



# Office of Public Housing

## News-to-Use

*Greetings* from Ann Roman, Acting OPH Director: We are at the dawn of a new fiscal year – 2006. Unfortunately, HUD is without a budget and we are operating under a continuing resolution through November 18. While final appropriation amounts are only speculation at this point, it would appear prudent to anticipate a conservative fiscal situation. We are not anticipating significant increases in funding, and hope any decreases will be minimal. We will keep you informed as the HUD budget unfolds.

This year is starting off with challenges. The Operating Fund Final Rule was published recently and will bring many changes. We will keep you posted as we work through this transition together.

I want to thank everyone for their hard work and support with the Hurricane Katrina (and other hurricanes) disaster recovery efforts. Your response was amazing!

### **Katrina Disaster Housing Assistance Program (KDHP)**

A new database has been developed for input of participant information for KDHP voucher participants. The KDHP database resides at PICTEST and can be accessed at the following web address using your PIC ID:

<https://pictest.hud.gov/PIC/Logon/userlogon.asp>

You will want to check out the PIC Headlines for 10/31/05 for more information about the KDHP database. If you need access to the KDHP database, please contact Monica Aragon or Ann Roman to be granted access rights.

The HUD web page has several important documents and information regarding KDHP. Be sure to check out the information posted at: <http://www.hud.gov/katrina/>

### **EIV Update**

The Enterprise Income Verification (EIV) system and the National Directive of New Hires database (“New Hires”) are now available for all PHAs nationwide. You can access EIV via Secure Systems using your MID. To be granted access you will need a MID from REAC and you will need to submit a EIV Access Authorization Form and a EIV Rules of Behavior and User Agreement form. You can access these forms as well as general information regarding EIV at the EIV home page at the following address.

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

You can also view the 10/13/05 EIV webcast by visiting the HUD webpage and archived webcasts.

### **2006 Operating Fund Update**

On 9/19/05 HUD published the Operating Fund Final Rule. This Final Rule is effective starting 11/18/05. This rule addresses the formula to be used for determining operating fund eligibility amounts as well as the requirements and schedule for implementation of project-based management and accounting. On 10/24/05, HUD published a Federal Register notice that corrected some of the implementation dates listed in the Final Rule. Most importantly, the 10/24/05 notice defers the implementation of the revised operating fund formula to calendar year 2007. This was done to allow the one-year transition period for PHAs. This also means that PHAs now have more time to demonstrate successful conversion to the asset management requirements of Subpart H. Section 990.230 of the 9/19/05 publication identified 10/1/05 as the first demonstration date for PHAs in order to have a “stop-loss” of subsidy reduction. The 10/24/05 notice moves this first demonstration date back to 10/1/06. On 11/2/06 HUD published Notice PIH 2005-34 (HA), Information Regarding Implementation of the Final Rule to

the Public Housing Operating Fund program, 24 CFR Part 990. This notice provides additional information and guidance.

What does all this mean? For 2006, PHAs will receive operating funds based on the current formula. For 2006 and beyond, operating funds will be provided for a calendar year, regardless of the PHA's fiscal year date. PHAs will receive an initial 6-months' obligation of operating funds based on the PHA's 2005 operating funds received. Nothing needs to be submitted to receive this funding. Then by 12/31/06, PHAs will need to submit 2006 subsidy forms to the Field Office. A 2006 processing notice should be issued shortly that provides information and factors for 2006 operating fund calculations.

### **2005 Operating Fund Proration**

Headquarters had finalized the operating fund proration for 2005. It is **88.8%**. This figure is based on a calculation: the appropriation from Congress is divided by the total eligibility of all PHAs.

### **Continuing Resolution**

HUD does not yet have an approved budget for 2006 and is operating under a continuing resolution thru 11/18/05. The House has taken action on H.R. 3058, but the Senate has yet to finalize its action. A House and Senate conference committee is scheduled to meet 11/10/05. We will keep you informed regarding HUD's 2006 budget.

### **Heating and Electric Costs to Jump!**

We've all heard the news on the television and in the newspapers - heating and electric bills are expected to jump anywhere between 40% and 70 % this winter! With winter quickly approaching, now is the time for housing agencies to identify and complete energy conservation measures (ECMs) and programs to reduce energy consumption and reduce those utility bills!

24 CFR 965.302 requires that all PHAs complete an energy audit for each PHA-owned project under management not less than once every five years. Energy audits identify and analyze all ECMs (both short-term and long-term investments) and the payback period for these measures that are pertinent to the type of buildings and equipment operated by the PHA. **This year, one of our HUD Region 8 Office of Public Housing performance goals is for all of our housing agencies (except Section 8 only agencies) to have a current energy audit (those PHAs who have completed a recent energy audit and are in compliance with the regulations, might wish to revisit their energy audit in light of the high costs expected this winter!).** The energy audit must be completed by a *qualified* person, and the old axiom "You get what you pay for" certainly applies to energy audits! A good energy audit contains information that not only reduces the amount of energy you use, but many of the measures will also help make the resident's dwelling unit a more comfortable place to live. Some of the measures identified may seem trivial but when added together with the other ECMs can result in significant energy savings and heating costs this winter. Interestingly, many ECMs are largely no cost, low cost (under \$10), or moderate cost (\$11 to \$50), and even the most expensive measures would probably cost well under \$100 to implement. Few of the measures require any significant physical alteration of your buildings and units and most require only a change in your energy use habits.

Some common short-term ECMs and areas where the PHA and the resident can realize the largest savings and make the unit a more pleasant place to live include the following:

- Seal up leaks in your units so heat doesn't escape in the winter and cool air doesn't escape in the summer.
- Turn down the thermostat in the winter and turn it up in the summer while maintaining a comfortable living environment.
- Keep radiators clean since dirt and dust absorb heat.
- Weatherproof doors and make sure doors are fitted properly (airtight).
- Weatherproofing and weather-stripping windows.

- Providing storm windows and provide outdoor air conditioner cover for window and wall mounted air conditioners.
- Provide low cost covers for a kitchen exhaust fan openings when not in use.
- Ask residents to arrange furniture and drapes so that they do not block or obstruct heat vents, radiators, or baseboard heaters.
- Clean or replace filters frequently
- Use compact fluorescent light bulbs, which cost more to buy but are more efficient and can cut energy significantly.
- Install water-flow restrictors in showerheads and faucets.
- Lower hot-water-heater thermostat to 120 degrees Fahrenheit.

PHAs should consider long-term investments such as improving insulation, installing double-pane windows, and replacing old appliances with new ones that have the Energy Star Label. PHAs should know that HUD and other Federal Agencies have signed a formal partnership to promote *Energy Star* (a government-backed program helping businesses and individuals protect the environment through superior energy efficiency) throughout HUD's affordable housing programs. Notice PIH 2005-25 - Using ENERGY STAR to Promote Energy Efficiency in Public Housing, encourages PHAs to purchase "Energy Star" products (appliances, lighting, etc.) that meet strict energy guidelines unless the energy star appliance is not cost-effective to the agency.

Some PHAs may wish to consider *Energy Performance Contracting* as a means to perform an energy audit and complete energy savings projects where the energy savings generated from the projects pay for the project plus additional savings.

### **Denver OPH Energy Challenge**

As you know, one of our Rocky Mountain Region VIII's performance goal is that all of our housing agencies have a current energy audit pursuant to 24 CFR 965.302; and with heating and electricity costs expected to sore this winter, our goal is timely!

Now is the time for housing agencies to look at ways to conserve energy by completing Energy Conservation Measures (ECM's) identified in their Energy Audit that have a short payback period, and to educate residents about energy conservation. **To that end, we would like to challenge all our low rent PHAs to establish a goal of an overall 10% energy (heating and electrical) consumption reduction for a six-month period from November 1, 2005 to May 1, 2006!** While this goal of a 10% reduction in energy consumption is reasonable for most housing agencies, participation by our housing agencies is not mandatory; nor is it intended to cause a burden on our residents.

If you are interested in accepting our challenge to reduce heating and electrical consumption, we suggest you review your heating and electrical bills for the same period last year and use that consumption as your base and measure your success accordingly! At the end of the six-month period we would like to hear from you!

If you have any questions - or if we may be of any assistance, please don't hesitate to contact your assigned Facilities Management Specialist!

#### ***Save the Date – Procurement Training***

Denver OPH will be offering procurement and capital fund program training for Colorado, Wyoming and Utah PHAs. This is a repeat of the session we offered in September at the Aberdeen Housing Authority for South Dakota, North Dakota, and Montana PHAs. The training will also cover Section 504, Davis Bacon, Lead-Based Paint, Total Development Cost, and environmental review requirements. We are targeting January 21-22, 2006 for this training. Keep your eyes open for additional information.

## **Social Security Cost of Living Adjustment (COLA)**

The 2006 cost-of-living adjustment for SS and SSI beneficiaries was recently announced. It will be 4.1 percent. The link below is to a press release and fact sheet regarding the 2006 COLA:

<http://www.socialsecurity.gov/pressoffice/pr/2006cola-pr.htm>

### ***Part 58 Environmental Training***

HUD's Denver environmental staff will be providing a 1-day training introduction to HUD's environmental regulations. This session will provide a basic understanding of the environmental review process under the National Environmental Policy Act (NEPA) and HUD's 24 CFR Part 58 environmental regulations. HUD grant recipients and clients will learn and understand why they cannot obligate or spend project funds prior to the completion of the environmental review process.

This training will be on 11/18/05, 8:30 – 4:00, at the HUD offices. For more information and to register or the session, please contact Howard Kutzer (303-672-5366) or David Rigiroszi (303-672-5016).

Please contact your HUD State Office Director to see if this session will be available via Tanberg.



### Recent Issuances

#### **Federal Register Issuances – Rules and Program Changes:**

- 10/3/05: Regulatory and Administrative Waivers Ganted for Public and Indian Housing Programs to Assist with Recovery and Relief in Hurricane Katrina Disaster Areas; Notice: Effective date is 9/27/05
- 10/3/05: Final Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program for Fiscal year 2006; Notice: Effective date is 10/1/05.
- 10/13/05: Project-based Voucher Program; Final Rule: Effective date is 11/14/05.
- 10/21/05: Notice of Certain Operating Cost Adjustment Factors for 2006: Effective date is 2/11/06.
- 10/24/05: Revisions to the Public Housing Operating Fund Program; Correction to Formula Implementation Date: Effective date is 11/18/05. (This notice defers the implementation of the operating fund formula to calendar year 2007.)
- 10/31/05: Semiannual Regulatory Agenda (Starting on page 64769 is a discussion of proposed PIH regulations.)

#### **Federal Register Issuances – Information Collection:**

- 10/31/05: Notice of Proposed Information Collection for Public Comment; Customer Service and Satisfaction Survey, Resident Assessment Subsystem (RASS): Comments due 12/30/05

#### **PIH Notices:**

- PIH 2005-33(HA), Reissuance of Section Eight Management Assessment Program (SEMAP) Guidance to HUD Field Offices Assisting SEMAP Troubled, Near-Troubled and Non-Troubled PHAS, issued 10/25/05.

*In The News*

**Colorado:** Congratulations to Preston Prince, Executive Director of the Aurora Housing Authority, who recently assumed the president position of Mountain Plains NAHRO. A big round of thanks goes out to Ed Talbot, Executive Director of the Arvada Housing Authority, for his past leadership of Mountain Plains NAHRO.

**Montana:** On July 28, 2005 the Helena Housing Authority (HHA) held a ribbon cutting ceremony celebrating the grand opening of its Wilder Apartments. This is a 31 unit complex with a community room designed to respond to the neighborhood context. It is comprised of five, one and two story buildings situated on a 51,800 square foot lot. 22 of the 31 units are accessed at ground level and are designed to achieve the principles of Universal Design. All units will be rented to residents with incomes at or below 50% of the Area Median Income for Lewis and Clark County. The Wilder Apartments have energy star appliances in each unit. The units are heated using radiant floor heating. Total cost of this project was \$2,921,649, including \$300,000 from a HUD HOME Program grant. HHA leased the last unit on October 15, 2005 - one month after the final building was completed.

**North Dakota:** On August 1<sup>st</sup>, 2005 the Grand Forks Housing Authority (GFHA) honored GFHA Commissioner Arvin Kvasager for 38 years of service to the Housing Authority with the dedication of the Arvin Kvasager Learning Center. Mr. Kvasager, who is also currently a County Commissioner, and has served in the North Dakota Legislature, was honored for his long-time work and support of the affordable housing programs in Grand Forks. The dedication included invitees North Dakota Senators Kent Conrad and Byron Dorgan, North Dakota Representative Earl Polmeroy, Grand Forks Mayor Michael Brown, Fargo HUD Field Office Director, Joel Manske, City Council members, County Commissioners, and State Legislators. Terry Hanson, GFHA Director, Duane Hafner, GFHA Board President, and Kent Anderson, Grand Forks Homes Board Chair also recognized Mr. Kvasager's efforts. The Learning Center, located with Continental Homes Inc. assisted housing complex, was renamed in honor of Mr. Kvasager, who was instrumental in the development of the Continental Homes housing complex in 1969. The Learning Center opened in 2002 as the Continental Homes Learning Center, operated by GFHA.

**South Dakota:** Although South Dakota is a long way from home for gulf coast residents; the state had 225 hurricane evacuees venture this far north. According to the local Red Cross director, 104 individuals relocated to the Sioux Falls area and 75 relocated to Rapid City. Most people came to the state to stay with family members and friends. After the devastation, housing authorities across the state conducted a survey and found over 120 available public housing units and 40 vouchers to offer displaced residents. While 12 to 15 have already returned south, the Red Cross anticipates about half of them will become permanent residents of South Dakota. Sioux Falls Housing registered 14 families from Hurricane Katrina and 3 families from Hurricane Rita for disaster assistance.

**Utah:** The Housing Authority of Salt Lake City has been very busy recently. In September, a ribbon cutting ceremony was held for the Jefferson School Apartments II. Sixty percent of the 84 units are affordable under tax credit guidelines and forty percent are market rate. In October a groundbreaking was held for the Sunrise Apartments. The Sunrise Apartments will be 100 units of permanent supportive housing serving the chronic homeless.

**Wyoming:** Lisa Skiles Parady joined the Rock Springs Housing Authority in early September, bringing a wealth of experience across state government and from the private sector to her new position. "I am excited to join Mayor Kaumo's team – there is a lot happening in Rock Springs, and one of our most critical needs is the affordable housing necessary to attract the workforce we need to keep growing. Rock Springs has a great public housing base, and new public/private partnerships are critical to the next generation of housing efforts." Lisa Skiles Parady was most recently Chief of Staff at the Wyoming Department of Education, previously served as Senior Policy Analyst in the Governor's Office, and is a licensed attorney. She resides in Rock Springs with her husband Fred and their youngest daughter, Annalise (and two chocolate labs!).

### ***Glad You Asked That...***

One of our PHAs informed us that the HUD form 52564, Operating Budget, posted on HUDCLIPS was not a “fillable” form. We brought this to the attention of headquarters IT staff and we are now please to report that PHAs can now complete the Operating Budget form on-line. Hats off to Jo Spotts of the Englewood Housing Authority for alerting us to this situation and to Charlotte Keator of our office for getting the form made more “user-friendly”!

### **SEMAP Update**

The fiscal year ending (FYE) 9/30/05 tarts the “off-cycle” for SEMAP assessments. If you are a small (less than 250 vouchers), non-troubled PHA, being scored under SEMAP is optional. This is true for all small, non-troubled PHAs with FYE 9/3/05, 12/31/05, 3/31/06 and 6/30/06.

### **Denver OPH News-to-Use Newsletter Goes On-Line**

Our *News-to-Use* newsletter is now posted on the HUD’s state web pages. To find our Newsletter, go to [www.hud.gov/colorado](http://www.hud.gov/colorado) or [www.hud.gov/northdakota](http://www.hud.gov/northdakota), etc. You will see a link on our front page. For future News-to-Use newsletters we will send an email notification of when the newsletter has been posted and you will be able to access it at your convenience. Please share this information with your staff.

While you are at the state pages you might notice the Photo Gallery. We would love receiving your pictures to share here. As you have pictures that you would like to share, please send them to Ann Roman.

### **Reminders**

- 10/31/05: VMS submissions due July, August & September reporting
- 11/15/05: Deadline date for requesting extension for submission of unaudited financial statements for 9/30/05 PHAs
- 11/28/05: Deadline date for 12/31/05 PHAs to certify RASS Implementation Plan
- 11/29/05: SEMAP certifications due for 9/30/05 (small, non-troubled PHAs do not have to submit unless so choose)
- 11/30/05: MASS/FASS (unaudited) submissions due for 9/30/05 PHAs
- 12/5/05: RASS survey results available for 9/30/05 PHAs
- 12/19/05: RASS Follow-up Plan Certification due for 9/30/05 PHAs, as applicable
- 12/31/05: Due date for A-133 audits for 3/31/05 PHAs
- 12/31/05: 2006 operating subsidy forms due

*OPH would like articles, comments, and/or questions from housing authorities in the Rocky Mountain Region. Please send these contributions to Ann Roman at [Carol\\_A.\\_Roman@hud.gov](mailto:Carol_A._Roman@hud.gov). Thanks!*