types of procurement methods the PHA will utilize to obtain goods and services:
 - Micro Purchasing
 - Small purchase methods including petty cash
 - Competitive procurements
 - Sealed bidding
 - Competitive proposals

Procurement Policy

- Refer to HUD Procurement Handbook for detailed requirements and when it is appropriate for PHA use

The New Handbook

- HUD published a new PIH Procurement Handbook (Handbook #7460.8)
- New Regulations are out
 - www.hud.gov/offices/pih/publications/handbooks/
 - Helps conform to asset-based management
 - Property managers will likely do more procurement and contract management at the AMPs

The New Handbook

- Handbook discusses small purchases
 - PHAs must establish a dollar threshold in their procurement policy not to exceed \$150,000 or a lower value by state or local requirements
 - Very small, or “micro,” purchases may not exceed \$3,000
 - The handbook states the “Contracting Officer” should be making certain decisions and keeping files

Personnel Policy



- HUD no longer provides directives or guidelines
 - Personnel policy should include basis for selection, development and discipline of staff

Personnel Policy

- Laws and rules regulate benefits and compensation, affirmative action, managing personnel files, employee retirement, privacy rights, discrimination and harassment and wrongful termination
- Better to think these out before they occur

Personnel Policy

- Developing personnel policies
 - Always consult an attorney knowledgeable in federal, state and local HR laws
 - Personnel policies may also be governed by union rules and/or civil service rules
 - PHAs can use other PHA personnel policies as a template as long as they carefully review and modify and seek legal counsel

Personnel Policy

- Training on personnel policies
 - Courts consider policies superseded by actual behaviors of employees
 - Critical that employees understand policies
- Each employee should have copy of personnel policies and receive an orientation
- Managers should remind employees of personnel policies as appropriate

Personnel Policy

- Employee manual documents policies
 - Should contain wording that the policies are general guidance, that the board has approved, that policies can be changed at any time, and the policies aren't a contract between the PHA and employee

Personnel Policy

- All supervisors should be trained
 - Many PHAs find themselves in court because they have clear policies but supervisors don't enact them

Other Important Policies

- LAP (Language Assistance Plan)
- Budget policy
- Drug free workplace policy
- EO policy...



Other Important Policies

- Records management policy
- Criminal records policy
- Selection of resident board members
- Travel policy
- Use the KISS Principles

Policy & Procedure Development



Policy & Procedure Development

- QC study published by PD&R concluded that weakness in PHA policies and procedures contribute to rent errors
 - Increased PHA discretion is both positive and negative
 - More discretion lets PHAs adapt to local conditions
 - Creates potential for confusion and inconsistency

Policy & Procedure Development

- Challenge for PHAs:
 - Understand what is mandatory and what is discretionary
 - Develop compliant policies for mandatory items and reasonable policies for discretionary areas
 - Develop procedures that translate policies into action
 - Communicate and train policies and procedures
 - Monitor to ensure compliance by staff

Policy & Procedure Development

- Why policies and procedures are needed:
 - HUD requires written policies
 - Provide daily guidance to staff
 - Make decisions more transparent to staff and the public
 - Are more defensible than unwritten policies

Policy & Procedure Development

- Why policies and procedures are needed:
 - Ensure that staff do things in same way, promoting consistency and fairness
 - Provide foundation for sound management and supervision
 - Allow supervisors to set performance standards
 - Provide basis for auditor justification

Policy Issues

- Mandatory vs. discretionary references
 - As HUD publishes handbooks, guidance, notices, and FAQs, it's going to be important for the PHA to know what's mandatory from HUD and what's discretionary

Policy Issues

- Mandatory policies
 - Required by a current law, regulation, notice, or handbook
 - CFR 960.253: “The PHA must give each family the opportunity to choose” rents
 - CFR 5.615(c)(5): “The PHA may not include imputed welfare income... if the family was not assisted at the time of sanction.”

Policy Issues

- Mandatory references
 - Statutes
 - HUD regulations
 - Current PIH notices
 - HUD handbooks
 - Forms required by HUD regulations (50058)
 - Opinions or rulings by OGC

Policy Issues

- Discretionary policies
 - Decisions made by PHAs within legal and regulatory limits to clarify regulations, as needed, without changing their intent, or provident guidance and direction where HUD is silent

Policy Issues

- Discretionary policies
 - CFR 960.206(b)(2): “PHA may adopt a preference for the admission of working families”
 - HUD regulations don’t cover all areas of occupancy and property management

Policy Issues

- Discretionary references
 - Guidebooks
 - Notices that have expired
 - Handbooks that have expired
 - Recommendations from individual HUD staff

HUD “Safe Harbor” Guidance

- For issues not covered by mandatory references, HUD recommends that PHAs develop policies based on HUD guidance
 - Using this guidance creates a “safe harbor”
- It’s optional to use safe harbor but if not, PHAs need to make sure decisions are consistent with requirements

References and Resources

- HUD regulations: 24 CFR
 - Public housing: 960's
 - Certificates and vouchers: 982
 - Combined rules: Part 5
 - Nondiscrimination: Part 8



How HUD Communicates

- The internet
 - HUD's site home page:
 - www.hud.gov
 - HUD notices:
 - www.hud.gov/pih/publications/notices

How to Read a HUD Reg

- Final, interim, or proposed rules
 - Regs published as proposed rules are for comment only
- Effective date
- Preamble
 - HUD's response to comments from public are in preamble of final rule



Guidelines for Implementing

- Policies should be developed collaboratively
 - With managers and staff
 - Especially where there's high liability, high staff responsibility, and/or resident impact
 - Pets, safety issues, community service
 - With community-based partners
 - VAWA, LAP, community service

Guidelines for Implementing

- This should be an ongoing process
 - When questions or issues arise, someone should be assigned to keep a log for discussion in next revision

Guidelines for Implementing

- Review HUD requirements
 - Taking requirements and HUD guidance into account
- Establish policies and procedures
- Train staff
- Follow up and monitor for consistency

Consortia- A Viable Alternative

D L Morgan & Associates

D L Morgan & Associates Professional Development

Purpose

- Authorizes PHAs to form consortia.
- PHAs enter into consortium agreement, submit joint PHA plan, and may combine all or part of funding and program administration.

Authorization

- Section 13 (a) of the U.S. Housing Act of 1937.
- 24 CFR Part 943.

Why Should a PHA Even Consider a Consortia

- Road to Cost Savings
- Road to Better Performance
- Road to Cooperation
- Road to Economies of Scale
- Road to Better Services for Our Constituents
- Road to Survival

Consortium Definition

- Two or more PHAs that join together to perform planning, reporting, and other administrative or management functions for participating PHAs, as specified in a consortium agreement.
- Each PHA retains its identity.

Consortium/Legal Entity

- Consortium is not a separate legal entity
- Separate Annual Contributions Contracts (ACCs) with participating PHAs continue

Requirements of Consortium

- Submission of Joint PHA Plan
- Lead Agency collects the funds and allocates funds according to the consortium agreement
- Participating PHA must adopt the same fiscal year as the Lead Agency

PHAs Must Synchronize Fiscal Years

- PIH Notice 2001-25, issued July 23, 2001 and Update PIH 2011-57
- Process on or before submission of joint PHA Plan
- Update electronic management systems
- Update payment systems
- Prorated funds

Synchronized Fiscal Year-continued

- Change must be requested to the local HUD field office at least 90 days prior to the current FYE of the PHA
- For example: If the PHA wants a FYE changed to 12/31 and the PHA's current FYE is 6/30, the required information must be submitted by the Lead Agency to the HUD Field Office by 3/01.

Synchronized Fiscal Year-continued

Attachment A to PIH Notice 2011-57

- Submitted by Lead Agency to Field Office
- State reason (consortia)
- Name - Lead and Participating PHAs
- Identifier/code for the Program
- List the number of Units by Program Type
- Where agency funding is directed
- Current FYE and Requested Year
- Indicate the Status of the PHA
 - Cannot be troubled or substandard- this is not in consortia regulations

Synchronized Fiscal Year-continued

- The Programs Covered
 - PAS/LOCCS
 - HUDCAPS
 - Subsidy
 - Capital
 - Grant Programs
 - HCV
 - Mod Rehab

Synchronized Fiscal Year-continued

- Local Field Office may request
 - Copies of ACC amendments
 - Board resolutions
 - PHA Annual Plans
 - Other documents to support the basic action

Synchronized Fiscal Year-continued

- PHAs will also need to execute
 - Direct Deposit Sign-up Form SF-1199A
 - Change of Address Request Form HUD-27056
 - Other Form Changes as required

Synchronized Fiscal Year-continued

- Field Office obtains information and submits to Headquarters
 - Email is not allowed
 - Must be fax or mail
 - Field Office makes recommendation on change
 - Reviews status of agencies for “trouble”
- PHA/HUD Field/OTAR will be notified by Asst. Sec. of PIH that approval has taken place

Synchronized Fiscal Year-continued

- Program name and number
- Change affects all programs

Restrictions on Lead Agency

- Field office shall review and consult with REAC, FHEO, OGC.
- Lead Agency must not be designated troubled
- Must not have failed civil rights compliance threshold for new funding
- Must not have PHAS designation withheld for civil rights compliance or other reasons
- **Restrictions do not apply to participating PHAs**

Consortia Programs Covered

Public Housing

- Operations
- Capital
- Grants
- ROSS
- Any Combination

Section 8

- Vouchers
- Certificates
- Project-Based
- Special Housing
- Mod Rehab
- SRO

Consortia Ineligible Programs

- Section 8 Contract Administration in response to May 19, 1999 RFP
- Section 8 Contract Administration restructured subsidized multifamily project
- Mark-to-Market
- PHA as owner of a Section 8 Project

All the Program or Nothing

- If a PHA elects to enter a consortium on an eligible program, the whole program under the ACC for that category including all dwelling units and funding is covered
- i.e., No partial spin-offs of program sections such as only the FSS program component in the HCV

Elements of the Consortium Agreement

- Agreement governs the formation and operation of the consortium and must be consistent with agreements between HUD and PHAs
 - Names of participants and included program categories
 - Functions to be performed during the term
 - Name of Lead Agency
 - Allocation of funds and responsibility
 - Period of existence and terms to withdraw
 - Must acknowledge conditions subject to the Joint PHA Plan
 - Must be signed by each PHA representative

Consortium Agreements May Also Include

- Reporting obligations of Lead Agency
- Procedures for ACC compliance
- Breach, recourse, dissolution, change of Lead agency
- Administrative payments
- Disclosure of litigation
- Audit requirements
- General structure

Relationship Between HUD and Consortium

- Direct relationship through the PHA Plan
- Direct relationship through payment agreement
- Payment made to the Lead Agency and can only be used in accordance with the consortium agreement, Joint PHA Plan and HUD regulations and requirements
- HUD does not state terms for consortium agreement

Responsibilities of Participating PHAs

- Each participating PHA remains responsible for its own obligations under its ACC with HUD
- Each PHA is responsible for the performance of the consortium
- Any breach of the program requirements is a breach of the ACC with each of the participating PHAs
- Independent audits (IPAs) are still required

Responsibilities of Participating PHAs— continued

- Lead Agency manages substantially all program—HUD requires IPA on a consortium-wide basis.
- Lead Agency manages portion of programs—determination using GAAP and IPA criteria.
- HUD may make an independent determination based on specific criteria.

Consortium Planning and Reporting

- Must submit joint 5-year and joint Annual Plans for all participating PHAs.
- Must maintain records and submit reports in accordance with program requirements and regulations. All PHAs will be bound by the plans and reports submitted to HUD.
- Each PHA keeps a copy of the agreement, which must be a supporting document to the joint PHA Plan.

Joint PHA Plan

- HUD Notice PIH 2001-4, PIH 2000-43, PIH 2003-21 and Updates
- PHA Plan Guidebook and Updates
- Template accepts consortium

Joint PHA Plan

- Collective Plan for the Agencies and programs included in the consortium
- Joint representation of policies in effect
- Grant amounts mentioned reflect the sum of the amounts that would be calculated for all participating agencies
- Collective grants will be issued directly to the Lead Agency

Joint PHA Plan

- Things to Keep in Mind
 - All PHAs must have the same fiscal year start date
 - Lead PHA will need to modify “Agency Identification Page”
 - Consortium Agreement is attached
 - Plan must meet all the public review, comment, RAB, inspection period and other criteria

Joint PHA Plan

- Consortium must submit joint Five-year Plans and Annual Plans
 - Where Lead Agency manages substantially all programs and activities of a consortium, HUD interprets financial accountability to rest with consortium
 - Where Lead Agency will not manage substantially all programs and activities, the consortium must identify in the PHA Plan submission which PHAs have financial accountability
 - Consortium agreement is an attach document

Joint PHA Plan

- Lead Agency must
 - Modify the “Agency Identification Page” of the PHA Plan and add the following:
 - A statement that this is a joint plan for a consortium
 - The name, PHA Code and programs included in the consortium for each participating agency

Joint PHA Plan

- PIH 2003-21 and Update: As a Part of the PHA Plan
 - Consortium Agreements and Certifications that agreements are in compliance with 24 CFR 943 pursuant to an opinion of counsel on file and available for inspection
- Lead PHA may still submit streamline if the consortium meets the criteria
- Lead PHA must submit troubled requirements if one of the agencies is “troubled”

Joint PHA Plan (continued)

- Identify consortium, Lead, and participating PHAs
- State the programs covered
- Attach consortium agreement
- Certifications by Lead Agency

Program Administration

- Administrative fees for Lead Agency
 - Flat, percentage, or other industry standard
 - Cover the costs of activities to manage
 - Overall, governed by program requirements
 - May benefit from economies of scale

Funding Submission for the Plan

- Consolidated (but funding calculations are still done separately for each PHA)
- Troubled agencies may be required to submit additional details
- Use current templates, but Field Office may need to work with Lead agency on specific program issues

Funding

- Formal payment agreement
- HUD pays directly to Lead Agency
- Use program formulas
- Use LOCCS or other systems
- Systems may vary slightly depending on program structure

LOCCS Requisition

- Use LOCCS user guide
- Approved joint PHA Plan.
- Approved synchronized fiscal year and information
- Execution of payment agreement
- Execution of grant agreement
- Execution of voice response authorization

LOCCS Requisition (continued)

- Direct deposit—SF 1199A
- Not required unless changes
 - change of address—HUD 27056

Program Reporting

- Consolidated reports
- Maintained by the Lead Agency
- Programs not covered remain with participating PHA
- PHAS
 - REAC has issued Notice
 - Score for Consortium is advisory
 - Each PHA still maintains independent score

PHAS/REAC

- PHAS Requirements
 - PHAs will continue to be scored on an individual PHA basis
 - Each PHA will continue to receive its own score and designation
 - Each PHA will still be required to submit its own Financial (FASS) and Management (MASS) information
 - Each PHA will be independently reviewed for Physical (PASS) and Capital Fund in accordance with the current rules

PHAS/REAC

http://www.hud.gov/offices/reac/products/fass/fass_pdf/consortia.pdf

PHAS/REAC

- Consortia-wide scoring
 - PIH-REAC will calculate the consortia-wide scores within 60 days after issuance of the audited PHAS scores of all PHAs in the consortia
 - Consortia-wide PHAS scores will be released through an email from PIH-REAC NASS to all PHAs in the consortia
 - Consortia-wide scores will be provided for informational purposes only

PHA Performance/REAC

- Consortium name
- Consortium identifier
- Fiscal year
- Participating PHA's name
- Quick Reference User Guide

Notices, Defaults, Remedies

- PHAs should try and resolve internal differences
- Optional conditions in the consortium agreement
 - Writing
 - Signed by authorized official
 - Addressed to main office

Audits

- Generally consortium-wide basis
- Lead Agency obtained
- Participating PHAs may have other program audits
- HUD may apply independent audit and performance requirements on a different basis where it would promote sound management

Financial Reporting

- GAAP
- Uniform Financial Reporting Standards Rule (UFRS)
- A-133/ Non-A-133
- Post GASB 34/Pre GASB
- GASB 14
- Compliance with State and regulatory authorities.

Financial Reporting

- PHAs are required to file both an un-audited and audited Financial Data Schedule in accordance with the Financial Reporting Standards Rule
- Submission should be based on the total individual PHA federal expenditures
 - \$500,000

Financial Reporting

- If the consortium receives the audit, each PHA in the consortium shall submit an audited submission
 - Audited submission will reflect the type of audit received
- The audited submission will contain the individual PHA's information, however the file attachments will contain the consortia-wide audit information
- REAC has issued a bulletin on this issue

Financial Records Comprise

- Lead Agency's statements
- Participating PHA's statement of funds where lead agency has accountability
- Kept a condition where distinction and analysis can be conducted and statements would not be misleading or incomplete

New Grants/Program Funding

- Lead Agency submits single application
- Rating criteria based on consortium criteria
- No penalty in formula
- Consolidated budget and policies

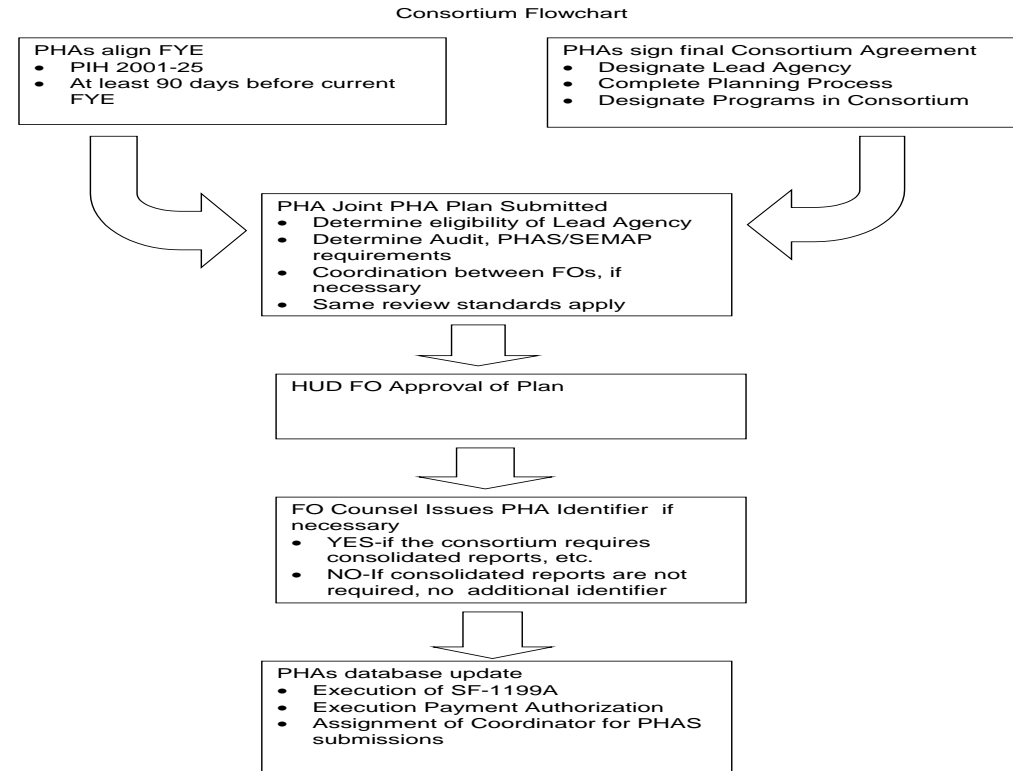
Texoma Housing Partnership Savings

- 17 PHAs in the consortium (public housing)
- Reduction in planning and advertising cost
- Reduced Annual Audit Fees
- Decreased CPA Fees
- Reduced Insurance Premiums
- Consolidated Capital Improvements
- Reduced Administration and Meetings

Henry & Bowling Green Consortium

- Section 8 Programs
- Planning Cost Reduction
- Single Administrator on Multiple Agencies
- Increase Utilization Rates and Jurisdictions
- Share Staff in Specialty Programs (FSS & Homeownership)

Consortia Flow Chart



Frequently Asked Questions

- Jurisdictional Areas
- Relations with Boards
- Relations with HUD
- Lead Agency Roles
- Other Issues- FAQs that have not been published

Model Consortia Agreement

- Provisions
- Options
- Flexibility
- Submission to HUD

Origination of THP Consortium

- 1993 - HUD mandates management change for 10 North Texas PHA's
 - Recommends TCOG as administrator

Origination of THP Consortium

- 1993-94 - Cities begin to contract with TCOG
- 1995-98 - HUD continues to intervene; four more cities contract with TCOG
- 1998-99 - Enabling legislation allowing consortia

Origination of THP Consortium

- 1999 - 12 PHA's combine capital funding
- 4 additional PHA's sign contract with TCOG

Origination of THP Consortium

- 2000 - Resolution passed to create consortium
 - Consortium agreement created
 - Single administrative contract with TCOG

Why the Agency Selected Consortia

- PHAs wanted to keep identifiable roles in the community
- PHAs wanted to remain involved in the program
- Not all the agencies were troubled- therefore HUD was not in position for a takeover- and was looking for alternatives to improve the performance of the Agencies

THP Consortium = Savings

- Reduction in planning and advertising cost
- Reduced Annual Audit Fees
- Decreased CPA Fees
- Reduced Insurance Premiums
- Consolidated Capital Improvements
- Reduced Administration and Meetings
- Total savings the first year over \$100,000

Why does THP work?

- Common History
- HUD Intervention
- Affiliation with TCOG
- Regional Approach to Governance and Management

How THP works

- Managed and maintained as one property
- One staff consisting of: (7) administrative and (9) Maintenance staff
- One centrally located administrative office and one satellite office

How THP works

- One centrally located maintenance shop with storage facilities located on several properties
- One Public Housing Software program designed to provide both consolidated and separate reporting

What are some of the Expected Challenges to the Configuration

- Requires a level of commitment
- Must look for the best interest of the whole
- Must remain highly organized and always working for solution style management
- Follow the written Agreements between the PHAs



Allison Minton
Client Services Department Director
Texoma Council of Governments
aminton@texoma.cog.tx.us
903-813-3520

Portsmouth Housing Authority / Coastal Housing Corporation

Management Concept

Portsmouth Housing Authority

- Small PHA in Rhode Island
- Consortium-style management model with Coastal Housing Corporation
- Both entities are viable and growing amidst budgetary constraints

Portsmouth Housing Authority Housing Inventory

- 40 units of elderly and disabled housing
- 85 Section 8 Housing Choice Vouchers including 14 project-based vouchers

Coastal Housing Corporation

Housing Inventory

- Manages affordable housing
- 33 units of HUD 202 PRAC elderly housing
- Two multi-family developments in Portsmouth
- Manages properties for other nonprofits
 - Four HUD 202 PRAC developments
 - 26 unit mobile home park in West Greenwich, RI
 - Rockville Mill, each unit has a Section 8 project-based voucher in Rockville, RI
 - Single and multifamily properties in Bradford, Shannock and North Kingstown, RI

Shared Resources

- Office space and personnel resources
- Staff employed by Portsmouth Housing Authority
 - Ten employees; three fulltime, seven part time
 - Payroll and training costs fair shared on a per unit basis
- Coastal Housing pays Portsmouth Housing for use of office, office equipment and sundry expenses

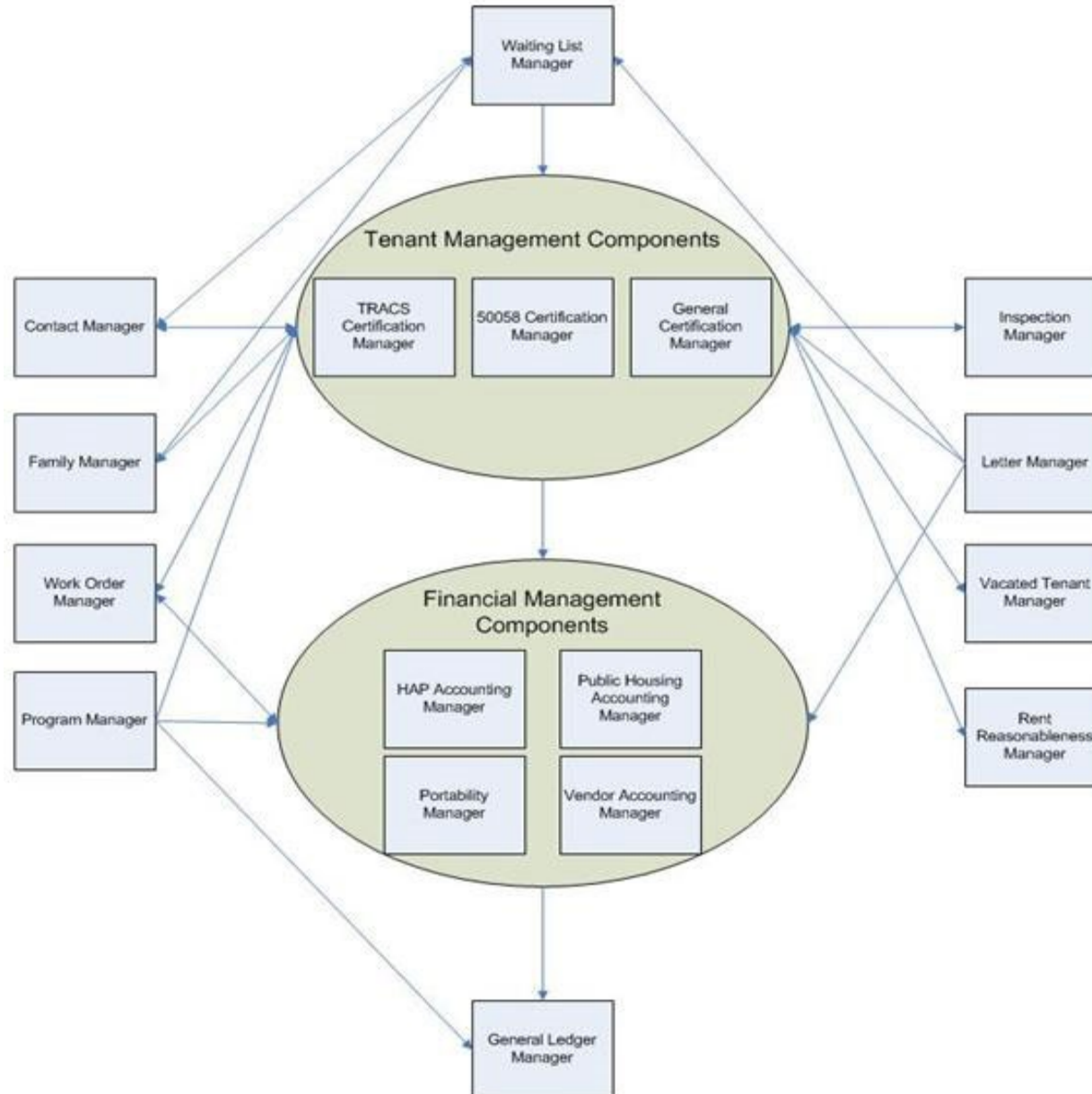
Management Tools

- Web-based housing software application
- Virtual Private Network (VPN) connections
 - Enable remote users access to central office computer system
 - Secure, encrypted connection
- Cell phones with call forwarding and email notification of voicemail
- Android tablets

Housing Software cont.

- Fully integrated, secure web-based application
 - Eliminates need for on-site server or backups
 - Redundant architecture eliminating downtime due to hardware failure
- Central components:
 - Waiting List Manager
 - Tenant Management Component
 - Financial Management Component
 - General Ledger Manager

Component Intergration Chart



Consortium Personnel

- Personnel is the single largest expense
- A well-structured consortium should result in lower personnel cost
 - Assuming PHAs are not unionized
 - Most small PHAs are not unionized
- Properly structured consortium could result in fewer employees
- Senior management and department head positions do not need to be duplicated at each PHA

Personnel Expense Reduction Example: Maintenance Supervisor

- Consortium may only need one maintenance supervisor
 - Periodically visit various sites and use housing software work order module to:
 - Oversee maintenance at each of the participating sites
 - Inspect the properties
 - Plan, prioritize and schedule needed work
 - Track ongoing work progress
 - Conduct quality control checks of completed work
 - Personnel could be shifted between sites as needed
 - Assures optimal utilization of personnel

Personnel Expense Reduction Example: Client certifications

- Client certification and recertification functions
 - Coordinated by or centralized at one agency.
 - Local site would conduct interviews and send out verification requests
 - Resulting documents would be scanned and uploaded into the housing software
 - Centralized processing site would complete certification or recertification and submit required 50058 or 50059 forms
 - Local site could then download and present documentation to the client

Personnel Expense Reduction Example: Accounting

- Local site could approve and enter invoices
- Centralized bookkeeper Accounts Payable functions
 - Produce payments
 - Reconcile bank statements
 - Produce monthly financial statements
 - Year-end financial reporting

Personnel Expense Reduction Example:

Accounting cont.

- Centralized bookkeeper Accounts Receivable functions
 - Collecting rent
 - Making bank deposits
 - Posting payment into the housing software
 - Contacting site manager if rent is unpaid
- Payments can be made electronically for vendors and landlords
 - Landlords can view payment information through the Authority's secure website

Consortium Personnel Part II

- Employees must buy into the reorganization
 - Teamwork requires strong leadership
 - Senior management must interface with staff regularly
- Hire a consultant to guide the PHAs through the transition to a consortium
 - Check in periodically to assess process in achieving a one-team unity

Consortium Personnel Part III

- Show each staff member that they are valued
 - Provide online training that will benefit the staff member now and in the future
 - Online training is very reasonably priced
 - Saves on travel, lodging and time away from work
 - Online training is flexible, staff members can participate in training when convenient

Consortium Cost Sharing

- Employees working at various sites allow for expenses to be shared among sites
 - Payroll
 - Payroll taxes
 - Benefits
 - Training
- Expense can be shared on a per unit basis or by invoicing specific work assignments

Consortium Cost Sharing cont.

- Web-based housing software can be easily shared between participating entities
- Expensive maintenance equipment can be shared
 - The availability of equipment to small agencies can save on contract costs
- Cost of accounting and auditing can be shared
- Cost of policies obtained for nationally recognized vendors can be shared

Public Housing Policies

- Admissions and Continued Occupancy Policy (ACOP)
- Grievance Procedures
- Termination and Eviction Policy
- Transfer and Transfer Waiting List Policy
- Housekeeping Policy
- Financial Management Policies
- Code of Ethics Policy
- Conduct Standards Policy
- Disabled/Handicapped Policy
- Drug Free Workplace Policy
- Fair Housing Policy
- Minority Business Policy
- Safety Policy
- Pet Ownership Policy (Elderly/Disabled)
- File Access Policy
- Records Retention Policy
- Community Service Policy
- Security Policy
- Enterprise Income Verification (EIV) Security Policy
- Fraud Policy
- Procurement Policy
- Maintenance Policy

Section 8 Policies

- Administrative Policy
- Project-Based Voucher Policy
- Section 8/HCVP Termination of HAP Contract Due to Insufficient Funding Policy

Conclusion

- HUD regulations provide flexibility necessary to implement good business practices and cost saving measures
- PHAs can be proactive and entrepreneurial, increasing organization capacity and generating additional revenue
- Increase capacity and revenue means better service for residents and better retention of good employees at a competitive salary

Thank You

- Questions