



## Los Angeles PIH Newsletter

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### PHA Spotlight

## HACLA Holds Board of Commissioners' Stakeholder's Retreat

The Housing Authority of the City of Los Angeles (HACLA) held a two-day retreat on October 6 and 7 at the Cathedral Plaza, Los Angeles. The retreat objectives focused on increase awareness of community issues and challenges, funding and regulatory issues that impact the housing programs, capture new thinking from the stakeholders, including their hopes and dreams of transforming Public Housing in Los Angeles over the next 5-10 years. The Los Angeles Office of Public Housing and Multifamily Housing attended the retreat along with members from the Los Angeles Housing Department, HACLA staff and HACLA public housing tenants. Below photos were taken from the HUD PIH session held on Saturday morning of the retreat. Cecilia J. Ross, Director, and Joan Harris, Public Housing Revitalization Specialist are pictured on left. Rudy Montiel, Executive Director and Beatriz Stotzer, HACLA Chair, along with Board Members and Stakeholders pictured on right.





## Minority Business Enterprise (MBE) Report

The Office of Public Housing will be contacting the Housing Authorities for its annual submission of the Minority Business Enterprise (MBE) report. The MBE report is to track the level of HUD's grantees' contracting with minorities and women. The information is gathered in response to Executive Order 12432, signed July 14, 1983, which requires each Federal Agency having substantial grant making authority to document MBE dollars spent with African American, Hispanic, Asian-Pacific, Native American, White, and Women-owned business. The Los Angeles Field Office contact is Undine DeSuze.

## HUD Issues Guidance for the Procurement of Legal Services by Public Housing Agencies

On February 3, 2006, the Department issued Notice [PIH-2003-24 \(HA\)](#), which provides guidance on the procurement of legal services by Public Housing Agencies. The Notice explains the proper procedures for procuring legal services. The notice also provides a brief review of procurement issues commonly encountered by PHA's. The Notice applies to all PHA procurements of legal services that are funded in whole, or in part, with HUD grant funds subject to Operating Fund subsidies and the Capital Fund.

## PHA Ethics – Guidance on Ethics Matters

In February 2003, HUD's Office of General Counsel issued a reference manual on the subject of PHA ethics. The manual is a compilation of ethics related materials and is intended to be a handy resource for PHA officials seeking guidance on the subject. Specifically, the manual covers the following subjects:

General Conflict of Interest Provisions

Section 19 and 20 of the ACC

Additional PH Regulations - 24 CFR 964.145

The Common Rule – 24 CFR 85.36

## Ethics in Procurement

Section 8 Conflict of Interest – 24 CFR 982.161

Hatch Act

Sample Waiver Request

We encourage you to review the manual since many of your questions can be resolved by applying the rules and regulations found in the manual. You may obtain a copy of the manual from your Los Angeles PIH representative.

Where doubt exists in the appropriate course of action, you are encouraged to seek guidance in advance to assure compliance with all applicable federal and state requirements. Do not hesitate to contact our Office of General Counsel, Faye Austin, Ethics Official for the Los Angeles PIH Office for additional guidance. Ms. Austin may be reached (415) 489-6515 or email her at [r.\\_faye\\_austin@hud.gov](mailto:r._faye_austin@hud.gov).

## Welcome New Los Angeles Staff Member!



The Los Angeles Office of Public Housing welcomes Mr. Gregory C. Nunn, our new Financial Analyst who transferred from the HUD Field Office in Baltimore, MD, where he served as a Financial Analyst in the Baltimore Public Housing Program Hub. During his 20-year HUD career, Mr. Nunn served as a Public Housing Financial Analyst in the Troubled Agency Recovery Center and the Baltimore Public Housing and as Acting Deputy Director of the Baltimore Public Housing Program Hub. Mr. Nunn has extensive experience in recovering troubled public housing authorities and providing technical assistance in the financial management area for both the low-rent public housing and Section 8 programs.

Mr. Nunn also worked in HUD Headquarters in Washington, DC as a Financial Operations Analyst in the Office of the Assistant Secretary for Housing Federal Housing Commissioner. Mr. Nunn worked with the wide variety of single-family mortgage insurance programs such as the single-family assignment program, the Home Equity Conversion program and the Single Family Property Disposition Program.

Mr. Nunn holds a Bachelor of Arts Degree in Psychology from Pitzer College in Claremont, CA and Master of Science in Public Management and Policy from Carnegie-Mellon University in Pittsburgh, PA. He currently resides in Eagle Rock, CA.

Please feel free to telephone Mr. Nunn at any time at (213) 534-2457.

## **May Miso, Grants Manager**



May Miso, in addition to being a Public Housing Revitalization Specialist, is Los Angeles Office's Resident Opportunities and Self Sufficiency (ROSS) Grants Manager. She assumed the responsibility for the ROSS grants in 2004. From 2005-2006, she has processed/awarded 32 grants, totaling \$6.8 million and closed 27 grants, totaling \$ 5.6 million. Her current portfolio includes 42 existing grants totaling \$10 million. Every six months, Ms. Miso reviews Progress and Financial Reports and releases funds to Housing Authorities, as appropriate. Ms. Miso reminds PHAs that the ROSS grant reporting period is due every six months, with the next due date being January 30, 2007.

## **THE MONEY FOLLOWS THE PERSON INITIATIVE**

On October 5, 2006, a letter from Secretary Alfonzo Jackson was sent to all PHA Executive Directors introducing the Money Follows the Person Rebalancing Initiative of the Centers for Medicare and Medicaid

Services (CMS). The Initiative intends to promote the transition of persons with disabilities and seniors out of institutional settings and into the community. Secretary Jackson's letter encourages PHA to set local preferences to use PH units, HCVs and Mainstreams Vouchers to join with state Medicaid offices and aging and disability agencies administering Medicaid programs in promoting the Initiative.

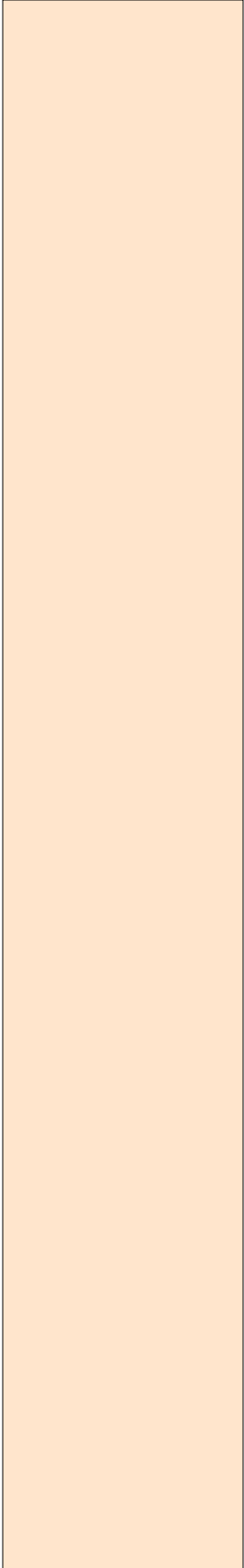
## PROGRAM SPENDING

The Financial Management Center (FMC) has been sending emails and/or letters to PHAs that are spending less than 95% of their allocated Housing Assistance Payment (HAP) Budget Authority. The letters are requesting the PHAs to report actions they are taking to increase the spending of HAPs. If you will recall, many PHAs took quick and drastic actions to reduce spending after receiving fairly health cuts in BA funding in 2004 and 2005. These cuts were very effective and have contributed, in many cases, to under spending in 2006. We have some recommendations for ways to increase, within the program, your spending to the 95-100% funding levels. However, proceed with caution. The program can be viewed as a huge oil tanker that takes considerable planning to bring it to a stop. Conversely, it takes considerable time and effort to get that same tanker started again and cruising on the open seas. At this point, we do not know what funding levels Congress will provide for renewals for 2007, so you may want to consider using the 2006 funding for estimating the 2007 renewals. This, as we have seen in the past, can be reduced by several percentage points, and may be increased (but I'm not holding my breath).

### **Things to consider:**

Absorbing ports- Perhaps the quickest way to increase program spending is to absorb all or a portion of the portable contract that you are billing other PHAs. This will immediately charges the HAP costs to your ACC accounts reduce that pesky billing and collection exercise and eliminate the sharing of the administrative fees. Remember that a revised HUD-52665 must be sent to the initial PHA advising them of the absorption. Also, keep in mind that other PHAs could be absorbing your ports, so, be prepared to take other actions if this happens.

Increasing Payment Standards- An increase in Payment Standards will increase HAPs for new contracts and for many existing contract, at the annual reexamination. You can check the Rents and Rent Burden Report in PIC for the average rent burden at your PHA and use this as a guide for determining whether to increase the PSs. Nationally, the rent burden for the program is 45% of MAI, in Georgia, the average rent burden is 60%. The rent burdens have increased since 2004 because of the needs to reduce costs and because of decreases in Fair Market Rent (FMRs) after implementing new areas from the 2000 census. As this could make a major impact on your costs, you should make projections of the increased HAP costs resulting from the increases in the Payment Standards (PSs). Also, remember that you can make increases on some or all bedroom sizes (i.e. increase for 1 BR units to aid elderly or disabled families) or for portions of your jurisdiction. An increase in PSs will also ease the housing searches for voucher holders.



Issue vouchers from your waiting list- If you are under the baseline voucher allocation and your BA can cover the costs of additional voucher leases, you may begin issuing vouchers to applicants on your waiting list. This may take awhile before the costs are realized, as you will need time to contact the applicants, interview and brief the applicants. The voucher holder will have a housing search period as they attempt to locate suitable, affordable housing in the area. Keep in mind that over-issuance of vouchers at any time can saturate the market and cause voucher holders to be unsuccessful in finding housing.

Open your waiting list- if you are exhausting your waiting list, you may need to open your list for new applicants. If so, plan far enough ahead for the advertisement and initial review of the applications so as not to cause a delay in the issuance cycle.

Approve portable moves to other jurisdictions. If you were using less than 95% of your allocated BA, you would be hard-pressed to justify denying a portable move to a higher cost jurisdiction. The port denials must be considered on a case-by-case basis.

## **Reminder on HUD-50058 Reporting**

HUD Notice PIH 2006-24 states that the minimum reporting rate for HUD form 50058 has increased to 95%. This Notice outlines the sanction policies for PHAs failing to meet new reporting requirements effective December 1, 2006.

### **Suggestions for improving your 50058 reporting rate:**

- Monitor 50058 Delinquency reports monthly (Delinquency Report Guide was issued 10/6/06)
- Review Housing Quality Standards (HQS) Report (Refer to Reports sub-module of the 50058 module)
- Review Re-exam Report (available in the Reports sub-module of the form 50058 module)
- Process End of Participations Promptly
- Mark Low Income Public Housing program (LIPH) units as vacant if applicable (you can do this under the Unit tab, Development sub-module of the Housing Inventory module)
- Monitor 50058 processing of portables (contact receiving PHA if 50058 has not been processed)