OFFICE OF PUBLIC HOUSING
FORT WORTH HUB

# In Touch

VOLUME 2, ISSUE 1

JULY, AUGUST, SEPTEMBER 2007

INSIDE THIS ISSUE:

MAKING LUPE'S DREAM COME TRUE 2

ASK THE PROFESSOR 3

DIRECTOR'S CORNER 4

OOPS! I INSPECTED THE WRONG... 5

## NEW BOSTON'S NEW APPROACH

BY JANE FORESTER

*(Jane is the Friendship Service Program Coordinator at the New Boston HA.)*

The Quality Housing and Work Responsibility Act of 1998 contained a community service and self-sufficiency requirement that every adult resident of public housing contribute eight hours of community service or participate in economic self-sufficiency programs for eight hours each month.

To tackle that requirement, the New Boston, Texas Housing Authority developed a "community service" and "economic self-sufficiency" program. The program was designated as the "The Friendship Program".

The management at New Boston Housing Authority agreed that it would be vital for the success of the program to arrange for a minimum of at least one monthly meeting (self-sufficiency training) for voluntary attendance by program participants. The monthly meetings would be conducted in an effort to ensure that residents were given additional opportunities to complete the monthly requirements of the Friendship Service Program. In order to accomplish this, the PHA began to reach out into the community for partners to present programs that would be educational and help move residents toward employment. We quickly found a faithful partner in Century Bank of New Boston. They sent two employees, Susan Roberts, Training Investment Officer, and Linda Roberts, Training Officer to present the "Money Smart" curriculum designed by the Federal Deposit Insurance Program. This program included the following courses:

- Bank On It – An introduction to bank services.
- Borrowing Basics – An introduction to credit.
- Check It Out – How to choose and keep a checking account.
- Money Matters – How to keep track of your money.
- Pay Yourself First – Why you should save, save, save.
- Keep It Safe – Your rights as a consumer.
- To Your Credit – How your credit history will affect your credit future.
- Charge It Right – How to make a credit card work for you.
- Loan to Own – Know what you are borrowing before you buy.
- Your Own Home – What homeownership is all about.

*(Continued on page 5)*

## THINK OUTSIDE THE BOX

BY SHARON CONNER

Participants of subsidized housing programs *dream* about becoming homeowners but most feel it will never be their reality. At the Nacogdoches Housing Authority (NHA) Deputy Director Sharon Conner provides Homebuyer Education classes for families interested in making their dream come true, but the reality is that few are actually successful. All the classes in the world can't change the harsh truth—it takes money for closing costs and down payments to make the dream come true.

Executive Director Robert Crow decided to think outside the box. He requested and was eventually granted permission by HUD to use Capital Fund Program money for the purpose of providing the catalyst needed to make the dream possible. The NHA Board of Commissioners approved a $7,000 per year set-aside in the Capital Fund budget for two public housing resident families per year to be granted $3,500 toward down payment and closing costs. The Public Housing resident family must meet all the requirements of the Section 8 Homeownership program to receive the Capital Fund grant and monthly Section 8 payment assistance toward the purchase of their home. This unique combination of programs and resourceful use of funds has created a path to homeownership for three families since 2006 by just thinking outside the box! (*See related story, page 2, "Making Lupe's Dream Come True.)*

### Dates to Remember

**FYE 6/30/2007-**

- **Unaudited financial data due to REAC 8/31/2007 (all PHAs)**

**Public Housing only:**

- **MASS due to REAC 8/31/2007**

**HCVP only:**

- **SEMAP due 8/30/2007**

## 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.*

Staff at the **Nacogdoches, Texas Housing Authority (NHA)** is doing all it can to fulfill Lupe's dream. Through its homeownership grant program described on page 1, the Authority has assisted three families in purchasing their own homes. All three families were paying the Flat Rent rate for their public housing unit before moving into homeownership. Down payment/closing cost assistance was the catalyst to make their dreams become reality.

**Susian and Don Wages** were the first family to benefit from the grant. This family was very unique due to their lack of traditional credit, making the pre-qualification process even more challenging. Don, or "Chief" as he likes to be called, has worked for over ten years at the same location, establishing a solid income for his household. Susian wisely budgeted their money while they lived in Sandy Oaks Public Housing Community. She was never tempted by credit cards or frivolous spending, but learned that "no credit" can be an obstacle when seeking loan approval. Finding the "right" mortgage broker who used their good rental and utility payment history to determine approval for the FHA loan was also key to their success.

**Stephanie Glover** was the second family to make the quantum leap into homeownership. Ms. Glover was a resident Board member while living at Sandy Oaks Community. She graduated from Stephen F. Austin State University and was teaching her first year of elementary school when she decided it was time for her to commit to homeownership. A local bank funded the loan and provided additional funds thru a Smart Saver ID program that matches client funds 3:1. The NHA grant along with the $3,000 Smart Saver grant made it possible for her to purchase her home.

**Murlene Rudd and Jerry Rankin** moved into homeownership March 2007 when they were approved for a loan through USDA Rural Development. This family received the $3,500 NHA grant as well as an additional $5,000 from the Federal Home Loan Bank making it possible for them to afford the home. The family is paying less in a mortgage payment than the Flat Rent they were paying while living in Public Housing!

Murlene Rudd, Jerry Rankin, and their new home

Susian Wages on the porch of her home.

Stephanie Glover with her sons, William and Kiave, outside their new home.

## ASK THE PROFESSOR

**Dear Professor:**

Will SAGIS replace WASS? I can't wait to get rid of PIC!

**—Excited About the Change**

**Dear Excited About Nothing:**

Settle down! No, SAGIS does **NOT** replace WASS. They are two different systems. SAGIS is for the Operating Fund program and includes the intake and evaluation of applications, the calculation of subsidies, and the allocation of funds to public housing agencies. WASS on the other hand is HUD's **W**EB **A**ccess **S**ecure **S**ystem for among other things EIV, and yes, my dear, PIC.

**—the Professor**

**Dear Professor:**

Do my elderly residents have to sign the lead-based paint certification?

**—One Less Form**

**Dear One Less Form:**

No, not unless a child under the age of six will reside in the unit.

**—the Professor**

***(The following really did happen!)***

**Dear Professor:**

One of my residents just asked if the emergency hysterectomy performed on his dog for $350 counted as a medical expense. Does it?

**—Still Laughing in East Texas**

**Dear Still Laughing:**

You are kidding, aren't you?

**—the Professor**

**Dear Professor:**

My co-workers won't listen to me and are annualizing income incorrectly. Please set them straight.

**—Getting No Respect**

**Dear No Respect:**

Employment income is usually reported in hourly, weekly, biweekly, semimonthly, or monthly amounts rather than annual amounts. To convert these to annual amounts, use the following formulas:

- Full-time hourly: rate × 2080
- Weekly: amount × 52
- Biweekly: amount × 26
- Semimonthly: amount × 24
- Monthly: amount × 12

**—the Professor**

the Professor

## MAKING WISE PURCHASES BY STEVE MCGREW

When acquiring equipment, it really makes sense to consider all of the costs over the life of the equipment, not simply the initial purchase price. In addition to the purchase price, you will spend money on energy costs. These energy costs can be estimated using the yellow ENERGYGUIDE sticker found on most energy consuming equipment. See the example below. It is self-explanatory. If you have questions, contact your ever friendly and helpful Facilities Management person.

**Life Cycle Purchases**

| Manufacturer | Model No | Model Features | Energy Guide Estimated Yearly Cost | Average Life Span | Estimated Lifetime Energy Costs | Purchase Price | Total Cost |
|---|---|---|---|---|---|---|---|
| Ice King | 01 | 14 cu. ft. auto defrost | 60 | 10 years | $600 | $500 | $1100 |
| Artic | 000 | 14 cu. ft. auto defrost | 105 | 10 years | $1050 | $400 | $1450 |

## DIRECTOR'S CORNER

Part of our responsibility as public employees is to ensure that the trust placed in us is held in high regard. It is never easy or pleasant to talk about fraud and waste, but we deal with it daily. In fact, as everyone knows, we have developed systems to assist us in identifying those of our customers who are not being truthful with us. We have the same obligation to seek out and expose anyone who is employed through public funds who uses their position for unauthorized personal gain. It is important to remember that the funds we use are not "ours." They are entrusted to our stewardship, and intended to assist needy families. It is important that we remind ourselves to avoid any impropriety in our business dealings. A few of the easiest ways to create a problem situation are: claiming personal mileage while driving a company car; using "leftover" PHA materials for personal use; having PHA employees perform personal services; changing any employee's wages without authorization; doing PHA business with a member of the Board. Any of these practices are wrong and can create significant liability for you and your organization. Our obligation at HUD is to refer such violations to the Inspector General for investigation and potential prosecution. Remember that even what may be considered a "minor" infraction can result in termination, debarment, and/or prosecution by the U.S. Attorney. Let's all work together to invest as much as we can in the people we serve.

.—***Justin Ormsby***

## IDEAS FROM THE CONSUMER PRODUCT SAFETY COMMISSION (CPSC) AND HUD FACILITIES MANAGEMENT STAFF

Many of you have related that residents disable smoke detectors because they sound an alarm when they should not. Showers, burnt toast and frying are common causes. The CPSC recommends choosing a photoelectric smoke detector over the ionization type to address the problem. It also recommends that the equipment be cleaned and maintained according to the manufacturer's recommendation (always good advice). Using an alarm with a silencing feature so that false alarms can be quickly stopped is yet another way to reduce nuisance alarms.

## NOW BOARDING THE HUD BLUE LINE EXPRESS!

All Aboard!! Calling all Housing Authorities, Housing Agencies, Housing Assistance Programs and COGs administering the Housing Choice Voucher (HCV) program!! Welcome to the HUD Blue Line Express, don't miss out on this informational train ride of reminders. We will be making a quick layover to discuss two PIH Notices that serve as guides for the submission of your unaudited and/or audited financial data to the Real Estate Assessment Center (REAC).

Notice PIH 2006-03 (page 2, #3 under Background) states PHAs that administer the HCV program must submit an unaudited financial data schedule (FDS) to HUD electronically, no later than two months following its fiscal year end. PHAs required to submit audited financial data must do so by submitting an audited FDS and an Independent Public Accountant's report no later than nine months following the PHA's fiscal year end.

Notice PIH 2007-14 (page 9, #12E under PHA Requirements) stresses the need for the PHA to continue submitting financial data electronically to the Financial Assessment Subsystem (FASS). PHAs that fail to meet this requirement will be subject to administrative actions including, but not limited to; an imposition of a **10 percent penalty** against a PHA's monthly administrative fees until such time as the PHA complies with these requirements.

Until next time, the HUD Blue Line Express is departing the station.

—Your Conductor,
**Florence Hulin**

## OOPS! I INSPECTED THE WRONG... BY STEVE MCGREW

Several of you have reported that the REAC inspectors have been inspecting and citing deficiencies on property not owned or controlled by the housing authority (HA). We have asked for guidance from REAC and have been told that the inspectors don't have the time to investigate ownership of fences, parking lots, sidewalks, etc., that appear to be part of the HA's property. If your housing authority is cited for a deficiency on property the HA does not own, the HA only has to send in one database adjustment (DBA) request with proper documentation showing that the fence, parking lot, etc., is not your property. After that, even if an inspector inspects and possibly cites deficiencies, when the inspection is uploaded and reviewed, the reviewer has a list by property of what's already been approved as a DBA and the deficiencies don't count against the HA.

The link below provides guidance on database adjustments.

**http://www.hud.gov/offices/reac/products/pass/pass_guideandrule.cfm**

"But Inspector Clouseau, it doesn't belong to public housing ," protested the frantic ED.

## NEW BOSTON'S NEW APPROACH

(Continued from page 1)

Each meeting consisted of information regarding one of the courses of the program. Each program participant in attendance at these meetings received participant guides packed with information and resources on the individual topics. The Century employees have done an incredible job in presenting each segment of the Money Smart Program. They have continually searched for ways to make the meetings educational, easy to comprehend, and enjoyable for participants. They not only have provided refreshments, but have also made available items used for "door prizes" for those in attendance. After completion of the ten courses, they have continued the presentations by repeating the courses to new residents.

We feel that this has been a great opportunity for residents to gain knowledge about these important financial matters and meet the requirements of their lease. We say a big "Thank You" to the folks at Century Bank for giving back to our community. Since the reinstatement of the Community Service/Economic Self-Sufficiency requirement, the New Boston Housing Authority has held forty-nine educational meetings which included an array of topics including the Money Smart program. We hope to continue to offer these programs to assist residents in improving their own and their neighbors' economic and social well-being and to give residents a greater stake in our community which keeps the original intent of the mandate in focus.

## GETTING OUT OF TROUBLE BY JACKIE MILLER

Our office is working to decrease the number of public housing units under management of troubled agencies at the beginning of FY 2007 by 15 percent by the end of FY 2007. One of the crucial areas is Financial Management. PHAs should manage income and expenses to maintain a balanced budget. A PHA with excessive net losses will be unable to sustain operations if income is not maximized and expenses are not efficiently and effectively controlled.

The PHA should be comparing actual expenses versus budgeted expenses (at least monthly). PHAs utilizing the following will improve their income and reduce expense:

- Review sources of income, i.e., investments, waiver of PILOT, and reduce tenant accounts receivables.
- Analyze the costs for telephone, paper, and sundry expenses.
- Shop for hospitalization insurance and retirement plans.
- Maintain an inventory control system. List items, dates purchased, serial numbers, and quantity.
- Collect repair cost for tenant damages. Establish, post and enforce an up-to-date list of charges for tenant abuse and neglect.
- Ensure other programs are bearing their appropriate percentage of the prorated costs such as rent, telephone, salaries, etc.
- Concentrate on rent collection. Enforce the Collection Policy.
- Determine if the per unit cost is reasonable and determine what operating expenses need to be adjusted.

We are on the Web!
www.hud.gov/local/tx/news/intouchvol2/issue1.pdf


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Department of Housing & Urban Development

**THE NEWS, PEOPLE, AND EVENTS SHAPING PARTNERSHIPS IN PUBLIC HOUSING**


In Touch is a quarterly publication from the Office of Public Housing, Fort Worth Hub. We welcome your comments, suggestions, and news.

Send contributions to :

Robin Barton at the address , fax number or email address to the left.

*We reserve the right to edit all materials*

Staff

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**Please Note:**

**Effective July 23, the HUD Fort Worth mailing address no longer includes reference to a PO Box and is now:**

U.S. Department of Housing and Urban Development
Fort Worth Regional Office, Region VI
Office of Public Housing 6APH
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102

**Another important change is the new HUD email address format:**

Periods now replace underscores [Example: Pete.I.Hudman@hud.gov (our computer department advises we can continue until November to receive messages using the obsolete version Pete_I_Hudman@hud.gov)]