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GOT ASSETS?

In this edition of In Touch, we will review the new financial reporting requirements associated with the conversion to asset management.

Housing Authorities will continue using the standard chart of accounts for reporting. HUD will add to the current chart to include the changes necessary to implement the new rule and facilitate a comparison between projects.

Each Housing Authority will develop a budget format that best meets local needs. While the Authority will be required to prepare budgets for each project prior to the start of the fiscal year and have them approved by its Board, HUD review is not required.

At the end of the first year of project-based accounting, PHAs

will be required to determine how much of the PHA-wide reserves for the public housing program, as well as other balance sheet items, should be assigned to each property and how much to retain in the central office cost center. This assignment of reserves is not irrevocable. Under the fungibility rules, PHAs can use funds from one project with sufficient excess cash to support another. However, after the initial assignment of working capital, PHAs will not be able to use project reserves to fund activities of the central office cost center.

PHAs submit the Financial Data Schedule (FDS) to HUD each year to record information on revenues, expenses, and balance sheet activities. The Department plans to make three major changes to

the FDS to obtain project-level financial statements. The anticipated changes are as follows:

1. A PHA will submit an operating statement and balance sheet for each project by using the supplemental schedules that will be added.



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"This accomplishment would not have been possible without the unwavering support of our residents, our local, state, and federal governmental officials and our social and supportive services partners."

BEAUMONT HOUSING AUTHORITY GETS HOPE VI GRANT

EXTRACTS PRINTED FROM AND WITH THE PERMISSION OF THE BHA CONNECTION

The Department awarded a \$20 million HOPE VI Revitalization grant to the **Beaumont, Texas Housing Authority (BHA)**. The funding will be used to revitalize the public housing units at Magnolia Gardens, which

suffered storm damage last year when Hurricane Rita devastated the area.

BHA was selected from 26 applications HUD received from public housing authorities across the county.

"This accomplishment would not have been possible without the

unwavering support of our residents, our local, state, and federal governmental officials and our social and supportive services partners." **Robert Reyna, BHA Executive Director**, said. "The impact of this grant and the affordable rental and homeownership opportunities it will bring will

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MAKING LUPE'S DREAM COME TRUE

Once upon a time, a little girl named Lupe lived in a homeless shelter. She was only six years old, but Lupe dreamed big. She dreamed that everybody had a home.

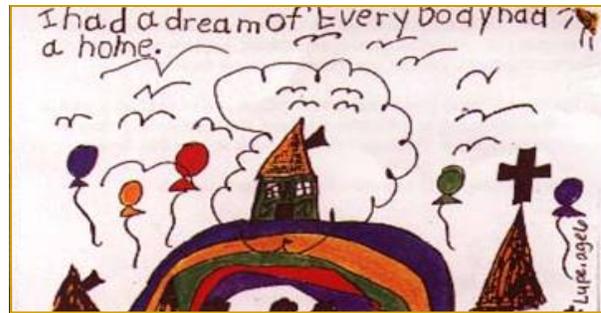
The El Paso Housing Authority shares Lupe's dream and has been working hard to make it come true. On December 19, 2006, the Authority's Homeownership Program held the second annual "Holiday

Homeownership Fair and Realtor Orientation." The Fair was well attended with over 400 realtors, lenders, local, Housing Authority and HUD officials, and most importantly, families dreaming about homeownership.

The Fair included homeownership related booths, speeches by dignitaries, presentations on all aspects of homeownership, and homeownership briefings to residents of the Authority's

public housing units. There was also plenty of food and entertainment. But the highlight of the event was the award of certificates to some of the 40

families that became homeowners with the assistance of El Paso Housing Authority's homeownership program.



SEEING SEMAP CLEARLY BY CATHIE HUGHES

When a Housing Authority receives notification of its SEMAP rating, it must correct any deficiency (indicator rating of zero) and send a written report to HUD describing the corrective actions taken within 45 calendar days from date of notification.

If the Housing Authority fails to correct a SEMAP deficiency within 45 calendar days, HUD may require the Authority to prepare and submit a Corrective Action Plan (CAP) for the deficiency within 30 calendar

days from the date of HUD's notice.

What must a SEMAP CAP include?

- Specify goals to be achieved.
- Identify obstacles to goal achievement and ways to eliminate or avoid them.
- Identify resources that will be used or sought.
- Identify staff with lead responsibility for completing each goal
- Identify key tasks to reach each goal.

- Specify timeframes including intermediate timeframes to complete each task.
- Provide for regular evaluation of progress toward improvement.
- Must be signed by the Board of Commissioner's Chairperson and the Executive Director. If the HA is a unit of local government or a state, the Corrective Action Plan must be signed by the Section 8 Program Director and by the Chief Executive Officer of the unit of government or his or her designee.

DIRECTOR'S CORNER

As the Program Center Coordinator for the Albuquerque Office and on behalf of the Fort Worth HUB, let me be the first to wish you a Happy New Year 2007! We here in Albuquerque are excited about the new year and hope you are too. Calendar Year 2007 promises to be a busy and exciting year with a number of new challenges, the foremost being the conversion to asset

management. We know we can count on our PHA partners across the HUB to rise to the challenge. Please plan to attend as many of the upcoming training sessions as possible and stay tuned to In Touch for ongoing technical assistance. Remember, remaining flexible will allow a smoother transition. Together we can all make our Public Housing programs the best possible for

the families we serve. I especially appreciate the opportunity to reach all of our partner PHAs through this quarterly newsletter. Thanks for your support and best wishes for a successful year!

—Floyd Duran, Coordinator
Albuquerque Program Center

Dates to

Remember

FYE 12/31/06

—SEMAP due 3/1/07

—PHAs with S8 only
unaudited financial data
due 2/28/07

—PHAs with Public Housing
FASS (unaudited) & MASS
due by 2/28/07

FYB 7/1/07

PHA Plan due 4/17/07

ASK THE PROFESSOR

Dear Professor:

Well, I've had it. Portability is a major pain. Please let the field office know I will not accept any families wanting to port to my jurisdiction.

—Made Up My Mind

Dear Made Up:

One may make up one's mind about many things, but not about obeying the law. The law states voucher holders have the right to receive voucher assistance anywhere in the jurisdiction of a PHA with a

tenant-based program. Further, the initial PHA chooses the receiving PHA if more than one administers the program in that jurisdiction. The receiving PHA may only deny assistance for the family's actions or failure to act.

—the Professor

Dear Professor:

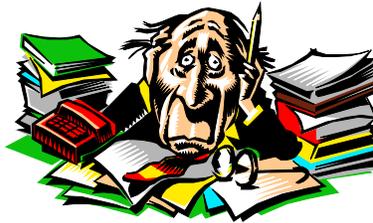
EIV is wonderful! Through repayment agreements and legal restitution, we recovered large amounts of overpaid subsidy from tenants who failed to report income. Can we keep it?

—EIV Fan

Dear EIV Fan:

Good work! PHAs who collect excess subsidies may keep 50% of Housing Choice Voucher funds collected and 100% of Public Housing funds.

—the Professor



The Professor

COMMUNITY BITS & PIECES

With just under 300 units, the **Sherman, Texas Housing Authority** does not administer one of HUD's biggest public housing programs, but it certainly administers big resident programs.

Debbie Eldredge, Executive Director, and **Magalene Kirvin**, Resident Services Coordinator, make sure there is always an opportunity for resident involvement. With the **Kids' Club**, this includes some of the youngest residents living at Sherman Housing Authority.

Youngsters can participate daily in after school homework programs and computer labs. They can join **Smart Teams** and learn anger management and conflict resolution from the Substance Abuse Council staff. There are activities just for fun such as birthday parties, craft activities, and **Fun Fridays**. At the **Supper Clubs**, the kids learn how to prepare quick and easy dishes while learning proper etiquette. **Keeping it Real** gives the children an opportunity to discuss healthy behavior and choices.



The kids of Sherman PHA's Kids' Club

KEEPING UNITS SAFE AND HEALTHY

BY STEVE MCGREW

We'd like to share some of the things Housing Authorities are doing to manage the risk of safety equipment failing.

All of you inspecting your public housing units according to the Uniform Physical Condition Standards are checking your smoke detectors and ground fault circuit interrupters during your annual inspections. Some of you are checking these items more

frequently than annually. Keep up the good work!

Some of you have adopted a Schedule of Tenant Charges for damage attributable to residents. For those who have done this, remember that disabling a safety device, such as a smoke detector, should be included on such a schedule. We note that Section 92.2611 of the Texas Property Code permits, under certain circumstances, a landlord to

recover civil penalties and attorney fees if a tenant disables a smoke detector. The schedule could also include the reasonable charge for unblocking emergency egress, such as moving furniture from a bedroom window. If you have questions, please contact our office or take a look at 24 CFR §966.4 and §966.5.

Many, if not most, of you have created an entirely new

type of inspection. It is not a drive by or a walk through. It is the "race through" inspection that you do the day before the REAC inspection. Generally it is limited to those serious health and safety deficiencies that, if found by the REAC inspector, ruin everyone's day. We commend the extra effort. It has been effective for most of the HAs in decreasing the incidences of resident caused

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MONEY FOLLOWS THE PERSON



In a letter dated October 5, 2006, Secretary Alphonso Jackson writes to Executive Directors about the *Money Follows the Person Rebalancing Initiative*. This endeavor is included in the Deficit Reduction Act of 2005 implemented by the Centers for Medicare and Medicaid Services (CMS) and is also part of President Bush's New Freedom Initiative.

Over a five-year period CMS will give States a total of \$1.75 billion. These funds will assist in providing Medicaid

recipients alternatives to institutional long-term care services.

The Department strongly supports the endeavor and encourages PHAs to join with Medicaid offices and aging and disability agencies, as well as State housing finance agencies to transition people with disabilities and seniors out of institutional settings and into the community. Secretary Jackson supports PHAs in setting local preferences, using Public Housing units, Housing Choice Vouchers, and

Mainstream Vouchers to expand accessible, affordable, and integrated housing options.

PHAs who promote the Money Follows the Person Rebalancing Initiative are doing their part as recipients of federal assistance and assisting HUD to meet obligations under the Supreme Court Olmstead decision, to allow services to be provided in the most integrated settings.

As the Secretary writes, "HUD appreciates your cooperation and looks forward to seeing strong results."

Website of the Quarter

Capital Fund Replacement Housing Factor Grants

<http://www.hud.gov/offices/pih/programs/ph/capfund/reports/>

GOT ASSETS? (CONTINUED FROM PAGE 1)

2. A new column will be added for the central office cost center. It will be the PHA's option whether to keep the financial activity of the central office cost center separate by using the new column or to combine it with other business activities.
3. Activity under the Capital Fund will be tracked at the project level. PHAs will either show a transfer to a

project and detail the work in a memo account or HUD will eliminate the Capital Fund column, as well as the requirement to show a transfer, and have all Capital Fund activities recorded at the project level.

HUD will not require PHAs to maintain separate bank accounts for each property or obtain audits on individual properties. In the future, HUD

may require separate bank accounts for the central office cost center.

As your agency implements the changes brought about by asset management, it is important to update internal control structures and procedures.

In the next In Touch—Arranging Property Management Services

DON'T GET CAUGHT SNOOZING! BY STEVE MCGREW

Our Facilities Management Staff has noticed some disturbing trends in the area of health and safety (H&S) deficiencies identified by REAC. They are noticing the same deficiencies being repeated at the same HA year after year after year. One good example is missing pressure temperature relief

valves on domestic hot water heaters. Once this is identified as a problem, it should NEVER appear again. This is an extremely easy and quick item to inspect. The disturbing part of the story is that when the HA staff is asked what happened, they respond that they corrected the H&S items

in the units where they were identified. If the REAC inspection identifies H&S items, not previously identified, it should be a wake up call. When you get a wake up call, wake up! Check for these previously unidentified items in EVERY unit, not just where REAC found them.



TATUM HOUSING AUTHORITY OBSERVES ENERGY AWARENESS MONTH

PRINTED WITH THE PERMISSION OF THE TRAMMEL TRACE TRIBUNE

The Tatum Housing Authority is promoting Energy Star light bulbs by purchasing and delivering one to each of their residents. This sends a message reminding everyone that each and every individual must conserve energy. Americans are increasingly aware of high energy costs and environmental quality issues, but everyone needs to be more aware of the energy efficient solutions that are available, as well as of

the actions that can be taken to reduce energy costs and usage.

In the National Energy Policy, the President directs heads of executive departments and federal agencies to conserve energy use at their facilities “to the maximum extent consistent with the effective discharge of public awareness.”

In observance of this effort, Tatum Housing Authority Board of Commissioners Chairperson, **Donna Liles**, gave residents light bulbs to assist them in conserving energy.



Tatum Housing Authority Board of Commissioners Chairperson presents energy saving light bulbs to Housing Authority residents.

BEAUMONT HOUSING AUTHORITY GETS HOPE VI GRANT



Design Concept for the Revitalization of Beaumont, Texas Housing Authority's Magnolia Gardens

(Continued from page 1)

have a huge positive impact on the City of Beaumont.”

Redevelopment will occur on two sites; the existing Magnolia Gardens site and the 28-acre City Fairgrounds site. The redevelopment at both sites will result in new, mixed-income communities, with a mixture of one- and two-story townhouses, garden, and walk-up

homes. New public streets and thoughtful home design will help knit both sites into their surroundings. In total, approximately 370 new units will be built, of which 195 will be public housing.

KEEPING UNITS SAFE AND HEALTHY

(Continued from page 3)

health and safety deficiencies. Sending a notice to residents immediately preceding an inspection has proven useful for some of you as well.

The bottom line is you all work very hard to reduce the incidence of health and safety deficiencies and we very much appreciate not only your efforts, but the results those

efforts have produced. Please continue to share your strategies with us and we will pass them along to your peers.

WE MOVED!

With the recent expansion of the Houston Field Office that includes adding new CPD and FHEO divisions, the Public Housing staff has relocated to the 23rd floor at 1301 Fannin Street in Houston, Texas. The move also changed all the previous phone numbers for the staff. A complete listing of the Houston Public Housing staff and their current phone numbers can be found on the web at the following location:

<http://www.hud.gov/local/tx/working/ph/houston-staff.cfm>

We are on the Web!

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**Department of Housing
& Urban Development**

**T H E N E W S , P E O P L E , A N D E V E N T S S H A P I N G
P A R T N E R S H I P S I N P U B L I C H O U S I N G**

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Send contributions to :

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***We reserve the right to edit
all materials***

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