

Northwest Notes

FY 2009, Quarter II

<http://www.hud.gov> & <http://espanol.hud.gov>

April 1, 2009

The Director's Corner

The American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5) resulted in Public Housing Capital Fund formula allocation as follows: **Alaska: \$3,306,953** one PHA; **Idaho: \$1,489,820** 10 PHAs; **Oregon: \$14,365,739** 18 PHAs; **Washington: \$40,250,758** 29 PHAs. Public Housing Capital Fund is for capital and management activities of PHA public housing programs. PHAs are to give priority to projects that are ready to begin construction rapidly and construction that will increase energy efficiency and lower long term costs of operating public housing. Recovery Act Capital Funds cannot be used for operations or rental assistance. PHAs are to give priority consideration to capital projects that are already underway and require additional funds; or included in the 5-year Capital Fund Action Plan. PHAs are to use the funds to supplement, not supplant expenditures from other funds sources. With regard to procurement, PHAs shall give priority to capital projects that can award contracts based on bids within 120 days from February 17, 2009. In addition to the \$3B in formula funds, the Recovery Act provides for the award of \$1B competitive grant funds to be provided through a separate process.

FFY 2009 Omnibus (P.L. 111-8) includes incremental Housing Choice Vouchers under Family Unification Program (FUP), HUD-Veterans Affairs Supportive Housing (HUD-VASH), and for non-elderly disabled families. The Omnibus includes funding for HCV Family Self-Sufficiency (FSS) Coordinators; HOPE VI, public housing capital fund, ROSS, public housing operating fund, HCV renewal and administrative fees and tenant protection vouchers. Be prepared for these and other opportunities for which your PHA may qualify.

On behalf of Office of Public Housing team members in the Seattle, Portland & Anchorage offices, we hope this newsletter is helpful to you. Let me know if there are items you would like to see in future newsletters.

Harlan Stewart
Director, Office of Public Housing
Region X, Northwest/Alaska Office



Moving from Public Housing to Homeownership

In February 2002, the Long family was living in public housing but dreamed of homeownership. The Central Oregon Regional Housing Authority (d.b.a. Housing Works) offered them a way to fulfill that dream through the Family Self-Sufficiency (FSS) Program. *(Continued on next page)*



Inside This Issue

| | |
|---------------------------------------|------|
| Public Housing to Homeownership | 1 |
| Security Procedures for UIV/EIV Data | 2 |
| Audit Findings | 3 |
| Remember to submit FASS | 4 |
| Capital Fund Financing Program | 4 |
| Uniform Physical Conditions Standards | 5 |
| Capital Fund-Environmental Reviews | 5 |
| Upcoming Environmental Training | 5 |
| Verifying Immigration Status | 5 |
| Homeownership Closings | 6 |
| Customer Service Center | 7 |
| Recently Published Guidance | 8-10 |
| Important Dates | 11 |

The Long's goals were to pay down their debt, improve their credit scores, finish school, and purchase a home. Through the FSS program, they steadily increased their income while going to school. They continue to complete classes at Central Oregon Community College and Robyn is close to receiving her Massage Therapist License.

With the increases in their income, they began saving money. The Longs worked with Housing Works to develop a spending plan and make choices about where they were going to spend their money. Robyn purchased a bike to ride back and forth to work in order to conserve fuel. They both quit buying coffee at the coffee shops and began making their own.

In August of 2007, Housing Works offered Robyn and Ron the opportunity to start an Individual Development Account (IDA). An IDA is an innovative 3-to-1 matched savings program to help hard working Oregonians gain greater financial security by leveraging their savings. IDA program participants save money for goals, such as buying a home, starting a small business, getting more education, fixing their home or purchasing adaptive equipment.

The Longs stuck to their spending plan and it paid off. They were able to save \$1,100 in fifteen months. CASA of Oregon, the administrator of the IDA collaborative, matched the Long's account with \$3,300, for a total of \$4,400.

In August of 2008, Robyn and Ron were nearing their goal of homeownership. They used money from their FSS savings account to settle their delinquent bills and paid off the majority of their debt. This increased their credit scores significantly. They then completed a home buying class and a series of financial literacy classes.

In December, it all came together. Housing Works offered to sell them a single family public housing unit the Longs had lived next door to for the past 6

years. Using their IDA money to pay for their closing costs, the Longs obtained financing through Bank of the Cascades using the Rural Development Guarantee Loan program. "Staying focused on our goals and becoming homeowners was made so much easier because we were working with people that really cared about us!" said Robyn Long when asked about the help she had received from Housing Works.

Security Procedures for UIV/EIV Data

The data provided via the EIV system must be protected to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data. The security of EIV data is covered by a variety of Federal laws and regulations, government bulletins, and other guiding documents. The Privacy Act of 1974 as amended, 5 U.S.C. Section 552 (a) is one such regulation. EIV data requires careful handling in order to assure program administrators' compliance with the Privacy Act. The Act also describes the criminal penalties associated with violation of the policy supporting the Act. (For further guidance, see *Enterprise Income Verification System (EIV) Security Procedures for Upfront Income Verification Version 1.4, Section 2.1.1 Physical Security Requirements, dated November 2005.*)



The Physical Security Requirements for UIV/EIV:

Program administrators may use a combination of methods to provide physical security for UIV/EIV data. These include, but are not limited to, locked containers of various types, locked rooms that have reinforced perimeters, **and** (not “or”) a locked building with or without guards. The UIV/EIV data may also be maintained in locked metal file cabinets within a locked room. (See Section 2.1.1 of the above referenced *Guidance* for more clarification on acceptable physical security requirements.)

Please be aware that failure to comply with security requirements may result in IMMEDIATE TERMINATION of the PHA’s EIV access and/or criminal penalties.

Security Awareness Training for UIV/EIV

Security awareness training is a crucial aspect of ensuring the security of the EIV system and UIV data. It is the responsibility of the User Administrator and/or the Security Administrator at the PHA to make sure every employee that requires access to UIV/EIV receives training **BEFORE** the forms are sent to the HUD office to request access for the employee. (See Section 3.0 of the above referenced *Guidance* for more clarification, and the *EIV Security Administration Manual, dated May 2008*.)

If you have questions or need further guidance, please email your HUD EIV User Administrator

For everything you want to know about EIV, don’t forget to visit HUD’s EIV website at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>



Audit Findings

Recent Audit Findings from audits by the Office of the Inspector General (OIG). The PHA names have been removed.

Inadequate Internal Controls

The PHA didn’t know its Housing Choice Voucher Program account balances. 24 CFR 982.158 requires the PHA to keep complete and accurate accounts and records for the program. Since program funds may only be used for designated purposes, the PHA’s records must show that the funds were spent for those purposes. The PHA didn’t require receipts for travel reimbursements or other employee reimbursements.

The PHA didn’t perform adequate physical inventories. 24 CFR 85.32 and 85.3 require management to take a physical inventory at least once every two years. They did not adequately track HA-owned vehicles, or update the maintenance records for these vehicles. They paid unnecessary insurance on a vehicle that had been totaled a year earlier.

Ineligible use of program funds, resulting in having to pay back from non-Federal funds.

The PHA built a business to provide job training, using program funds. OMB A-87 requires that costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards. See OMB A-87, Appendix A, part C, Basic guidelines.

The PHA used HUD program funds to pay salary and benefits for an employee who was not working on the program they charged. They mistakenly charged the wrong account. They will have to repay the funds out of non-HUD funds. See OMB A-87, Appendix B, paragraph 8, Compensation for personal services.

The PHA donated Public Housing funds to a local charity, and provided Public Housing funds for a party for public Housing residents, in violation of OMB A-87. See OMB A-87, Appendix B, paragraphs 12 (Donations) and 14 (Entertainment). See the website below for OMB-A-87, now 2 CFR Part 225 - Cost Principles for State, Local, and Indian Tribal Governments.

http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf.

If you have questions about what is an allowable expense, talk to your Financial Analyst or Public Housing Revitalization Specialist. Think about what looks reasonable, and what looks questionable.

Remember to submit FASS

Public housing agencies (PHAs) with fiscal years ending **6/30/08, 9/30/08, 12/31/08, and 3/31/09**, including Section 8 only PHAs, will utilize the un-audited Financial Data Schedule (FDS) Tool in lieu of inputting financial data directly into the Financial Assessment Subsystem (FASS) on-line system.

The FDS tool is available at the following web page: <http://www.hud.gov/offices/reac/products/prodpha.cfm>.

In addition to the Excel Tool, REAC has posted information on submitting unaudited FASS for FYEs beginning 06/30/08. All PHAs will be using the FDS Tool to submit their unaudited FASS. FASS submissions are due April 13, 2009, unless you are a 3/31 PHA, in which case you have until 6/30/09. Remember that you will not be scored this year.

For questions on the excel Tool, email nicholas.x.miele@hud.gov or you can email your financial analyst. For questions on what goes on what line, accounting questions, email or call the Asset Management Help Desk, at 1-800-955-2232, or pihirc@deval.us.

A system to submit audited FASS, including uploading the audit, will be available in April. PHAs with a fiscal year ending 06/30 will have 30 days from the release of that system to upload their audited submission for 2008. PHAs with a 09/30 year end can assume their audited FASS is due 9 months after year end, 6/30/09.

Remember to send a hard copy of your audit, and the Management letter, to your HUD financial analyst within 9 months of your FYE, whether or not you have submitted an audited FASS to REAC.



Capital Fund Financing Program

HUD's Capital Fund Financing Program (CFFP) allows a PHA to leverage capital funding to accomplish work items exceeding the current amount of capital funding on hand. Under an approved CFFP plan, a PHA may borrow private capital (bond or conventional loan) to make improvements to public housing now, pledging a portion of future years' capital funds to the debt service!

General guidelines include:

- Approval - PHAs must submit an application to HUD for prior approval
- CF Pledges - Generally limited to 33% of the PHA's current annual CF grant.
- Term - Generally, 20 years.
- Public Housing Requirements - Since the proceeds from a CFFP transaction are generated via the pledge and use of Capital Funds, HUD considers CFFP Proceeds to be, for all intents and purposes, Capital Funds. PHAs pursuing a CFFP transaction must follow all statutory and regulatory requirements related to the Capital

Fund Program in regard to the development and implementation of their CFFP Proposal.

- Other Financing/Approvals – If a PHA's proposed use of the proceeds would require other HUD approvals, separate approvals must be obtained. CFFP Proposal approval can occur prior to those related approvals, but will be conditioned upon receiving those approvals, and generally will expire within 90 days of issuance.

For more information, including application procedures and case studies of approved CFFP proposals, visit:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

Uniform Physical Conditions Standards (UPCS)

REAC inspections are performed in accordance with the UPCS. If a PHA diligently inspects and maintains property applying the same standards as REAC, the PHA will know what deficiencies a REAC inspector is likely to identify and can repair those items prior to the inspection. For UPCS Training information, contact REAC's Technical Assistance Center at 1-888-245-4860 (7 AM - 8:30PM EST) or email the Inspection Training Team directly at REAC_PASS_Training@hud.gov

Capital Funding–Environmental Reviews

Capital Funding is subject to Environmental Review under 24 CFR Part 50 or Part 58. CFP Funds established in LOCCS are placed under threshold review, limiting PHA access to the full amount pending satisfactory completion of the Environmental Review. For more information, visit <http://www.hud.gov/offices/cpd/energyenviron/environment/compliance/>

Upcoming Environmental Training

- Orientation to Environmental Assessment (OEA), June 1–5 (Los Angeles), August 10 –14 (Chicago)
- Environmental Assessment for Experienced Practitioners, April 20 – 22, 2008 (Chicago)
- Energy Performance Contracting for PHA's (EPC), June 22–26, 2009 (Chicago)

For more information, please contact Eugene Goldfarb at (847) 831–9142 or email egoldf1@uic.edu.

Verifying Immigration Status

The Systematic Alien Verification for Entitlements (SAVE) database is required when verifying citizenship or eligible immigration status of individuals and family members applying for or currently receiving assisted housing in accordance with Section 214 of the Housing and Community Development Act of 1980 (HCDA 1980), as amended (42 U.S.C. § 1436a), and implementing regulation 24 CFR Part 5, Subpart E. Public Housing Authorities (PHAs) are required to use the Department of Homeland Security's (DHS) SAVE Program's Verification Information System (VIS) to verify immigration status pursuant to 24 C.F.R. § 5.512(c)(1). There is no cost to the PHA.

Access to the VIS is available through a web-based system only. PHAs needing access to the SAVE Program's VIS should contact the Office of Public Housing Program at (202) 708–0744 (Melosan Bell) or by sending an email to SAVE-VIS@hud.gov with the following information:

Name

Address (physical & mailing)

Telephone number

Fax number

Email address



**Section 8 Homeownership
Closings as of 01/31/2009**

| <u>State</u> | <u>No. of Closings</u> |
|------------------|------------------------|
| Alaska | 44 |
| Idaho | 100 |
| Oregon | 75 |
| Washington | 159 |
| HUB Total | 378 |

Asset Management e-Newsletter

Did you realize that the PIH Asset Management Division has published 18 newsletters already? To review past e-newsletters and learn more about activities relating to Asset Management, visit: <http://www.hud.gov/offices/pih/programs/ph/am/newsletter.cfm>



Subscribe to this Newsletter

Our Northwest Notes Newsletter is intended to provide helpful information and share knowledge about Public Housing programs throughout the Northwest/Alaska Public Housing family. You can subscribe to receive this Newsletter via email, or manage an existing email subscription.

We try to publish our newsletters quarterly. If you missed any prior publication, you can access it at <http://www.hud.gov/local/shared/working/r10/ph/newsletter.cfm?state=wa>

Customer Service Center

Do you **need help solving a complaint?**
have questions on rent
calculations?



- Local Agency Contact Information
- PIH Guidebooks and Notices
 - Public Housing, Section 8, Homeownership fact sheets
- Applicable References to Regulations (CFR)
- HUD Webcasts on DVD

These are just some of the customer services that the PIH Information and Resource Center provides to the General Public, Public Housing/Section 8 Residents, and Housing Agency Staff

Call us now at
1-800-955-2232

or e-mail pihirc@deval.us

Monday through Friday 9am-5pm EST

fax 877-338-2570



Recently Published Guidance

For a complete list of published PIH and Federal Register Notices, please visit HUDCLIPS
<http://www.hud.gov/offices/adm/hudclips/index.cfm>

PIH Notices

| Notice | Issued | Purpose |
|------------------------------------|---------------|---|
| <u>PIH 2009-11</u> | Mar. 16, 2009 | Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers |
| <u>PIH 2009-10</u> | Mar. 05, 2009 | Appeals under the Operating Fund Program for Calendar Year 2009 |
| <u>PIH 2009-09</u> | Mar. 05, 2009 | Using ENERGY STAR to Promote Energy Efficiency in Public Housing |
| <u>PIH 2009-08</u> | Feb. 24, 2009 | Extension of the Disaster Voucher Program (DVP) |
| <u>PIH 2009-05</u> | Jan. 26, 2009 | Extension – PIH Notice 2008-6 (TDHEs) – Accessibility Requirements for Native American Programs: Section 504 of the Rehabilitation Act of 1973; Americans with Disabilities Act of 1990; Architectural Barriers Act of 1968; and Fair Housing Amendments Act of 1988 |
| <u>PIH 2009-03</u> | Jan. 16, 2009 | Submission of Calendar Year 2008 Notices of Intent and Fungibility Plans by PHAs in Hurricane Katrina and Rita Disaster Areas Authorized to Combine Section 8(o) and 9(d)(e) Funding Under Section 901 of 2006 Emergency Supplemental Appropriations, as Extended by 2008 Emergency and Supplemental Appropriations |
| <u>PIH 2009-02</u> | Jan. 16, 2009 | Operating Fund Program: Calculation of Transition Funding Amounts for Calendar Year 2009 |
| <u>PIH 2009-01</u> | Jan. 02, 2009 | Guidance for Obtaining HUD Consent for Takings of Public Housing Property by Eminent Domain |
| <u>PIH 2008-47</u> | Dec. 22, 2008 | Public Housing Development Cost Limits |
| <u>PIH 2008-46</u> | Dec. 10, 2008 | Certification of accuracy of data in the Inventory Management/Public Housing Information Center System used to calculate the Capital Fund formula allocation |

Recently Published Guidance

Federal Register Notices

| Document # | Issued | Title |
|--------------------------------------|---------------|--|
| <u>FR-5288-N-01</u> | Feb. 25, 2009 | Notice of Proposed Information Collection for Public Comment; Disaster Housing Assistance Program- Ike (DHAP-Ike) |
| <u>FR-4998-N-03</u> | Feb. 11, 2009 | Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Proposed Delay of Effective Date |
| <u>FR-4998-F-02</u> | Jan. 27, 2009 | Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs; Final Rule |
| <u>FR-5057-F-02</u> | Jan. 26, 2006 | Public Housing Operating Fund Program; Increased Terms of Energy Performance Contracts |
| <u>FR-5200-FA-03</u> | Jan. 23, 2009 | Announcement of Funding Awards for the Housing Choice Voucher Family Self Sufficiency Program for Fiscal Year 2008 |
| <u>FR-5279-N-01</u> | Jan. 22, 2009 | Notice of Proposed Information Collection: Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Person or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing |
| <u>FR-5264-D-01</u> | Jan. 13, 2009 | Redelegation of Authority for Office of Public and Indian Housing |
| <u>FR-5278-N-01</u> | Jan. 12, 2009 | Section 8 Housing Assistance Payments Program—Contract Rent Annual Adjustment Factors, Fiscal Year 2009 |
| <u>FR-5300-N-01</u> | Dec. 29, 2008 | Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA); Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs; Notice |
| <u>FR-5187-N-69</u> | Dec. 15, 2008 | Notice of Submission of Proposed Information Collection to OMB; Emergency Comment Request; Disaster Housing Assistance Program (DHAP) Incremental Rent Transition Study |
| <u>FR-5187-N-67</u> | Dec. 11, 2008 | Procedures for Appealing Section 8 Rent Adjustments |

Recently Published Guidance

E-Memos (electronic memoranda)

| Seattle HUB | Issued | Purpose |
|--------------------|---------------|---|
| Seattle HUB | Mar. 3, 2009 | Advanced Uniform Relocation Act (URA) Implementation training |
| Seattle HUB | Feb. 10, 2009 | Update on Refinement of Income and Rent Determination Requirements Rule |
| Seattle HUB | Feb. 10, 2009 | HUD Webcast HUD-VASH |
| Seattle HUB | Feb. 9, 2009 | HUD Webcasts-DHAP, HUD-VASH, EIV |
| Seattle HUB | Jan. 27, 2009 | 2009 Public Housing Capital Fund Data Certification |
| Seattle HUB | Jan. 22, 2009 | Un-Audited Financial Submission Procedure for Public Housing Agencies With Fiscal Year Ends of June 30, 2008 through March 31, 2009 |
| Seattle HUB | Dec. 19, 2008 | Public Housing FY 2009 Quarter 1 Newsletter |
| Portland FO | Issued | Purpose |
| Portland FO | Feb. 10, 2009 | Update on Refinement of Income and Rent Determination Requirements Rule |
| Portland FO | Feb. 9, 2009 | Upcoming 2009 HUD Webcasts- DHAP, HUD-VASH, EIV |
| Portland FO | Jan. 27, 2009 | 2009 Public Housing Capital Fund Data Certification |
| Portland FO | Jan. 16, 2009 | Un-Audited Financial Submission Procedure for HAs With Fiscal Year Ends (FYE) of June 30, 2008 Through March 31, 2009 |
| Portland FO | Jan. 6, 2009 | Webcast January 7, 2009 – FY 2009 NOFA, General Section Published in the Federal Register December 29, 2008 |
| Portland FO | Jan. 2, 2009 | Northwest Notes Newsletter |
| Portland FO | Dec. 18, 2008 | Early Submission Via Grants.gov |

Important Dates

Please Note: All dates subject to change. Refer to program websites for information and complete list of forms due!!!

FYE 3-31 PHAs

01-17-2010 PHA Plan Submission (CFP Performance and Evaluation Reports must be included in Plan)
05-30-2009 SEMAP Submission due in PIC (60 days after FYE)
06-30-2009 Unaudited FASS for FYE 3-31-2009 submission due to REAC

FYE 6-30 PHAs

03-31-2009 One copy of IPA Audit due to Field Office with Management letter, Corrective Action Plan, and other relevant written communications (see PIH Notice 2006-15)
04-13-2009 Unaudited FASS for FYE 06-30-2008 submission due to REAC
04-17-2009 PHA Plan Submission (CFP Performance and Evaluation Reports must be included in Plan)
08-31-2009 Unaudited FASS for FYE 06-30-2009 submission date to REAC

FYE 9-30 PHAs

04-13-2009 Unaudited FSS for FYE 09-30-2008 submission due to REAC
06-30-2009 Audited FASS for FYE 09-30-08 submission due to REAC
06-30-2009 One Copy of IPA Audit due to Field Office with Management letter, Corrective Action Plan, and other relevant written communications (see PIH Notice 2006-15)
07-18-2009 PHA Plan Submission (CFP Performance and Evaluation Reports must be included in Plan)

FYE 12-31 PHAs

02-28-2010 Unaudited FASS for FYE 12-31-09 submission due to REAC
02-28-2010 SEMAP Submission due in PIC (60 days after FYE)
04-13-2009 Unaudited FSS for FYE 12-31-2008 submission due to REAC
09-30-2009 Audited FASS for FYE 12-31-09 submission due to REAC
09-30-2009 One Copy of IPA Audit due to Field Office with Management letter, Corrective Action Plan, and other relevant written communications (see PIH Notice 2006-15)
10-18-2009 PHA Plan Submission

All PHAs

04-30-2009 PHA EIV User Administrators must recertify EIV users prior to April 30 or they will lose
07-13-2009 CY 2009 Operating Fund Subsidy Revision deadline
Monthly CFP obligated-expended data is submitted through eLOCCS. CFP work completion activities where pre-audit is required, are reminded to submit Final P&E Reports with AMCC to Field Office.
Monthly Send complete copy of renewal Mod Rehab program HAP contracts with owners to FMC representative. Please include Attachment A. Contracts needed to request renewal funds and to release payments.
Quarterly VMS data collection (HUD 52681B submitted electronically). Ensure data is submitted timely and accurately. Failure to report timely could result in loss of Administrative fees. *Check VMS website for exact submission dates*
Reminder Please continue to submit Year-End Settlement Statements (HUD-52681) for Section 8 Mod Rehab, SROs, and Mainstream (DV) vouchers ONLY. Submit to FMC (45 calendar days after FYE). 90 days prior to FYB, submit complete budget (HUD-52673, 52672, 52663) for Mod Rehab, SRO, HOPE VI, Mainstream (DV code-5 year increments), to FMC representative.