

**San Francisco Office of Public Housing**  
*Service, Respect, Integrity*

<http://www.hud.gov/proqdesc/pihindx.cfm>

**November 2005 Newsletter**

Of Special Interest

Grants

Homeownership

Notices, rules, etc.

PIC

Training Opportunities

About Us

**Of special Interest**

**The San Francisco Office of Public and Indian Housing is re-establishing its newsletter!**

**By Stephen Schneller, Director, Office of Public Housing**

It's been more than a year now since I first came to San Francisco to fill the Director's position... temporarily. Obviously, I decided to stay, and I'm glad I did. I've enjoyed meeting many of you, most recently at the PSWRC-NAHRO conference in Incline Village, Nevada. Thank you for the support you've shown me.

Our office has been challenged with a heavy workload and a dwindling number of employees, yet we have committed ourselves to providing you a high level of service. Since my first weeks in San Francisco, our office has adopted a list of Core Values under which we will serve you.

1. Our first responsibility is to the public we serve and to the taxpayers who fund our efforts,
2. We do what is right and act out of integrity,
3. We are accountable for the promises we make and the actions we take,
4. We treat each other with respect and dignity, and
5. We go about our work with a sense of urgency.

There is a busy year ahead for housing authorities and HUD alike, filled with expectations and changes, known and unexpected. We will be here to face the changes with you, to assist you, and to support your efforts to provide housing for low-income families across the region. Thank you for the work you've done and will do in the coming year.

Finally, we're excited to bring you the first edition of our newsletter for housing authorities in Nevada and Northern California. We hope it's useful and informative and welcome your feedback. Thanks to Carroll Lorbett for compiling it.

**Orlando J. Cabrera named Assistant Secretary for Office of Public and Indian Housing**

The U. S. Department of Housing and Urban Development (HUD) announced that Orlando Cabrera has been appointed the new Assistant Secretary for HUD's Office of Public and Indian Housing - the highest-funded division within the agency. After swift confirmation by the Senate, HUD Secretary Alphonso Jackson swore in the former Florida housing official today at the agency's Washington headquarters. In this post, Mr. Cabrera will lead HUD's efforts to ensure safe, decent and affordable housing for low-income families throughout the U.S.

"I'm convinced Orlando, with his extensive housing experience, will make an immediate impact here," said Jackson. As a Florida native, he's no stranger to the devastating impact of hurricanes and I'm confident he's the right person to help housing authorities in the affected area, and those nationwide, to face the challenges ahead."

"I am truly honored to be given the opportunity to serve our country as Assistant Secretary for Public and Indian Housing," said Mr. Cabrera. "I have always had a strong belief in the importance of having safe, decent, affordable housing in order to help America's families thrive."

HUD's Office of Public and Indian Housing (PIH) is responsible for managing and administering a range of programs, including the two largest federal rental assistance programs - public housing and the Housing Choice Voucher Program, formerly known as Section 8. Combined, the programs serve more than 3.2 million low-income families in the U.S. It also monitors the operations of the nation's 3,400 public housing authorities that manage the country's more than 1.2 million public housing units and administer other HUD programs.

Mr. Cabrera will oversee the PIH budget - which in fiscal year 2005 was \$19.2 billion, more than half of the agency's overall \$35.4 billion budget. In addition, he is also charged with creating self-sufficiency and economic opportunities to residents of low-income housing.

Mr. Cabrera has had extensive experience in the housing industry. Before joining HUD, he served as Executive Director of the Florida Housing Finance Corporation, known locally as Florida Housing. Florida Housing, an agency of the State of Florida, has financed the construction of over 160,000 units and mortgages for homeowners who, in turn, purchased tens of thousands of homes in the State of Florida.

Mr. Cabrera was elected and served as a Director on the Board of the National Council of State Housing Agencies. And in 2001, Miami Mayor Manny Diaz appointed Mr. Cabrera Chairman of the city's Community Development and Housing Committee.

Prior to his selection to lead Florida Housing, Mr. Cabrera was a partner with the Miami arm of Holland & Knight, LLP, and an international law firm where he specialized in real estate and corporate law.

### **Cutting improper payments - HUD saves billions**

By JIM MARTIN the assistant chief financial officer for financial management at the Housing and Urban Development for the Federal Times in its November 7, 2005 online edition. (Reprinted with the permission of the Federal Times.)

The U. S. Department of Housing and Urban Development Department is proud to be the first agency to achieve a green score on the multi-agency initiative on eliminating improper payments under the president's management agenda. HUD's success resulted largely from an agency-wide commitment to a textbook application of the Government Accountability Office's 2001 Executive Guide on "Strategies to Manage Improper Payments — Learning From Public and Private Sector Organizations."

HUD's various rental housing assistance programs — which include its public housing operating subsidy, tenant-based housing voucher, and project-based housing assistance programs — collectively represent the agency's largest program area, with more than \$26 billion in total payments in fiscal 2004. These programs serve to house more than 4.8 million low-income families and are locally administered on HUD's behalf by more than 4,100 public housing agencies and 22,000 private housing owners and management agents.

Since 1996, HUD's inspector general has reported material weaknesses in the department's internal controls over rental housing assistance payments. Separately, GAO in January 2001 added HUD's rental housing assistance programs to its list of Federal programs at high risk of fraud, waste and abuse.

The magnitude of the problem was brought into focus in late 2000, when HUD's Office of Policy Development and Research completed a study that found that 60 percent of all subsidy determinations were in error, and estimated \$2 billion in net annual overpayments and \$3.2 billion in gross annual improper payments. This was the result of errors in determining subsidies and of tenants' underreporting of their income — on which subsidies are based.

Under the president's management agenda, HUD set goals to strengthen internal controls to eliminate the material weaknesses and get the program off GAO's high-risk list, and to reduce estimated improper payment levels 50 percent by the end of fiscal 2005. The HUD Rental Housing Integrity Improvement Project was established as a secretarial initiative to: assess the underlying causes of improper payments; plan and coordinate the corrective actions to address those causes; and measure and report on HUD's progress and results.

As a result of corrective actions taken to date, HUD has exceeded all interim goals to reduce improper payments. Whereas 60 percent of all subsidy determinations were found to be in error in 2000, that number dropped to 41 percent in fiscal 2003 and 34 percent in 2004.

There has been an even greater drop in the dollar impacts of program administrator errors in determining subsidies and of tenants underreporting their income, going from a baseline estimate of gross annual improper payments of \$3.2 billion in 2000, to \$1.6 billion in 2003, and \$1.2 billion in 2004 — a reduction of 62 percent over four years.

To reduce errors in determining subsidies, HUD program employees worked with housing industry partners at public housing agencies and multifamily housing projects, giving them enhanced program guidance, training, oversight and enforcement. This increased oversight greatly contrasts with a less activist role in the 1980s and 1990s.

The reduction of erroneous payments because of tenant underreporting of income is attributed to: improved income verification efforts by housing program administrators; increased voluntary compliance by tenants due to efforts to make public housing agencies more aware of the issue; HUD's initiation of improved computer matching processes for upfront verification of tenant income; and an improved methodology for reviewing income discrepancies identified through computer matching to better determine actual cases of underreported income.

In January 2004, Congress enacted HUD's proposal for statutory authority to work with the Health and Human Services Department on an enhanced computer-matching capability for upfront verification of tenant income using the National

**Directory of New Hires database.** This HHS database is a central source of all quarterly state wage and unemployment compensation benefit information, as well as monthly employer information on new hires. HUD developed an Enterprise Income Verification System that is scheduled to begin using the new HHS computer-matching data source to allow public housing agencies to verify income at the start of fiscal 2006. By the end of fiscal 2006, HUD plans to

consolidate all available income match data sources in the Enterprise Income Verification System for controlled use by program administrators in all HUD rental housing assistance programs. HUD believes that this increased computer-matching capability has the potential to eliminate the majority of the remaining estimated improper rental housing assistance payments.

## Grants

### Heads Up!

HUD is preparing for the 2006 NOFA season. Barbara Dorf, Director Office of Departmental Grants Management and Oversight, hosted a meeting in which Deputy Secretary Roy Bernardi reaffirmed HUD's commitment to the electronic submission of applications process.

Register now! Grantees who have previously registered must update their registration. Please go to <http://www.ccr.gov>. Located in the left margin is a link entitled "Update or Renew Registration using TPIN. TPIN -- Taxpayer Identification Number that is assigned by Central Contractor Registration and is your confidential password that confirms that you are registered.

Please keep current with grant information located on <http://www.grants.gov>

### **The Monday, October 31st release of new Grants.gov ~ Features and Enhancements have been postponed.**

More information will be provided as soon as it becomes available. These enhancements provide improvements across Grants.gov by fully integrating its search and apply functionality, presenting a single look and feel for the Find and Apply functions, increasing integration and standardizing terminology between the two functions to further simplify the process of finding and applying for Federal grants.

(Source: <http://www.grants.gov>)

### **FR-5002-N-01 20051102**

[Notice of Funding Availability for Fiscal Year \(FY\) 2005 Mainstream Housing](#)

### **Opportunities for Persons With Disabilities Program (Mainstream Program)**

#### SUMMARY:

A. Federal Agency Name: Department of Housing and Urban Development, Office of Public and Indian Housing, Office of Public Housing and Voucher Programs.

B. Funding Opportunity Title: Mainstream Housing Opportunities for Persons With Disabilities Program (Mainstream Program).

C. Announcement Type: Initial Announcement.

D. Funding Opportunity Number: The Federal Register number for this NOFA is FR-5002-N-01. The Office of Management and Budget (OMB) paperwork approval number is 2577-0169.

E. Catalog of Federal Domestic Assistance (CFDA) Number: 14.871, Section 8 Housing Choice Vouchers.

F. **Application Deadline:**

The application submission date is **January 3, 2006**.

Applications must be submitted through: <http://www.grants.gov>

## **Homeownership**

### **Success Stories of Homeownership**

**Sandi Douglas**, FSS Coordinator for Santa Clara Housing Authority shares the following success story:

Esperanza M. is a single mother of four. Three of the four are now adult sons living out of the household and the fourth one is an eleven-year-old daughter who lives at home.

Esperanza divorced after a 10-year marriage. With three little boys, she knew that she must focus her energies to work for a better future for her family. She knew that she had to overcome her fears. Esperanza is an inspiring example of a motivated Family Self-Sufficiency participant.

When I enrolled her in the FSS program in March 2000, she was not able to work and was receiving workman's compensation. She knew that her Certified Nursing Assistant (C.N.A.), occupation of 12 years was over and the seasonal second job at the cannery sorting fruit was also over. Esperanza was in therapy, healing from an employment related back injury. She had a limited English speaking ability and no formal education. She never attended school and learned to read and write watching her siblings. At the time she had a high debt balance and a very troubled teenage son.

Esperanza attended classes and obtained a daycare license through a program at the Gilroy Family Resource Center. For approximately one year, Esperanza continued to work as a C.N.A. on an on-call basis and weekends while she was working on establishing a daycare center.

Esperanza then started to get referrals of children and slowly built up her income to the point where she could dedicate all her time to her daycare. On June 2004 the business was doing so well that Esperanza was able to hire an assistant.

With tough love and consistency, Esperanza was able to help her son turn his life around. He completed his G.E.D., obtained employment, and moved out of the household.

At the time of enrollment, I had asked Esperanza if she had perceived any barriers that would prevent her from achieving her goals of establishing her own business and becoming a home owner. She said, "No, I am going to do it!"

Well she did, and as of June of 2004 she is a homeowner and is running a successful small daycare business from her home.

**Meghan Riley**, Homeownership Coordinator for Oakland Housing Authority shares the following success story:

In an effort to mitigate the effects of soaring home prices, a few affordable housing developers have recognized the alternative of manufactured homes as opposed to site-built structures. Manufactured homes have become more sophisticated in recent years and are surprisingly attractive and solidly constructed. The homes are HUD-approved at the factory and are ENERGY STAR® rated.

For Louisa Padilla and Sedina Pratt, who each have three children, their new factory built three-bedroom two-bath homes were a wish fulfilled.

Through the Oakland Housing Authority's Housing Choice Voucher Homeownership Program (HCVHP), last year these two clients began preparing for loan pre-approval by attending homebuyer education classes. In January when they were ready to become homeowners, Oakland Community Housing, Inc. (OCHI), a nonprofit housing developer, had just announced that they were developing four new homes for low-moderate income families in East Oakland and were accepting applications.

Ms. Padilla and Ms. Pratt were each chosen to purchase one of the homes. After waiting ten months for their homes to be built because of delays due to weather and complications with mortgage financing, Ms. Padilla and Ms. Pratt both received the keys to their new homes. "Honestly, when I started this whole process I didn't expect to even buy a house. When I went to the classes and learned about buying a home, it seemed like it was impossible.

We've been very lucky and are very happy. This has been an unforgettable experience" says Louisa Padilla, the first member of her family to purchase a home.

OCHI purchased the abandoned blighted lot, extended a city street by creating an attractive cul-de-sac, and constructed four handsome single-family homes, which sparked an extreme change of the whole neighborhood.

Now you can see quite a few homes that have been completely rehabilitated, and residents are thrilled at the transformation of their neighborhood.

A housewarming was held to share with friends and neighbors the joy and pride that comes with homeownership!

## ➤ Homeownership Notices

[Notice PIH 2005-14 \(HA\)](#)

In support of increasing homeownership opportunities on a national basis, HUD will again provide additional administrative fees to PHAs that create a homeownership voucher program, or expand an existing homeownership voucher program, during calendar year 2005. This Notice provides information concerning these additional homeownership administrative fees.

Increasing homeownership among low-income and minority households is one of HUD's most important 2005 initiatives. The homeownership option under the Housing Choice Voucher Program helps accomplish this objective by allowing public housing agencies (PHAs) to provide voucher assistance to low-income first-time homebuyers for monthly homeownership expenses rather than for monthly rental payments.

## **Notices, rules, etc.**

Documents recently made available:

PIHN 05-34 [Final Rule to the Public Housing Operating Fund Program](#)

11/02/05

FR05 FR-5002-N-01 [Housing Opportunities for People with Disabilities](#)

FR05 2005-N-08 [Proposed Collection; Comment Request](#)

11/01/05

FR05 FR-5022-N-01 [Waivers Granted for PIH Programs - Relief of Katrina](#)

10/31/05

FRMS HUD-50059 [HUD's Tenant Eligibility and Rent Procedures](#)

10/27/05

FR05 FR-5022-N-01 [Waivers Granted for PIH Programs - Relief of Katrina](#)

10/26/05

FRMS HUD-50059 [HUD's Tenant Eligibility and Rent Procedures](#)

10/25/05 PIHN 05-33 [Section Eight Management Assessment Program \(SEMAP\) Guidance](#)

10/24/05 FR05 FR-4874-C-09 [Revisions to the Public Housing Operating Fund Program](#)

**TIP** These documents can also be found on the Department's HUDCLIPS website:

[http://www.hudclips.org/sub\\_nonhud/cgi/newsdoc\\_run.cgi](http://www.hudclips.org/sub_nonhud/cgi/newsdoc_run.cgi)

And

on PIH's webpage entitled *2005 Notices, Rules and Regulations* which lists a list of PIH notices, which provides guidance, extensions, instructions, clarifications, announcements and other policy information.

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

## Notices

[PIH 2005-35 \(HA\)](#) Issued: 11/15/05 Expires: 11/30/06

This notice provides public housing agencies (PHAs) with information needed to complete their FFY 2006 operating subsidy forms. It includes a schedule for the submission of certain items to HUD, local inflation factors, data needed for the recalculation of the formula expense level, and other special notes related to the operating subsidy forms and processing.

[Appendix 1](#)

[Appendix 2](#)

[Appendix 3](#)

[Appendix 4](#)

[PIH 2005-34 \(HA\)](#) Issued: 11/15/05 Expires: 11/30/06

This notice provides public housing agencies (PHAs) and field offices with initial implementation guidance regarding the Public Housing Operating Fund Program final rule, published in the Federal Register on September 19, 2005 (79 FR 54983) and the Revisions to the Public Housing Operating Fund Program; Correction to Formula Implementation Date notice (Correction Notice) published in the Federal Register on October 24, 2005 (70 FR 61366).

This notice is for informational purposes only. It informs PHAs of various upcoming notices and other activities tied to the implementation of the final rule. No action is required on the part of PHAs at this time.

[PIH 2005-33 \(HA\)](#) Issued: 10/25/05 Expires: 10/31/06

The notice makes some minor changes to HUD's process for assisting housing authorities that receive a "troubled" or "near-troubled" SEMAP rating.

HUD now has 180 days to conduct an initial on-site assessment of troubled SEMAP performers. In addition, HUD may now use contractors to conduct the initial on-site assessment of troubled performers and help develop a Corrective Action Plan.

If any PHA - regardless of its SEMAP rating - fails SEMAP Indicator G (Expanding Housing Opportunities), HUD must notify the local Office of Fair Housing and Equal Opportunity.

## **PIC** (Public and Indian Housing Information Center)

Please note:

Please note that the FSS and Newly Leased Units reports will not be available for the end of October. Once the PIC Information Center (PIC) Release is deployed on Nov 18th and the summarization is run in early December, these reports will be available to all the PHAs.

We have found a bug in the VMS extract routine that currently pulls all data for a given submission date and totals it for that date. The problem is when an agency resubmits the same data twice or resubmits with a correction for the same date, the extract routine is totaling the data, which, in effect gives double counts. This will be corrected in a special release on 11/18/2005, which will take effect for the end of November reports.

Katrina Disaster Housing Assistance Program (KDHAP) Release 2.5!

The following improvements are included in the release.

The PHA selection method (only in KDHAP) was changed from drop down hub, field office, and housing authority (HA) selection boxes to a more intuitive "Search and select by name" method. This provides an easier way to select a PHA with **-7-** gating through the hubs and field offices; it also provides access to all the PHAs (only for KDHAP system) for all the users irrespective of their access.

Now Head of Household (HOH) details can be edited directly by clicking the SSN number link displayed on the search page even if HOH is assigned to a PHA for assistance; previously it was necessary to first navigate to that particular PHA.

FEMA eligibility is displayed as "YES" when it matches one of seven approved codes provided by FEMA data transfer.

HA lease information will be saved only when the household record has a FEMA ID and FEMA Eligibility = yes".

# Training Opportunity

## Webcast Training

Enterprise Income Verification Training, October 13, 2005

You can view the webcast here:

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

## About Us

The San Francisco Office of Public Housing has established this newsletter to better serve you, the housing authorities in our jurisdiction.

The purpose of the newsletter is to provide you with current information as it pertains to public housing programs in this region.

We ask you to participate in this effort by sharing your success stories with us. We look forward to receiving stories and pictures of your FSS graduates, of your progress in developing public housing, and to those moving to homeownership.

*Please*, think of this newsletter as a place where news and information is exchanged among a community of folks dedicated to improving housing for our neighbors.

Questions? Comments! Please direct them to me. Send your contributions and pictures (JPEG preferred) to me at [Carroll J. Lorbett@hud.gov](mailto:Carroll.J.Lorbett@hud.gov) I can also be reached at (415) 489-6433.

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## Staff Directory as of November 2005

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