



## National Association of Housing and Redevelopment Officials

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### NAHRO News

Direct News - Washington Update

UPDATED: NAHRO Posts Archived Voucher Program Webinars

Mar 26, 2013

#### ***NAHRO Policy and Program Development Division Posts Archived Voucher Webinars***

Because PHAs are facing historic funding shortfalls in both Housing Assistance Payments (HAP) and ongoing administrative fees, NAHRO was pleased to recently conduct a two-part webinar on cost-saving measures as a benefit for NAHRO members. All NAHRO members may now access the archived audio/visual recordings of parts I and II of the webinar by clicking [here](#). The archived audio/visual webinar recordings enable NAHRO members to pause and repeat the recordings. The webinars, originally conducted on March 22, covered the following topics:

- **Part I: The Sequester and Pending Enactment of FY 2013 Appropriations:** How to estimate voucher program eligibility and funding, and how to model program contingencies. Additional written resources related to part I of the webinar are accessible [here](#).
- **Part II: Voucher Program Contingencies:** Understanding the full range of available HAP and administrative cost savings options available, and how to plan for and implement those options. Additional written resources related to part II of the webinar are accessible [here](#).

#### *Timing Is Critical*

The amount of time PHAs have to implement cost reductions for calendar year 2013 is very short, and the consequences of any delays could be significant. With only eight months remaining in the year, there will be an 8.33 percent difference in Unit Months Available (UMA) between those PHAs that provide 30 days advanced written notice (or more advanced written notice under state or local law, if applicable) to tenants and property owners of some or all their cost reduction measures by Friday, March 29, 2013, to take effect on May 1, 2013, (66 percent) and those PHAs that send written notices by May 30, 2013, to take effect on June 1, 2013 (58 percent).

Similarly, if instead of estimating its eligibility and funding now, a PHA waits until mid-May to late-May to receive the most precise HAP eligibility and pro-rated funding possible from HUD before sending advanced written notice to implement some or all of its cost reduction measures to take effect by July 1, 2013, then that PHA will likely have to implement cost reduction measures that are up to 16.66 percent more severe than they otherwise would have been had the PHA sent out notices by March 29, 2013. PHAs that can move forward with advanced written notice with some or all their cost reduction measures by Friday, March 29, 2013 in compliance with HUD regulations are strongly encouraged to do so rather than waiting another month.

## **NAHRO Posts HUD Waiver Approvals for PHA Review and Consideration**

NAHRO has posted HUD's waiver approvals to other agencies around the country. Agencies interested in determining the steps to go through to apply for and receive HUD approval of applicable waivers may access the information at:

- [Notice of Regulatory Waiver Requests Granted for the Fourth Quarter of Calendar Year 2012](#) (March 7, 2013);
- [Notice of Regulatory Waiver Requests Granted for the Third Quarter of Calendar Year 2012](#) (December 5, 2012);
- [Notice of Regulatory Waiver Requests Granted for the Second Quarter of Calendar Year 2012](#) (September 12, 2012); and
- [Notice of Regulatory Waiver Requests Granted for the First Quarter of Calendar Year 2012](#) (June 27, 2012)

After having watched the webinars and reviewed the related resources and information described above, NAHRO members with additional questions may submit them to [policyresearch@nahro.org](mailto:policyresearch@nahro.org)

On a rolling basis, NAHRO will post members' questions from the webinars with answers as they become available, as well as additional related resources. Those resources will be available [here](#).

NAHRO has learned that HUD has temporarily suspended SEMAP confirmatory reviews that were scheduled to begin as early as March 25. The suspension was implemented just hours after NAHRO urged the Department to postpone reviews until further notice in acknowledgement of the historically low administrative fee funding levels faced by PHAs.

NAHRO took action after learning that many of our PHA members had recently received a "SEMAP Confirmation Review Pre-Letter" accompanied by emails from Field Offices. This correspondence indicated that on-site SEMAP confirmatory reviews were scheduled to be conducted at many PHAs beginning on Monday, March 25, 2013. This late notice of impending reviews arrived as PHAs were working to estimate prorated HAP and administrative funding prorations under sequestration in concert with the newly finalized year-long Continuing Resolution. Across the country, PHAs are putting into place cost-reducing measures in order to mitigate the damage to the households they serve, the property owners that participate in their programs, and their remaining agency staff. Because of the unprecedented financial challenges facing PHAs, NAHRO urged senior HUD officials to instruct HUD's Field Offices to suspend all pending SEMAP confirmation reviews until further notice (with the exception of "troubled" or "near troubled" PHAs in accordance with HUD's existing remote at-risk assessment systems). Less than 24 hours after making this request, NAHRO learned that Assistant Secretary for Public and Indian Housing Sandra Henriquez, in consultation with other senior officials, had instructed

Field Offices to stand down. NAHRO appreciates the Department's willingness to take this immediate, meaningful action to provide PHAs with administrative relief.

NAHRO is aware that the scheduled reviews were being conducted at least in part in response to concerns HUD's Inspector General has raised around SEMAP. **NAHRO urges its members to make every effort to verify the accuracy of SEMAP certifications.** Submitting accurate SEMAP certifications will help reduce the need for even more frequent and burdensome confirmatory reviews once reviews resume.

## NAHRO News

### Direct News - Washington Update HUD Promises Relief as NAHRO Continues Reform Push

Apr 9, 2013

With the FY 2013 appropriations process finally concluded, local housing agencies are coming to grips with the fiscal realities confronting them for the remainder of the program year. NAHRO will remain unrelenting in our pursuit of the meaningful relief measures that simply must be in place for agencies to be able to continue to meet their missions in this challenging financial environment. Encouragingly, HUD appears poised to finally take action in response to our advocacy.

#### Advancing Regulatory and Administrative Reform

Letter to Deputy Secretary: NAHRO CEO Saul Ramirez recently communicated a series of recommended regulatory reforms to HUD Deputy Secretary Maurice Jones, who served as the closing speaker at NAHRO's Legislative Conference in March. Prior to delivering his remarks, the Deputy Secretary met with NAHRO's leadership and invited NAHRO to share its ideas for regulatory and administrative relief with him. NAHRO's April 1 letter, available at [www.nahro.org/sites/default/files/searchable/DeputySecretary040113.pdf](http://www.nahro.org/sites/default/files/searchable/DeputySecretary040113.pdf), takes the Deputy Secretary up on his offer and urges him to use the powers of his office to help to ensure the implementation of our recommendations as soon as possible. Recommendations in this letter include but are not limited to the following:

- Suspend Full Management Reviews until further notice.
- Suspend annual planning requirements until further notice.
- Establish a streamlined and expedited waiver process through which individual PHAs may request and receive waivers.
- Suspend information collections, including executive compensation reporting
- Suspend SEMAP ratings for the purpose of sanctions until such time as ongoing administrative fees are meaningfully restored.
- Allow 100 percent retention of funds through fraud recovery.
- Immediately designate all PHAS scores above 59 as advisory and evaluate whether the source of an agency's troubled designation is a direct result of inadequate federal appropriations.
- Indefinitely suspend implementation of the PNA requirement.

- Formally reinstate longstanding policy that capital improvements are an eligible use of operating reserves for all agencies.
- Remove fixed dollar caps for asset management fees and allow PHAs to set their fees based on reasonable factors related to their individual operating environments.
- Allow for the subordination of the Deed of Trust in order to make the Public Housing Mortgage Program a meaningful tool through which PHAs may leverage the value of their assets and attract private investment into their properties.

Development of Joint List of Recommendations: NAHRO has also been working closely with our industry partners PHADA and CLPHA to develop a joint list of regulatory and statutory reform recommendations to present to HUD. In addition to regulatory and administrative recommendations similar to those included in our letter to the Deputy Secretary, these proposed reforms, many of which NAHRO and others have previously advocated, include but are not limited to:

#### Regulatory Reforms

- Blanket regulatory suspensions and waivers under 24 CFR Part 5.
- Expedited implementation of lower payment standards.
- A moratorium on new rules and data requests that increase administrative burden.
- Flexibility in waiving asset management regulations affecting funding, such as cash transfers between properties, fee caps and AMP configurations.
- Simplifying the income verification process by allowing use of EIV inflated as acceptable verification (starting with elderly and disabled participants) and streamlining the income verification hierarchy.
- Simplifying portability.
- Revising PEL, using the neg-reg inflation factor and taking age of properties into account.

#### Statutory Reforms

- Expanding the MTW demonstration
- Full fungibility between Operating and Capital Funds.
- Permitting HAP Net Restricted Assets to be used for administrative purposes when the administrative fee proration falls below 90 percent.
- Biennial HQS inspections.
- Triennial recertifications for fixed-income and biennial for variable income.
- Freezing the rolling base.
- Eliminating Section 3 requirements beyond what is required under Office of Housing programs.
- Making the community service requirement at the discretion of the PHA.
- Small agency reform.

Meetings with Assistant Secretary and Secretary: Two recent meetings with senior HUD officials give us reason to believe that our efforts are paying off. On April 3, the executive directors of NAHRO, PHADA and CLPHA met with Assistant Secretary for Public and Indian Housing

Sandra Henriquez to talk about various reforms intended to ease the administrative burdens placed on PHAs. During this meeting, the Assistant Secretary shared information on initiatives already underway and relief that will be provided in the near term as well as longer-range efforts that the Department is pursuing, both through regulatory relief as well as supporting changes to statute, some of which will be included in the President's FY 2014 budget proposal.

On April 8, NAHRO Senior Vice President Preston Prince, NAHRO Vice President for Housing Chris Lamberty, and CEO Ramirez, along with counterparts from PHADA and CLPHA, met directly with HUD Secretary Shaun Donovan to discuss the joint list of recommended regulatory and statutory reforms mentioned above and to review the relief efforts the Department is preparing to roll out. Based on that meeting and the earlier meeting with the Assistant Secretary, the following list represents NAHRO's best understanding of the reforms HUD has committed to implementing soon:

Short-term reforms, to be implemented within the next 30 days:

- Suspend issuance/implementation of final PNA rule.
- Suspend SEMAP confirmatory reviews (NAHRO previously convinced HUD to postpone the most imminent scheduled reviews. See the March 31 NAHRO Monitor for more information.)
- Reduce/suspend PHA Plan requirements.
- Reduce/suspend EPIC reporting requirements
- Reduce/suspend Capital Fund P&E report
- Revisit 2013-3 and EIV notices

Intermediate-term reforms, to be implemented within 60+ days:

- Eliminate or reduce PHA plan requirements
- Make financial and management PHAS scores advisory
- Suspend SEMAP scoring
- Eliminate community service reporting and allow tenants to self-report participation

NAHRO will provide updates on the commitments HUD has made as more information becomes available.

### **Statutory Reform and Responsible Funding**

As previously discussed in the February 1 NAHRO Monitor, NAHRO has worked for years to secure meaningful legislative reforms for the Section 8 Housing Choice Voucher program as well as the Public Housing program. We remain fully engaged with the House Financial Services Committee and the Senate Banking Committee as lawmakers work to develop the next iteration of what has most recently been known as the "Affordable Housing and Self-Sufficiency Improvement Act," or AHSSIA. Although no new version of AHSSIA had been introduced in the 113<sup>th</sup> Congress as of this writing, we are hopeful that a responsible version of this critically important and long overdue legislation is forthcoming and have been consistent in communicating the need for comprehensive legislative reform to the Hill.

In addition to our ongoing efforts around AHSSIA or its successor, NAHRO remains committed to 1) the reauthorization and expansion of the Moving to Work (MTW) demonstration in a manner that fully protects existing contracts, and 2) the enactment of the NAHRO/PHADA Small Housing Agency Reform Proposal (SHARP), which was recently re-introduced by Senators Mike Johanns (R-Neb.) and Jon Tester (D-Mont.) as S. 576, the “Small Housing Opportunity Act of 2013.”

Finally, even as we focus intently on the need for reform, NAHRO will not lose sight of the importance of restoring responsible funding for our core programs. The President’s FY 2014 budget proposal will be released on Wednesday, April 10, and NAHRO plans to release its own funding recommendations for key housing and community development programs for the 2014 federal fiscal year shortly thereafter. As always, NAHRO will provide members with detailed analyses of the President’s FY 2014 budget’s implications for public housing, Section 8 programs, and Community Planning and Development programs, as well as an explanation of our own FY 2014 funding recommendations. These resources will be made available to NAHRO members through Direct News and online at [www.nahro.org/news](http://www.nahro.org/news).

NAHRO will continue to work hard, through its own actions and as part of various coalitions, to persuade lawmakers to restore housing and community development funding to responsible levels. As we have done in recent years, we will also provide the Hill with a series of technical recommendations intended to achieve programmatic reforms and efficiencies through the annual appropriations measure.

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