



Office of Public Housing

News-to-Use

Greetings from Ann Roman, OPH Director: You will notice that instead of our usual electronic news bulletin, our February 2006 issue is in our newsletter format. From now on we will be issuing monthly newsletters. The January, April, July, and October issues will have our *In the News* and *Glad You Asked That* sections. The remaining issues will be more abbreviated newsletters. We will post the newsletters to our Region VIII Office of Public Housing web page and will send an email notification each month when the newsletter is available. We hope that you will find this new format convenient and more accessible for you and your staff.

Housing Choice Voucher Program Update

It is our understanding that Headquarters issued final funding letters on February 22, 2006. If you have not received your notification, please contact our office

Disaster Voucher Program

HUD issued Notice PIH 2006-12 on February 3, 2006. This notice provides guidance on the operating requirements for HUD's new Disaster Voucher program (DVP). The DVP provides rental assistance for HUD-assisted families and special needs/homeless families displaced as a result of Hurricanes Katrina and Rita. Assistance under DVP is pursuant to Section 8(o) of the U.S. Housing Act of 1937. HUD has waived many of the Section 8 requirements under DVP in order to make the program more resemble KDHAP and to minimize the administrative burden on PHAs. Some key points to keep in mind include:

- HUD has retained the KDHAP information system (renamed as the Disaster Information System) to convey family eligibility status to PHA and for PHAs to report leasing and end of participation information back to HUD.
- HUD has eliminated Form HUD-50058 reporting in the PIC system for DVP families and established alternative portability procedures to eliminate PHA billing.
- The administrative fee under DVP is 10 percent of the actual monthly housing assistance payment.
- HUD will provide a one-time placement fee - \$1500 – if the PHA is successful in helping a family lease a unit under DVP.
- Unless expressly renewed or extended by Congress, DVP assistance is time limited. HUD is using September 30, 2007 as the date by which assistance to DVP participants is expected to end.

If your PHA has Hurricane Katrina or Rita families, you will want to become knowledgeable of DVP, especially the requirements for KDHAP transition to the DVP.

Portability

We have received several questions regarding portability and in particular, under what conditions can a PHA deny portability. The regulation and PIH Notice 2005-9 provide guidance on denying portability requests. A PHA can deny a portability request if it does not have adequate funding.

As you know, HUD now funds your voucher program on a calendar-year basis. Therefore, it may be more difficult for a PHA to deny a portability request at the beginning of the year, as it should have adequate funds. To

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demonstrate a PHA does not have the funds to pay higher portability costs, the PHA must show by monthly leasing trends, average HAP costs, and turnover trends, it will have a funding shortfall at the end of the calendar year resulting in termination of families. This analysis would not take into consideration new leasing since a PHA would not be expected to admit new families if its claiming a funding shortfall.

We have heard that some PHAs have a blanket policy that restricts portability to any area that has a higher cost. Unfortunately, this is not acceptable. A PHA must be able to demonstrate that it will have a funding shortfall and that is why it is denying a portability request. We realize that the portability provisions may present administrative and financial challenges for your program, and are willing to assist however we can.

Student Housing Final Rule

We are still waiting for additional guidance from Headquarters regarding this rule. We encourage PHAs to wait for this additional guidance before terminating someone's assistance pursuant to this rule.

Operating Fund Update

Our Headquarters office has informed us that email notifications were sent to PHAs on February 28, 2006. You should have received a file that contained calculations regarding transition funding under the operating fund Final Rule. This calculation of the transition amount is based on the difference between your PHA's actual 2004 subsidy eligibility and what your PHA would have received in 2004 had the final rule been in effect. If your PHA has an increase in subsidy, this increase will be phased in over a two-year period starting in 2007. If your PHA is shown to have a reduction in subsidy, the reduction amount will be phased in over a five-year period. Please note, however, that if your PHA can demonstrate a successful conversion to asset management, your losses can be stopped. (This is what is commonly referred to as "stop loss".) The email message indicates that HUD will be issuing additional guidance regarding the transition calculation and the criteria for demonstrating a successful conversion to asset management. Please contact our office if you did not receive notification of your transition funding amount for your Public Housing program.

Asset Management Project Numbers

We remind PHAs that you have until April 21, 2006 to submit your project identifications. This is done via PIC. We have received several questions from PHAs and have forwarded those that we can't answer to headquarters. Headquarters indicates that webcast training is under development and should hopefully be scheduled soon. We will keep you posted. Headquarters has also indicated that additional guidance should be issued shortly regarding small PHAs and how you would demonstrate conversion to asset management and qualify for stop loss. Here are some points you may want to consider as you are determining your project groupings and assigning AMP numbers:

- PHAs that own and operate fewer than 250 dwelling rental units may treat their entire portfolio as a single project. (Please pay attention to guidance to be issued regarding stop loss, demonstrating successful conversion to asset management, and if small PHAs may have to have more than one project.)
- PHAs may group up to 250 scattered site dwelling units into a single project.
- In PIH Notice 2006-10, HUD suggests 80 units as a "manageable" project size.
- If you are a small PHA, and do not designate an AMP number(s) for your projects, your project identifications will be defaulted to your existing development groupings. You would then be required to submit financial documents for each project. If you wish to have all of your units grouped into one project, you must take action and so indicate in PIC.

HUD' Strategic Plan

Please note that HUD has posted the Draft FY 2006-2011 Strategic Plan on its website for a 30-day public comment period, ending March 18, 2008. Interested persons are invited to submit comments via e-mail to strategic_plan@hud.gov. The Department welcomes comments from all stakeholders, including partner organizations and recipients of HUD assistance. If you or any HUD customers would like further information or would like to view the draft Strategic Plan in its entirety, please visit the web site at <http://www.hud.gov/offices/cfo/stratplanupdte.cfm>.



Recent Issuances

Federal Register Issuances – Funding Opportunities:

- 2/22/06: Announcement of Funding Awards for Fiscal year (FY) 2005 for the Katrina Disaster Housing Assistance Program

Federal Register Issuances – Rules and Program Changes:

- 2/14/06: Fair Market Rents for Fiscal Year 2006 for Housing Choice Voucher, Moderate Rehabilitation Single Room Occupancy and Certain Other HUD Programs; Supplemental Notice on 50th Percentile Designation; Notice: FMRs published in the notice are effective 3/1/06.

Federal Register Issuances – Miscellaneous:

- 2/24/06: Statutorily Mandated Designation of Difficult Development Areas for Section 42 of the Internal revenue Code of 1986: Supplemental Designation Under the Gulf Opportunity Zone Act of 2005; Notice
- 2/17/06: Notice of Regulatory Waiver Requests Granted for the Third Quarter of Calendar Year 2005; Notice

PIH Notices:

- PIH 2006-9 (HA), Reinstatement – Notice PIH 2003-24 (HA), Procurement of Legal Services by Public Housing Agencies, issued 2/3/06.
- PIH 2006-10 (HA), Identification of Projects for Asset Management, issued 2/3/06.
- PIH 2006-11 (HA), Guidance on Integrated Pest Management, issued 2/3/06.
- PIH 2006-12, Disaster Voucher Program (DVP) Operating Requirements – Rental Assistance for HUD-Assisted Families and Special Needs Families Displaced by Hurricanes Katrina and Rita, issued 2/3/06.

Reminders

- 3/1/06: SEMAP certifications for 12/31 PHAs (Small, non-troubled PHAs are exempted)
- 3/16/06: Resident survey results available in RASS for 12/31 PHAs
- 3/17/06: 3/31 PHAs certify resident survey implementation plan (RASS)
- 3/24/06: Due date for submitting utility consumption information to BUCCS.
- 3/30/06: 12/31 PHAs certify resident survey Follow-up Plan (RASS), as applicable
- 3/31/06: Audit reports due to REAC for 6/30/05 PHAs.
- 4/10 – 6/13/06: Residents surveyed for 3/31/06 PHAs (RASS)
- 4/21/06: Due date for AMP identifications

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. Thanks!