

San Francisco Office of Public Housing

Serving Northern California and Nevada

From the Director's Office



Stephen Schneller
Public Housing Director

Happy Holidays from the Office of Public Housing! Congratulations for all your great work in the past year. Our office appreciates your efforts to provide decent and affordable housing to

individuals and families across our region. We also appreciate your partnership with HUD as well as your support throughout the year.

This is a time of major transition for many of us. In spite of the uncertainty of change, we can look at the program changes, funding changes, political changes, and staffing changes as opportunities to reevaluate, recharge, recommit.

We look forward to a busy year as the conversion of Low Rent Public Housing to Asset Based Management moves quickly forward. Our office is preparing for the challenges that lie ahead. We anticipate a year of training to bring ourselves up to the demands of the new paradigm. Although our numbers have decreased, we will still be maximizing our efforts to assist with your development activities, your Voucher programs, small PHAs that aren't converting, and other activities that you will continue to conduct in addition to new procedures.

It's been a pleasure to get to work with you, help solve problems, and support your successes.

HUD will be closed.



**Monday, January 1 and
Tuesday, January 2, 2007**

HUD ANNOUNCES NEARLY \$10 MILLION IN FUNDING TO BRING JOBS, ECONOMIC INDEPENDENCE TO PUBLIC HOUSING RESIDENTS

WASHINGTON - December 20, 2006

The U.S. Department of Housing and Urban Development awarded \$9,675,050 in grants today to public housing authorities across the U.S. The housing agencies use this funding to hire service coordinators who connect public housing residents with resources in the community to lead them to economic independence.

"An old Chinese proverb tells us it is better to teach one how to fish than to give one a fish, for the one who is taught will eat for a lifetime, not only a day," said HUD Secretary Alphonso Jackson, who announced the funding today. "These grants are true to the proverb because they allow local housing agencies help low-income families thrive for a lifetime by leading them to employment that moves them to self-sufficiency, even homeownership."

The monies awarded are from HUD's *Public Housing Family Self-Sufficiency* (PH FSS) program, which awards grants to public housing authorities (PHAs) to hire service coordinators to link residents with supportive services that help them find education and job training.

PH FSS funding allows PHAs to hire program coordinators who work directly with residents to guide them to education and training opportunities, job placement organizations and local employers. Residents sign a contract to participate, which outlines their responsibilities towards completion of training and employment objectives up to a five-year period. For each participating family that is a recipient of welfare assistance, the PHA must establish an interim goal that the participating family be independent from welfare assistance prior to the expiration of the contract. During

the period of participation, residents may earn an escrow credit based on increased earned income, which they may use in a variety of ways, including continuing their education or making a down payment toward home purchase.

A 2005 HUD study showed low-income families who participated in a similar HUD family self-sufficiency program saw their incomes increase at a higher rate than non-participants. HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development, and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.

Activity of Events Calendar	
Due Date	Activity
1/17	PHA Plan for next FYB 4/1 due (75 days prior to FYB)
1/31	(HUD-52681B) Oct, Nov & Dec data due in VMS (S8)
1/31	Financial Status Report (HUD-269A) for ROSS/& Prog. Rpt
1/31	CFP obligated/expended data submitted through eLOCCS
2/2	(EARLY FEB.) PHA certifies addresses in RASS
2/28	CFP obligated/expended data submitted through eLOCCS
3/24	PHA certify Implementation Plan in RASS
3/31	CFP obligated/expended data submitted through eLOCCS
Quarterly	VMS data collection (HUD 52681 B) submitted electronically. Ensure data is submitted timely and accurately. Failure to report timely could result in loss of Administrative fees. <i>Please check VMS website for exact submission.</i>

Grants

HUD AWARDS NEARLY \$14 MILLION IN GRANTS TO PUBLIC HOUSING AUTHORITIES TO CREATE, IMPROVE COMPUTER CENTERS FOR RESIDENTS

WASHINGTON - December 22, 2006

The U.S. Department of Housing and Urban Development awarded \$13,737,470 in grants to 53 public housing authorities today to provide public housing residents greater access to computer technology.

"These grants help the young and the old become computer savvy," said HUD Secretary Alphonso Jackson. "They give parents and children greater access to resources found on the Internet - everything from employment information to homework help."

Would you like to be one of those awarded a grant? The first step is to get registered. HUD only accepts electronically submitted applications through www.grants.gov

The Department has published an [Early Registration Notice](#) for potential applicants applying for funding under HUD's competitive grant programs available on Grants.gov. This Notice provides information to help applicants better understand the electronic submission process.

To participate in the HUD grants program, you need to be registered with Grants.gov. To assist with the registration process, HUD has developed a brochure on how to register. [Registration Brochure](#). In addition, HUD has a brochure that will help you find and apply for grant opportunities. [Find and Apply Brochure](#). HUD has also prepared a [Desktop User's Guide](#) to assist you in completion of a grant application.

Need to know!

<http://www.hud.gov/grants/index.cfm>

- ▶ [CCR Policy Change](#) 7/28/06
- ▶ [Mandatory Electronic Submission for Grants](#) (24 CFR Part 5)
- ▶ [Uniform Guidelines Coalition](#)
- ▶ [HUD's eGrants Grantee Update](#)



Editor: The San Francisco Office of Public Housing has received numerous inquiries regarding the Operating Fund Program for CY 2007. We take this opportunity to share the following information with you.

Operating Fund Program Explanation of Percentage Proration for CY2007

For the first obligation of Calendar Year (CY) 2007 Operating Subsidies for public housing agencies (PHAs), the Department has provided funding at 76% of eligibility (proration). The Department is currently operating under a Continuing Resolution through February 15, 2007. As such, PHA funding is provided for three (3) months (January-March). The following provides an explanation of the proration percentage.

For CY 2007, total PHA operating subsidy eligibility is \$4.536 billion. This amount is based on the operating subsidy forms (HUD Form 52723) submitted by each PHA and reviewed/approved by HUD. Table 1 compares 2007 eligibility to 2006 eligibility. Overall, eligibility increased 10%, or \$394 million. (CY 207 is the first year of implementation of the new Operating Fund formula, as per 24 CFR Part 990. PHAs that gain under the new formula receive 50% of their gain in 2007; PHAs that decline have their losses capped at 24% of the difference between the old and new formula.)¹

Table 1. Comparison 2006 and 2007 Operating Subsidy Eligibility

#	Description	2007 Amount (in millions)	2006 Amount (in millions)	Change	Change %
1	Formula Non-Utility Expenses	\$4,596,452,370	\$4,387,970,938	\$208,481,432	5%
2	Formula Utility Expenses	\$1,660,537,206	\$1,647,240,912	\$ 13,296,294	1%
3	MTW Block Grant Eligibility	\$ 536,382,371	\$ 503,585,924	\$ 32,796,447	7%
4	Mutual Help and Turnkey	\$ 886,916	\$ 1,033,947	(\$ 147,031)	-14%
5	Less: Formula Income	(\$2,258,169,586)	(\$2,397,560,601)	\$139,391,015	-6%
6	Total Eligibility	\$4,536,089,277	\$4,142,271,120	\$393,818,157	10%

Revised Transition Provisions for FFY 2007. Proposed Rule (FR-5105-P-01, 11/24/06) will cap the losses of PHAs that decline at 5 percent of the difference between the old and the new formula. It is estimated that the increase is considered while calculating the initial proration percentage.

Section 8 Homeownership

One of the Department’s Management Plan Goals for Fiscal-Year 2006 was to increase the cumulative homeownership closings under the homeownership option of the Housing Choice Voucher/Flexible Voucher program to 6,000 at the end of the Fiscal Year. The Department met this goal!!

On October 3, 2006, HUD posted on its PIC website the number of Section 8 Homeownership Closings that occurred during Fiscal-Year 2006. We are happy to report that the Housing Authorities in our jurisdiction had a total of 47 homeownership closings during the last fiscal year. Our heartfelt congratulations go to all of you who made the homeownership dream a reality for our low-income program participants!!!

Our office ranked 11th in the number of closings nationwide. The field offices with the largest number of homeownership closings were Fort Worth with 100 closings, followed by Greensboro 86 closings, and Buffalo 82 closings. The Los Angeles Field Office ranked 10th with 51 closings. Given the real estate market conditions in these states and in California I think you know that you are the best!!!

We do hope that you will continue to make homeownership an option to all our Section 8 program participants and we stand ready to assist you in that endeavor.

Our goal for the year is to establish a working group consisting of representatives from HUD, PHAs, lenders, counseling agencies and state agencies whose mission will be to identify program barriers and work towards their resolution.

Webcast Training

<http://www.hud.gov/webcasts/archives/ph.cfm>

- ✓ **PIH Calculation of Operating Subsidy**
- ✓ **Accessing Subsidy and Grants Information System (SAGIS)**
- ✓ **Energy Performance Contracting (Parts 1 –6)**

And more . . .

Homeownership Closings

San Francisco Office Jurisdiction

HA Name	HCVHP Closings	FSS Homeownership Closings	Cumulative Closings
Alameda City	0	1	1
Alameda County	0	7	7
Benicia	12	0	12
Berkeley	1	0	1
Clark County	5	6	11
Fairfield	3	6	9
Fresno City	1	16	17
Fresno County	1	19	20
Las Vegas	13	3	16
Madera	3	4	7
Marin Housing	12	2	14
Mariposa County	1	0	1
Monterey	1	5	6
Napa	0	10	10
North Las Vegas	4	0	4
Oakland	7	0	7
Redding	2	0	2
Reno	8	3	11
Roseville	0	1	1
Sacramento City	21	9	30
Sacramento County	42	1	43
San Francisco	0	3	3
San Joaquin	14	0	14
San Jose City	3	4	7
San Mateo County	0	2	2
Santa Clara	7	9	16
Santa Cruz County	9	7	16
Solano	9	1	10
Sonoma	0	5	5
Stanislaus	0	5	5
Vacaville	11	6	17
Vallejo	7	3	10
Yolo County	2	0	2
Yuba County	0	2	2
	199	140	339

Source: PIC data calculated from 8/12/2005 through 12/12/2006.

Please

Update and keep PIC current with your Homeownership Closing data.

Section 32 Homeownership

Homeownership for those served by HUD is a major goal for this administration. HUD has developed several programs over the years that address that effort. Section 32 is one of them.

The final rule for Section 32 Homeownership was published March 11, 2003, and became effective April 10, 2003. [Previously](#) approved homeownership programs will continue to operate under the existing Section 5(h) rule. Please note that both regulations have the same number, [24 CFR 906](#), and are accessible from this site.

Overview

The Quality Housing and Work Responsibility Act (QHWRA) **permits PHAs, through Section 32 of the U.S. Housing Act of 1937, to make public housing dwelling units available for purchase by low-income families as their principal residence.** Both low rent public housing residents and Section 8 participants may purchase public housing.

Under Section 32, a PHA may:

1. Sell all or a portion of a public housing development to eligible public or non-public housing residents;
2. Provide Capital Fund assistance to public housing families to purchase homes; or,
3. Provide Capital Fund assistance to acquire homes that will be sold to low-income families.









Some of our PHAs using this program include: Sacramento Housing & Development Agency, Merced Housing Authority and the Housing Authority of the City of Las Vegas. Section 32 generates an exception, allowing the Public Housing Capital Fund to be used to acquire units for sale that will not be put under public housing ACC contracts. **This does not apply to the use of the Capital Fund by the PHA to build or substantially rehabilitate units that are not public housing for sale under**

Section 32. Although public housing units that are newly constructed or substantially rehabilitated may be sold under Section 32, such construction and rehabilitation by the PHA is not covered under this section, but rather is governed by the public housing development and modernization regulations. Nonetheless, the final Section 32 rule replaces the Section 5(h) rule.

Section 32 Homeownership Plans

The specific requirements for preparing a homeownership plan under Section 32 are set out in the Section 32 Desk Guide, Homeownership Term Sheet, and plan tools available for download below. The Homeownership Term Sheet must be completed to show program compliance and due diligence. The term sheet will be attached to the implementing agreement to make up the HA's approved Homeownership Plan. All other documents are optional to be used at the applicant's discretion.

The following links will connect you to the Section 32 HomeOwnership program documents:

-  [Section 32 Desk Guide](#) [20 pages]
-  [Homeownership Term Sheet](#) [9 pages]
-  [Appendix 1: Completeness Review Checklist](#) [7 pages]
-  [Appendix 2: Definitions of Terms](#) [1 page]
-  [Appendix 3: Sources and Uses Budget Instructions and Definitions](#) [5 pages]
-  [Appendix 4: Sources and Uses Budget Tool](#)
-  [Appendix 5: Feasibility Tool Instructions](#) [2 pages]
-  [Appendix 6: Feasibility Tool](#)
-  [Appendix 7: Attorney's Certification](#) [1 page]

P I C Page

PIC Training

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PIC Coach

A PHA must have a minimum 95 per cent Form 50058 reporting rate for both public housing and HCV at the time of its annual assessment to avoid sanctions. Is your staff up to the challenge? Do they have the tools to do their job?

I am offering PIC training in our San Francisco office to your staff. The training is free of charge. Since I will train one PHA at a time, I can tailor the training to your staffs' needs. The training can be a 1 or 2 day training depending on your needs. Seating is limited to 10 per class.

Don't miss out on this opportunity.

Training is available Monday through Thursday. If you are interested, please E-mail me with a few dates that would work for your staff along with the name and telephone of a contact person.

Summary of Major Changes in PIC Release 5.9

Security Administration:

All old-style PIC user IDs will be inactivated on December 15, 2006 and the PIC logon screen is being removed. (All users will logon using the WASS logon screen.)

HUD staff can assign security coordination roles to HA security coordinators and HA security coordinators can assign any roles to other HA users at the agency except the security coordination role.

The User Account Usage Report, which displays all users at the agency who have NOT logged into PIC during a user-specified timeframe, has been modified to correct the message displayed when there are no users that fit the specification.

Alien Registration Number (field 3p) is now a mandatory part of the upload (filled with characters or spaces).

Field 6f (Total Assets) is expanded from 6 to 7 digits.

6g, 6h, 6i, and 6j move one character to make room for the larger 6f.

Form 50058 edits and actions:

Similar to "Overlapping Dates" in public housing (where a new admission generates an automatic EOP), a portability move-in (action 4) will now automatically generate a port out (action 5) at the previous PHA.

Field 2i (next re-exam date) is now required to be filled with Action 14.

If 2n (other special programs) is valued with 'MS1', 'MS5' or 'PA', then 3j (Disability?) must be 'Y' for the head, co-head, or spouse.

Field 4a (date entered waiting list) cannot be more than 25 years before the upload date.

If 12e (cost billed per month) is 0 (zero) then 12f (PHA code billed) must be blank.

If 15d (cost billed per month) is 0 (zero) then 15e (PHA code billed) must be blank.

Field 2b (effective date of action) cannot be more than four months greater than upload date.

In the Viewer Search results screen, a 'View' button has been added to print a complete facsimile of the tenant's Form 50058 data.

In all submodules (except Tenant ID Management), to comply with Privacy Act restrictions:

All but the last 4 digits of the SSN will be masked.

The date of birth will be masked.

All but the first letter of the first name will be masked.

This includes all monthly reports.

AMP numbers have been added as a selection choice in the Ad-hoc Reports.

SEMAP scoring has been modified to require a 95% reporting rate to score Indicators 9-14.**Tenant ID Management:**

The functionality has been recoded to work properly when replacing SSNs or AIDs.

Functionality has been added to fix two types of duplicate tenants (same ID number or same personal data).

Monthly Reports:

Delinquency Report has been updated to reflect the changes in the published Delinquency Report Guide.

RCR Report has been updated to reflect the changes in the updated RCR Report Guide.

Rent and Rent Burden Reports as well as the Changes in Income Report have been inactivated pending new business rules from the HQ program office

SEMAP Report has been updated to reflect the changes in the updated SEMAP Report Guide (adding tab one 'Year to Date' data).

The New Admission Report has been fixed to display the correct data.

The Families Ending Participation has been fixed to display the correct data.

Special Application Center (Demo-Dispo):

The SAC can now modify the application type of a submitted application.

PIC will now accept land-only (no buildings) disposal applications.

PIC will now accept "Indefinite"

Homeownership applications (where the units to be sold are only identified by total number to be sold).

Demo-dispo reports are available with data at the Field Office or single HA level.

The SAC can now inactivate a demo-dispo application.

The SAC can now remove buildings and units from PIC inventory that were "removed without HUD approval".

Non-dwelling structures can now be added to Demo-dispo applications.

The SAC can now return applications to the submitter for additional work when necessary.

Capital Fund:

Functionality has been added to the Development submodule for the Executive Director to certify the PHA's 1999 Baseline building and unit data. Functionality has been added to permit the PHA Executive Director to certify to the accuracy of the building and unit data individually for each development number to be used for calculating the PHA's capital fund amount. (Where the accuracy cannot be certified due to errors, the user provides the PIC Help ticket number that requested the data to be corrected.)

PIC has been modified to display the name of the Executive Director (Acting) in the Housing Authority submodule if the Executive Director role is not assigned.

The RASS Reports no longer display units that have been marked as "Removed from Inventory".

The unit archiving process (part of the Building and Unit Data Approval by HUD) has been rewritten to simplify it and improve its reliability.

The 'Maintain Inventory' functionality will now permit a Super User to delete the last unit in a building.

MTW

Sort the MTW upload ticket list by upload timestamp rather than ticket number. Alternate IDs now function properly in MTW submissions.

Problems with fields 21f, 22f, zipcode+4, and member number have been corrected.

MTW error messages have been reworded to be more user-friendly.

E N E R G Y – Conserve it; it's good business.

Role of Energy Conservation in the Transition to Asset Management

The upcoming transition to [asset management](#) will align public housing with operations and management models commonly found in private housing to increase profitability and managerial flexibility. PHAs manage real estate assets. Reducing PHA operating costs, improves profitability ratios, which equates to increasing the asset value of the property. Increased asset value translates into better quality housing for tenants to live in and for PHAs to manage.

Energy conservation and energy efficiency go hand and glove with asset management. Utility costs account for 23% of PHAs operating expenditures, which make energy and water conservation important tools for controlling these costs at the property level. Utilities are property based. Tracking and monitoring utilities at the property level will enhance the PHA's capacity to control energy and water consumption and related costs.

The ability to reduce operating costs and retain savings under the new [24 CFR 990](#) will encourage PHAs to take advantage of financial incentives and strategies [for reducing utility consumption](#). [Energy Performance Contracts \(EPC\)](#), managed through energy service companies (ESCOs) or the PHA are important tools in a PHA's toolbox for controlling utility and maintenance costs. HUD has seen the number of PHAs with an EPC project increase significantly since 2000

In addition, the Federal Energy Policy Act of 2005 extends the allowable payback period for EPCs from 12 to 20 years, and [PIH Notice 2006-06](#) provides such guidance. This longer payback period makes EPCs more financially attractive for small and medium size PHAs and can generate funding to incorporate more energy-saving retrofits into any EPC.

Energy Performance Contracting

Energy Performance Contracting (EPC) is an innovative financing technique that uses cost savings from reduced energy consumption to

repay the cost of installing energy conservation measures. Normally offered by Energy Service Companies (ESCOs), this innovative financing technique allows building users to achieve energy savings without up front capital expenses. The costs of the energy improvements are borne by the performance contractor and paid back out of the energy savings. Other advantages include the ability to use a single contractor to do necessary energy audits and retrofit and to guarantee the energy savings from a selected series of conservation measures.

Local Success Story

PHAs can often **save 10-25%** of the energy used in their developments by improving operations and maintenance (O&M) practices. Proper O&M is an essential part of any successful energy management program, and can be implemented at little to no cost.

Oakland Housing Authority implemented a number of conservation measures and practices throughout its buildings in order to both reduce costs and improve resident comfort. With technical assistance from Rebuild America, Oakland Housing Authority developed a prototype for renovating small public housing sites. The result was a model that improves resident comfort while improving energy efficiency.

This Cost-Reduction Toolbox will provide your PHA with explanations of specific O&M measures designed to reduce water and energy consumption, while potentially also improving the comfort, health, and safety of dwelling units.

Open the toolbox and get started

The Cost Reduction Tool Box is divided into two parts. The first section lists ways to incorporate key energy-saving practices into standard [Operations and Maintenance](#) procedures. The second part lists additional [Energy Conservation Measures](#) that can prove cost-effective for public housing authorities

HUD

2006 Notices

For a list of PIH notices that provide guidance, extensions, instructions, clarifications, announcements and other policy information, please go to

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

Notice	Issued/Expires	Purpose
PIH 2006-42	Issued: Dec. 27, 2006 Expires: Dec. 31, 2007	This notice transmits form HUD-50066 , Certification of Domestic Violence, Dating Violence, or Stalking for use in the Public Housing Program, Housing Choice Voucher Program (including project-based vouchers), Section 8 Project-Based Certificate Program, and Section 8 Moderate Rehabilitation Program (excluding Mod Rehab SRO), as required by the provisions of Sections 606 and 607 of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA), Public Law 109-162.
PIH 2006-41(HA)	Issued: Dec. 19, 2006 Expires: Dec. 31, 2007	This Notice renews and revises Notice PIH 2004-18 , which expired on September 30, 2005. The notice explains the required procedures Public Housing Agencies (PHAs) are to use for verifying social security benefits of applicants, participants and household members during mandatory reexamination of household income.
PIH 2006-37 (HA)	Issued: Sep. 28, 2006 Expires: Sep. 30, 2007	This Notice revises the DVP Operating Requirements set forth in HUD Notice PIH 2006-12 , issued February 3, 2006. These revisions result from Section 7028 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, Public Law 109-234, enacted June 15, 2006 (hereafter referred to as the "June 2006 Supplemental" [...])
PIH 2006-36 (HA)	Issued: Sep. 26, 2006 Expires: Sep. 30, 2007	This Notice explains and provides guidance to PHAs on how to use the unit status categories, and their respective sub-categories, that were included in the PIC September 2005 release for the Development Sub-module [...]
PIH 2006-35 (HA)	Issued: Sep. 25, 2006 Expires: Sep. 30, 2007	This notice amends PIH notice, PIH 2006-14 (HA) , issued, March 22, 2006, to extend the application submission deadline to qualify for the first stop-loss deadline to April 15, 2007. As provided in PIH 2006-14, stop-loss applies only to PHAs that: (1) lose funding under the new Operating Fund formula; and (2) wish to submit documentation in accordance with the requirements for the first stop-loss deadline of October 1, 2006, so they may limit their losses to 5 percent.
PIH 2006-33 (HA)	Issued: Sep. 6, 2006 Expires: Sep. 30, 2007	This notice transmits changes in financial management and reporting requirements for public housing agencies (PHAs) pursuant to the Revisions to the Public Housing Operating Fund Program, Final Rule (hereafter referred to as the "final rule") published in the Federal Register on September 19, 2005 (79 FR 54983). The final rule replaces the interim rule that was published on March 29, 2001.
▶ Related Supplement		
PIH 2006-32 (HA)	Issued: August 21, 2006 Expires: August 31, 2007	This Notice reinstates applicable sections of PIH Notice 2005-9 in regard to cost-savings measures and provides additional guidance on prudent financial management in the HCV program. The applicable sections of PIH Notice 2005-9 are 3.a., 3.b., 3.c., 3.e., 3.f and 4.a. through 4.e. with the exception of references to calendar year 2005.
PIH 2006-31 (HA)	Issued: August 18, 2006 Expires: August 31, 2007	This Notice extends Notice PIH 2005-32 (HA) , same subject, which will expire on August 31, 2006 for another year until August 31, 2007.
PIH 2006-30 (HA)	Issued: August 17, 2006 Expires: August 31, 2007	This notice provides public housing agencies (PHAs) with instructions for submitting their Federal Fiscal Year (FFY) 2007 operating subsidy forms under the new operating fund formula pursuant to the Revisions to the Public Housing Operating Fund Program, Final Rule (hereafter referred to as the "final rule") published in the Federal Register on September 19, 2005 (79 FR 54983). The final rule replaces the interim rule that was published on March 29, 2001.

All Public Housing Notices from 1994 – 2006 are posted on the following HUD website: <http://www.hud.gov/offices/pih/publications/notices/>



Happy New Year!

the from

San Francisco Office

of

Public Housing



2007

