



Housing Choice Voucher E-Newsletter

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<http://www.hud.gov/offices/pih/programs/hcv/>

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Home Forward's Landlord Guarantee Fund Offers a Solution in a Tight Housing Market

Home Forward, previously known as the Housing Authority of Portland, OR, recently extended the Landlord Guarantee Fund (LGF) program to all new Housing Choice Voucher (HCV) participants, due to a positive response from landlords. The LGF was implemented as a pilot program in February 2009 by Home Forward. The program operates as an incentive for landlords to rent to HCV participants. It does this by covering damages beyond normal wear and tear caused by tenants to the landlord's rental unit with a threshold requirement of \$1,000 in damage. This program has contributed to improved lease-up rates for Home Forward's HCV program by giving landlords confidence in renting to low-income households. The program operates as a safety net and according to Community Initiatives Manager Rachel Devlin from Home Forward, over 300 voucher holders received access to the LGF last year, and only one valid claim was filed.

Voucher participants receive a certificate with complete details of the program to present to the Landlord. If a tenant moves out within 2 years from the initial move-in, Home Forward pays the landlord for all damages beyond normal wear and tear when there is at least \$1,000 damage to the unit. The LGF program does not apply to tenant move-outs after the initial 2 years. This program requires families to repay any amount paid to the landlord under this fund.

Devlin from Home Forward offers some advice for other PHAs contemplating this program: "First and foremost - keep it simple. This is an incentive programs for the landlord community, so make sure it is actually an incentive for them. Involve them in the development, and avoid placing undue burdens on them (with respect to time, paperwork, and money). The reason landlords have been receptive to Home Forward's LGF is because we have kept it incredibly easy. When a request for a damage inspection comes in (which requires only a one-page claim form), we send an inspector out within 2 business days. This ensures that the landlord does not have to delay in fixing the unit and re-renting it. Additionally, by using our pre-set list of what we will pay for different types of damage, the inspector is able to tell the landlord immediately what the payment will be. No receipts are required, and payments can be sent out less than a week after the initial call from the landlord."

Overall the program has given participants an advantage when competing in a tight housing market and other PHAs may want to follow their lead. For information about Home Forward, go to: <http://www.homeforward.org>.



HUD Guidance on Determining Rent Reasonableness



On August 17, 2011, HUD issued Notice PIH 2011-46 which provides guidance to public housing agencies (PHAs) on determining Rent Reasonableness in the Housing Choice Voucher (HCV) program. The purpose of this notice is to merge requirements set forth in PIH Notices 2009-51 and 2010-18 as they relate to rent reasonableness in the HCV program. It also removes dated provisions from PIH Notice 2009-51 related to the definition of assisted and unassisted housing. PIH Notice 2009-51 noted that an "assisted unit is a unit that is assisted under a Federal, State, or local government program."

However, Notice PIH 2010-18 superseded particular guidance contained in Notice PIH 2009-51 by broadening the definition of "assisted unit to include certain units where the rent and rent increases are restricted by law or court action." It also superseded Notice PIH 2009-51 related to rent reasonableness

determinations "for units in properties undergoing Housing Conversion Actions" such as when a Section 8 project-based owner decides not to renew the contract or opt-out. As this notice points out, these units are not taken into consideration for purposes of rent reasonableness determinations. Detailed information is contained in this notice to assist PHAs in comparing rent for voucher units against similar unassisted units on the property and clearly lays out what is considered an assisted unit. Examples are provided to differentiate between an assisted unit and an unassisted unit. For instance, a unit where the owner has decided to reduce the rent below what the market demands is not an assisted unit unless the reduction was due to some type of Housing Conversion Action.

The HCV program requires that a PHA may not approve a lease until it is determined that the rent to owner is reasonable. Reasonable rent is determined by ensuring that the rents paid for HCV assisted units do not exceed the rents for comparable units that are not assisted under a Federal, State, or local government program. Rent reasonableness is an important component to the HCV program to ensure that the rent HCV landlords charge most accurately reflects the rent that could be charged for the same unit in the private market. Understanding the definition of unassisted units and assisted units is crucial in accurately calculating reasonable rents and this notice seeks to clarify this process.

Notice PIH 2011-46 can be reviewed at: <http://1.usa.gov/uBAGLE>.

PIH Notices

PIH 2011-45, "Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration program" issued August 15, 2011. This notice clarifies HUD policies, Federal statutes and regulations that apply to local, non-traditional activities implemented under the Moving to Work (MTW) demonstration program. MTW agencies have the authority to use their MTW funds to implement local, non-traditional activities, as long as they have this authority formalized in their Standard MTW Agreement (MTW Agreement), serve exclusively families at or below 80% of area median income (AMI) and use the MTW funds for activities that meet one of the three MTW statutory objectives of increasing the efficiency of Federal expenditures, incentivizing self-sufficiency of participating families and increasing housing choice for low-income families. Per the MTW Agreement, MTW agencies prepare and submit an Annual MTW Plan. The Department must approve each Annual MTW Plan, and accordingly has broad authority to accept or reject provisions of the Plan that fail to comport with other applicable laws and such terms as the Secretary may require.

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PIH 2011-46, “PHA Determinations of Rent Reasonableness in the Housing Choice Voucher (HCV) Program – Replacement of PIH Notices 2009-51 and 2010-18” issued August 17, 2011. This Notice combines current relevant policy of PIH Notices 2009-51 and 2010-18 concerning rent reasonableness requirements in the Housing Choice Voucher (HCV) program and removes obsolete provisions of PIH Notice 2009-51 relative to the definition of assisted and unassisted housing. By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere.

PIH 2011-47, “Transactions between Public Housing Agencies and their Related Affiliates and Instrumentalities” issued August 17, 2011. PIH Notice 2007-15 (HA) is extended until amended, superseded, or rescinded. This notice provides guidance to public housing agencies (PHAs) regarding the creation and use of affiliates and instrumentalities in Public and Indian Housing programs under the United States Housing Act of 1937. Affiliates and instrumentalities may participate in mixed-finance developments subject to Annual Contributions Contract (ACC) amendments and other regulations. PHAs remain responsible for the submission of mixed-financing documentation; this responsibility may not be transferred to affiliates or instrumentalities.

PIH 2011-48, “Guidance on Reporting Public Housing Agency Executive Compensation Information and conducting Comparability Analysis” issued August 26, 2011. Public Housing Agencies (PHAs) that administer HUD-assisted public housing and housing choice voucher programs will be required to report to HUD annually the compensation provided to each of their five highest compensated employees, which will then be posted on HUD’s website with job titles but without employee names. This will serve as a valuable transparency and oversight tool and a point of comparison for local PHA boards in determining appropriate compensation levels. To that end, all PHA boards will also be required to conduct comparability analyses when determining executive director compensation levels and certify that such an analysis has been performed. This notice: (1) provides information and guidance on Form HUD-52725 to be used by PHAs to report executive compensation and explains its required use; and (2) explains how PHAs are to conduct comparability analyses with respect to compensation provided to executive directors and certify that they have done so. The requirements in this notice apply to all PHAs that administer a public housing or housing choice voucher program, except for PHAs that operate a housing choice voucher program only and receive less than 50 percent of their funding for employees from HUD (this includes all HUD programs). Exempt PHAs are requested but not required to submit the compensation information.

PIH 2011-50, “Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers” issued September 15, 2011. The purpose of this notice is to reinstate Notice PIH 2010-23 on the same subject with a significant revision in this section and the addition of section 2e. Section J of the Implementation of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program (Operating Requirements) published in the Federal Register on May 6, 2008, stated that the Department will consider, on a case-by-case basis, requests from a public housing agency (PHA) to project-base HUD-VASH vouchers in accordance with 24 CFR part 983. This notice provides continued guidance to those PHAs that have been awarded HUD-VASH vouchers that are interested in project-basing a portion of those vouchers. Previously no more than 50 percent of a PHA’s allocation of HUD-VASH vouchers could be project-based. Please note that this limitation has been removed in order to provide PHAs with additional flexibility in administering their HUD-VASH program. However, the number of HUD-VASH project-based units must still be within the 20 percent maximum budget authority that may be allocated to project-based voucher (PBV) assistance in accordance with 24 CFR Section 983.5(a).

PIH 2011-51, “Promoting Partnerships to Utilize Housing as a Platform for Improving Quality of Life” issued September 20, 2011. This notice outlines for Community Planning and Development (CPD) and Public and Indian Housing (PIH) grantees, including Public Housing Agencies (PHAs), suggested ways in which to forge partnerships with public and private agencies at the federal, state, and local levels to promote resident connections to health care, education, employment, and other social services in an effort to improve quality of life and provide a foundation for successful housing outcomes. While the guidance delivered in this notice is not meant to be exhaustive, it does include a great number of resources and tools for strengthening such partnerships. We encourage you to explore and refer to this notice often.

PIH 2011-52, “Reporting, Turnover, and Other Requirements for the Family Unification Program” issued September 20, 2011. The purpose of this notice is to establish reporting, turnover, and other requirements for the Family Unification Program (FUP). This Notice has no application to HUD’s Veterans Affairs Supportive Housing (HUD-VASH) voucher program or the Non-Elderly Disabled (NED) voucher program. Guidance for these programs will be provided under a separate Notice.

PIH 2011-53, “Reporting and Portability Requirements for the HUD-Veterans Affairs Supportive Housing (VASH) Program” issued September 20, 2011. The purpose of this notice is to revise and extend PIH Notice 2010-12. The revisions occur in section 2. (Operating Requirements) in regard to Moving to Work (MTW) agencies, section 2.b. (Leasing and Ongoing Reporting) in regard to portability, and section 3.d. (PHA Tracking) in regard to Voucher Management System (VMS) reporting.

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These reporting requirements are still essential to the coordination of data between HUD and the Department of Veterans Affairs and to ensure that the HUD-VASH Housing Choice Vouchers (HCV) remain available to the same population upon turnover. The Public and Indian Housing Information Center (PIC) reporting requirements were initially described in section II. f. and III. of the Implementation of the HUD-VASH Program (Operating Requirements) published in the Federal Register on May 6, 2008, and are still applicable with exceptions noted in section 2.b of this notice.

PIH 2011-54, “Guidance on the Project-Based Voucher Program” issued September 20, 2011. The purpose of this notice is to clarify certain issues related to the project-based voucher (PBV) program. HUD intends to issue a more in-depth guidebook related to this program. However, this notice is intended to address specific concerns that have come to the attention of the Department recently. Please note that this notice is not inclusive of all requirements related to the PBV program. If a PHA decides that it wants to implement a PBV program, it must establish various policies and procedures prior to such implementation.

PIH 2011-57, “Instructions for Public Housing Agency on Fiscal Year End Changes” issued October 6, 2011. This notice provides instructions to public housing agencies (PHAs) on submitting requests for fiscal year end (FYE) changes. The process ensures that HUD has information for approval or denial and provides sufficient lead time for HUD to update required databases. PHAs have the option to revise program operations, subject to HUD review and approval. A request to revise FYE dates may come from PHAs that operate only the Public Housing (Low Rent) program, PHAs that operate both Public Housing and Housing Choice Voucher (HCV) programs (a “combined” PHA) and PHAs that operate only the HCV program. An FYE revision requires HUD to make changes to databases on behalf of the PHA(s) that in turn impact program operations, required submissions, and scheduling.

PIH 2011-59, “Reporting of Administrative Fee Reserves” issued October 27, 2011. This Notice reissues, with a few minor additions, PIH Notice 2010-7 (HA), provides specific guidance to Public Housing Agencies (PHAs) on the use of the Administrative Fee Reserves and reiterates guidance on PHA cash management and approved investment instruments. Further, this Notice provides guidance on the reporting of Administrative Fee Reserves and use when faced with insufficient funding. This Notice responds to recommendations by the Office of the Inspector General to implement controls and requires reconciliation of administrative fee reserves. This Notice does not apply to PHA’s approved for fungibility under a Moving to Work (MTW) agreement or under an agreement for Section 901 Disaster Assistance.

PIH 2011-60, “Dun and Bradstreet Universal Numbering System (DUNS) requirement” issued October 28, 2011. This notice requires public housing agencies (PHAs), their affiliates, instrumentalities, contract management and owner entities receiving HUD funding to obtain Dun and Bradstreet Numbering System (DUNS) numbers and to register in the Central Contractor Registration (CCR). PHAs must comply with the provisions of this Notice if they are recipients of HUD funding for PHA owned projects and/or are recipients of HUD funding pursuant to an annual contributions contract to administer any of the following programs: Public Housing, Housing Choice Vouchers (including the project-based certificate and voucher programs), the Section 8 Moderate Rehabilitation program, and the Moderate Rehabilitation Single Room Occupancy program PHAs receiving federal financial assistance under the American Recovery and Reinvestment Act of 2009 (ARRA) or seeking funds under a Notice of Funding Availability (NOFA) have already satisfied the requirement to obtain a DUNS number. Once a DUNS number is obtained, the CCR registering remains an annual requirement.

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

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