Welcome!

The Los Angeles Office of Public Housing is initiating a newsletter to communicate with our partners. We will relay information regarding new HUD rules, remind you of old ones, and provide links with further information. In addition, we will share information on PIH Notices. The newsletter will also spotlight new additions to the PIH staff. We hope this forum will serve as a way to open the lines of communication with our partners.

PHA Spotlight

At HUD’s September 27 and 28th, 2006 Maximizing Leverage conference and training, HUD staff from around the nation and PHA attendees learned about Capital Financing, Modernization and Development by PHAs and affiliates. The trainers were a distinguished group of experts in the areas of finance and housing development and provided in depth information on leveraging finances to rehabilitate, modernize and develop projects using mixed finance and tax credit options. Within the jurisdictional oversight of the Los Angeles Field Office, panelists recognized the Kern County Housing Authority as a PHA that used innovative and successful leveraging techniques to improve and expand affordable housing. The Housing Authority of the County of Kern (HACK) developments that were spotlighted were the Greenfield Home and Milagro del Valle developments. In addition, other PHAs in the Los Angeles region with successful mixed finance projects include The Housing Authority of the City of Los Angeles’ projects Pueblo Del Sol and Vista Del Sol Community and Dana Strand Village, and Oxnard Housing Authority’s Colonia Road project.

Who: Kern County Housing Authority

Development Name: Greenfield Home, Bakersfield, CA

Summary: The PHA and its development partners developed 35 family homes and a community center to be available to families with farm labor income earning less than 60% of median income.
**Development Financing:** Total of $24 million

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<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Bonds</td>
<td>$6,500,000</td>
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<tr>
<td>State Grants</td>
<td>$3,000,000</td>
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<tr>
<td>HOME CHDO Funds</td>
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<td>Replacement Housing Funds</td>
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<tr>
<td>USDA Funds</td>
<td>$3,000,000</td>
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<tr>
<td>Construction Loan</td>
<td>$6,500,000</td>
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<tr>
<td>Federal tax credit equity</td>
<td>$4,053,000</td>
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</tbody>
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**Development Name:** Milagro del Valle, McFarland, CA.

**Summary:** The PHA developed forty-six 2,3 & 4 bedroom single-family homes and community center with its developer partnership.

**Funding:** Approx $12.9 Million

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<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Tax Credits</td>
<td>$1,210,667</td>
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<td>Equity Investor Funds</td>
<td>$4,482,344</td>
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<td>HOPE I sales proceeds</td>
<td>$1,837,821</td>
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<tr>
<td>Construction Loan</td>
<td>$5,359,000</td>
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Below highlights HACK’s progress with one of their Mixed Finance Projects including the description of the leveraging and mixed finance components. The Los Angeles Office of Public Housing wishes HACK the best of luck with the development of this project!

Cecilia Ross, Los Angeles PIH Director joined Stephen Pelz, Executive Director, in the Groundbreaking Ceremony for Greenfield Homes on August 30, 2006. Speakers at the Ceremony include representatives from Jim Costa, US Congressman, 20th District, Dean Florez, CA State Senator, 16th District, Michael Rubio, Kern County Board of Supervisors and Irma Carson, Bakersfield Councilwoman, Ward 1.
Did you know you don’t have to verify small assets?

To save your staff time obtaining third-party verification on small assets that do not affect the Total Tenant Payment, PHAs can amend their Administrative Plan to set a threshold below which they will not be required to obtain third-party verification for assets. For example, based on the passbook return rate, PHAs may set a threshold of $5,000, if they find that once interest is applied, the assets do not affect the tenant’s rent.

New Public Housing Staff

HUD Headquarters has created the Quality Assurance Division which has staff nation-wide that is devoted to improving the quality of the operation of PHAs. Staff works to improve management performance, accountability and data reporting of local agencies. Two of their new employees are Kirby McMillan and Sandra Phoenix. Kirby Mcmillan Jr., is LAFO’s new Quality Assurance Specialist and transferred in April from the Santa Ana Homeownership Center where he worked for over three years as a Housing Specialist. While in Santa Ana, Kirby was the property manager for the Golden Feather Contract which covered nine states. Additionally, he was the lead person for the HOC’s REO Katrina disaster-team. Prior to joining HUD,
Kirby was the Army Corps of Engineers’ Los Angeles property manager and, at various times, responsible for the property management of all armed forces recruiting stations and all navy reserve recruiting stations in Southern California. Prior to these assignments, he worked for the Navy in San Diego as a Realty Specialist and worked on the Base Realignment and Closure Team (BRAC) -- an assignment that spearheaded the transfer of the Marine Corps’ Tustin and El Toro base closures. Kirby is a 20 year Navy retiree from active duty and currently has 10 years of inactive reserve status.

Sandra Phoenix was a civil service employee for over 17 years and, after a brief hiatus, was just recently reinstated as a federal employee in LAFO’s Public Housing program area as a Quality Assurance Specialist. Ms. Phoenix began her career with the FBI then moved to the U.S. Department of Agriculture in positions of varying capacities. She then assumed a position with the Agency for International Development, Office of Inspector General, as a Budget Assistant and was promoted to Staff Auditor. Sandra advanced to Auditor in Charge of the Division’s overseas operations and was responsible for planning and executing world-wide financial statement audits. In 2004, Sandra resigned and relocated to California to be closer to family and is glad to be here.

**Los Angeles HUD Office Celebrates End of Fiscal Year**

Public Housing staff paused to review our accomplishments this fiscal year. Director Cecilia Ross highlighted each staff member’s special contributions.

Back Row: Ted Skonos, Letitia Henderson, Sandra Phoenix, Cecilia Ross, Johnson Badalpour, Anthony Sprowl, Quinn Donovan, Sebastian King

Front Row: May Miso, K.J. Brockington, Martha Murillo, Sara Kurzenhauser, Alejandra Sigala, and Maria Granata  Not pictured but also honored: Undine DeSuze, Joan Harris, Percy Taylor
Notice Spotlight

PIH Notice 2006-65

Issued: 8/21/2006
Expires: 8/31/2007

Cost-Savings Initiatives in the Housing Choice Voucher (HCV) Program

This Notice reinstates applicable sections of PIH Notice 2005-9 in regard to cost-savings measures and provides additional guidance on prudent financial management in the HCV program.

Portability. Although a PHA may opt to deny portability moves as described in Section 3.c. of PIH Notice 2005-9, it must demonstrate that it will not have sufficient funding to serve currently assisted families. Only if the PHA would be unable to avoid terminations of HCV assistance to remain within its budgetary allocation for housing assistance payments (HAP) would a PHA be justified in denying portability to a higher cost area where the receiving PHA will not absorb the family.

Cost-savings Regulatory Waivers. As with portability, in order for a PHA to request a regulatory waiver regarding implementing lower payment standards before the second annual reexamination and/or not increasing utility allowances during its calendar year, it must provide sufficient documentation to Headquarters. Such documentation must include average monthly HAP costs in the calendar year as supported by data entered (or to be entered) in the Voucher Management System (VMS) and average monthly turnover as supported by data in the Public Housing Information Center (PIC).

Stop Loss

Under the new Operating Fund rule, PHAs that will experience a decline in funding can have their losses “stopped” by demonstrating a successful conversion to asset management, i.e., “stop-loss.” This website contains information for PHAs regarding Stop-Loss.


Stop Loss submission Kit:

Attachment A – check List Required Information

Attachment B – PHA Data Form

Attachment C – Certification of Long Term Capital Planning

Attachment D – Certification of Compliance with Risk Management Responsibilities

Description of How Services are Assigned

Frequently Asked Questions

**HUDLinks:**

Asset Management
http://www.hud.gov/offices/pih/programs/ph/am/

Operating Subsidy Assistance Package

(EIV) Update on upcoming Enterprise Income Verification certification

(RIM) Rental Integrity Monitoring website

(UIV) Upfront income verification website

Capital Fund Financing Program

Stop Loss Extension FAQs
http://www.hud.gov/offices/pih/programs/ph/am/stoploss.cfm

**Reminder:** An **Energy Audit** is required for each development of **PHA owned Low-Income Public Housing.** Please refer to 24 CFR 965.302. If you haven’t sent your completed Energy Audit yet, please do so immediately!