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Issue One 2014



A monthly insight into the Detroit Office of Public Housing

# bridging the gap

## HOUSING CHOICE VOUCHER PROGRAM



By Doug Gordon , PHRS



It is without question that CYE 2013 was a challenging year. As PHAs, you are likely much more aware of the challenges and have needed to make some very difficult decisions regarding voucher issuances, program policies and staffing levels. The Detroit Field Of-

fice of Public Housing wants to take this opportunity to say **THANK YOU** for being willing to meet these challenges. It is because of your efforts that no PHA in Michigan experienced a shortfall in HAP funding and that 60% of PHAs optimized the use of program resources. The utilization rate for the Non-Elderly Disabled (NED) voucher program exceeded 98% and the utilization of Veteran Affairs Supportive Housing (VASH) vouchers increased by 30%.

Fortunately, it appears that in CYE 2014 the HCV program may realize some relief. For CYE 2014, HUD operated under a Continuing Resolution until the "[The Consolidated Appropriations Act, 2014](#)" ([Public Law 113-76](#)) was enacted on January 17, 2014.

The Appropriates Act provides some good news for PHA's. Most notably the program will not be subject to sequestration. Estimated proration of HAP Renewal funding for CY 2014 is approximately 99%. Estimated Administrative Fee proration for CY 2014 is approximately 74%. The CY 2014 renewal funding is to be based on VMS leasing and HAP expense data for CY2013. Please be sure to complete all data entries/corrections for all months of CY 2013 in VMS no later than February 24, 2014.

The 2014 Act does authorize an offset of excess NRA and/or HUD-held program reserves. The methodolo-

gy for implementing the offset will be outlined in the CY 2014 Implementation Notice. The 2014 Act also states that excess NRA/HUD-held program reserves may be reallocated to PHAs needing additional funds to prevent the termination of participating families and to avoid or reduce the proration of renewal funding allocations. The Act continues to prohibit the use of NRA funds to lease units above a PHA's baseline ACC unit count.

Approximately \$16M in NRA is maintained by PHAs in Michigan. By September of 2013, approximately \$2.7M of this amount was allocated to cover CYE 2013 HAP obligations. Despite this investment of NRA, approximately 17 agencies maintain NRA balances that are greater than 8% of their Annual Budget Authority (ABA). The rationale behind carrying NRA balances is understood, but the Department encourages each agency to spend down NRA balances to at least 8% of ABA. There is no hard and fast regulation that sets a maximum threshold on the amount of NRA that an agency can maintain; however, a PHA is incentivized to do so. The primary incentive is that more extremely- and very low-income families are given the opportunity to attain both affordable and decent housing. The second main incentive is that program funding may be lost if these resources are not put to use in your community.

The Detroit Field Office looks forward to working with each agency during 2014. The Department continues to monitor utilization rates for the HCV, VASH, NED, FUP and Mainstream programs. We hope that through this process we can assist you in identifying challenges and opportunities that will be beneficial to you during the year. We certainly hope that you will contact us should you have questions or concerns.

*Together, we can achieve anything!*

From the Director



## Dear Executive Directors

I would like to say Happy New Year to all of those who I have not had the opportunity to speak with this year. As you know Anne Fiskin is now enjoying retirement and I want you to know that she really appreciated all the responses she received after notifying you all of the same. As a result we are making some changes in the PH Office and I will announce those once confirmation have been received.



My work with the Gary Housing Authority (although not over) is going to be slowing down real soon which affords me the opportunity to return back to Field Office, a place I miss! I want to thank all of you that have played a part in meeting the goals set for the State of Michigan. We not only met but in most cases surpassed the goals set and this is in large part to you who keep the mission of our operations at the front. We are here to house those who are in need of our services and you and your team assisted in this mission. I salute each of you and thank you, thank you, thank you! I want to send a special thanks to those who have consistently sent words of encouragement as we faced difficult times. Together we can make a change, together we can make a difference and together we will succeed.

Please join me in congratulating the following PHAs for receiving a High Performer designation for 2013 FYE *(extended congratulations for all others previously designated for 2012)*:

MI036	Sault Ste Marie Housing Commission	MI016	Bronson Housing Commission	MI124	Saranac Housing Commission
MI038	Jackson Housing Commission	MI023	Greenville Housing Commission	MI182	Charlevoix Housing Commission
MI108	L'Anse Housing Commission	MI025	Belding Housing Commission	MI187	Rapid River Housing Commission
MI158	Mackinac County Housing Commission	MI030	Cheboygan Housing Commission	MI081	Rockwood Housing Commission
MI183	Middleville Housing Commission	MI046	Saint Joseph Housing Commission	MI100	Lapeer Housing Commission
MI021	South Lyon Housing Commission	MI047	Grayling Housing Commission	MI180	New Haven Housing Commission
MI028	Mount Clemens Housing Commission	MI056	Coldwater Housing Commission	MI191	Caseville Housing Commission
MI039	Port Huron Housing Commission	MI093	Rockford Housing Commission		
MI161	Marysville Housing Commission	MI103	Hillsdale Housing Commission		

**Willie C. H. Garrett**  
Director Public Housing  
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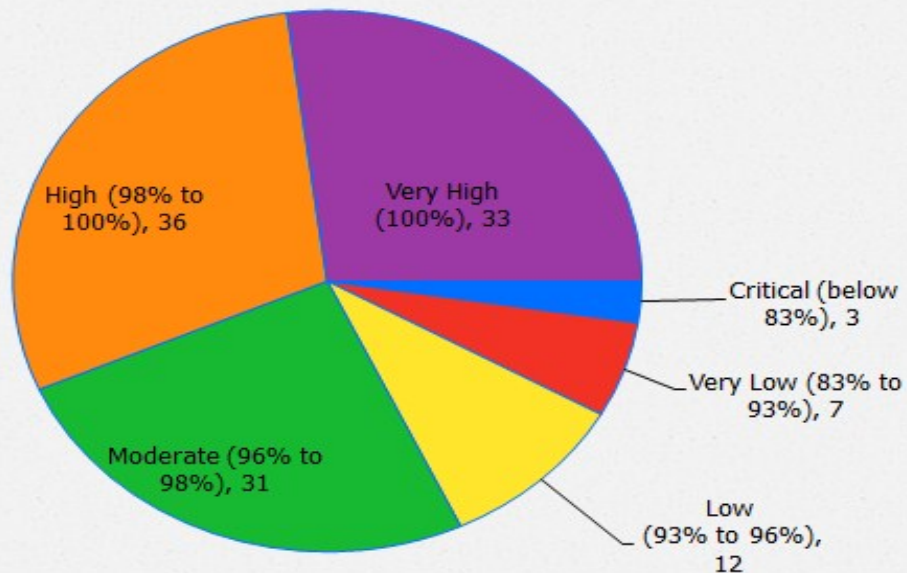
**Michigan**  
*is a great place to be.*  
**Have a terrific February 2014!**



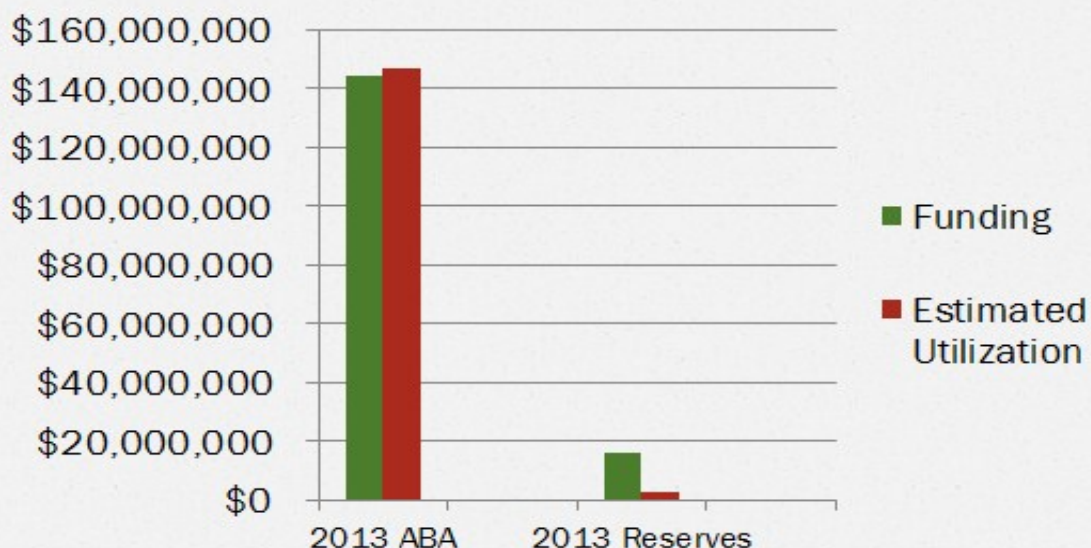
# 2013 Re-Cap

## Michigan Public Housing Occupancy 2013

100 of our 122 PHAs are at or above HUDs Occupancy Thresholds!



## Michigan HCV Funding Utilization 2013





# Ask the PHRS...

**Question:** What is RAD?

**Answer:** The Rental Assistance Demonstration (RAD) program is authorized by the 2012 Appropriations Act (See revised [PIH Notice 2012-32](#)). The purpose of RAD is to test the conversion of public housing and other HUD-assisted properties to long-term, project based Section 8 rental assistance to facilitate preservation and improvement of properties by enabling access to PHAs and owners to private debt to meet long-term needs and to provide increased housing choice to residents.

## **RAD has two separate components:**

1. Component 1: Allows projects funded under public housing and Section 8 Moderate Rehabilitation programs to convert assistance to Section 8 PBV or PBRA
2. Component 2: Allows owners of projects funded under the Rent Supplement/Rental Assistance Payment/Moderate Rehabilitation Programs to convert Tenant Protection Vouchers to Section 8 PBV.

## **RAD Production Update - Component 1**

As of December 31, 2013, the Department had received applications for more than 176,000 units. Currently, the Department only has authority to award 60,000 units, of which approximately 57,000 units have now been reserved. Nine (9) PHAs in Michigan have applied to participate in RAD and five (5) applications have received reservations. As can be seen by the below list, the PHAs seeking participation includes PHAs with various program sizes and communities. The applications also vary with respect to the number of units being converted. In several instance, PHAs are converting all units and in other cases only one development is being proposed for conversion or the plan is to convert in phases.

### **PHAs with HUD Commitments:**

- Ann Arbor Housing Commission
- Ecorse Housing Commission
- Grand Rapids Housing Commission
- Plymouth Housing Commission
- Ypsilanti Housing Commission

### **Additional PHAs with Submitted Applications:**

- Pontiac Housing Commission
- South Lyon Housing Commission
- Bay City Housing Commission
- Grand Rapids Housing Commission
- Paw Paw Housing Commission

The Department is currently working with the Congress and stakeholders to pursue a lifting of the 60,000 unit cap so that we may make additional awards. In the meantime, the Department will continue to review applications on the waiting list so that, in the event that the cap is lifted, we can immediately make awards and begin working with PHAs on their transactions.

For more detail on the 2014 Budget click on the thumbnail of the report



## **For more information:**

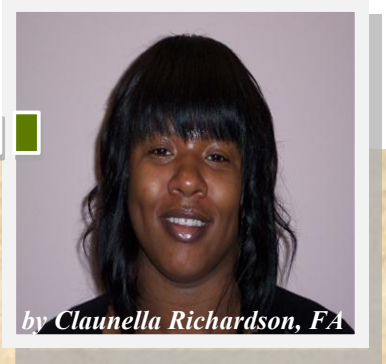
Please contact the RAD team at [rad@hud.gov](mailto:rad@hud.gov).

For questions about the resident provisions of RAD, please email [radresidents@hud.gov](mailto:radresidents@hud.gov).



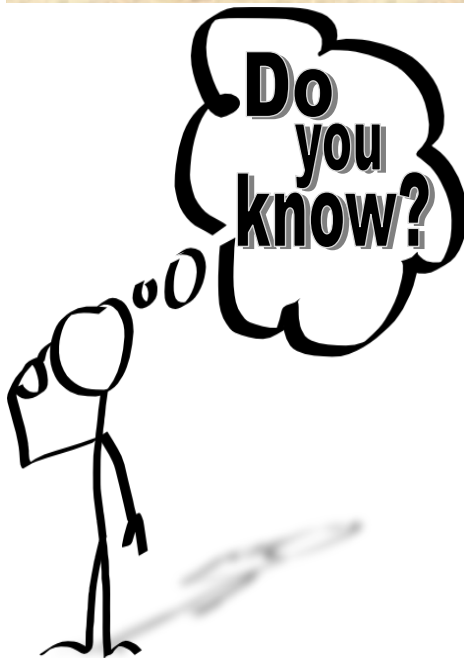


# From the FA...



by Claunella Richardson, FA

The FASS-PH System Release was implemented on December 6, 2013. This document provides information on the enhancements that have been made to the FASS-PH system. The enhancements affect financial reporting for **Pensions** and the **Mixed Finance** and the **Rental Assistance Demonstration (RAD)** Indicators contained on the project income statement of the financial data schedule (FDS). Specifically, FDS Line 357 - Accrued Pension and OPEB Liabilities will now contain a detail link to report pension liability and OPEB liability separately. *The Mixed Finance Indicator and the RAD Indicator will be populated from the information contained in PIC in lieu of PHA self-indicated/reported.* Remember to refer to [Financial Assessment Subsystem](#) webpage for updates and information.



## Public Housing Agencies (PHA) with a fiscal year end of March 31, 2013 have been granted a due date extension.

February 28, 2014, for fiscal year 2013 single audit reporting packages.

Accordingly, public housing agencies (PHAs), including Section 8 only

As a result of Office of Management and Budget (OMB) delays in the release of their 2013 OMB Data Collection Form, OMB has granted an extension until

PHAs with a fiscal year end of March 31, 2013 that are required to submit an A-133 audit to the Department will not receive a Public Housing Assessment System (PHAS) Late Presumptive Failure (LPF) or Failure to Submit (FTS) penalty as long as PHAs submit within the revised OMB amended time frame for a fiscal year end of March 31, 2013.

The revised due date for audited A-133 financial submissions that are due on December 31, 2013 are now due on the later of February 28, 2014 or when the 2013 OMB Data Collection Form becomes available.

## Important Reminder!

We invite and encourage housing commissions to submit the financial audits in Adobe PDF (electronic) format.

Our goal is to create a more expedient and effective review process that is beneficial to the housing commission as well as the staff here at the Detroit Field Office.

This option will reduce paper requirements, unnecessary postage cost, and time lost through the exchange of hard copy paperwork.

Please submit all audits including attachments and management letters to your assigned financial analyst via email.



# The Bridge to Truth



## Resident Board Members “Are” Board Members

HUD reminds our Housing Commissions that Resident Board members are full board members. The Code of Federal Regulation addresses this in [24 CFR 964.430](#).

### [24 CFR 964.430 – Non-discrimination](#)

(a) *Membership status* — (1) *General*. A resident board member is a full member of the governing board.

(2) *Resident participation must include matters regarding Federal public housing and Section 8 tenant-based assistance*. A resident board member must be allowed to take part in decisions related to the administration, operation, and management of Federal public housing programs and Section 8 tenant-based rental assistance programs. This rule does not extend to matters that:

- (i) Exclusively relate to other types of housing assistance (such as State financed housing assistance); or
- (ii) Do not involve housing assistance (as may occur where the city or county governing body also serves as the PHA board).

(3) *Public housing agency may expand scope of resi-*

*dent participation*. A public housing agency may choose to expand the scope of resident member involvement to matters not required under paragraph (a)(2) of this section.

(b) *Residence status*. A governing board may not prohibit any person from serving on the governing board because that person is a resident of a public housing project or is assisted under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(c) *Conflict of interest*. A governing board may not exclude any resident board member from participating in any matter before the governing board on the grounds that the resident board member's lease with the public housing agency, or the resident board member's status as a public housing resident or recipient of Section 8 tenant-based assistance, either results or may result in a conflict of interest, unless the matter is clearly applicable to the resident board member only in a personal capacity and applies uniquely to that member and not generally to residents or to a subcategory of residents.



Board of Directors

## February Due Dates

Due Date	Submission Requirements
Feb 4	VMS Reporting Open
Feb 13	Unaudited Extension Request Due 12/31 FYE
Feb 22	VMS Reports are Due
Feb 28	Unaudited Due 12/31 FYE

Disclaimer: This calendar is not all conclusive and does not represent all programs and due dates. For more detail please visit [HUD.GOV](#).

### Special Thanks to our February Contributors:

Douglas Gordon (PHRS), Claunella Richardson (FA), Chandra Broadnax (PA), Angela Foster (PHRS), Willie C. H. Garrett (Director)