

U.S Department of Housing and Urban Development (HUD)
Public Housing and HCV NEWSLETTER
Honolulu Field Office
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www.hud.gov

FEATURE SPOTLIGHT

OIG AUDIT RESULTS: GUAM HOUSING AND URBAN RENEWAL AUTHORITY

The HUD Office of the Inspector General (OIG) conducted a review of the Guam Housing and Urban Renewal Authority (GHURA) because it received more than \$1.9 million in funding as part of the American Recovery and Reinvestment Act of 2009 (ARRA).

The OIG's objectives were to determine whether GHURA (1) had effective and efficient operations in place to manage its grant-funded projects and (2) had administered its grant funds in accordance with HUD's rules and regulations.

The on-site audit work conducted in Sinajana, Guam in September 2009 covered the period from October 1, 2008 to September 11, 2009. The audit was conducted in accordance with standards that required the OIG to plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The audit included

- Reviewing applicable HUD rules, regulations and guidance;
- Obtaining relevant background information;
- Reviewing policies and procedures related to procurement, monitoring/reporting of grant funds, expenditures, and disbursements;
- Interviewing relevant authority and HUD personnel;
- Reviewing relevant monitoring/reporting records, financial records, personnel books, and procurement records; and
- Conducting on-site reviews of randomly selected housing developments and units where the grant funds were being used.

The Office of the Inspector General concluded the Guam Housing and Urban Renewal Authority generally had effective and efficient operations in place to manage its grant-funded projects. In addition, it generally administered its grant funds in accordance with HUD rules and regulations. No significant weaknesses were found in GHURA's internal controls that would affect its ability to manage and administer Recovery Act-funded projects.

GHURA provides assistance to low-income families through various Community Development Block Grants and community housing programs. A seven-member board of commissioners provides overall policy direction to the housing authority. Governor Felix Camacho, with the advice and consent of the legislature, appointed the commissioners. Executive Director Benny Pinaula was appointed by the commissioners to oversee the authority's day-to-day operations. GHURA is a unique agency within the government of Guam because it receives 100% of its funding through HUD.

Guam's Housing Authority administered its allocated Recovery Act amount toward capital improvement projects such as kitchen cabinet upgrades, exterior painting, and roof coating at selected housing developments and units. As of December 2009 GHURA has obligated 100% and expended 60% of their allocated Recovery Act funding.

The Honolulu Hub Office of Public Housing commends the Director and Staff of the Guam Housing and Urban Renewal Authority for their dedication to fulfilling HUD-PIH program objectives and their fine work in forwarding the purpose of the American Recovery and Reinvestment Act of 2009

NEWS OF PIC AND OTHER SYSTEMS

ENTERPRISE INCOME VERIFICATION (EIV)

The Federal Register issued a final rule of the Refinement of Income and Rent Determination Requirements. The rule's effective date was January 31, 2010. Highlights of the rule include

- **Applicants and each member of their household must** submit a complete and accurate Social Security Number (SSN) (required documentation) when applicant's eligibility is being determined.
- **Each owner applicant and member of the owner applicant's household must** submit a complete and accurate SSN (required documentation) who is obligated to pay the debt of the mortgage or loan.
- **Participants, excepting those of age 62 or older as of January 31, 2010, and each member of the household must** submit a complete and accurate Social Security Number (required documentation) if the participant has
 - o Not previously disclosed a SSN;
 - o Previously disclosed a SSN that has been determined to be invalid by HUD or the Social Security Administration; or
 - o Been issued a new SSN.
 - o Live-in-aids and foster children/adults must provide SSN information.
- **For changes after the initial disclosure**
 - o Additions of new members who are at least 6 years of age or under 6 and has an assigned SSN
 - The participant must provide a complete and accurate SSN for the new members at the time of request or next reexamination
 - o Additions of new members who are at least 6 years of age and who have no SSN
 - The participant must provide a complete and accurate SSN for the new members within 90 calendar days of the addition to the household
 - The PHA shall grant a 90 day extension if it determines that failure to provide the SSN was due to circumstances that could not have reasonably foreseen and were outside the control of the participant.
 - If the Participant neglects to supply the SSN, the family will be subject to termination of assistance.
 - o If family member has been assigned a new SSN, the participant must submit a complete and accurate SSN at the receipt of the new SSN or at the next reexamination.
- **Required documentation is**
 - o A valid SSN Card issued by SSA
 - o An original document issued by a federal or state governmental agency which contains the name of the individual, the SSN and other identifying information or
 - o Other evidence as may be prescribed by HUD
 - For Mod Rehab SRO applicants, the required SSN documents must be provided within 90 calendar days from the admission date to the program or a 90 day extension if the PHA determines the failure to comply was due to circumstances that could not have been reasonably foreseen and were outside the control of the participant.
- **The PHA must deny** the eligibility of an assistance or owner applicant if the applicant does not meet the SSN disclosure requirements.
- **The PHA must terminate** the assistance of a participant and the participant's family for failure to meet the SSN disclosure, documentation and verification requirements of the rule.
 - o The PHA may defer termination and provide a participant with an additional 90 days to disclose the SSN if the PHA determines that the failure to meet the requirements was due to circumstances that could not have been reasonably foreseen and were outside the control of the participant and there is a reasonable likelihood that the participant will be able to disclose a SSN by the deadline.
- **PHAs are mandated** to use the EIV in its entirety
 - o As a third party source to verify tenant employment and income information during mandatory reexaminations and
 - o To reduce administrative and subsidy payment errors
 - EIV has several reports that should be used periodically that identify these errors.

- **PHAs must retain**, at a minimum, the last three years of the HUD-50058 and supporting documents during the term of each lease and for a period of at least 3 years from the end of the participation. Electronic records of these documents may be maintained.

Find the entire Final Rule here: <http://www.hud.gov/offices/pih/regs/index.cfm>

The latest PIH RHIIP/EIV Training was held on January 28, 2010.

The training is available in webcast archives at: <http://www.hud.gov/webcasts/archives/iv.cfm>.

Training Materials are here: <http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm#20100128>

Effective January 31, 2010, all PHAs are required to use the EIV system.

If you are a PIH EIV system user or will view printed or electronic data, **you are required to complete the training by April 29, 2010.**

All PIH RHIIP/EIV inquiries should be sent to PIH.RHIIP.TA@HUD.GOV with a copy to the local HUD office.

PUBLIC HOUSING NEWS

CAPITAL IMPROVEMENT AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)



UPDATE: Hawaii Region uses of the Recovery Act Capital Funding by Formula

To the Hawaii Public Housing Authority (HPHA)

Total ARRA Amount Awarded: \$16,245,443.00 (this amount does not include future ARRA awards by competitive process)

Project Name	Improvement Description	Funds Obligated (As of 22-Feb-2010)	Improvement Start Date	% Completed
Hale Hauoli, Honokaa	Painting, Reroofing, Renovation			
Kahekili Terrace, Maui	Physical Improvements roof, site work, exterior renovation			
Kaimalino & Kealakehe	Reroofing, exterior renovation	\$ 1,831,483.00		
Kalanihuia	Reroofing and Elevator Lobby Improvements			
Makani Kai Hale, Maui	Physical Improvements			
Makua Alii	Structural and Spall Repairs			
<i>Makua Alii</i>	<i>Construction Management</i>			
Kalakaua	Roof replacement			
<i>Administrative Costs</i>	<i>Operations (not > 20% of grant); Administration (not > 10% of grant); contingency (not > 8% of grant);</i>	<i>\$ 1,203,376.00</i>		

TOTAL ARRA Funds Obligated	\$ 3,034,859.00
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**To the Guam Housing and Urban Renewal Authority (GHURA)
Total ARRA Amount Awarded: \$1,984,167.00**

Project	Improvement Description	Obligated	Improvement Start Date	% Completed as of Dec 2009
AMPs 1 & 4	Exterior Painting	\$ 227,446.00	16-June-2009	60.48%
AMPs 2 & 3	Exterior Painting	\$ 94,934.00	23-June-2009	43.39%
AMPs 1 & 4	Water blasting, Roof Coating, Heat Reduction	\$ 1,332,650.00	03-June-2009	28.03%
AMP 2	Water blasting, Roof Coating, Heat Reduction	\$ 89,618.23	03-June-2009	84.00%
AMPs 1,2 & 4	Kitchen Cabinets/Counters/Tops	\$ 189,518.77	26-June-2009	100.00%
TOTAL ARRA Funds Obligated		\$ 1,984,167.00		

FY2009 PHYSICAL INSPECTION SCORES: HAWAII PUBLIC HOUSING AUTHORITY (HPHA)

The Honolulu Hub Office of Public Housing and the Hawaii Public Housing Authority's (HPHA) Property Management and Maintenance Services Branch (PMMSB) collaboratively set goals early in FY2009 to significantly improve the Physical Inspection Scores of the state's public housing projects and to set a standard of excellence in maintenance for a crucial part of Hawaii's real estate/real property assets.

Sixty-five of HPHA's public housing projects are grouped into sixteen Asset Management Projects (AMPs). HUD's Real Estate Assessment Center (REAC) conducts the Uniform Physical Condition Standards (UPCS) inspection of each AMP. The FY2009 UPCS inspections were conducted on HPHA's sixteen AMPs from October 2009 through early January 2010. Subject to the inspection of each AMP are:

AMP's Site	Air Quality; Electrical Hazards
AMP's Building Exteriors	Electrical Hazards; Emergency/Fire Exits; Fire Escapes
AMP's Building Systems	Air Quality; Domestic Hot Water; Electrical Systems & Hazards; Emergency/Fire Exits; Fire Protection; Smoke Detector; HVAC
AMP's Common Areas	Air Quality; Electric Systems & Hazards; Emergency/Fire Exits; HVAC; Outlets/Switches/Cover Plates; Smoke Detectors; Windows; Elevators
AMP's Units	Air Quality; Electric Systems & Hazards; Emergency/Fire Exits; Hot Water Heater, HVAC; Outlets/Switches/Cover Plates; Smoke Detectors; Windows; Infestation

AMPs are scored on a 100 point scale and a 30 point scale. In the 100 point score basis, 60 is considered a passing score. In the 30 point scale basis, a score of 18 is passing.

In FY2009 all sixteen AMPs received passing Physical Inspection Scores in contrast to twelve AMPs with passing scores in FY2008. Thirteen AMPs increased their scores in FY2009 from scores received in FY2008. Score increases ranged from 2 to 50 points on the 100-point scale basis. The inspection scores for 3 AMPs decreased in FY2009 from scores received in their FY2008 inspections. Decreases ranged from 4 to 7 points on the 100-point scale basis.

The Physical Inspection Score is part of the composite Public Housing Assessment System (PHAS) score, the result that represents a public housing authority's (PHA) management performance. Along with the Physical indicator score, contributing to the composite PHAS score are indicators for Finance, Management, and Capital Fund.

The Honolulu Hub Office of Public Housing commends HPHA for significantly improving its FY2009 Physical Inspection Scores from the previous inspection. Our focus in the coming months will be to address the deficiencies and needs of the four AMPs with scores in the 60's on the 100-point scale and the projects within those AMPs as we continue to improve the quality of all public housing in Hawaii.

SECTION 8 VOUCHER NEWS

HCV HOMEOWNERSHIP REPORT

From CY 03 through to date CY09 there were 48 closings amongst 7 Hawai'i PHAs:

PHA	CY03-09	CY10	Totals
Hawai'i Public Housing Authority (HPHA)	12	0	12
Guam Housing and Urban Renewal Authority (GHURA)	0	0	0
Northern Marianas Housing Corporation (NMHC)	0	0	0
City & County of Honolulu	23	0	23
Hawai'i County	2	0	2
Maui County	1	0	1
Kaua'i County	11	1	12

Contact your assigned HUD reviewer with questions related to HCV Homeownership.

FISCAL YEAR 2010 ANNUAL ADJUSTMENT FACTORS

Section 8 Housing Assistance Payments Program—Renewal Funding Annual Adjustment Factors, Fiscal Year 2010
<http://www.gpo.gov/fdsys/pkg/FR-2010-02-10/pdf/2010-2990.pdf>

SUMMARY: The Consolidated Appropriations Act, 2010 (Pub. L. 111– 117), directs HUD's Office of Public and Indian Housing (PIH) to "provide renewal funding for each Public Housing Agency (PHA) based on Voucher Management System (VMS) leasing and cost data for the most recent Federal fiscal year and by applying the most recent Annual Adjustment Factors as established by the Secretary". This notice announces Renewal Funding AAFs in response to that directive. Consumer Price Index (CPI) data, similar to those used for "Contract Rent AAFs", are used, but semi-annual CPI data replaces annual CPI data. This makes the Renewal Funding AAFs six months more current than the CPI data used to derive Contract Rent AAFs. These CPI data are more current data and better reflect the economic circumstances most relevant to the Housing Choice Voucher (HCV) program in 2010 and the assumptions of the 2010 budget. Like the Contract Rent AAFs, these factors are based on a formula using residential rent and utility cost changes. Contract Rent AAFs were published in a separate notice which can be viewed here:

http://www.huduser.org/portal/datasets/aaf.html/FY2010_CF_table.pdf

DATES: *Effective Date:* February 10, 2010.

Section 8 Housing Assistance Payments Program—Contract Rent Annual Adjustment Factors, Fiscal Year 2010
<http://www.gpo.gov/fdsys/pkg/FR-2010-02-10/pdf/2010-2991.pdf>

SUMMARY: The United States Housing Act of 1937 requires that assistance contracts signed by owners participating in the Department's Section 8 housing assistance payment programs provide annual adjustment to monthly rentals for units covered by the contract. This notice announces revised Contract Rent AAFs for adjustment of contract rents on assistance contract anniversaries. The factors are based on a formula using residential rent and utility cost changes from the most current annual Bureau of Labor Statistics Consumer Price Index (CPI) survey. These factors are applied at Housing Assistance Payment (HAP) contract anniversaries for those calendar months commencing after the effective date of this notice. In a separate notice, HUD will publish "Renewal Funding AAFs" to be used exclusively for renewal funding of tenant-based rental assistance, reflecting the more recent CPI data.

DATES: *Effective Date:* February 10, 2010

The formulas used to produce these factors can be found in the Annual Adjustment Factors overview and in the FMR documentation at <http://www.huduser.org/portal/index.html>

Tables 1 & 2 show Contract Rent AAFs

http://www.huduser.org/portal/datasets/aaf.html/FY2010_CR_tables.pdf

To ensure correct usage of Contract Rent AAFs read the Area Definitions Table section (listed by state)

http://www.huduser.org/portal/datasets/aaf.html/FY2010_AreaDef.pdf

CUSTOMER SERVICE

ON THE FRONTLINE



*Derrick Stephens
Customer Service Representative*

Derrick Stephens: A Real People Person

Derrick Stephens is the first Customer Service Representative of the Honolulu Field Office. He has been in HUD's employ since 1998. Over 11 years ago, Derrick began public service for HUD's Office of Field Policy and Management (FPM). His three years with FPM provided the work experience required for the subsequent eight years with the Office of Community Planning & Development (CPD).

When asked why the move to the new Customer Service Position, Derrick responds "I'm a real people person, love interacting and talking with others." "Also, my knowledge of and education in Information Technology (IT) has been useful in my duties as Webmaster, in charge of updating the Honolulu portion of the HUD website." Updating materials to keep the public informed of HUD's programs and services, a bit of data entry, the developing and maintaining of forms & systems for tracking documents and/or activities keep this career public servant busy.

In addition to keeping the Honolulu site up-to-date and attending to the myriad of duties associated with his new office, Derrick is responsible for fielding phone calls and assisting general public visitors to HUD's Honolulu Field Office Storefront. His smiling face and welcoming manner is the first point of contact to the programs and services provided by the U.S. Department of Housing and Urban Development, Honolulu Field Office.

*Is there someone **on the frontline** of your organization applying a proactive approach when providing service(s) to internal and external clients/customers? We are honored to recognize these men and women **On the Frontline**. Send a photo and particulars to Marie.Miguel-Cortez@HUD.gov*

HUDCLIPS

The HUDCLIPS website provides direct access to HUD forms, notices, handbooks, regulations and other information about the HUD programs. HUDClips is located here: <http://www.hud.gov/offices/adm/hudclips>

New PIH Notices as of November 2009

PIH 2010-4	Guidance for Obtaining HUD Consent for Takings of Public Housing Properties by Eminent Domain. This notice extends for another year same subject Notice 2009-01 which expired January 31, 2010.
PIH 2010-3	Explains the procedures required for verifying Social Security numbers, Social Security benefits of applicants, participants and household members at the time of application for rental assistance programs and during mandatory reexamination of household income.
PIH 2010-2	Updates annual instructions for appeals pursuant to 24 CFR part 990, the Public Housing Operating Fund Program, Subpart G, for calendar year (CY) 2010.
PIH 2010-1	DVP has been extended beyond the previously projected date for families currently receiving DVP assistance.
PIH 2009-52	Protecting Tenants at Foreclosure Act-Guidance on New Tenant Protections
PIH 2009-51	PHA Determinations of Rent Reasonableness in the Housing Choice Voucher (HCV) Program – Comparable Unassisted Units in the Premises
PIH 2009-48	Administering the Community Service and Self-Sufficiency Requirement (CSSR)
PIH 2009-47	Public Housing Operating Subsidy Calculations for Calendar Year 2010
PIH 2009-46	Federal Financial Report – Standard Form 425

WEBCASTS

AN IMPORTANT PART OF HUD TRAINING

If you have missed a scheduled live broadcast or want to review a previously aired one, webcasts are usually archived within 24 hours after being aired. Recent and archived webcasts are located here:

<http://www.hud.gov/webcasts>

This newsletter will be and previous issues are accessible on the HUD website at:

<http://www.hud.gov/local/hi/working/ph/honolulunews.cfm>

LET US KNOW WHAT YOU THINK!

The Honolulu Hub Office of Public Housing invites your comments and suggestions on how we can make these quarterly newsletters beneficial to you. Property Managers, Public Housing Staff and Partners are welcome to request our newsletters. Send your comments, suggestions and/or direct your request for these newsletters to Marie.Miguel-Cortez@HUD.gov