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## Guidance on IMS/PIC Development Sub-Module Reporting and Validation

On January 28, 2011, HUD issued PIH Notice 2011-7, “Guidance on IMS/PIC Development Sub-Module Reporting and Validation.” This Notice provides guidance to ensure that information submitted and maintained by public housing agencies (PHAs) in the Inventory Management System/PIH Information Center (IMS/PIC) Development Sub-Module (also known as the “Building and Unit” Sub-Module) is accurate, timely, and reliable.

This guidance supports HUD’s goal for expanding the supply of affordable rental housing where most needed by assisting in ensuring that the data in the IMS/PIC Development Sub-Module is accurate. When the Department is assured of a more accurate inventory, HUD will be able to provide targeted technical assistance to PHAs that have a significant number of vacancies or “offline” units.

This Notice also updates or clarifies information in PIH Notice 2010-6. In April 2010, two Unit Tenant Status Types were eliminated. The Types eliminated are *Vacant* or *Otherwise Occupied* and *Exception Unit*. The Unit Tenant Status Types categories are now: *Occupied*, *Vacant*, *Vacant HUD Approved* and *Non-Dwelling*. The sub-categories that were once under *Otherwise Occupied* were placed under the *Occupied* Unit Tenant Status Type.

In addition, PIH Notice 2010-6 referenced the sub-category of *Occupied* by Non-Assisted Person Providing Tenant or Neighborhood-Oriented Services. As of April 2010, this sub-category

is no longer a separate Unit Tenant Status Subcategory. The units that were in this category were placed in the Employee category. PHAs should review the Employee units to confirm that the units in this category are, in fact, being used according to the requirements in the Employee unit guidance at section 4.5.1(b) in Notice 2011-7.

### The other guidance presented in the Notice is as follows:

- A table providing an overview of the Categories and Sub-Categories including the types of approval required for each Sub-Category, and whether units in a Sub-Category are eligible for full operating subsidy.
- Explanation of how to obtain a HUD-user approval in IMS/PIC.
- Description of the contents and time-limits of Field Office Approval Letters.
- Detailed description of each Unit Tenant Status Type Category and Sub-Category.

The Department reminds PHAs that timely and accurate reporting is essential in all IMS/PIC modules.

The Notice is available at: <http://bit.ly/icSjse>



# Review of Selected Mixed Financing Policies Under Asset Management

Mixed finance projects create some unique challenges for PHAs. This article provides a brief overview of some mixed finance related issues that have come up in the past for PHAs under asset management.

## Fees

Asset management allows the PHAs' Central Office Cost Center (COCC) to charge fees to an Asset Management Projects (AMP) for services the COCC provides. The COCC can bill for a management fee of up to the ceiling allowable on a mixed finance project only if the COCC is the day-to-day management entity. If the PHA does hire a management company, the PHA can negotiate a management fee with the management company and keep the difference between the HUD-allowed amount and the fee paid to the outside management company. The management fee will be based upon occupied units and allowable vacancies in the AMP.

Asset Management fees can be charged when, based on a previous year's financial statement, an AMP has generated excess cash. This is true for a mixed finance AMP as well. When computing if excess cash has been earned, operating expenses are not counted in a mixed finance AMP. The asset management fee is paid based on the total number of ACC units regardless of occupancy.

Bookkeeping fees may be charged on the occupied units and allowable vacancies under the ACC within a mixed finance project. As long as a separate management entity is not also charging a bookkeeping fee, the COCC may retain the fee.

## Reviews/Audits of Mixed Finance Projects

The Field Office's primary concern when conducting reviews of a mixed finance project is on the public housing units in the project rather than the market rate units. The units in the ACC, along with the applicable site, building exterior, building systems and common areas, are subject to HUD's physical quality inspections. It is likely that mixed finance projects will have different entities conducting reviews and, as such, may require an alternate form of monitoring.

Data reported on the non-ACC parts of mixed finance projects (i.e. component unit/business activity) is not added in to the FDS total column or the PHA financial statements. It is data from a separate legal entity. As such, it will not be directly included in a PHA-wide audit. It may receive its own audit. PHA auditors will use this audit when conducting the PHA audit.

## PIH Notices

**PIH 2011-01**, "Rent to Owners in subsidized projects under the Housing Choice Voucher (HCV) program," issued January 12, 2011. This Notice provides guidance to PHAs when determining the rent to owner for HCV tenancy when the participant family chooses to lease a unit under the HCV program in a number of federally subsidized projects.

**PIH Notice 2011-03**, "Housing Choice Voucher Family Moves," issued January 19, 2011. This Notice provides guidance on PHA administrative responsibilities related to family moves with continued assistance both within and outside of a PHA's jurisdiction.

**PIH Notice 2011-05**, "Amendment to PIH Notice 2010-40 on Set-Aside Funding Availability for Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers, issued January 27, 2011. The Notice adds criteria for funding applications with tying scores.

To view the Notices: [http://portal.hud.gov/portal/page/portal/HUD/program\\_offices/administration/hudclips/notices/pih](http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/notices/pih)

## Save the Date! Going Green: Intelligent Investments for Public Housing Conference

Presented by the US Department of Housing and Urban Development [April 12-13, 2011 | Boston, MA](#) (Watch this space for details)

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(Put "HUD Asset Management Newsletter" in the subject line)

## Bring Father's Day 2011 to Your PHA

HUD is inviting PHAs to participate in **Father's Day 2011** on June 18. The first "Fatherhood Initiative Day," put on by the New York City Housing Authority, attracted over 100 people for food, fun, and information from local service providers. Father's Day 2011 will also bring fathers and their children together to celebrate fatherhood and family, while also linking fathers to local resources. Watch *Asset Management* for more information.

