Public Housing Training for Board Commissioners

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Prepared by the Denver Office of Public Housing for the 2010 Sustainable Homes and Communities Practitioner Training
Congratulations You are a Commissioner. Now what?

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Items We Will Cover

- Overview of HUD’s Public Housing Programs
- PHA contractual relationship with HUD
- Role and Responsibility of the Board
- Board Meetings
- How Board decisions impact the PHA’s housing programs
- Conflict of Interest
U.S. Housing Act of 1937

• Allows for creation of municipal housing organizations/corporations (aka Public Housing Authorities) to undertake federal housing programs and apply for federal funds.

• Goal is to provide decent and affordable housing for all citizens.

• Creation of the Public and Indian Housing program. These programs now provide affordable housing to over 2.9 million households nationwide. The average yearly income of families is $12,500.
HUD Funded Housing Programs for PHAs

• Low Rent Public Housing
  – Operating Subsidy
  – Capital Fund Grant Program

• Section 8 Housing Choice Voucher Program
  – Rental Assistance
  – Homeownership Program (Optional for PHAs)

• Resident Services Programs

• Challenge Grants/Sustainability – new programs

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PHAs may also undertake other housing related programs:

- Financing, planning, undertaking, constructing or operating a housing project(s)
- Homeownership programs;
- Property Management;
- Security and crime prevention programs;
- Supportive service and tenant opportunities
- Economic and self-sufficiency programs

**Note:** Use of HUD funds has limitations. PHAs may also form partnerships with governmental agencies, non-profits, and private organizations to mutually achieve goals.
• PHAs assist eligible low-income families (under 80\textsuperscript{th} percentile of median family income) in renting PHA owned housing covered under an Annual Contributions Contract with HUD.

• Financial assistance from HUD includes operating subsidy, capital funds, and other special purpose grants awarded to the PHA.

• The PHA operates the program through dwelling rent income, operating subsidy from HUD, and other income generated by the PHA or property.

• High or long-term vacancies, high turnover rates, poor management and maintenance, and competition with other affordable housing options all impact the ability of the PHA to achieve its mission.
Public Housing

• As owners of the property, the board must ensure its assets are adequately protected through insurance, sound and quality business practices for managing, maintaining and modernizing its property, and by complying with regulatory requirements of the program, and applicable State or local requirements.

• The PHA’s staff or agents manage the property and act as the landlord for the PHA. The terms of the rental leases are subject to federal regulations at 24 CFR Part 966, your State’s Tenant/Landlord laws for residential leases, and other locally adopted rules or policies (i.e., Pets, Grievance, House rules, etc.) incorporated into the leases by reference.
U.S. Housing Act of 1937, as amended

Congressional strategy shifts over the years towards private housing sector subsidy. Section 8 project-based and tenant-based voucher programs created. In 1998, the certificate and voucher programs were merged into the Housing Choice Voucher (HCV) program.

- Housing Act of 1968;
- Housing and Community Development Act of 1974;
- Housing and Community Development Act of 1987;
- Quality Housing and Work Responsibility Act (QHWRA) of 1998
Quality Housing and Work Responsibility Act (QHWRA) of 1998

- Required community service for public housing residents (exemptions for some)
- Flat rent option in public housing
- Screening and eligibility criteria related to criminal background
- Requirement for the Five-Year and Annual Plan, including Resident Advisory Board
- Requirement for a resident appointment to the governing board of PHAs
Section 8 Housing Choice Voucher (HCV) Program

PHAs assist eligible very low-income families (under 50th percentile of median family income) in renting privately owned housing in the community. The PHA is not a party to the lease, but separately has contracts with both the family and owner of property.

Financial assistance from HUD includes the housing assistance payments (HAP) paid on behalf of families, and administrative fees provided to the PHA for administration of the program.

HCV relationships: (1) PHA – HUD (ACC); (2) PHA – Landlord (HAP Contract); (3) PHA – Participant; (4) Landlord – Participant (lease)
Eligible families are issued a Housing Choice Voucher (HCV) and search for housing in the community, or in some cases, anywhere in the United States.

The PHA executes a Housing Assistance Payment (HAP) contract with the property owner and makes monthly payments to the owner on behalf of the family. The family must contribute towards their rent & utilities (i.e., Total Tenant Payment), plus pay any amount which is above the payment standard set by the PHA for the unit.
Minimum Property Standards

Public Housing: The PHA must inspect its units, site, and buildings to the Uniform Physical Conditions Standards.

Vouchers: The PHA must inspect the dwelling unit to ensure it meets the housing quality standards (HQS), which are minimum property standards. With HUD approval, a PHA may adopt variances to HQS.
State Municipal Housing Authority Law

- Powers and authority of the PHA
- Purpose and responsibilities of the PHA
- Board member qualifications
  - Appointments to, and removal from, the board;
  - Terms of office
- Other PHA requirements
  i.e., the annual report to the local governing bodies on the state of the PHA.
Organizational Transcripts

• **Authorizing resolutions** from municipality creating the Housing Authority and conferring the power and authority to transact business
  • Area of operation established
• **Cooperation Agreements/Interagency Agreements**
• **Bylaws of PHA**
  - Authority name and if applicable, seal
  - Office location and hours of operation
  - PHA Meetings (types, time/location)
  - Officer positions/duties and elections
  - Provisions for amending bylaws
Annual Contributions Contract (ACC)

HUD and the PHA’s authorized official enter into a Consolidated Annual Contributions Contract (CACC).

– Public Housing
  Forms HUD-53012A and 53012B
  Section 8
– Forms HUD-52520 and 52520A
Annual Contributions Contract (ACC)

Provides the terms and conditions between the PHA and the United States of America, by the Department of Housing and Urban Development (HUD), including civil rights requirements, obligation to comply with federal rules, and conflicts of interest.
Efficient Operation

ACC requires the housing agency to administer its project in an efficient and economic manner, promoting serviceability, efficiency, economy and stability.
HUD’s Role

As the major funding source for PHA operations, HUD has a responsibility to ensure PHA compliance with the ACC.

HUD also provides technical assistance and support to PHA staff, and promotes partnerships at the local, state and federal level to mutually achieve goals.
Where Do I Go With Questions?

- Your PHA
- Neighboring PHAs, professional organizations
- Denver Office of Public Housing
  - Financial Analyst
  - Facilities Management Specialist
  - Public Housing Revitalization Specialist
- HUD Customer Service: 1-800-955-2232
Where Do I Find Info. on What HUD Requires?

HUD requirements are outlined in the ACC and the Federal regulations, along with various handbooks and notices published by HUD. Most documents can be obtained from:  

- Electronic form of regulations (24 CFR):  
  [www.gpoaccess.gov](http://www.gpoaccess.gov)
- Denver OPH News-to-Use:  
Role of the PHA Board
The PHA Board of Commissioners

The local governing board is the council or other legislative body charged with governing the municipality. The powers of a municipal housing authority shall be exercised by the commissioners/officers of the PHA.
Commissioner Role

As a public official of the agency, you are expected to exercise proper, necessary and diligent control with respect to the activities of the housing agency and its staff.
Board Role & Responsibilities

• Oversight
  – Accountability
  – Internal Control

• Leadership & Direction
  – Mission and Goals of the PHA
  – Policy Direction
The Board is responsible for securing the management of the PHA, and ensuring that PHA operations are undertaken in accordance with the laws and program requirements, and the board’s priorities and policies.
Securing Management for the PHA

• Fully consider and evaluate all available options (hire staff, contract for management, intergovernmental agency agreement, consortia, etc.) for efficient operation of PHA.

• Select a qualified Director or administrator. Have a clear understanding of the skills and qualifications needed, duties to be performed, compensation to be provided, and other terms and conditions of employment or contract.

• Monitor and evaluate performance. Remember that the Director/Administrator works for the board and not the other way around.
Authorize New Contracts, Budgets, Payments, and Applications for Funding

Approve, review and monitor budgets, contracts and other financial documents to ensure expenditures are in compliance with Federal and local laws or other requirements, and otherwise follow good business practices for safeguarding the financial integrity of the PHA and preventing fraud, waste, mismanagement and abuse.

What information do you need to accomplish this?
Information Needed by The Board

• Financial Information
  – **Timely** financial reports
  – Cash flow position
  – Reserves
  – Expenditures requiring approval

• Occupancy Information
  – Collections
  – Units leased
  – Status of vacant units
    • Make ready time
    • Marketing/Leasing Time
  – Participant recertification status
  – Status of tenant grievances

• Unit/Physical Information
  – Work order trends
  – Capital fund status
  – Project status

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Ensure PHA has Adequate Internal Controls

Board has important role with Internal Controls

• Check signature authority
• LOCCS Security (Authorizing official?)
• Designate contracting officer
• Surprise cash counts
• Small PHA concerns
  – Segregation of duties
  – Do you understand financial statements?
HUD Assessment of PHA Performance and Compliance

• Section 8 Management Assessment Program (SEMAP)

• Public Housing Assessment System (PHAS)
  – MASS - Management Assessment
  – FASS - Financial Assessment
  – PASS - Physical Assessment
  – RASS - Resident Assessment (To be replaced by a capital Fund assessment component)
The board is ultimately responsible for the actions of the agency. Therefore, it is incumbent to evaluate a number of areas to determine if the PHA is performing, and complying with applicable rules.

Relying upon a HUD assessment or review alone is inadequate.
Board Evaluation of PHA Performance and Compliance

- HUD or other program monitoring reviews
- Inspections
- Communication with clients, municipality, community members and partners
- Independent Audit Reports
- Internal or Quality Control Reviews
- Occupancy and Financial Reports
Develop the PHA’s Mission, Goals, and Plan

PHAs must develop an Annual Plan and Five-Year Plan in consultation with its Resident Advisory Board and public.

- Housing Needs (waiting lists, including site-based);
- Policies for deconcentration, eligibility and rent determinations, grievance, pets, community service and self sufficiency;
- Homeownership programs;
- Designated Housing;
- Project-based assistance;
- Conversion of public housing to tenant-based assistance;
- Capital improvement funding, including demolition and disposition.
Developing the PHA’s Mission, Goals and Plan

• What is your organization’s mission?
• What goals does it have?
• Does it have a plan to achieve its goals and meet its mission?
• How do you know whether you are on target?
  – Utilize local housing needs data and reports in HUD systems to assess your resident characteristics and key management indicators
Board Establishes PHA Policy

- Policies are board adopted and spell out expectations with respect to operation of the PHA and its programs.
  - Internal procedures may be developed which spells out how staff will carry out policy.
- Consider local needs and conditions, priorities, goals and resources.
- As laws or program requirements change, or as PHA circumstances warrant, policies, plans and goals should be reviewed, and if necessary, revised.
PHA Policies

**Administrative**
- Personnel
- Nepotism
- Conflict of Interest
- Procurement
- Disposition
- Record Retention

**Program**
- Admissions and Occupancy
- Selection
- Transfer
- Collection
- Grievance
- Community Service
- Maintenance
- Pets

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Are Your PHA Policies Current?

- Community Service
- VAWA
- Housing for college students (HCV)
- Refinement of Income
- Terminations of assistance for budget shortfalls
- Security of personal data

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Board Meetings

• It’s a business meeting – conduct in a businesslike manner

• Most PHAs use parliamentary procedures

• Meetings should be productive (exchanging ideas, deliberation and taking action) and not used for gathering information

• Each board member was appointed for their perspective – be respectful
Open to the Public

Ensure board meetings are open to the public and create an atmosphere that is inviting to residents and the general public.

**note:** The public does not have a right to speak, however they do have the right to be there and see and hear (give copy of agenda). Understand your State open meetings law.
Notice of board meetings, agendas, board minutes, and resolutions are official records of the board’s proceedings, and as such, should clearly and accurately reflect the board’s undertakings. Care must be taken to safeguard the official records of the board’s actions.
Voting on resolutions or other actions is only permitted when a quorum (majority of board members) is established.

A majority vote is required to pass a resolution.
By-laws establish:

- How often board meets
- Location of meetings
- Date and time
- Meeting attendance policy
- Regular agenda
The Board Minutes

- Date/Time
- Type of meeting (regular, special, annual)
- Identify members present & absent; who’s presiding over meeting
- Executive Director’s report (the issues, background information and recommendations)
- Motions and their disposition
- Notations (references to supporting materials in packet)
- General Notes
  - Minutes from previous meeting
  - Financials & financial notes (statistics, explanation of budget variances, other information as appropriate)
  - Committee reports (brief report, with recommendation to full board)
Resources

PIH website:  www.hud.gov/offices/pih

Guidebooks:

• Section 8 HCV (7420.10G)  www.hudclips.org

• Public Housing
  www.hud.gov/offices/pih/programs/ph/rhiip/phg
  guidebook.cfm
Your decisions make a difference – Utilization Example

“Quality vs. Quantity”

• Occupancy Standards
  – How many family members/bedroom

• Payment Standards
  – 90 to 110% of FMR

• Search Time
  – How long is allowed
  – Are extensions granted

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Thank you for your commitment and service to the PHA in providing decent, safe and affordable housing for your community.