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### New Name, New Focus

Welcome to the first issue of the newly renamed *Public Housing Management Newsletter!* As the transition to Asset Management winds down, we've decided to refocus our monthly newsletter on management issues applicable to the whole public housing community. As always, we welcome your feedback—please send any suggestions about what you'd like to see in the newsletter to [pihirc@firstpic.org](mailto:pihirc@firstpic.org) or to any of the contact options at the bottom of this issue.

### Capital Needs in the Public Housing Program

The U.S. Department of Housing and Urban Development (HUD) has released a study that shows an estimated \$25.6 billion needed for large-scale repairs on the nation's 1.2 million public housing units. These large-scale improvements and repairs are the capital needs required to make public housing decent and economically sustainable. Many of these capital needs are replacing roofs or updating plumbing and electrical systems to increase energy efficiency.

"The new capital needs estimate far exceeds our annual budget for these repairs and illustrates why America needs a long-term strategy to address the loss of thousands of public housing units annually," said HUD Secretary Shaun Donovan. "Public housing owners are forced to make tough choices between repairing roofs and replacing plumbing – or worse, demolishing units altogether – because there simply isn't enough money to go around. That's why we introduced Choice Neighborhoods and our new Rental Assistance Demonstration as part of our comprehensive strategy to keep these homes on firm financial footing."

The new study began in April 2008 and determined that the total capital needs estimate, commonly referred to as the "backlog," is \$25.6 billion which is approximately \$23,365 per unit. The study further determined that with normal use and aging an additional \$3.4 billion, roughly \$3,155 per unit, of needed repairs and replacements will accrue each year. These accrued costs are based on the assumption that the backlog is met and excludes routine maintenance costs.

The 2010 study data shows the estimated total backlog of capital need to have decreased approximately 3.4 percent over the past 12 years. A portion of this decrease is explained by a nine percent decline in public housing units and an increase in the average per unit repair costs. Because of the lagging repairs to major systems that affect the overall lifespan of the system, the annual accrued costs climbed over the past 12 years by 15 percent.

In an effort to meet the Obama Administration's comprehensive strategy to offer a long term solution to preserve and enhance the nation's affordable housing stock, HUD has proposed the Choice Neighborhoods and the Rental Assistance Demonstration (RAD) initiatives. RAD allows private investment to address the backlog and future need throughout the entire public housing stock while Choice Neighborhoods provides grant funding to demolish and redevelop public and assisted housing.

HUD's Capital Needs in the Public Housing Program can be found at: <http://1.usa.gov/pKWFaj>



## PIH Notices

**PIH 2011-35**, “Extension: Consolidated Guidance on Disaster Housing Assistance Program – Ike (DHAP-Ike) and Extension Operating Requirements” issued June 30, 2011. This Notice serves to extend PIH 2010-22 (HA) which was set to expire on June 30, 2011. Please note that most deadlines mentioned in the three Notices have elapsed (PIH 2008-38, PIH 2008-45, and PIH 2010-22). The DHAP-Ike is a FEMA-HUD initiative administered by HUD’s network of public housing agencies (PHAs) to provide monthly rental assistance, case management services, security and utility deposit assistance for certain families displaced from their homes by Hurricanes Gustav or Ike. The program has been extended until September 30, 2011.

**PIH 2011-34**, “Extension - Continuation of Disaster Voucher Program (DVP) Housing Assistance Payments” issued June 28, 2011. This notice extends for another year Notice PIH 2010-43, same subject, which was set to expire October 31, 2011. This notice does not supersede the previous guidance. Instead, it updates specific sections in the previous guidance with the new end date and informs public housing authorities (PHAs) administering DVP to continue to provide monthly housing assistance payment for current DVP families past June 30, 2011. The Department has projected that there is sufficient DVP funding remaining to continue providing monthly HAP on behalf of current DVP families through December 31, 2011.

**PIH 2011-33**, “Use of Work Preferences as a Public Housing Waiting List Management Tool and as a Lease Provision for Certain Public Housing Buildings” issued June 24, 2011. This notice clarifies program policy related to establishing local preferences, the use of work preferences as a public housing waiting list management tool, and the inclusion of work activities in house rules and as a lease provision for certain public housing buildings. This notice ensures that eligible households have full and equal access to the public housing program and that local preferences are implemented in a manner that is consistent with statutory and regulatory requirements.

**PIH 2011-32**, “Policies and Procedures for Special Purpose Housing Choice Vouchers for Non-Elderly Disabled Families and Other Special Populations” issued June 14, 2011. The purpose of this notice is to establish policies and procedures for issuing, tracking and monitoring Housing Choice Vouchers (HCV) that were awarded under a Notice of Funding Availability (NOFA) to provide rental assistance specifically for non-elderly disabled (NED) families. Policies and procedures will address initial issuance, re-issuance and maintenance of these NED HCVs, tracking them in the Public and Indian Housing Information Center (PIC) and the Voucher Management System (VMS) and issues related to reasonable accommodation.

**PIH 2011-31**, “Guidance on non-discrimination and equal opportunity requirements for PHAs” issued June 13, 2011. The purpose of this notice is to remind public housing agencies (PHAs), including those in the Moving to Work (MTW) demonstration, of their obligation to comply with key non-discrimination and equal opportunity laws and implementing regulations, including those in 24 CFR § 5.105(a). Specific laws and regulations must be viewed in their entirety for full compliance, as the notice does not incorporate a complete discussion of all legal authorities.

**PIH 2011-30**, “PHA Mortgaged Projects: Procedures for Section 30 Mortgage Transactions” issued June 8, 2011. The purpose of this notice is to provide guidance to public housing authorities (PHAs) on how to pursue HUD approval to place a mortgage or other encumbrance on public housing property where the subject property is owned by the PHA, defined as PHA mortgaged transactions (PMT).

To view the notices: <http://www.hud.gov/offices/pih/publications/notices/>

## Contact us:

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(Put “HUD PHM Newsletter” in the subject line)

## Upcoming Dates

**FY 2011 Choice Neighborhoods Planning Grant**  
Grant application due: August 8, 2011  
For more information: <http://1.usa.gov/jkX6tj>

**FY 2011 HOPE VI Main Street Program**  
Grant application due: August 22, 2011  
For more information: <http://1.usa.gov/reXPRO>

