

Denver Office of Public Housing – Program Update

Mountain Plains NAHRO

Bozeman, MT

June 9, 2015

Topics to be Covered

- PIH Priorities
- Housing Choice Vouchers
- Operating Fund
- Capital Fund
- Procurement
- Section 3
- Occupancy
- Streamlining Rule
- VAWA
- Mandatory Policy Updates
- RAD
- Grants
- Audits
- 2016 Budget Proposal

PIH Priorities for 2015

- Ending Veterans Homelessness
- Helping Families and Individuals Secure Quality Housing
- Ending Chronic Homelessness
- Implementing the Rental Assistance Demonstration Program

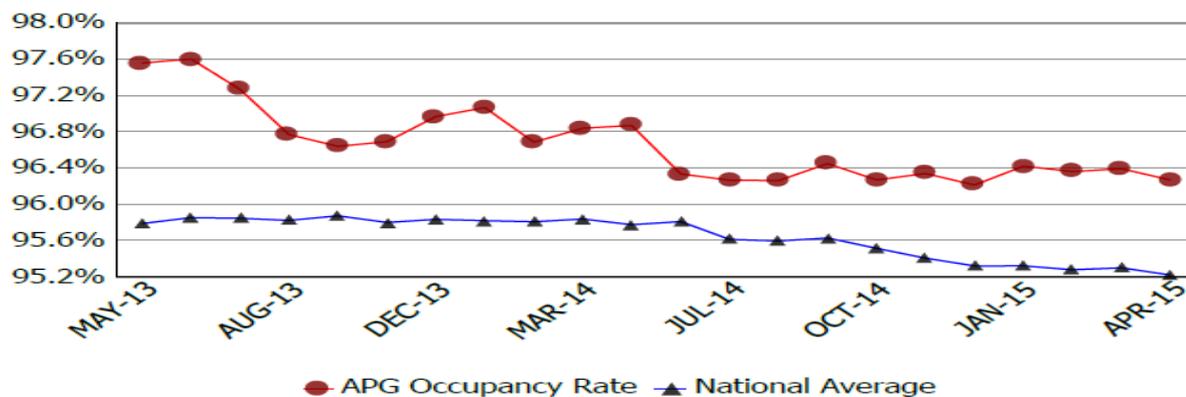
Denver OPH PHA Focus

- Risk based
- PHA Finance
 - Internal Controls & Accountability
 - Using resources wisely
 - Timely & accurate reporting
- PHA Governance
 - Willing, able, ready & ethical
 - Does your board need training?

<https://www.youtube.com/playlist?list=PLDYbj6cykYZ95fLhXb4D5ky3uYxOwMqpY>

PHAs PH Occupancy - Region 8

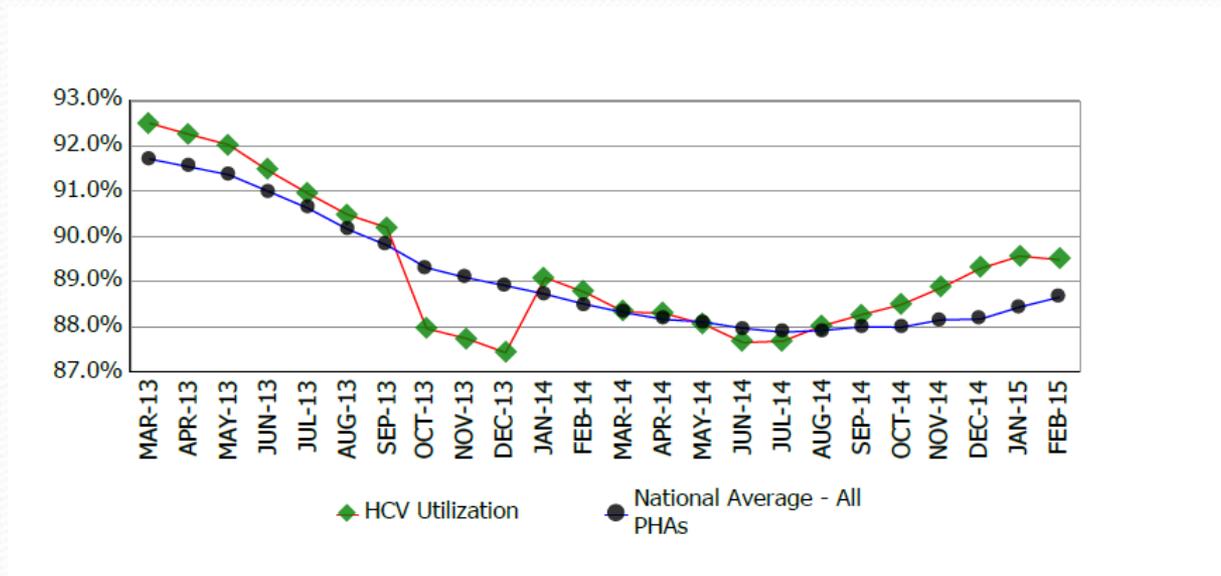
Region 8 vs. National Average



Red line: Region 8 PHAs Public Housing Occupancy Performance
Blue line: National Average Public Housing Occupancy Performance

PHAs HCV Utilization – Region 8

Region 8 PHAs vs. National Average



Green Diamonds: Region 8 PHAs HCV Utilization (% of Units)

Blue Dots: National Average HCV Utilization (% of Units)

2015 HCV Funding

- HAP proration: **101%**
- Admin Fee proration: Currently **75%**
- Set-Aside Funds: **\$120 million**
 - Maintain Leasing (new)

HCV Admin Fee Study

- Executive Summary, Draft Final Report & PowerPoint Slides at: <http://www.huduser.org/portal/hcvfeestudy.html>
- April 17, 2015 Webcast archived at: <http://portal.hud.gov/hudportal/HUD?src=/press/multimedia/videos>
- Public will be able to comment at: www.regulations.gov

“Now that the study is complete, the Department plans to develop a proposed rule for a new administrative fee formula using the study’s findings. HUD will issue a Notice of Information to help inform the development of the proposed rule and we want to hear from you. We will also reach out to PHAs through convening sessions and other forums over the next several months. Our goal is to complete and publish the proposed rule before the end of CY 2015”

*Lourdes Castro Ramirez
Principal Deputy Assistant Secretary
For Public and Indian Housing
April 9, 2015*

HCV Admin Fee Study

- Current Fee Formula
 - Based on a percentage of the 1993 or 1994 FMR, limited by floor and ceiling amounts, multiplied by an inflation factor that captures the increase in local wage rates over time
- Proposed Fee Formula
 - 7 cost drivers

HCV Admin Fee Study

Proposed Fee Formula Cost Drivers

Variable Name	Explanation
Program size	PHAs receive a higher amount per voucher if they have fewer than 750 vouchers under lease.
Wage index	The ratio of the statewide average metropolitan or nonmetropolitan wage rate for local government workers in the PHA's state, to the national average wage rate for local government workers.
Health insurance cost index*	The ratio of the average health insurance cost for employers in the PHA's state, to the national average health insurance cost.
Percent of households with earned income*	The percent of the PHA's voucher households with income from wages.
New admissions rate*	The number of households admitted to the voucher program as a result of turnover or new allocations of vouchers in the year as a percent of the PHA's vouchers under lease.
Small area rent ratio	A measure of the share of a PHA's voucher participants residing in high rent neighborhoods.
60 miles	Percent of voucher holders living more than 60 miles from the PHA's headquarters.

* All formula variables are updated annually, but 3 variables are defined as a 3-year average to control for volatility.

HCV Admin Fee Study

How does the proposed formula handle portability?

- The new formula would remove inter-PHA billing for administrative costs
 - Receiving PHA receives 100% of its own fee rate directly from HUD for a port-in voucher
 - Initial PHA receives 20% of its own fee rate for port-out vouchers administered by other PHAs
- PHAs continue to bill for HAP costs

HCV Admin Fee Study

ADMINISTRATIVE FEE FORMULA OPTIONS

Exhibit 7-29. Study-Predicted Fees Compared to Fees Based on the Existing Formula, by HCV Program Size, July 1, 2013–June 30, 2014, Non-MTW PHAs, PHA Level

Percent of PHAs With:	Compared to Existing Fee Formula at 75% Proration						Compared to Existing Fee Formula at 95% Proration					
	<250	250-499	500-1,249	1,250-5,249	5,250-9,999	10,000+	<250	250-499	500-1,249	1,250-5,249	5,250-9,999	10,000+
Predicted fees more than 30% higher	71%	67%	37%	35%	40%	25%	31%	18%	7%	5%	11%	15%
Predicted fees 20% to 30% higher ^a	10%	12%	17%	14%	17%	20%	13%	14%	9%	5%	3%	0%
Predicted fees 10% to 20% higher	6%	10%	15%	19%	14%	15%	15%	19%	11%	13%	9%	5%
Predicted fees 5% to 10% higher	3%	4%	8%	10%	3%	10%	8%	10%	7%	8%	9%	5%
Predicted fees up to 5% higher	4%	3%	9%	8%	11%	20%	7%	10%	8%	9%	17%	10%
Total “gainer” PHAs	94%	96%	86%	86%	86%	90%	75%	71%	41%	38%	49%	35%
Predicted fees up to 5% lower	2%	2%	5%	6%	6%	0%	6%	7%	11%	9%	9%	10%
Predicted fees 5% to 10% lower	2%	1%	2%	3%	6%	5%	5%	7%	9%	13%	9%	15%
Predicted fees 10% to 20% lower	2%	1%	3%	3%	3%	5%	8%	10%	23%	24%	14%	30%
Predicted fees 20% to 30% lower	0%	0%	2%	1%	0%	0%	7%	3%	11%	12%	20%	5%
Predicted fees more than 30% lower	0%	0%	0%	0%	0%	0%	0%	1%	4%	4%	0%	5%
Total “decliner” PHAs	6%	4%	14%	14%	14%	10%	25%	29%	59%	62%	51%	65%
Number of PHAs	1,142	391	405	263	35	20	1,142	391	405	263	35	20

N=2,256 non-MTW PHAs.

^a Intervals are calculated as “more than 20% but less than or equal to 30%.”

Source: Study formula calculations and data on vouchers leased, port-ins and port outs, and associated fees for the July 1, 2013–June 30, 2014 time period provided by HUD.]

VASH Program

HUD's goal to end veteran homelessness by 2015

- 2015 Funding: \$65 million awarded
- What is planned for 2016?

PBV Updates

- Housing and Economic Recovery Act of 2008
 - Final rule issued Jun. 25, 2014 amends 24 C.F.R. Part 983
 - Use e-CFR: www.ecfr.gov (official C.F.R. is outdated)
- Subsidy Layering Review notice issued Sept. 26, 2014
- Davis-Bacon notice issued March 9, 2015
- PBV Guidance: PIH Notice 2015-5

Ref: 79 Fed. Reg. 36146 (Jun. 25, 2014); 79 Fed. Reg. 57955 (Sept. 26, 2014); 80 Fed. Reg. 12511 (Mar. 9, 2015); PIHN 2015-5

PBV Updates

- Eligible Units:
 - Up to 25% of units within a project
 - Now eligible: High-rise projects & cooperative housing
- Procedures:
 - PHAs must submit notice to HUD before PBV selection
 - Existing projects may be subject to Davis-Bacon wages
 - Construction/rehabilitation prohibited prior to Agreement to enter HAP (AHAP) execution
 - PIH Notice 2015-5 provides PIC/VMS instructions

Ref: 79 Fed. Reg. 36146 (Jun. 25, 2014); 80 Fed. Reg. 12511 (Mar. 9, 2015); PIHN 2015-5

PBV Updates

- HAP Contracts:
 - Initial HAP Contract term is 1-15 years
 - Multiple HAP Contract extensions allowed
 - PHA-owned units: Independent entity must agree on the term (length) of the initial contract and renewals
- Subsidy Layering Reviews:
 - SLRs are not required for existing projects
 - HUD-approved Housing Credit Agency may conduct SLR if project has tax credits and is not mixed finance

Ref: 79 Fed. Reg. 36146 (Jun. 25, 2014); 79 Fed. Reg. 57955 (Sept. 26, 2014)

PBV Updates

- Occupancy:
 - Lease is automatically renewed except for good cause
 - Owners must give 1-year notice to tenants that HAP Contract will terminate
 - PHA removes units from HAP Contract:
 - Occupied by over-income families
 - Family does not vacate wrong-size or accessible unit
 - PHAs may let families remain in excepted unit when elderly/disabled member leaves

Ref: 79 Fed. Reg. 36146 (Jun. 25, 2014)

2015 Operating Fund

- Proration: 85.6% (current estimate)

#	Description	Amount
1	CY 2015 Appropriation (1)	\$4,422,332,665
2	RAD Reapportionment (2)	\$ 71,000,000
3	Amount Available for Distributions	\$ 4,351,332,665
4	CY 2015 Initial Eligibility (3)	\$ 5,096,678,006.00
5	Add: Eligibility for HTK & MHP Submissions	\$ 169,068
6	Add: Reserve for Revision and Appeals	\$ 10,000,000
7	Total Estimated Eligibility (3 through 5)	\$5,106,847,074
8	Proration (3) / (7)	85.21%

- Obligations -Draw Down funds by CY End
- PHA Board Resolution – HUD 52574

Capital Fund Program (CFP)

Reminder: New Capital Fund Rule became effective 11/25/13.

- Decoupling for PHA Plan
- 1406 – Operations:
 - Large PHAs can place up to 25% in 2015
 - Small PHAs can place up to 100% provided there are no significant capital improvement needs
- 1408 – Management Improvement amounts: 16% (declining to 10% in FFY 2018)

Capital Fund Deadlines

CFP Grant Year	Obligation Deadline (2 years to Obligate)	Expenditure Deadline (4 years to Expend)
2011 CFP Grant	----	8/2/15
2012 CFP Grant	----	3/11/16
2013 CFP Grant	9/8/15	9/8/17
2014 CFP Grant	5/13/16	5/13/18
2015 CFP Grant	4/12/17	4/12/19

Capital Fund Program

Obligation & LOCCS Reporting Reminders

- When are funds obligated?
 - 1406 - Operations: **ONLY** when drawn down from LOCCS
 - 1460, etc. - Upon contract award
- LOCCS reminder: Must report obligations and expenditures as of monthly due dates, even if in previous months had reported 100% obligation or expended.

CFP – Misc. Items

- PHAs do not have to submit PNA in order to receive CFP funding in 2015
 - Proposed PNA Rule was issued July 20, 2011.
 - Final Rule pending (Minimum 6 months advance notice.)
 - GPNA encouraged, not mandatory at this time.
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_in_dian_housing/programs/ph/capfund/gpnatool
- Declaration of trusts (DOTs)
 - 905.100(b)(4) requires written certification & PHA counsel's opinion regarding DOTs being in place
 - Additional guidance from headquarters should be forthcoming

EPIC Reporting Requirements

PHAs report annually on planned & completed energy conservation measures (ECM) in EPIC

PHA FYE	Report in EPIC
March 31	April 1-30
June 30	July 1-31
September 30	October 1-30
December 31	January 1-31

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/capfund/epic

A video tutorial for navigating EPIC is available at:

http://www.youtube.com/watch?v=3tVOiqG955s&feature=youtuve_gdata

Procurement

12/26/13: Final OMB guidance on : Uniform Administrative Requirements, Cost principles, and Audit Requirements

- Codified at 2 CFR Part 200
- HUD adopted at 2 CFR part 2400
- HUD guidance: Notice SD-2015-01, issued 2/26/15

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-01sdn.pdf>

- One year grace period for implementation of procurement standards
 - PHAs have until 12/31/15, 3/31/16, 6/30/16, or 9/30/16 to implement (depending upon PHA FY)

Section 3

- Proposed Rule issued March 24, 2015
 - Comments due 5/26/15

<http://www.gpo.gov/fdsys/pkg/FR-2015-03-27/pdf/2015-06544.pdf>

- Section 3 Business Registry

Businesses can sign up for the Section 3 Business Registry at: www.hud.gov/sec3biz

- Section 3 reporting system – still not available
- Training for Utah PHAs

Flat Rent Update

- 2014 Appropriations Act required PHAs to establish flat rents at no less than 80% of FMR
- New flat rent policy must be initiated by June 1, 2014
 - Formal adoption required
- Tenants' flat rents must not increase more than 35% per year
 - State or local laws may also limit rent increases
- 2015 Appropriations Act further amended flat rent requirement
 - PIH Notice and policy guidance forthcoming

Administrative Relief

- PIH Notice 2013-03: Public Housing and Housing Choice Voucher Programs – Temporary Compliance Assistance (TCA)
 - Streamlined implementation process expired
 - PHAs that previously adopted TCA measures could request expedited regulatory waiver review by 3/31/15
 - All other PHAs may request regulatory waivers per PIH Notice 2013-20 should they decide to adopt TCA measures

Administrative Relief

1. Use participants' actual past income to verify income
2. Households may self-certify assets less than \$5,000
3. Streamlined annual reexaminations for elderly and disabled families on fixed income
4. PHAs may approve a payment standard of not more than 120 percent of FMR without HUD approval as a reasonable accommodation for a family that includes a person with disabilities

NOTE: HUD intends to make most of these streamlined provisions permanent with the Final Streamlining Rule

Proposed Streamlining Rule

- 80 FR 423 (Jan. 6, 2015)
- Major proposals:
 - Update “extremely low-income” definition, HCV utility allowance regulations, and HCV inspection regulations to align with current law
 - Streamline income and eligibility verification processes
 - Change rent calculation for mixed families and families eligible for earned income disregard (EID)
 - Simplify utility reimbursements, PH community service requirements, and the PH grievance procedure

VAWA Update

- Violence Against Women Reauthorization Act of 2013
 - 42 U.S.C. § 14043e-11
- 24 CFR Part 5, Subpart L: 4/1/15 Proposed Rule
- Immediate action:
 - Extend VAWA protections to sexual assault victims
 - Do not terminate when an “affiliated individual” is a victim
 - Provide victims with expanded protections:
 - Notice of VAWA protections
 - Lease bifurcation
 - Documentation of abuse

Mandatory Policy Updates

- Utility allowance:
 - Administrative Plan: Families' utility allowances based on lower of family unit size or size of unit rented. *79 Fed. Reg. 35940 (Jun. 25, 2014)*.
- Flat rent:
 - ACOP and Annual Plan: Update the method of setting flat rents and set flat rents at no less than 80% of FMR. *Notice PIH 2014-12 (May 19, 2014)*.
- Procurement:
 - Procurement Policy: Include a statement of compliance with prior rules if PHA chooses to take advantage of the one-year grace period. *Notice SD-2015-01 (Feb. 26, 2015)*.
 - Procurement Policy: Add “organizational conflicts of interest” to written standards of conduct covering conflicts of interest. *Notice SD-2015-01 (Feb. 26, 2015)*.

Mandatory Policy Updates

- VAWA 2013:
 - Administrative Plan and ACOP: Include protections for victims of sexual assault and for applicant/participant when an “affiliated individual” is a victim. *78 Fed. Reg. 47717 (Aug. 6, 2013)*.
- Equal Access Rule:
 - Administrative Plan, ACOP, and Annual Plan: Amend definitions of “family” and “family composition” to ensure equal access regardless of sexual orientation, gender identity, or marital status. *Notice PIH 2014-20 (Aug. 20, 2014)*.

Rental Assistance Demonstration Program

- FFY 2015 threshold raised to 185k units
- CHAPs are being issued for approved applications
- Enter units in PIC
- Welcome Guide – on RAD website
- Transaction Managers

Rental Assistance Demonstration Program

- Application deadline 09/30/2018
- Midwest Network 8 SMEs
 - Sue Jeffery - Susan.J.Jeffery@hud.gov ,and
 - Lori Strange - Lori.A.Strange@hud.gov
- RAD Resource Desk

Rental Assistance Demonstration Program

- RAD Resource Desk



Rental Assistance Demonstration Resource Desk

U.S. Department of Housing and Urban Development
Secretary Julián Castro

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The Rental Assistance Demonstration (RAD) allows proven financing tools to be applied to at-risk public and assisted housing and has two components:

1. 1st Component - Allows Public Housing and Moderate Rehabilitation (Mod Rehab) properties to convert, under a competition limited to 60,000 units, to long-term Section 8 rental assistance contracts; and
2. 2nd Component - Allows Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Mod Rehab properties to convert tenant-based vouchers issued upon contract expiration or termination to project-based assistance.

RAD is a central part of the Department's rental housing preservation strategy, which works to preserve the nation's stock of deeply affordable rental housing, promote efficiency within and among HUD programs, and build strong, stable communities.



About the RAD Resource Desk

The RAD Resource Desk serves as a comprehensive information archive enabling searches of all published guidance on the Rental Assistance Demonstration. The Desk also serves as the main portal for Demonstration participants to ask questions, search for information and forms, upload documents, and track their progress toward closing. Access is available to the public as well as HUD employees and PHA staff.

In addition to maintaining a searchable database of statutes, rules, regulations, notices, memoranda, directives and guidelines that are applicable to this Demonstration, the Desk also provides answers to questions submitted by participants on the implementation and application of the rules and regulations governing the Demonstration. Previously asked questions are returned with search results. Additionally, users may submit new questions if their questions are not (yet) found in the Resource Desk's archive.

Who May Use the Resource Desk?

The public portion of this website is intended for use by anyone that has an interest in the RAD program. The private section of this website is intended for the exclusive use of HUD employees and PHA staff of participating PHAs. Each PHA participating in RAD will have the ability to control access within their organization and extend access to other applicable third parties such as lenders and attorneys.

Grants

- Resident Opportunity Self-Sufficiency (ROSS) Service Coordinator Program – 3 Year grant
- Family Self-Sufficiency (FSS) Program - 1 Year grant
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/fss
- Notice of Funding Availability (NOFA)
 - 2015 ROSS – NOFA not published
 - 2015 FSS – NOFA not published
- 2014 Logic Models (LM): FSS Reporting period 1/1/15 -12/31/15 due to Field Office 1/31/16
 - <http://www.youtube.com/watch?v=ryBwTQK1qKk>
- To participate in the HUD grants program:
 - Register with Grants.gov
 - Obtain a Data Universal Numbers System (DUNS) number
 - Register with the System for Award Management (SAM)
<http://portal.hud.gov/portal/page/portal/HUD/topics/grants>

Audits

OMB Circulars A-133 & A-87

- 2 CFR Part 200 (Federal Register December 26, 2013)
 - Replaces OMB Circular A-133, Audit Requirements
 - Replaces OMB Circular A -87, Cost Principles
- Increases audit threshold from \$ 500k to \$ 750k
 - Effective for fiscal year beginning on or after 12/26/2014
 - No early implementation
- Must comply with State and Local audit requirements

<http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

Audits

FDS Submission Due Dates

FYE	Unaudited	Audited
03/31	5/31	12/31
06/30	8/31	3/31
09/30	11/30	6/30
12/31	02/28	09/30

- Important REAC Accounting Briefs are located on the FASS web page at:

http://portal.hud.gov/hudportal/HUD?src=/program_of_fices/public_indian_housing/reac/products/prodpha

Audits

Inter-program Due To/Due From

- New protocol - REAC Accounting Brief #14, August 2011
 - Due To/Due From relationships should not be reported from result of using a common checking account.
 - For FDS reporting, the cash balance must reflect the actual share of cash of that program as if no common checking account existed.
 - If there is a negative cash balance as a result, then Due To/Due From would be reported.
 - Negative cash could signify ineligible expenditures where one program has used funds to cover costs of other programs.

Audits

FDS Reminder

- Watch for REAC FASPHA Submission Rejection Emails
 - Take ***immediate*** action, deadline is 15 days from rejection date ***not*** the email date.
 - Notify your auditor so corrections can be made and re-submitted.
 - Failure to respond may lead to a zero FASS score and trigger a “Troubled” designation, whether unaudited or audited.
- Auditors and Fee Accountants work for YOU, but its your responsibility to submit on time.
- Provide a copy of Audit to the Denver Field Office.
 - A pdf file attached to an email saves the PHA postage costs.

HUD's 2016 Budget President's Request

President's 2016 budget request for HUD - \$49.3 Billion

- Operating Fund: \$4.6 Billion
- Capital Fund: \$1.970 Billion
- HCV/PH FSS: \$85 Million

HUD's 2016 Budget, cont.

HUD's 2016 budget request supports some key programs to provide opportunity & growth for all:

- RAD: \$50 Million & eliminate 185,000 units cap
- Choice Neighborhoods: \$250 Million
 - 5-10 Planning Grants
 - New: Planning and Action Grant
 - 5-8 Implementation Grants
 - Up to \$30 Million/grant

2016 Tenant-Based Rental Assistance

\$21.123 Billion for HCV Program. This includes:

- \$18.334 Billion for contract renewals
- \$2.020 Billion for Admin Fees (estimated 90% fee eligibility proration)
- \$150 Million for Tenant Protection Vouchers

2016 TBRA, Cont.

- \$277 Million for Need-Based Vouchers for incremental rental voucher assistance
- \$177.5 Million for use by families, veterans & Native Americans experiencing homelessness
 - Also includes assistance to victims of domestic & dating violence
- \$37.5 Million for emergency transfers from assisted housing for victims under VAWA
- \$20 Million for new Family Unification Program vouchers

HUD's 2016 Budget Proposals

- Increase threshold for deduction of medical and related expenses
- Authorize triennial income recertifications of Fixed-Income Families
- Provide operating/capital fund flexibility
- Implement Utility Conservation Pilot

Budget Proposals, cont.

- Expand MTW program to high capacity PHAs
- Improve process for establishing Fair Market Rents

Public and Indian Housing One-Stop Tool (POST)

“An easier way to get information”

- A - Z Index of topics
- News-to-Use announcements
- Calendar of Due Dates
- Go to:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/post

Denver Office of Public Housing

- Recent Staff Changes
 - Ben Bentley, Division Director, accepted offer with the Nashville Housing Authority
 - Veda Thompson transferred to the HUD office in Fort Worth
 - Craig Dobson & Scott Mahlik are new Presidential Management Fellows/PMSs in our office
 - Bob Koenen & Christine Smith-Dreier are new PMSs
- Midwest Network – Region 7 & 8 Public Housing Offices (Kansas City, Omaha, St. Louis & Denver)
 - Andy Boeddeker, Regional Public Housing Director – retired
 - Ed Moses is current Acting Regional Public Housing Director
- Monthly Conference Calls – Tentative Schedule
 - 3rd Thursday: Program Update

Any Questions?

