



Public Housing Administrative Reform Initiative

Review of Committee Recommendations

September 27, 2007

Real Estate Assessment Center - Potomac Center - 550 12th Street SW



Task: “Explore ways to streamline/expedite administrative processes for the conversion of public housing to homeownership in the asset management structure.”

Current programs/processes:

- **Section 32**
- **Middle-Income**
- **Section 8(y)**
- **Section 24/9**
- **Section 5(h)***
- **Turnkey III ***
- **HOPE I***

(*) Programs have been replaced or have become obsolete



Comment: Housing authorities have extraordinary local flexibility to structure their programs.

Major recommendations:

- **Centralize homeownership functions in HUD for administrative processing and outreach to assist HAs in building buyers and sellers.**
- **Consolidate rulemaking for all programs in 24 CFR Part 906.**
- **Create incentives to establish homeownership programs.**
- **Provide guidance on the use of proceeds of sale, or gains from appreciation.**
- **Implement a Section 32 Marketing Strategy.**
- **Phase-out Turnkey III and HOPE I programs.**



- David Storms
- Pat Arnaudo
- Alice Green
- Harold Katsura
- Susan Leger-Boike
- Bennett Lerner
- David Lopez
- Steven Meiss
- Arnold Mullgrav
- Ainars Rodins
- Leah Staszak
- Kathy Winter



Task: “Examine ways to streamline approval process related to, or otherwise facilitate, development and financing programs.”

Current processing requirements

Existing rulemaking efforts:

- **Affiliates notice**
- **New Part 904 (to be published early 2008)**
- **Proposed 941**



Recommendations:

- **Train Field Office staff on processing development requirements.**
- **Create cadre of Field Office staff to mentor less experienced staff and assist other Field Offices as necessary.**
- **Post new information on the web and send an email blast notification to PHAs and HUD Field Office management staff.**
- **Include elderly elevator buildings to 2008 TDCs.**
- **Consolidate processing of CFFP/OFFP/development proposals (one-stop shop).**
- **Changes to Section 8 Project-Based Voucher Program, including selection procedures, site/neighborhood standards, 15-year HAP contract term, and subsidy-layering process.**
- **CFFP safe harbor standards.**

Development and Asset Repositioning (Continued)



- [Susan Wilson](#)
- Horace Allison
- Marcie Cohen
- Sharon Elliot
- Michael Flores
- Richard Franco
- Matt Gahm
- Major Galloway
- Nehemiah Johnson
- Carlos Laboy
- Ann-marie Lindboe
- Maria Maffei
- Julie McGovern
- Simon Morris
- Ed Moses
- Robert Nelson
- Thomas Shelton
- Ruth Simpkins
- Diane Thompson
- Martin Walsh
- Kathi Whalen
- Sharon Wilson Geno
- [Shawn Sweet](#)
- Reginal Barner
- Dominique Blom
- Eric Brown
- Vivian Bryant
- Carolyn Clayton
- Carrie Dobbins
- Holly Edwards
- Maria Marquez
- James McCreight
- Satinder Munjal
- Tara O'Neill
- Gary Rosen
- Blair Schiff
- Joe Schiff
- Marcel Slag
- John Wilson
- Leroy Ferguson
- Kathleen Foster
- Dale Gravett
- Alanda Jackson
- Jennifer Lavorel
- Maria Maio



Task: “Examine ways to streamline the PHA Plan and Capital Fund processes/programs.”

Concerns:

- **Statutory – Can’t ignore**
- **Long, cumbersome, check the box, rote**
- **Useful for residents**

Short-term:

- **HUD issues New Annual Plan template**



Long-Term (need to modify systems/regulations):

- **Convert to “narrative description” of capital needs of each project in PHA Plan.**
- **Eliminate HUD review of CF budgets (consistent with Operating Fund).**
- **Convert CF to GAAP accounting and single chart of accounts for FDS.**
- **Simplify draw-down procedures (reduce number of BLIs in LOCCS).**

- **On-line PHA Plan and CF reporting.**
 - ✓ Similar to MASS/FASS.
 - ✓ Single portal.
 - ✓ Submissions sequenced to PHAS.

- **Greater use of statutory authorities:**
 - ✓ After initial submission, only updates.
 - ✓ HUD review only if challenged, except civil rights, deconcentration, demo/dispo.



- Bill Thorson
- David Aldrich
- DeeAnna Bakken
- Diane Burns
- Jackson Chan
- Linda Couch
- Barbara Demming
- Joy Edgar
- Wes Edwards
- Ronnie Faison
- Jennifer Guthart-Powers
- Denise Hancsak
- Steve Holmquist
- Virginia Mathis
- Larry Maxwell
- Andrea Schmidt
- Mary Schulhof
- Sara Shortt
- Morris Simon



Task: “Review basic system of PHA monitoring, especially the Public Housing Assessment System (PHAS).”

Discussion/Context:

- **Section 6(j) of Housing Act of 1937**
- **24 CFR 902 – Public Housing Assessment System**
- **Tier I/II “Comprehensive” Reviews**

Recurring Themes:

- **Consistent with Multifamily**
- **Minimize number of reviews**
- **“Entity-wide” scoring**
- **Performance vs. Compliance**



Structure of “New” PHAS:

- **Four main indicators: Physical, Financial Condition, Management Performance, and Capital Fund.**
- **Project scores (other than CF) aggregate into score for public housing program.**
- **Score only public housing activity (not entity-wide).**
- **Replace MASS self-certification/submission with on-site management reviews, consistent with Multifamily, that would also, to the maximum extent possible, replace other PIH reviews (e.g., Tier I/II reviews, RIM reviews, procurement reviews, etc.)**
- **Resident participation/self-sufficiency reviewed as part of on-site management review**
- **Transition score for first year of implementation.**
- **Primary vs. secondary indicators (e.g., vacancy rate vs. turnaround time).**
- **Simplify data needed.**
- **More clearly distinguish between performance and compliance.**



Additional Recommendations:

- **Physical/management inspections every three years.**
- **Opportunity to correct physical deficiencies for scores between 31-60.**
- **Timeliness of results (physical, management).**
- **Score only financial viability.**
- **Field Office discretion for corrective action.**
- **Provide PHAs with review checklist.**
- **Inspection protocol.**
- **AMP-level intervention.**
- **Fungibility across projects.**
- **Why assess in 2007/2008?**



- Michele Bauer
- Roselyn Anderson
- Leandria Campbell
- Andrew Daniels
- Jon Ford
- Marvin Goldstein
- Ed Gramlich
- Deb Guyot
- Al Hester
- Ed Hinojosa
- Shawn Jacobson
- Regina Jenkins
- Tim Kaiser
- Keith Kinard
- Bill Maher
- Rochelle McKinney
- David Morton
- Merrie Nichols-Dixon
- Anthony O'Leary
- Jacquelyn Proctor
- Ann Roman
- Renee Rooker
- Terri Ross
- Carol Spencer
- Alan Spera
- Gail Templeton
- Larry Tipton
- Alan Zais



Task: “Examine requirements for general management of public housing (exclusive of lease and grievance, admissions, financial reporting, etc.)”

Expected Outcomes:

Streamline business practices to

- **Reduce operational costs,**
- **Improve operational performance, and**
- **Provide better quality of services and housing to residents**

Regulatory Context:

- **24 CFR 135.3(3) (Sec3) – Economic Business Opportunities**
- **24 CFR 85.36 (Procurement)**
- **24 CFR 965 (General Provisions)**
- **24 CFR 990 (Energy Incentives)**



Recommendations:

- **Section 3 Threshold – Raise dollar threshold to \$100,000, consistent with Federal small purchase procedures.**
- **HUD determine wages for maintenance – Raise dollar threshold to \$100,000.**
- **Micro-purchases – Raise from \$2,000 to \$25,000.**
- **Lead-based paint certifications – Populate PASS inspection to reflect PHAs that have certified in previous inspections.**
- **Energy audits – Combine energy audits with 5-year physical needs assessment.**
- **Annual PHA Unit Inspections (Section 6(f)(3) of '37 Act) – PHA should be given flexibility to determine if annual inspections are required.**



Recommendations: (Continued)

- **Air conditioning in PH (two-tier recommendation)**
 - ✓ Allow PHAs to pay for A/C with own funds.
 - ✓ Include AC as part of UEL.

- **Energy Performance Contracting**
 - ✓ Consolidate review process into regional centers.
 - ✓ Adopt successful DOE model for Qualified Vendors List for Energy Services Companies to streamline procurement.
 - ✓ Standardize processes/contract templates.
 - ✓ Provide incentives for aggregating contracts for small PHAs.
 - ✓ Fund add-on incentives at 100% (no proration).

- **Resident outreach/training/help desk**



- Dick Santangelo

- Jemine Bryon
- Eric Chambers
- Mark Courtney
- Andrew Daniels
- Telissa Dowling
- Joyce Floyd
- Mary Grace Folwell
- Randal Geese
- Louise Hunt
- Cecelia Livingston
- Randy Martin

- Regina McGill
- Frank McNeil, Jr.
- Tara Motley
- William Radau
- William Simmons
- Mitzie Smith
- Carrol Vaughan
- Nancy Walker
- Gwen Watson
- Glenda Wright
- John Wright



Task: “Review current lease and occupancy requirements/processes.”

Regulatory Framework:

- **24 CFR Part 5 (General HUD Program Requirements)**
- **24 CFR Part 945 (Designated Housing)**
- **24 CFR Part 960 (Admission/Occupancy of Public Housing)**
- **24 CFR Part 966 (Lease and Grievance)**

Comment:

- **Statutory basis of many occupancy requirements**
- **Relative comparability with multifamily housing programs**
- **HUD Occupancy Guidebook**
- **HUD approvals vs. policy requirements**



Recommendations:

■ Group 1

- EIV and 3rd party verifications
- Formal grievance procedures
- Deconcentration

■ Group 2

- Term limits
- Bi-annual recertifications
- Rent Structure (including minimum rents and utility allowances)



Recommendations: (Continued)

■ Group 3

- Site-based waiting lists
- Community service
- Pets in public housing
- Designated housing

■ Group 4

- Admissions policies
- Lease
- Annual and Adjusted Income



▪ Sinae Thompson

▪ James Armstrong

▪ Pris Banks

▪ Beth Bentley

▪ Sylvia Blanco

▪ Celia Bobisud

▪ Jacqueline Burger

▪ Marsha Cayford

▪ Beverly Childs

▪ Ben Gilmore

▪ Amy Glassman

▪ Tory Gunsolley

▪ Arlene Halfon

▪ Carolyn Johnson

▪ Becky Kruse

▪ Paula Rouse

▪ William Russell

▪ Linda Scott

▪ David Smythe

▪ Bob Sullivan

▪ Debra Wells

▪ Dorinda Wider

▪ Shawn Williams

▪ Brian Ruth

▪ Amy Aughenbaugh

▪ Eugene Chen

▪ Shaneece Childress

▪ John Conover

▪ Suhail Gomez

▪ Deb Gross

▪ Shaye Hardy

▪ Douglas Latham

▪ Karen Mathis

▪ Charles Patricelli

▪ Mary Liz Paulson

▪ Marcia Pierce

▪ Doug Ryan

▪ Shomon Shamsuddin

▪ Phyllis Smelkinson

▪ Mark Stephenson

▪ Lisa Walker

▪ Troy White

▪ Louise Williams



Task: “Review basic financial reporting of PHAs under asset management.”

Related References/Rulemaking:

- **OMB Circular A-87**
- **OMB Circular A-133**
- **PIH Notice 2007-9**
- **24 CFR 990**
- **GAAP/GASB**

Recommendations:

- **HUD/Industry Financial Reporting Committee and user-testing**
- **Fees**
- **Formula elements/components**
- **Reporting structure**
- **Permitted uses of funds**
- **Capital Fund reporting**
- **Annual appropriations**



▪ Velma Byron

▪ Dennis Albright

▪ Ron Cianciosi

▪ Steve Bolden

▪ Robert Cobler

▪ Stan Dulaney

▪ Daniel Frydberg

▪ Kevin Gallagher

▪ Jose Gomez

▪ Will Jones

▪ Lillian Kamalay

▪ Efrem Levy

▪ Riza Nolasco

▪ Raana Raza

▪ G. Craig Robbins

▪ Reema Ruberg

▪ Paul Rusnak

▪ Fred Tomaino

▪ Bernice Unland

▪ Ted Van Dyke

▪ Alfonzo Verduzco

▪ Wendell Conner

▪ Robert Cramer

▪ Saeed Hajarizadeh

▪ William Harris

▪ James Kinhead

▪ Karen Laviner

▪ Rainbow Lin

▪ Andrew Lofton

▪ Aaron Osborne

▪ Adrian Peterson-
Fields

▪ Ivan Pour

▪ Tim Sandor

▪ Christine Siksa

▪ Roma Suller

▪ Sammy Vestal

▪ Richard Wankel

▪ Earl Weeks

▪ Andrea Williamson



Task: “Examine resident participation/self-sufficiency as it relates to asset management.”

Regulatory Context:

- **24 CFR 135 – Economic Opportunities for Low- and Very-low Income Persons.**
- **24 CFR 902 – Public Housing Assessment System.**
- **24 CFR 903 – Agency Plans.**
- **24 CFR 963 – Contracting with Resident-owned Businesses.**
- **24 CFR 964 – Tenant Participation and Tenant Opportunities in Public Housing.**
- **24 CFR 984 – Section 8 and Public Housing Family Self-Sufficiency Program.**



Study Group Representation/Make-Up:

- **Mix of residents/resident advisory groups, including statewide resident organizations, community-based advocacy groups, and public housing residents.**
- **Representative from CLPHA.**
- **Resident co-chairs.**



Overarching Principles/Concerns:

- **Promote effective resident participation.**
- **Preserve and strengthen resident rights provided under 964.**
- **Freeze any further waivers of 964 regulations.**

Related Recommendations:

- **More information about asset management (through annual meetings with PHA on asset management, information regarding regulatory and guidance process).**
- **Involvement in the PHA Plan (inform residents of major decisions, seek resident council recommendations, make proposed Annual Plan and attachments available for inspection by residents, etc.)**
- **Involvement in HOPE VI process (selection, relocation, re-occupancy, site-specific requirements).**
- **Priority in contracting with resident businesses/groups issues related to asset management.**



Related Recommendations: (Continued)

- **Maintain role of jurisdiction-wide Resident Councils.**
- **Revise 964.150 to reflect HUD tenant participation funding - \$25 per occupied unit.**
- **Expand scope of 964 to ensure that resident councils affected by demolition, disposition and redevelopment are participants in decision-making.**

Discussion of Other Areas:

- **24 CFR 135 – Economic Opportunities for Low- and Very-low Income Persons.**
- **24 CFR 902 – Public Housing Assessment System.**
- **24 CFR 963 – Contracting with Resident-owned Businesses.**
- **24 CFR 984 – Section 8 and Public Housing Family Self-Sufficiency Program.**
- **24 CFR 990 – Operating Fund Program (Resident Management Corporations).**

Resident Participation/Self Sufficiency (Continued)



- Ron Ashford
- Victor Bach
- Melosan Bell
- Willie Mae Bennett-Bradley
- Valerie Buchand
- Jack Cooper
- Deb Crockett
- Joe Feuerherd
- Sam Finkelstein
- Kathryn Greenspan
- Joy Johnson
- Marianne Nazarro
- Crystal Palmer
- Mary Rone
- Lillian Scales
- Margaret Skiffer
- Lorriane Walls
- Mary Wiggins
- Glenda Wright



Task: “Examine ways to improve the automated flow of information between HUD and PHAs.”

Current Systems: PIC, NASS, MASS, PASS, RASS, FASS, WASS, VMS, ELOCCS, SAGIS, EIV

- **Implement a Systems Advisory Group: 15 PHA representatives to meet regularly and oversee testing.**
- **Improve the quality and quantity of training: Use online conferencing software, train with software releases.**
- **Improve the quality of communications: Improve help desk, keep Field Offices in the loop, improve guidance.**



System Fixes:

- Default to vacant make ready after uploading a 50058 end of participation (EOP)
- Unmask social security numbers to facilitate 50058 troubleshooting
- Provide more help with correction of name mismatches with the Social Security Administration (SSA) database
- Facilitate batch uploads for Financial Data Schedule and Subsidy Award/Grant Administration System (SAGIS)
- Provide a report for history of unit changes
- Provide more information on 50058 error reports (not just PHA code but PHA name, ED, phone number)
- Limit major updates to once a year



■ Specific System Fixes (Cont.)

- Facilitate use of alternate IDs when dealing with foster children
- Improve PIC capacity to download data
- Increase the ability to create ad hoc reports throughout PIH systems

Systems Report:

- **80 pages long.**
- **Nearly 60 specific prioritized recommendations.**
- **Report backed up by results of lengthy survey.**



- Robert Dalzell
- Dee Benson
- Chetana Chaphekar
- Lloyd Darasaw
- Charles Eldridge
- Anne Marie Flatley
- Douglas Gager
- Lar Gnessin
- Andrea Hartt
- Bryan Hoffman
- Rahul Jain
- Diane Kiles
- Gail Livingston
- Floyd May
- Christopher Stevens
- Mark Watson
- Jonathan Zimmerman
- John Zuber



Task: “Examine basic legal documents and arrangements between HUD and PHAs.”

General Depository Agreement (GDA) and Consortia:

- **Consistent with asset management?**
- **Master ACC for consortia?**

Declaration of Trust:

- **Order of liens**
- **Closer alignment with private industry use agreements**
- **Include with asset management checklist**
- **Remove use restrictions**



Annual Contributions Contract (ACC):

- **Duplicative/selective statements of applicable law**
- **Oversight/auditing standards**
- **Due process in resolving contract disputes**
- **Mutuality**
- **Separate ACC for each project**



- Eugenia Metrakas
- Donald Cameron
- Art Cate
- Robert Cwieka
- Sherry Fobear-McCown
- Megan Glasheen
- Mary Kuhn
- Sharon Pitts
- Daryel Pruitt
- Saul Ramirez
- Sheryl Swendson
- Kathy Szybist
- Richard Washington



Questions/Comments?