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Francis X. Riley, Field Office Director, San Diego HUD Office, and Gary Gambling, Chairman of the San Diego Housing Commission



# 1



## San Diego Housing Commission Adds 721 Affordable Housing Units

Through an innovative Finance Plan approved in 2009, the San Diego Housing Commission (SDHC) raised \$95 million in low-interest Fannie Mae and Federal Housing Administration (FHA) mortgages by leveraging the equity in 1,366 housing units, turned over to the Housing Commission in a 2007 agreement with the U.S. Department of Housing & Urban Development (HUD).

Portions of the funding take advantage of the federal Build America Bonds program, which offers an annual 35 percent interest rate rebate for the full term of the loans. To date, SDHC has committed \$74.7

million to acquire directly, or through development partnerships, eight properties containing 721 affordable housing units, all required to remain affordable for at least 55 years. When completed over the next three years, the number of affordable housing units in the SDHC's portfolio will increase to more than 2,000.

The Finance Plan exceeds the conditions of the SDHC's agreement with HUD, which required the production of "at least 350 units of both low-income and workforce affordable housing" for "families with incomes not exceeding 80 percent of the median income at initial occupancy."

# Financial Management Reminders

## General Depository Agreement

- Use form HUD-51999
- All PHAs must have a GDA on file with the Field Office (FO)
- Submit to your assigned Financial Analyst
- Include Account #/s
- Do not cross out paragraphs
- GDA accurately reflects your current accounts
- Bank is still in existence

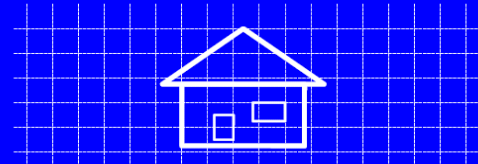
## IPA Audits

- Submit audited and unaudited FDS electronically to REAC-FASS
- Submit hardcopy of IPA Audit and Management Letter to FO
- Unaudited Deadline is 60 days after your Fiscal Year End (FYE)
- Audited Deadline is 9 months after your FYE
- See 24 CFR 902.33 for late reporting sanctions

## House More Families

- HCV and PH
- Finance is an integral component of a PHAs ability to house more families
- HCV Utilization- Track budget authority utilization, NRA, and UNA
- PH Utilization- Track Operating Subsidy Eligible Unit Months & Tenant Revenues
- See 24 CFR 990

*Up and Up*  
Lease Up Campaign



The Los Angeles Office of Public and Indian Housing (LAOPH) is proud to announce the commencement of the *Up and Up*, Lease up campaign. *Up and Up* is designed to help our Public Housing Authorities (PHAs) receive recognition for their hard work, share best practices, and ultimately increase the number of families served.

The Los Angeles Public Housing Staff have been promoting our newly developed budgeting and forecasting tool which enables PHAs to predict their future lease up rates. The staff is confident this contest benefits the entire community.

Notwithstanding, this campaign rewards both the large and small PHAs for their innovation and diligence. The LAOPH will formally recognize exemplary PHAs at the next Proactive Exchange and publicize the accomplishment in the LAOPH newsletter.

## BED BUGS

### **REAC Notice**

Recently, bed bugs have reemerged in the United States. On September 1, 2010, the Real Estate Assessment Center (REAC) of the Office of Public and Indian Housing (PIH) released *Inspector Notice No. 2010-01*. Effective September 13, 2010, inspectors are required to report the presence or existence of bed bugs at any inspected public housing property. Before each inspection, inspectors will inquire if any bed bugs have been reported. Any unit with reported bed bugs will be determined to be uninspectable and the inspector will not enter. For more information, please read REAC *Inspector Notice No. 2010-01*.

### **TIPS**

The REAC newsletter has included a great set of tips related to the prevention and control of bed bugs. Bed bugs have become an increasing problem for residents around the country. It is important to be able to identify a bed bug problem, and what steps to take to eliminate them and to prevent them from returning.

Bed bugs are reddish brown in color, flat, and oval-shaped. They are about 1/4 inch long, which is about the size of an apple seed. They often leave behind tiny, rust-colored stains that have a syrup-like smell, similar to soda pop, or black specks. Look for signs of bugs here:

- On mattress tags and seams
- On ceilings
- Under seat cushions
- Behind headboards
- In tiny cracks and crevices
- Around light switches

Bed bugs like to settle close to their food source...which is you! During the day, they do not live in the bed, but often hide within 5 feet of the bed. Make sure to check under your mattress and bed frame, near baseboards, behind picture frames, in night stands, under buckling wallpaper or carpet, and in areas with excessive heat or moisture.

Although bed bugs do not transmit disease, they do bite, draw blood, and can cause welts and itching. Just the fact that you are sharing a bed with these bugs can cause much anxiety and anguish.

There are a number of ways to prevent them:

- Clear any clutter such as paper or trash.
- Be sure to inspect any second-hand furniture you receive.
- Do not bring discarded furniture into your apartment.
- Inspect your luggage after traveling.
- Dry your clothes on high heat.
- Inspect your apartment regularly, especially after moving in or after trips.

**IF YOU HAVE AN INFESTATION, NOTIFY YOUR PROPERTY MANAGER IMMEDIATELY.**

A video on bed bug prevention and control can be found here:

<http://www.hud.gov/offices/pih/programs/ph/phecc/pestmang.cfm>

## Popular Questions

The following is a listing of questions and answers regarding the relationship between bed bugs and the administration of the Section 8 Program:

**Q) How does Section 8 fit in with the Bed Bug issue?**

A) The HQS inspection manual requires that the PHA inspect for infestation by mice or vermin (p.121). Using the guidance available if the inspector makes the determination that a bed bug infestation exists; the unit would fail the HQS inspection.

**Q) Who is responsible when bed bugs are found in the unit?**

A) In some cases the owner would be responsible for the HQS failure. It is the owner's responsibility to maintain the unit to HQS unless there is evidence that indicates the violation is tenant caused.

**Q) Are bed bugs a violation of the lease?**

A) The lease is between the landlord and tenant; some leases may have provisions where bed bugs may violate terms. This is a lease matter between the Landlord and tenant. The local courts will enforce lease provisions in accordance with local law.

**Q) Can the PHA terminate tenant assistance due to the presence of bed bugs?**

A) The PHA can terminate assistance if the HQS violation is determined to be tenant caused and the tenant does not remediate the problem.

**Q) Who pays for the remediation of bed bugs?**

A) Like in any HQS breach, the landlord would pay for the corrective action unless the tenant was responsible for the violation.

**Q) Should the unit fail inspection when bed bugs are present?**

A) That would most likely lead to the conclusion that an infestation exists and would be an HQS violation.

**Q) Must tenants be relocated?**

A) As with any HQS violation, the HAP should be abated if the Landlord fails to take timely corrective action, and the tenant would be issued a new voucher.

**Q) Who is responsible for a new mattress?**

A) Many leases provide that the landlord has no responsibility for damages to the tenant's property. If it was the landlord's mattress (a furnished unit) the landlord may be able to make a claim for damages. This is a lease matter between the Landlord and tenant, for which the local courts will enforce lease provisions in accordance with local law.

**Q) What direction should be given to PHA staff members?**

A) There are two general points of direction. First, Inspectors should take care not to spread bedbugs from one unit to another. If an inspection is conducted and an infestation is found, the inspector should use their best judgment in determining the steps needed not to spread the infestation. Second, PHAs should consider offering education and awareness regarding the prevention of the spread of bedbugs.



## The Housing Authority of the City of Wasco Completes Electrical Upgrade Project Using Stimulus Funds

The American Recovery and Reinvestment Act (ARRA) funds came at a great time for the City of Wasco Housing Authority. The Authority's Public Housing units were built in 1952. The units have been remodeled over the years, but the electrical wiring dates from the original construction. Maintenance workers identified replacing the wiring and fixtures and upgrading the electrical panels as priority improvements.

In anticipation of ARRA funding, the Authority had JMPE Electrical Engineers draw up plans for the work. Bakersfield contractor Performance Electric, Inc. was selected to perform the work items. A good set of plans, an excellent contractor and a City Building Inspector making sure everything was done to code, made the project construction go smoothly and on time.

Tenants were inconvenienced by the work, but the contractor provided accommodations and a place to store furniture for the few days that occupancy was not possible. Now these units are safe and because the new fixtures meet current codes, they are much more energy efficient.

The Housing Authority expressed appreciation for the timely arrival of ARRA funds.

## **New Administrative Guidelines for Subsidy Layering Reviews**

**NOTE: Federal Register Notice Vol. 75 No 131 39561-39573, dated 7/9/10 – Administrative Guidelines for Subsidy Layering Reviews provides guidance on how Housing Credit Agencies (HCAs) should perform subsidy-layering reviews for Low Income Housing Tax Credit (LIHTC) properties receiving project-based vouchers. If the SLR package submitted by the PHA involves tax credits, the approved HCA will conduct the SLR review, not the Field Office. The PHA will need to submit the package to the approved HCA. The contact information for the approved HCA that covers the Field Office is:**

**California Tax Credit Allocation Committee  
William J. Pavao, Executive Director  
915 Capitol Mall, Room 485  
Sacramento, CA 95814  
(916) 654-6340**

### **Submission of Subsidy layering reviews to local Field Office**

**Please be advised that processing of Subsidy layering reviews has been revised based upon the federal register notice volume 75 no. 13139561-39573, dated July 9, 2010 and administrative guidelines for reviewing SLR.**

**Subsidy Layering Reviews for Section 8 Project-Based Voucher Housing Assistance Payments Contracts Required by 24 CFR 983.55 and by section 2835(a)(1)(M)(i) of the Housing and Economic Recovery Act of 2008 (HERA).**

## Public Housing Utilization Project

As part of HUD's FY 2010-2015 Strategic Plan (available at <http://www.hud.gov>), the Department has set a goal to increase the number of families served through HUD's various affordable rental housing programs to 5.46 million families by the end of Federal Fiscal Year (FFY) 2011. To achieve this goal the Office of Public Housing (PIH) has initiated the Public Housing Utilization Improvement Project.

PIH is currently working with Public Housing Agencies (PHAs) nationwide to ultimately decrease vacancies by 12,000 units and increase the number of families served by our Public Housing developments by 33,000. This is no small feat, and in order to successfully achieve this goal we need each PHA to wholeheartedly get behind this project.

The first phase is to conduct analysis and verification of all public housing units and how they are categorized in PIC. We asked that each PHA assure accurate reporting in all HUD reporting systems. Our office e-memos to each PHA with Public

Housing on Friday, October 29, 2010, requesting the PHA complete a spreadsheet listing the number of units under Exception, Vacant, and Otherwise Occupied unit categories and sub-categories. This report was due on 11-12-2010.

Our office is currently validating the accuracy of all unit categories as reported in PIC and manually by the PHA. We are also working with PHAs to help decrease their turnover rate as well as their make-ready and lease-up days. We ask that each PHA continue this effort by maintaining accurate tracking of their off-line units and continue to house as many families as possible. Remember—vacancies will reduce your tenant rental income and your operating subsidy funding. They directly affect your bottom line, as well as affect the number of families we can assist.

Should you have any questions regarding this initiative, please contact your assigned Public Housing Revitalization Specialist.

### FYI—HCV Funding for CY 2011

All PHAs with a HCV Program should note that Congress has yet to pass an appropriations bill covering the funding for the HCV Program. PHAs must pay close attention to their leasing levels, Net Restricted Assets, Unrestricted Net Assets, and attrition rates. We advise against any extreme leasing initiatives until we receive an approved bill. Please feel free to contact our office with any questions. We are happy to provide in-depth technical assistance on the HCV 2 yr Utilization Tool with all PHA staff.

## The Los Angeles Office of Public Housing Welcomes New Team Member: Twan Quach



We welcome Twan Quach, General Engineer. Prior to coming to HUD, he worked as a Senior Configuration Management Projects Specialist in Minnesota and also worked as a Mechanical Manufacturing Engineer. He received a bachelor of Science in Mechanical Engineering from North Dakota State University. Twan received the “Young Engineer of the year” award for outstanding achievement in the engineering profession from the Mechanical Federation Engineering Society. In the Los Angeles HUD Office he will work as General Engineer, which includes monitoring the Capital Fund Program.

Season's Greetings from the LA PIH!

