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Making Public Housing Work for Families



By Shaun Donovan, Secretary, U.S. Department of Housing and Urban Development

While the current housing crisis has underscored the broad impact housing has on people’s lives, it has also taught us that we need to “reset” our national housing policy — to focus not only on homeownership, but to invest in quality rental housing as well. As such, I believe the single most important thing HUD does is provide rental assistance to four-and-

a-half million of America’s most vulnerable families — and the Obama Administration is proposing bold steps to meet their needs.

A report issued by HUD in May drove home how few housing choices our poorest families have. It found that in 2007, nearly 13 million low-income individuals paid more than half their monthly income for rent, lived in severely substandard housing, or both. [The report](#), issued to Congress on May 25th, found that these “worst case housing needs” grew significantly during the previous administration, between 2001 and 2007 — not coincidentally during a time when promoting homeownership was the singular focus of national housing policy.

Already, the absence of a national strategy to preserve affordable housing has resulted in the loss of 150,000 affordable homes through demolition or sale in the last 15 years. Our Public Housing program alone has a backlog of unmet capital needs estimated at \$20 to \$30 billion.

Indeed, if we fail to act now, we will lose these irreplaceable resources forever.

That’s not the only challenge. With 13 different programs, each with its own rules, managed by three operating divisions with separate field staff, it does not take a housing expert to see that the patchwork of rules and regulations that families have to navigate today doesn’t make affordable housing more accessible — but less.

To the Obama Administration, failing to preserve these resources for the next generations is unacceptable. But just as clear is the fact that we need to do a better job for those generations — and that the Federal government can’t do the job alone.

That is why we have proposed the Preservation, Enhancement and Transformation of Rental Assistance Act.

This legislation not only reflects our best thinking at HUD — but also our best listening, incorporating the lessons we’ve learned from stakeholders from around the country about what it takes to build strong neighborhoods and give families the housing choices they need.

Three fundamental principles guide this legislation.

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By allowing public housing properties to voluntarily tap their inherent value to meet their capital needs like owners of other affordable housing are able to do, this legislation levels the playing field — increasing the likelihood that properties will remain publicly owned and affordable to the lowest-income households. And by maintaining the targeting and affordability requirements of the U.S. Housing Act and including an unprecedented combination of policies to protect tenants, it ensures this assistance will continue to be targeted to the neediest families.

Second: the complexity of HUD's programs is part of the problem. Today, families are required to fill out dozens of applications processed by scores of administrators simply to have a decent chance of receiving the assistance they need.

This bill will allow us to merge other programs with our core Section 8 program, creating new opportunities for long-term property-based contracts to preserve these units. And by creating a more coherent set of tenant rights and nondiscrimination and fair housing requirements, this legislation will ensure that our programs are fairer, easier for families to access, less costly to operate, and more efficiently administered.

The third principle of this legislation is to encourage resident choice - because residents should be able to choose where they live without fear of losing their rental assistance. Today, public housing and other programs lock in residents even if they need to move for a job or to address a family illness. Indeed, staying in substandard housing is the only option many families have to keep a roof over their heads. Even worse, they often find themselves trapped in neighborhoods of concentrated poverty because moving means giving up that assistance. That's not right. This bill would allow us to provide portable vouchers to residents so they can move to another unit if needed, but also allow us to preserve the original unit for another vulnerable family.

And so, the goal of this proposal is simple: to put HUD-assisted rental housing on a strong foundation for decades to come — and put an end to the parallel system we have today in which most families live in housing that is financed, developed and managed through mechanisms that can be integrated with the communities around them, while the two-and-a-half million poor families served by HUD's oldest programs live in another.

Over half a century ago, the Warren Court's unanimous decision in *Brown vs. Board of Education* declared that "separate educational facilities are inherently unequal."

I believe a separate housing system for low-income families is also inherently unequal.

The time has come to make public housing work for families — to complete this unfinished business of the Civil Rights movement and ensure that all families can live in sustainable, vibrant communities of opportunity and choice. That is what this legislation is about. And it's what we have an opportunity to create — but only if we seize this unique moment in our history. The time to act is now.

This article was originally posted on the Huffington Post on May 26, 2010. You can find out more about HUD's proposal to Transform Rental Assistance at www.HUD.gov/TRA.

PIH Notices

Notice PIH 2010-23, "Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers," issued June 25, 2010. This Notice reinstates last year's instructions regarding how to convert VASH vouchers to project-based vouchers.

Notice PIH 2010-24, "Emergency Safety and Security Funding as it Relates to the Omnibus Appropriations Act, 2009 [Public Law 111-8] and the Consolidated Appropriations Act, 2010 [Public Law 111-117]," issued June 28, 2010. This Notice describes the guidelines and procedures for securing emergency Capital Fund for emergency safety and security.

Notice PIH 2010-25, "Timely Reporting Requirements of the Family Report (form HUD-50058 and form HUD-50058 MTW) into the Public and Indian Housing Information Center," issued July 7, 2010. This Notice updates the submission requirements for PHAs entering resident family and income information into PIC.

Notice PIH 2010-26, "Non-Discrimination and Accessibility for Persons with Disabilities," issued July 26, 2010. This Notice describes HUD's policy with respect to access to public housing and supportive services for people with disabilities.

All Office of Public and Indian Housing (PIH) Notices can be found on line at: http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/notices/pih

UPCOMING DATES

October 15, 2010
Deadline for Year 5 Stop Loss submissions (instructions pending).



Asset Management Help Desk

Asset Management Exemptions

Q: PIH 2008-16 dated 3/25/2008 allowed PHAs with 400 or fewer units to be exempt from asset management requirements. Was this exemption still available as of 9/30/09? What about after 9/30/09?

A: Yes. PHAs with 400 units or less of public housing may still elect not to convert to the asset management model set forth in Part H of the regulations at 24 CFR 990.255 et seq. The exemption for FY2009 was in [Notice PIH 2009-47](#). Section 223 of the Consolidated Appropriations Act of 2010 extended the exemption through September 30, 2010.

Asset Management Fee for Service

Q: Where can I find information about Asset Management Fee for Service?

A: Please review [Notice PIH 2007-09](#), Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990), which transmitted Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook Office of Public and Indian Housing (PIH) Revised April 2007. See Chapter 7, "Fee Income and Assignment of Costs."

Management Fees

Q: We are fee accountants for several housing authorities which operate Section 8 New Construction programs as part of their portfolios. What are the guidelines and/or restrictions that outline an authority's ability to earn management fees from a Section 8 New Construction program through its COCC? Is there a cap on what can be charged for the management fees?

A: The Office of Public and Indian Housing doesn't place any restrictions on a COCC's ability to earn property management fees from activities outside of the public housing program. However, the entities which oversee the Section 8 New Construction program (HUD or a State or local agency) typically establish a fee schedule. Please contact the Multifamily Housing Clearinghouse if you have additional questions that relate to project based Section 8 New Construction at 1-800-685-8470.

HUD's Strategic Goals Designed to Reduce Vacancies in Public Housing

In May, Secretary Donovan announced HUD's new 5-year strategic plan.

The plan identifies five broad goals:

1. Strengthen the nation's housing market to bolster the economy and protect consumers.
2. Meet the need for quality affordable rental homes.
3. Utilize housing as a platform for improving quality of life.
4. Build inclusive and sustainable communities free from discrimination.
5. Transform the way HUD does business.

PIH will be contributing to meeting the objectives of Goal No. 2 by increasing occupancy within the public housing program. PIH encourages housing authorities to maximize their public housing stock by (1) aggressively marketing and renting units that are market-ready and rentable and (2) prioritizing the repair and marketing of off-line units through the use of Capital and American Recovery and Reinvestment Act (ARRA) funds. The overall goal is to increase the occupancy of public housing nationwide by 33,143 families and households by September 2011.

In future issues we will be reporting on progress toward the goal, and success stories where housing authorities are reducing vacancies and meeting more of the affordable housing needs within their communities.

To view the entire strategic plan and to get more information, go to: http://portal.hud.gov/portal/page/portal/HUD/program_offices/cfo/stratplan

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