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Chapter 1 Introduction

ONLINE RESOURCES

- Additional resources and references for this course are available at <http://NMAreferences.com>. Click the specific program link at the top of the web page to jump directly to the references you wish to access. No login information is required.

LEARNING OUTCOMES

- Develop and master the skills needed to play an active role on a PHA's board of commissioners and make strategic long-term decisions for a housing authority.
- Upon completion of Essentials for Commissioners, you should be able to:
 - Define your role as a board member
 - Describe the basic responsibilities of the board of commissioners
 - Identify the key elements that should be addressed in the PHA Plan, the PHA's admissions and continued occupancy policy (ACOP), administrative plan, and capital fund plan
 - Define the roles and responsibilities of the board, board members, the executive director, and PHA staff, emphasizing the relationships between each
 - Define the purpose of the Section 8 Management Assessment Program (SEMAP) and identify its key performance indicators
 - Define the purpose of the Public Housing Assessment System (PHAS) and recognize the relevant changes in the PHAS interim rule
 - Define the purpose of the Rental Assistance Demonstration (RAD) program and why it may be a viable strategy for the PHA

- Correctly apply federal fair housing laws to manage nondiscrimination
- Apply the principles and practices of effective meetings
- Identify and apply the basic steps in the strategic planning process
- Recognize the core qualities of a leader

OVERVIEW

- As a board member, you are a steward of the public trust. Your public housing authority (PHA) is a unit of government, and its functions are essential government functions: it provides access to safe, habitable, and affordable housing to low-income families, the elderly, and persons with disabilities. PHAs implement and administer various programs designed and funded by the U.S. Department of Housing and Urban Development (HUD).
- All commissioners must recognize and accept their legal position as governing agents of the housing authority. A commissioner occupies the role of a fiduciary with regard to those served. A fiduciary is a person who holds something in trust for another. If commissioners violate their trust of fiduciary duty, they may be subject to legal consequences. The duties and responsibilities of board commissionership assume automatically when commissionership is accepted.
- All housing authority business must be conducted in accordance with HUD regulations and requirements, laws of the state where the PHA is located, PHA articles of incorporation, the bylaws of the PHA, board policies, and generally accepted business practices.

Notes

- A housing authority is a public, nonprofit corporation. Each PHA commissioner, together with other commissioners of the board, is legally and morally responsible for all activities of the housing authority. All commissioners share in a joint and collective authority.
- Whether your PHA refers to its governing body as the board of commissioners, board of directors, or other name, the board's basic function is the same at all PHAs: to govern a corporation. In a nonprofit corporation, the board reports to stakeholders, that is, everyone who is interested in and/or can be affected by the agency, particularly the local communities which the agency serves.
- This seminar will provide an essential overview of board responsibilities, what board members need to know and need to ask.

BASIC RESPONSIBILITIES

- Based on the bylaws, the board of commissioners is responsible for the management, policy-making, and oversight of the housing authority.
- The ten basic responsibilities of a PHA board, in fact, any nonprofit board, are:

1. Determine the PHA's mission and purposes

- A statement of the PHA's mission and purposes should articulate the PHA's goals, means, and primary constituents served. It is the board's responsibility to create the mission statement and review it periodically.

2. Select the executive director

- In some PHAs, the title of the chief executive is executive director; in other PHAs it may be CEO or director. In this seminar, we will mostly refer to the chief executive as the executive director. Boards must reach consensus on the chief executive's job description and undertake a careful search process to find the most qualified person for the position.

3. Support the executive director and assess their performance

- The board should ensure that the executive director has the moral and professional support they need to do the job. The executive director, in partnership with the entire board, should agree on a periodic evaluation.

4. Ensure effective organizational planning

- As stewards of a PHA, boards must actively participate with the staff in an overall planning process.

5. Ensure adequate resources

- One of the board's foremost responsibilities is to ensure there are adequate resources for the PHA to fulfill its mission.

6. Manage resources effectively

- The board, in order to remain accountable to HUD, the public, and to safeguard its status, must understand and approve the annual budget and ensure that proper financial controls are in place.

7. Determine, monitor, and strengthen the PHA's programs and services

- The board's role in this area is to determine which programs are the most consistent with the PHA's mission, and to monitor their effectiveness.

8. Enhance the PHA's public standing

- A PHA's primary link to the community, including customers, the public, and the media, is the board. Clearly articulating the PHA's mission, accomplishments and goals to the public are important elements of a comprehensive public relations strategy.

9. Ensure legal and ethical integrity and maintain accountability

- The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the executive director of hiring and managing employees will help ensure integrity. The board must establish comprehensive policies, and adhere to federal, state and local laws and HUD regulations.

10. Recruit and orient new board members and assess board performance

- All boards have a responsibility to make known their needs in terms of member experience, skills, and many other considerations that define a "balanced" board composition. Boards must also orient new board members, including program participants who serve on the board, to their responsibilities and the PHA's history, needs and challenges. By evaluating its own performance in fulfilling its responsibilities, the board can recognize its achievement and reach consensus on which areas need to be improved.

Notes

Chapter 2 The Changing Mission

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Recognize the importance of staying abreast of the PHA's regulatory and social environments, in addition to its strategic goals
 - Begin to identify some entrepreneurial strategies available to PHAs

INTRODUCTION

- It is important for the board to stay abreast of the PHA's changing regulatory and social environment and HUD's strategic goals.
 - Maintaining and preserving affordable housing stock becomes more critical as rents escalate in some areas. Because capital funding will not be adequate to preserve aging stock, PHAs are forced to closely analyze their portfolios, make strategic decisions, and become more entrepreneurial.

HUD'S STRATEGIC PLAN FY 2022-2026

HUD's Overarching Goal

- HUD's overarching goal is to pursue transformative housing and community-building policy and programs. The Department will ensure it centers its focus on people and their lived experiences, with policy and programs that are equity-focused, anti-discriminatory, and that advance housing justice so that everyone has an affordable, healthy place to live.

Notes

Strategic Goals

- Strategic Goal 1: Support Underserved Communities
 - Advance housing justice
 - Reduce homelessness
 - Invest in the success of communities
- Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing
 - Increase the supply of housing
 - Improve rental assistance
- Strategic Goal 3: Promote Homeownership
 - Advance sustainable homeownership
 - Expand homeownership opportunities
 - Create a more accessible and inclusive housing finance system
- Strategic Goal 4: Advance Sustainable Communities
 - Guide investment in climate resilience
 - Strengthen environmental justice
 - Integrate health and housing
- Strategic Goal 5: Strengthen HUD's Internal Capacity
 - Enable the HUD workforce
 - Strengthen information technology
 - Enhance financial and grants management
 - Improve ease, effectiveness, and trust in HUD services

RENTAL ASSISTANCE DEMONSTRATION - RAD

- The Consolidated and Further Continuing Appropriations Act of 2012 authorized the Rental Assistance Demonstration (RAD) with two components to apply financing tools to help preserve HUD's public and assisted housing stocks:
 - Allows Public Housing and Moderate Rehabilitation (Mod Rehab) properties to convert to long-term Section 8 rental assistance contracts (PBRA) or project-based vouchers (PBV); and
 - Allows Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Mod Rehab properties to convert tenant protection vouchers issued upon contract expiration or termination to project-based vouchers (PBV).
- RAD is a central part of HUD's rental housing preservation strategy, which works to preserve the nation's stock of deeply affordable rental housing, promote efficiency within and among HUD guidelines, and build strong, stable communities. RAD is an acknowledgment that Capital Fund program allocations are insufficient to address capital replacement needs at most public housing properties. RAD allows a public housing property to acquire debt financing to address its unmet capital replacement needs.
- We will explore RAD in more depth in Chapter 8.

MOVING TO WORK (MTW)

- Moving to Work (MTW) is a demonstration program for PHAs that provides them the opportunity to design and test innovative, locally-designed strategies that use federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families.

Notes

- MTW gives PHAs exemptions from many existing public housing and voucher program rules, and more flexibility with how they use their federal funds.
- While MTW agencies have considerable flexibility, they must still abide by all other federal rules and regulations, including the Fair Housing Act, the Civil Rights Act, labor standards, environmental rules, procurement guidelines, demolition and disposition procedures, and relocation regulations.
- Only Congress has the power to authorize the addition of new slots in the MTW demonstration.
 - In some cases, Congress has authorized specific PHAs to become part of MTW, and in others, Congress has authorized HUD to select the agencies through its own processes.
 - When HUD is responsible for the selection of new MTW PHAs, HUD issues a notice with criteria for admission and evaluates applications in a competitive process.
- MTW PHAs are permitted to combine their public housing operating and capital funds and housing choice voucher funds and use these funds interchangeably.
 - The caveat to this flexibility is that MTW PHAs “assist substantially the same total number of eligible low-income families as would have been served had the funding amounts not been combined.”

REGIONALIZATION

- There are approximately 3,400 housing authorities in the U.S. [citation: CLPHA]. The overwhelming majority of PHAs are very small. Nearly 88 percent of the PHAs that own public housing have 500 or fewer units. These agencies manage 29.4 percent of the public housing units nationwide. Almost half of agencies with any public housing have fewer than 100 public housing units.

Notes

- Residents living in public housing in a very small jurisdiction have limited ability to transfer or to seek jobs outside the jurisdiction. Very small PHAs are not enjoying economies of scale and often are either understaffed or overstaffed. Waiting lists can be robust in one PHA, while a neighboring PHA has trouble attracting applicants and filling units. A high-performing PHA may be surrounded by several severely troubled PHAs. All of the above, plus duplication of efforts in developing multiple policies and procedures, have led some PHAs and states to conclude that there must be a better way to provide rental assistance and public housing.
- An emerging trend is the creation of regional housing authorities which may operate in place of the individual PHAs. Potential benefits of regional housing services include cost savings through coordinated activities and economies of scale, a shared regional and subregional vision for development, and shared development authority and tax revenues for communities.

Notes

Chapter 3 Overview of Housing Programs

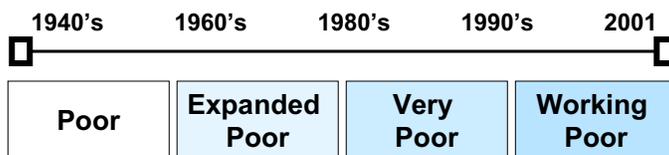
LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Provide a brief overview of the history of affordable housing in the U.S., including the origins of public housing
 - Define the roles of and relationships between the PHA, HUD, Congress, and other key players
 - Identify key affordable housing laws, read and interpret housing regulations, and recognize how to stay current with statutory and regulatory changes

HISTORY

- Affordable housing has evolved through the years. As the community’s and Congress’ values drive public policy, the vision of affordable housing changes. The challenge of commissioners is to adjust their vision to the community’s values, while maintaining integrity.

Values Timeline



Why Public Housing Was Started

- The country and government’s values were to take care of the needy. Affordable housing was the means to accomplish this goal. Originally, HUD funded new development of large public housing projects.
- A key aim of the Housing Act of 1937 was to create construction jobs, stimulate the economy and assist the temporarily poor.

- There was no operating subsidy; each public housing program was entirely funded by tenant rents. Each PHA established a set, non-fluctuating rent. Families could choose the development where they wanted to live.

The 1970s and 1980s

- The Brooke Amendment established that rents be calculated as a percentage of income. After this amendment, HUD had to provide PHAs with operating subsidy.
- Funding was initiated for tenant-based programs. These were the first Section 8 programs.
- Programs became less self-sufficient and more dependent on federal assistance.
- In the 1980s, the original housing stock began to deteriorate badly, creating the need for the first modernization funding.

Cranston-Gonzalez National Affordable Housing Act of 1990

- This Act created a number of new requirements and programs for PHAs.
- Federal preferences were mandated for PHA. PHAs were required to give waiting list preference to the homeless, families paying more than 50% of their income toward rent, and displaced persons.
- This Act also established the Family Self-Sufficiency (FSS) program for housing authorities with each new increment of Section 8 funding and public housing development.
- The Section 8 program saw the expansion of vouchers, with increased portability.
- The public housing program received tough new regulations for screening and eviction for drug and other criminal activity.

- The National Affordable Housing Act also established the mandatory measure of performance for public housing. This performance system was called the Public Housing Management Assessment Program, or PHMAP. PHAs basically self-certified as to their performance under PHMAP.

The Quality Housing and Work Responsibility Act of 1998 (The Reform Act)

- This act was the biggest change in housing law since 1937. The Reform Act brought many reforms, mostly targeted to public housing.
- The Reform Act required PHAs to establish business plans in the form of the 5-Year Plan and the Annual Plan.
- PHAs were permitted to establish local waiting list preferences.
- More stringent performance measures were mandated for PHAs. The Section 8 Management Assessment Program (SEMAP) measured performance of the Section 8 Program. The Public Housing Assessment System (PHAS) was more rigorous and objective than the former PHMAP.

Section 8 (Housing Choice Voucher) Program

- The Reform Act merged the tenant-based certificate program into vouchers.
- The Act also gave PHAs the policy choice to set the income limit for admission at 80% of area median income. If not addressed in the Administrative Plan, the income limit for admission remains at 50% of area median income.
- Income targeting requirements were imposed on the Section 8 program, requiring that in each fiscal year, 75% of new admissions to the Section 8 program are to extremely low-income families, that is, families at or below 30% of area median income.

Public Housing

- The income limit for public housing was set at 80% of area median income.
- The income targeting requirement for public housing was that, for each fiscal year, 40% of new admissions were to extremely low-income families.
- The Reform Act permitted PHAs to establish site-based waiting lists for their public housing developments.
- The Reform Act also required HUD to come up with a method to allocate operating subsidy and to do so through negotiated rulemaking.
- The new calculation and allocation of the operating subsidy requires PHAs to move the public housing program to an asset management model using project-based budgeting, accounting and management.
 - If the PHA is required to implement asset management, the model requires open communication between the board and the executive director. The transition to asset management requires a whole set of strategic decisions, and everyone needs to understand these decisions.

Housing Opportunity Through Modernization Act (HOTMA)

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. On February 14, 2023, HUD published a final rule, revising regulations related to income, assets, and adjusted income as described in Sections 102 and 104 of HOTMA. On September 29, 2023, HUD issued Notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the final rule.

HOTMA made numerous changes to statutes governing HUD programs, including:

- Asset limitations for eligibility
- New definitions of income and changes to allowances
- Over-income rule for public housing families
- New instructions and changes to HUD's verification hierarchy
- New requirements for interim reexaminations (recertifications)
- Discretionary options for asset limitation for terminations

Full implementation of HOTMA relies on the transition to and integration of HUD's new electronic Housing Information Portal (HIP) system, which will replace the current Inventory Management System/PIH Information Center (IMS/PIC). The full transition has not yet been accomplished.

CREATION OF A PHA

A PHA is Created Under State Law

- State enabling legislation determines the PHA's jurisdiction (city, county, state, multi-jurisdictional) and legal status. A housing authority may be a city or county department, quasi-independent, or independent.
- State law determines who sits on board, the number of commissioners, procedures for appointment (whether elected or appointed, and by whom), and the composition of the board and terms of service. The board may be comprised of elected officials such as the city council, community leaders, or a combination.
- State law also requires that bylaws be established.

Organizational Transcript

- The organizational transcript is part of the body of the state legislation that establishes a public housing authority and jurisdiction. It contains the commissioner's oath of office, articles of incorporation, the bylaws, minutes of the organizational meeting, and the government body approvals.

Board of Commissioners Bylaws

- This document defines how the board operates, and defines:
 - The number of commissioners required, appointment or election, and by whom. This document must also stipulate that a resident serve on the board.
 - The length of terms.
 - When and where regular board meetings are conducted, and under what circumstances special meetings may be called, and by whom.
 - What constitutes a quorum—the number of commissioners needed to conduct business.
 - Removal for neglect of duty or misconduct in office.

Local Government

- Commissioners are appointed or elected by the local government. This may be a county, city, state, or other local government. Working with local government is key to getting the job done. Since the political environment changes rapidly, flexibility and communication is important.

COOPERATION AGREEMENT

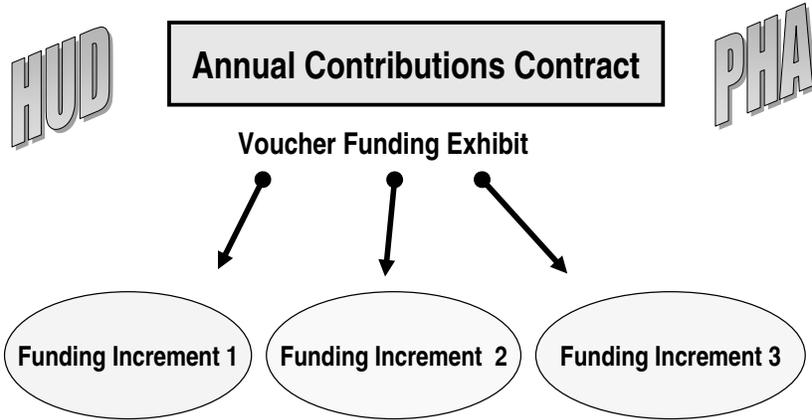
- Any time a public housing development is acquired or built, a contract, called the Cooperation Agreement, is signed. This is the contract between local government and the PHA for services such as trash collection, water, sewer, schools, etc.
- Instead of paying real property taxes, the PHA pays a Payment in Lieu of Taxes (PILOT) for specified services. This payment may be waived by mutual agreement of the local government and PHA.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

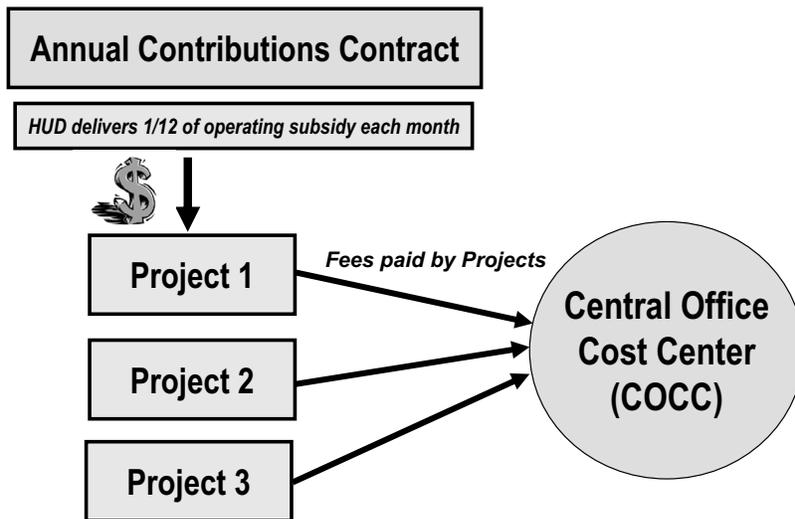
Annual Contributions Contract (ACC)

- The ACC is the primary contract between HUD and the PHA. The document stipulates that HUD will provide funding to the PHA. There is an ACC for Section 8 funding increments and for public housing developments.
- In the ACC, the PHA must agree to affirmatively further fair housing and civil rights, comply with all laws and HUD regulations, provide housing that is safe, habitable, functionally adequate, operable, and free of health and safety hazards, and maintain financial and reporting records.
- The ACC consists of the following parts:
 - The actual contract document (Form HUD-53012 for public housing and Form HUD-52520 for HCV), which contains definitions of terms used in the ACC and a description of the obligations and requirements of the parties signing the ACC (the PHA and HUD).
 - A funding exhibit which contains a listing of the increments available to the PHA and their associated funding. It is from this document that a PHA can identify the increment numbers that still have funding, the number of units HUD awarded the PHA, the term of the funding obligation, and the amount of funding HUD is providing for each increment.
- HUD monitors PHA performance. HUD enforces compliance through incentives and sanctions and can impose penalties and freeze funding for serious noncompliance. HUD can enforce the ACC through court actions, including civil and even criminal prosecution.

ACC for Section 8 Housing Choice Voucher



ACC for Public Housing



Form HUD-52520 (12/97)

Consolidated Annual Contributions Contract

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Rental Certificate and Rental Voucher Programs

Section 8

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1. Definitions

ACC Annual contributions contract.

ACC Reserve Account An account established by HUD for a program from amounts by which the maximum payment to the HA under the consolidated ACC (during a HA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

Annual Contributions Contract The contract for each funding increment. HUD's commitment to make payments for each funding increment ("project") listed in the funding exhibit constitutes a separate ACC.

Budget Authority The maximum amount of funds available for payment to the HA over the term of a funding increment. Budget authority is authorized and appropriated by the Congress.

Consolidated Annual Contributions Contract (consolidated ACC) This consolidated contract for the HA certificate program and voucher program. HUD's commitment to make payments for each funding increment in a program constitutes a separate ACC. However, commitments for all the funding increments are listed in this consolidated ACC.

Contract Authority The maximum annual payment by HUD to the HA for a funding increment. The amount of contract authority for each funding increment in a program is listed in the funding exhibit for the program.

Fiscal Year The HA fiscal year. The funding exhibit states the last month and day of the HA fiscal year.

Funding Exhibit An exhibit to the consolidated ACC. The funding exhibit states the amount and term of funding for a program. There are separate funding exhibits for the HA certificate program and voucher program.

Funding Exhibit A The funding exhibit for the HA certificate program.

Funding Exhibit B The funding exhibit for the HA voucher program.

Funding Increment (also called a "Project"). Each commitment of budget authority by HUD to the HA for a program under the consolidated ACC. The funding increments for the program are listed on the program funding exhibit.

HA Housing agency.

Housing Agency (HA) The agency that has entered this consolidated ACC with HUD.

HUD U.S. Department of Housing and Urban Development.

Program The HA certificate program or voucher program.

Program Expenditures Amounts which may be charged against program receipts in accordance with the consolidated ACC and HUD requirements.

Program Receipts Amounts paid by HUD to the HA for a program, and any other amounts received by the HA in connection with the program.

Project A funding increment for the program.

2. Funding for HA Certificate or Voucher Program

- a. The funding increments in the HA certificate program or voucher program are listed in the funding exhibit for the program.
- b. The amount of contract and budget authority for each funding increment in a program is stated in the program funding exhibit.
- c. By giving written notice to the HA, HUD may revise the funding exhibit for a program:
 - (1) To add a funding increment, or
 - (2) To remove a funding increment for which the ACC term has expired.
- d. The HUD notice must include a revised funding exhibit, specifying the term, contract authority and budget authority for each funding increment under the consolidated ACC. The HUD notice of a revised funding exhibit for a program constitutes an amendment of the consolidated ACC.

3. Term

- a. The funding exhibit states the first date and last date of the ACC term for each funding increment.
- b. If the first or last date of the ACC term for a funding increment is not entered before the consolidated ACC is signed by the HA, HUD may enter the date subsequently, by giving written notice to the HA.

4. HUD Payments for Program

- a. HUD will make payments to the HA for a program in accordance with HUD regulations and requirements.
- b. For each HA fiscal year, HUD will pay the HA the amount approved by HUD to cover:
 - (1) Housing assistance payments by the HA for a program.
 - (2) HA fees for administration of the program.
- c. The amount of the HUD payment may be reduced, as determined by HUD, by the amount of program receipts (such as interest income) other than the HUD payment.

5. Maximum Payments for Program

- a. **Annual Limit** Except for payments from the consolidated ACC reserve account, the HUD annual payments for a program during a fiscal year must not be more than the sum of the contract authority amounts for the funding increments in the program.
- b. **Limit on Payments for Funding Increment** The total amount of payments for any funding increment over the increment term must not exceed budget authority for the funding increment.

6. Reduction of Amount Payable by HUD

- a. If HUD determines that the HA has failed to comply with any obligations under the consolidated ACC, HUD may reduce to an amount determined by HUD:
 - (1) The amount of the HUD payment for any funding increment.
 - (2) The contract authority or budget authority for any funding increment.
- b. HUD must give the HA written notice of the reduction.
- c. The HUD notice must include a revised funding exhibit specifying the term, contract authority, and budget authority for each funding increment under the consolidated ACC. The HUD notice of revisions to the funding exhibit for a program constitutes an amendment of the consolidated ACC.

7. ACC Reserve Account

An ACC reserve account may be established and maintained by HUD. The amount in the account is determined by HUD. The ACC reserve account may be used by HUD to pay any portion of the program payment approved by HUD for a fiscal year.

8. Separate ACC for Funding Increment

HUD's commitment to make payments for each funding increment ("project") listed in the funding exhibit constitutes a separate ACC.

9. Budget and Requisition for Payment

- a. Each fiscal year, the HA must submit to HUD an estimate of the HUD payments for the program. The estimate and supporting data must be submitted at such time and in such form as HUD may require, and are subject to HUD approval and revision.
- b. The HA must requisition periodic payments on account of each annual HUD payment. Each requisition must be in the form prescribed by HUD. Each requisition must include certification that:
 - (1) Housing assistance payments have been made in accordance with contracts in the form prescribed by HUD and in accordance with HUD requirements; and
 - (2) Units have been inspected by the HA in accordance with HUD requirements.
- c. If HUD determines that payments by HUD to the HA for a fiscal year exceed the amount of the annual payment approved by HUD for the fiscal year, the excess must be applied as determined by HUD. Such applications determined by HUD may include, but are not limited to, application of the excess payment against the amount of the annual payment for a subsequent fiscal year. The HA must take any actions required by HUD respecting the excess payment, and must, upon demand by HUD, promptly remit the excess payment to HUD.

10. HUD Requirements

- a. The HA must comply, and must require owners to comply, with the requirements of the U.S. Housing Act of 1937 and all HUD regulations and other requirements, including any amendments or changes in the law or HUD requirements.
- b. The HA must comply with its HUD-approved administrative plan, and HUD-approved program funding applications.
- c. The HA must use the program forms required by HUD.
- d. The HA must proceed expeditiously with the programs under this consolidated ACC.

11. Use of Program Receipts

- a. The HA must use program receipts to provide decent, safe, and sanitary housing for eligible families in compliance with the U.S. Housing Act of 1937 and all HUD requirements. Program receipts may only be used to pay program expenditures.
- b. The HA must not make any program expenditures, except in accordance with the HUD-approved budget estimate and supporting data for a program.
- c. Interest on the investment of program receipts constitutes program receipts.
- d. If required by HUD, program receipts in excess of current needs must be promptly remitted to HUD or must be invested in accordance with HUD requirements.

12. Administrative Fee Reserve

- a. The HA must maintain an administrative fee reserve for a program. The HA must credit to the administrative fee reserve the total of:
 - (1) The amount by which program administrative fees paid by HUD for a fiscal year exceed HA administrative expenses for the fiscal year, plus
 - (2) Interest earned on the administrative fee reserve.
- b. The HA must use funds in the administrative fee reserve to pay administrative expenses in excess of program receipts. If any funds remain in the administrative fee reserve, the HA may use the administrative reserve funds for other housing purposes if permitted by State and local law.
- c. If the HA is not adequately administering any Section 8 program in accordance with HUD requirements, HUD may:
 - (1) Direct the HA to use the funds to improve administration of the Section 8 program or for reimbursement of ineligible expenses.
 - (2) Prohibit HA use of administrative fee reserve funds.

13. Depository

- a. Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with a financial institution selected as depository by the HA in accordance with HUD requirements.
- b. The HA must enter an agreement with the depository institution in the form required by HUD.
- c. The HA may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.
- d. The agreement with the depository institution must provide that if required under a written notice from HUD to the depository:
 - (1) The depository must not permit any withdrawal of deposited funds by the HA unless withdrawals by the HA are expressly authorized by written notice from HUD to the depository.
 - (2) The depository must permit withdrawals of deposited funds by HUD.
- e. If approved by HUD, the HA may deposit under the depository agreement monies received or held by the HA in connection with any contract between the HA and HUD.

14. Program Records

- a. The HA must maintain complete and accurate books of account and records for a program. The books and records must be in accordance with HUD requirements, and must permit a speedy and effective audit.
- b. The HA must furnish HUD such financial and program reports, records, statements, and documents at such times, in such form, and accompanied by such supporting data as required by HUD.

- c. HUD and the Comptroller General of the United States, or their duly authorized representatives, must have full and free access to all HA offices and facilities, and to all the books, documents and records of the HA relevant to administration of the program, including the right to audit and to make copies.
- d. The HA must engage and pay an independent public accountant to conduct audits that are required by HUD. The cost of audits required by HUD may be charged against program receipts.

15. Default by HA

- a. Upon written notice to the HA, HUD may take possession of all or any HA property, rights or interests in connection with a program, including funds held by a depository, program receipts, and rights or interests under a contract for housing assistance payments with an owner, if HUD determines that:
 - (1) The HA has failed to comply with any obligations under this consolidated ACC; or
 - (2) The HA has failed to comply with obligations under a contract for housing assistance payments with an owner; or
 - (3) The HA has failed to take appropriate action, to HUD's satisfaction or as directed by HUD, for enforcement of the HA's rights under a contract for housing assistance payments (including requiring actions by the owner to cure a default, termination, or reduction of housing assistance payments, termination of the contract for housing assistance payments, or recovery of overpayments); or
 - (4) The HA has made any misrepresentation to HUD of any material fact.
- b. HUD's exercise or non-exercise of any right or remedy under the consolidated ACC is not a waiver of HUD's right to exercise that or any other right or remedy at any time.

16. Fidelity Bond Coverage

The HA must carry adequate fidelity bond coverage, as required by HUD, of its officers, agents, or employees handling cash or authorized to sign checks or certify vouchers.

17. Exclusion from Program

Single-headed households, pregnant females, and recipients of public assistance may not be excluded from participation in or be denied the benefit of a program because of such status.

18. Exclusion of Third Party Rights

- a. A family that is eligible for housing assistance under this consolidated ACC is not a party to or third party beneficiary of the consolidated ACC.
- b. Nothing in the consolidated ACC shall be construed as creating any right of any third party to enforce any provision of this consolidated ACC, or to assert any claim against HUD or the HA.

19. Consolidated ACC

- a. The consolidated ACC is a contract between HUD and the HA.
- b. This consolidated ACC supersedes any previous annual contributions contract for a program. Matters relating to funding or operation of the program under a previous annual contributions contract are governed by this consolidated ACC.

United States of America Secretary of Housing and Urban Development
Signature of Authorized Representative

Date signed:

X

Name & Official Title: (print or type)

[Redacted signature area]

Housing Agency Name of Agency: (print or type)

[Redacted agency name area]

Signature of Authorized Representative:

Date signed:

X

Name & Official Title: (print or type)

[Redacted signature area]

LAWS

HOUSING ACT OF 1937

- Established a permanent public housing program whereby State enabling legislation was required to create local PHAs.
- Further housing laws are amendments to the Housing Act of 1937. The Quality Housing and Work Responsibility Act of 1998 (“the Reform Act”), for example, was a significant revision to the Housing Act of 1937.

Nondiscrimination Laws

- Many laws have been enacted since 1866 to prohibit discrimination.

Federal Laws

- Federal laws unified the country’s commitment to civil rights and fair housing. These laws include:
 - Fair Housing Act (Civil Rights Act of 1968). Found in 24 CFR 100
 - Title VI of the Civil Rights Act of 1964
 - Age Discrimination Act of 1975
 - Executive Orders 11063 and 13988
 - Section 504 of the Rehabilitation Act of 1973
 - Title II of the Americans with Disabilities Act
- Under the Fair Housing Act, it is against the law to discriminate based on race, color, creed, national origin, religion, age, familial status or disability.
- Age discrimination is also prohibited.
- A number of these laws emphasize reasonable accommodation for persons with disabilities.
- In addition, there are employment laws at the federal level that prohibit discrimination in the workplace.

State Law

- In addition, many states have expanded nondiscrimination law to add protected categories, such as prohibiting discrimination against Section 8 applicants or against ex-felons. It is important for a PHA to know and comply with any additional categories of protection against discrimination established by state law.
- In some states, protections are even more rigorous than under federal law. For example, fair housing protections in California are even more protective of the individual than under federal law.
- Many states have established landlord/tenant laws which are important in the administration of Section 8 and public housing. Court cases can set legal precedent.
- States can also have health and safety codes and employment law.

Local Laws and Ordinances

- Health and safety codes are often established at a local level. Curfews and building codes may also differ locally.

Supreme Court Decisions

- Supreme Court decisions have clarified and expanded the reaches of the Fair Housing Act and what constitutes discrimination.

HUD's Equal Access to Housing Rule

- Effective March 5, 2012, this rule requires that HUD assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. For further guidance, see Notice PIH 2014-20.

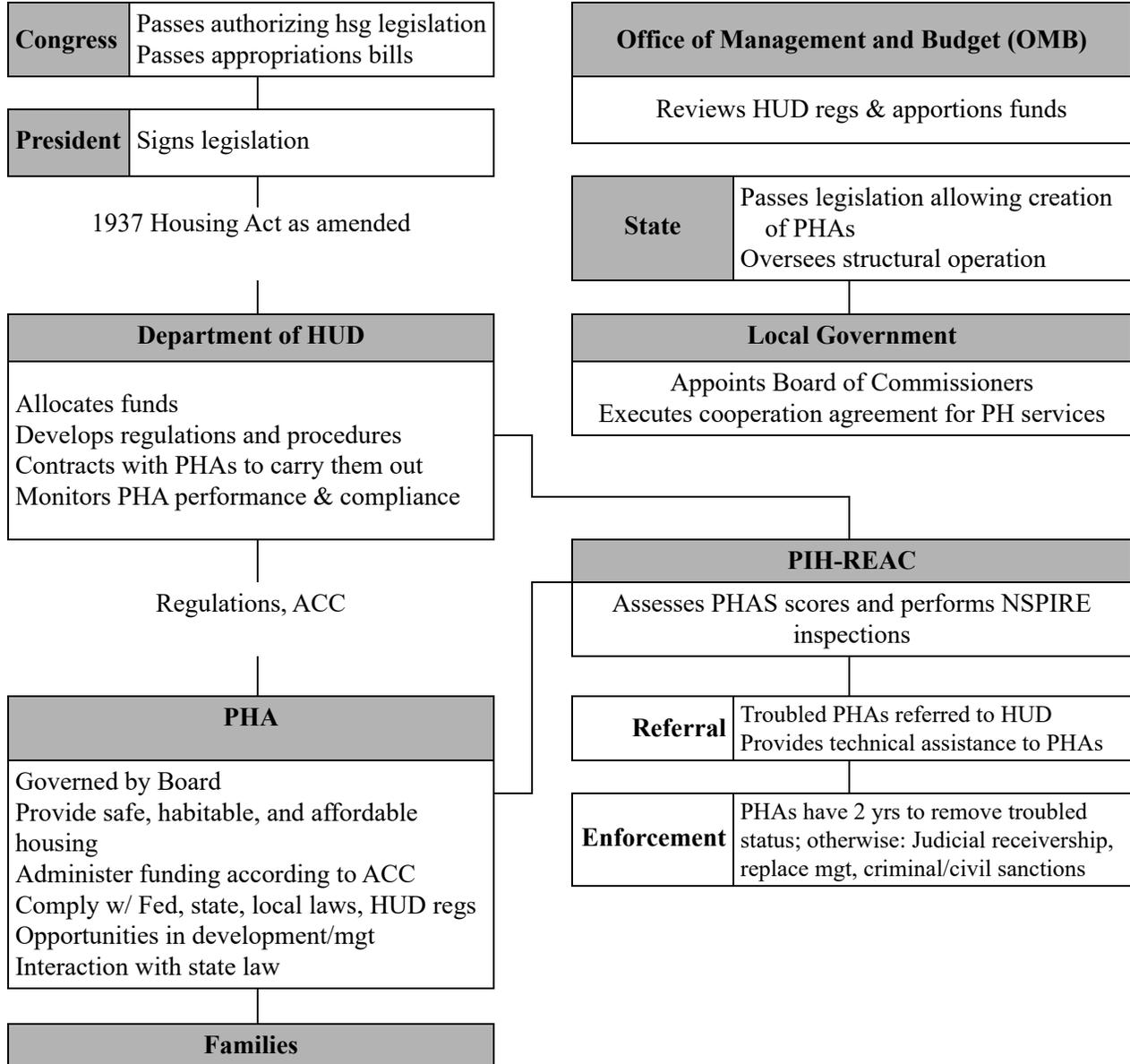
Executive Orders

- Executive orders must be complied with by the affected federal agencies and any public or private entity receiving assistance from an affected federal agency.

Executive Order 13988

- On January 20, 2021, the White House issued Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation. The order states that federal laws prohibiting discrimination on the basis of sex, including the Fair Housing Act, also cover discrimination on the basis of sexual orientation and gender identity under the same category.
 - The order requires federal agencies, including HUD, to review any regulations, guidance documents, policies, programs, or other agency actions that were put into effect under any statute or regulation prohibiting sex discrimination and to develop a plan to ensure their consistency with the order.

KEY PLAYERS - CONGRESS, HUD AND THE PHA



Role of Congress

- Congress passes legislation that establishes housing programs and changes program requirements.
- Congress also funds HUD programs through appropriation bills. Appropriations affect PHA budgets.

Role of HUD

- HUD has four major responsibilities:
 - Interpret legislation passed by Congress and develop regulations based on the interpretation
 - Allocate funds, which have been appropriated by Congress, to PHAs
 - Provide technical assistance to PHA programs
 - Monitor PHAs for program compliance.

HUD Headquarters

- The department of HUD that is responsible for HUD's public housing and housing choice voucher program is called Public and Indian Housing (PIH).
- HUD regulations are written by HUD headquarters and published in the *Federal Register* and further guidance is published in PIH Notices.
- HUD headquarters is where central decision-making and information dissemination is conducted.
- HUD headquarters monitors PHAs nationwide for performance under SEMAP, PHAS and other mandated measurements.

HUD State and Field Offices

- These offices provide technical assistance and monitor for compliance. For example, rental integrity monitoring and PHAS management reviews are conducted by field office staff.
- A listing of HUD's local offices can be found at https://www.hud.gov/program_offices/public_indian_housing/about/field_office.

How HUD communicates

- PHAs must be familiar with key HUD websites and be alert to new regulations and requirements.

HUD's homepage: www.hud.gov

PIH homepage: www.hud.gov/program_offices/public_indian_housing

HUD regulations, notices, and forms www.hud.gov/program_offices/administration/hudclips

REAC homepage www.hud.gov/program_offices/public_indian_housing/react/

HUD Regulations

- Code of Federal Regulations (CFR) Title 24
 - Part 1: Basic Civil Rights
 - Part 5: Combined PH and Section 8 regulations
 - Social Security Numbers, citizens/immigrants, income, rents, NSPIRE
 - Part 8: Nondiscrimination
 - Part 100: Fair Housing Act
 - Part 900: PHA Plans
 - Public Housing: 960s
 - Housing Choice Vouchers: 982

STAYING CURRENT WITH STATUTORY AND REGULATORY CHANGES

- Someone at the PHA should be designated to stay abreast of all new laws, regulations, and guidance from HUD.
 - The board should be informed of the PHA's process – who receives/retrieves all relevant information; who disseminates information, how, and to whom; who incorporates changes into PHA policies; and who is responsible for ensuring staff is trained.
- Most commonly, HUD issues final notices to implement programmatic changes. However, occasionally a law is self-implementing.
 - For example, the Violence Against Women Act (VAWA) was self-implementing. This means that PHAs were required to develop and implement policies and procedures to protect victims of domestic violence, dating violence, sexual assault, or stalking before HUD regulations were published.
- The board could consider a standing agenda item to inquire about any new laws or regulations affecting PHA programs, and the implementation plan.

MANDATORY AND DISCRETIONARY REFERENCES

- Mandatory policies are those required by a current law, regulation, notice, or handbook, required HUD forms, and opinions or rulings by HUD's Office of General Counsel (OGC).
 - CFR 960.253: "The PHA must give each family the opportunity to choose" rents
 - CFR 5.615(c)(5): "The PHA may not include imputed welfare income..."
- Discretionary references are HUD guidebooks, notices that have expired, and recommendations from individual HUD field staff.
 - CFR 960.206(b)(2): "PHA may adopt a preference for the admission of working families"

Notes

- PHA discretionary policies are decisions made by PHAs within legal and regulatory limits to clarify regulations, as needed, without changing their intent, or to establish policy where HUD is silent.
 - HUD recommends that PHAs develop their policies based on HUD guidance. Using this guidance creates a “safe harbor.”

HOW TO READ A HUD REGULATION

- Rules issued in the *Federal Register* are organized as follows:
 - List of regulations affected
 - Subject
 - Rule status (final, interim, proposed)
 - Proposed rules are for comment only
 - Effective (implementation) date
 - Contact person for comments
 - Preamble
 - Comments
 - HUD’s response to comments from public are in preamble of final rule
 - Text of new or revised regulations
- See sample pages following:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 888, 982, 985

[Docket No. FR 4606-I-01]

RIN 2501-AC75

Fair Market Rents: Increased Fair Market Rents and Higher Payment Standards for Certain Areas

AGENCY: Office of the Secretary, HUD.
ACTION: Interim rule.

SUMMARY: This interim rule implements HUD's new fair market rent (FMR) policy. The new FMR policy targets relief to areas where higher FMRs are needed to help families, assisted under HUD's Housing Choice Voucher Program as well as other HUD programs, find and lease decent and affordable housing. With respect to the Housing Choice Voucher Program, the policy provides that where necessary to ensure the effective operation of this program, PHAs will be allowed to set their payment standards based on the 50th percentile rent rather than the published 40th percentile FMR. This aspect of the policy is designed to ensure that families with housing vouchers have access to at least half of all available units in those areas. In addition, the new FMR policy increases FMRs to the 50th percentile in those metropolitan areas where an FMR increase is most needed to promote residential choice, help families move closer to areas of job growth, and deconcentrate poverty. Where it is determined that an FMR increase is needed in a metropolitan area, the increased FMR applies to all the HUD programs that use FMRs in that metropolitan area.

DATES: *Effective Date:* December 1, 2000
Comment Due Date: November 16, 2000.

ADDRESSES: Interested persons are invited to submit written comments regarding this interim rule to the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410. Comments should refer to the above docket number and title. A copy of each comment submitted will be available for public inspection and copying between 7:30 a.m. and 5:30 p.m. weekdays at the above address. Facsimile (FAX) comments will not be accepted.

FOR FURTHER INFORMATION CONTACT: Gerald J. Benoit, Director, Real Estate and Housing Performance Division, Office of Public and Assisted Housing Delivery, Office of Public and Indian Housing, Department of Housing and Urban Development, Room 4210, 451

Seventh Street, SW., Washington, DC 20410-9900, telephone number (202)

Regulations affected

Division, Office of Economic Affairs, Office of Policy Development and Research, Department of Housing and Urban Development, Room 8224, 451

Subject

708-0590. Persons with hearing or speech impairments may access this

Rule status

800-877-8339. (Other than the "800" TTY number, telephone numbers are not toll free.)

SUPPLEMENTARY INFORMATION:

I. HUD's New FMR Policy

HUD's new FMR policy, being implemented through this interim rule, is designed to achieve two fundamental program objectives: (1) Ensuring that low-income families are successful in finding and leasing decent and affordable housing; and (2) ensuring that low-income families have access to a broad range of housing opportunities throughout a metropolitan area. To achieve the first objective, the policy provides that for the Housing Choice Voucher program, PHAs will be allowed to set their payment standards based on the 50th percentile rent rather than the published 40th percentile FMR in areas where families are having difficulty using housing vouchers to find and lease decent and affordable housing. To achieve the second objective, FMRs will be increased to the 50th percentile in those metropolitan areas where a FMR increase is most needed to promote residential choice, help families move closer to areas of job growth, and

Implementation date

increased FMR applies to all the HUD programs that use FMRs in that area.

Section II of this preamble which immediately follows further discusses how HUD intends to achieve these two objectives through its new FMR policy.

II. Increasing the Proportion of Voucher-Holders That Find Housing and Expanding Housing Opportunities Throughout the Metropolitan Area

Ensuring that voucher-holders are

Contact person for comments

families with housing vouchers to find and lease decent and affordable housing. In some areas, however, these FMRs are inadequate to enable these families to lease decent and affordable

units. HUD's new FMR policy authorizes PHAs to use voucher payment standards based on a 50th percentile rent (rather than the published 40th percentile FMR) where fewer than three-fourths of the families issued vouchers succeed in using them to find and lease housing.

Unlike HUD's former certificate program, in which maximum subsidy levels were governed by the FMR, maximum subsidies under the new Housing Choice Voucher program are governed by a "payment standard." Rather than being required to set subsidy levels at the FMR that applies to the entire FMR area—which may be too low or too high for the particular

Preamble Starts here and goes on

for each unit size. PHAs also may set different payment standard amounts within this range for designated parts of the FMR area. This gives PHAs substantial flexibility to adapt the voucher program to local market conditions.

Most PHAs can run a successful voucher program within this normal 90 to 110 percent range of the current published 40th percentile FMR. In some cases, however, even the maximum 110 percent of the FMR is too low to enable families to find suitable housing with a voucher. The new policy addresses this problem by providing that where a PHA has increased its voucher payment standard to 110 percent of the FMR, but still finds that fewer than 75 percent of all families issued rental vouchers over the course of six months have become participants in the voucher program, the PHA will be eligible to set its payment standard based on a 50th percentile rent (rather than the published 40th percentile FMR).

PHAs that qualify for the higher payment standard amounts will still retain the flexibility to vary their payment standard amounts. The range of payment standards available to them will simply be 90 to 110 percent of a 50th percentile rent (rather than 90 to 110 percent of a published 40th percentile FMR).

This policy which is directed to achieving higher success rates among voucher-holders in finding decent and affordable housing is implemented in § 982.503(e).

Ensuring that low-income families have access to a broad range of housing opportunities throughout the metropolitan area. Another objective of the new policy is to ensure that low-income families are free to move to

FMR area reside in the 5 percent of the census tracts within the FMR area that have the largest number of program participants.

(2) If the FMRs are set at the 50th percentile rent in accordance with paragraph (c)(1) of this section, HUD will set the FMRs at the 50th percentile rent for a total of three years.

(i) At the end of the three-year period, HUD will continue to set the FMRs at the 50th percentile rent only so long as the concentration measure for the current year is less than the concentration measure at the time the FMR area first received an FMR set at the 50th percentile rent. HUD will publish FMRs based on the 40th percentile rent for FMR areas that do not qualify for continued use of the 50th percentile rent.

(ii) For purposes of this section, the term "concentration measure" means the percentage of tenant-based rental program participants in the FMR area who reside in the 5 percent of the census tracts within the FMR area that have the largest number of program participants.

(iii) FMR areas that do not meet the test for continued use of FMRs set at the 50th percentile will be ineligible to use FMRs set at the 50th percentile for a period of three years.

(iv) A PHA whose jurisdiction includes one or more FMR areas that are no longer eligible to use FMRs set at the 50th percentile may be eligible for a higher payment standard under § 982.503(f).

(f) Unit size adjustments. * * *

(g) Manufactured home space rental. The FMR for a manufactured home space rental (for the voucher program under part 982 of this title) is:

(1) 40 percent of the FMR for a two bedroom unit; or

(2) When approved by HUD on the basis of survey data submitted in public comments, either the 40th or 50th percentile as applicable of the rental distribution of manufactured home spaces for the FMR area. HUD accepts public comments requesting revision of the proposed manufactured home spaces FMRs for areas where space rentals are thought to differ from 40 percent of the FMR for a two-bedroom unit. To be considered for approval, the comments must contain statistically valid survey data that show either the 40th or 50th percentile manufactured home space rent (including the cost of utilities for the manufactured home) for the FMR area. Once approved, the revised manufactured home space FMRs establish new base-year estimates that

will be updated annually using the same data used to update the FMRs.

PART 982—SECTION 8 TENANT BASED ASSISTANCE: HOUSING CHOICE VOUCHER PROGRAM

3. The authority citation for part 982 continues to read as follows:

Authority: 42 U.S.C. 1437f and 3535(d).
4. In § 982.503, paragraphs (b)(2), (c)(2) and the introductory paragraph of (c)(3)(i) are revised, paragraph (e) is redesignated as paragraph (g), and new paragraphs (e) and (f) are added to read as follows:

§ 982.503 Voucher tenancy: Payment standard amount and schedule.

* * * * *

(b) * * *

(2) The PHA must request HUD approval to establish a payment standard amount that is higher or lower than the basic range. HUD has sole discretion to grant or deny approval of a higher or lower payment standard amount. Paragraphs (c) and (e) of this section describe the requirements for approval of a higher payment standard amount ("exception payment standard amount").

(c) HUD approval of exception payment standard amount. * * *

(2) Above 110 percent of FMR to 120 percent of published FMR. (i) The HUD Field Office may approve an exception payment standard amount from above

That portion of the section not listed remains unchanged

described in paragraph (c)(2)(B) of this section (and that such approval is also supported by an appropriate program justification in accordance with paragraph (c)(4) of this section).

(A) Median rent method. In the median rent method, HUD determines the exception payment standard amount by multiplying the FMR times a fraction of which the numerator is the median gross rent of the exception area and the denominator is the median gross rent of the entire FMR area. In this method, HUD uses median gross rent data from the most recent decennial United States census, and the exception area may be any geographic entity within the FMR area (or any combination of such entities) for which median gross rent data is provided in decennial census products.

(B) 40th or 50th percentile rent method. In this method, HUD determines that the area exception payment standard amount equals either

the 40th or 50th percentile of rents for standard quality rental housing in the exception area. HUD determines whether the 40th or 50th percentile rent applies in accordance with the methodology described in § 888.113 of this title for determining FMRs. A PHA must present statistically representative rental housing survey data to justify HUD

Compare with previous regulation

That portion of the section either above or below remains unchanged

Secretary determines that:

* * * * *

(e) HUD approval of success rate payment standard amounts. In order to increase the number of voucher holders who become participants, HUD may approve requests from PHAs whose FMRs are computed at the 40th percentile rent to establish higher, success rate payment standard amounts. A success rate payment standard amount is defined as any amount between 90 percent and 110 percent of the 50th percentile rent, calculated in accordance with the methodology described in § 888.113 of this title.

(1) A PHA may obtain HUD Field Office approval of success rate payment standard amounts provided the PHA demonstrates to HUD that it meets the following criteria:

(i) Fewer than 75 percent of the families to whom the PHA issued rental vouchers during the most recent 6 month period for which there is success rate data available have become participants in the voucher program;

(ii) The PHA has established payment standard amounts for all unit sizes in the entire PHA jurisdiction within the FMR area at 110 percent of the published FMR for at least the 6 month period referenced in paragraph (e)(1)(i) of this section and up to the time the request is made to HUD; and

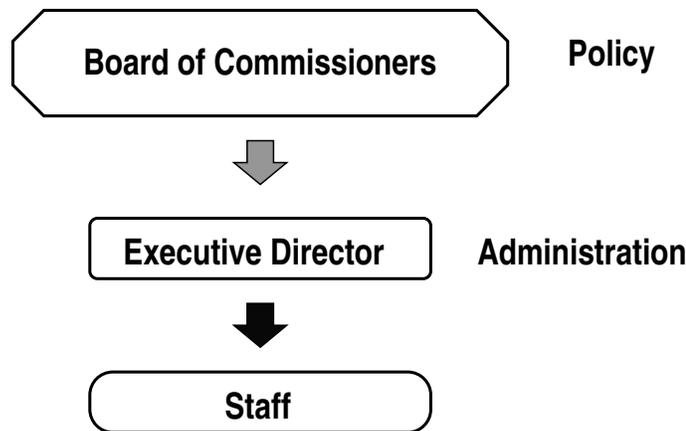
(iii) The PHA has a policy of granting automatic extensions of voucher terms to at least 90 days to provide a family who has made sustained efforts to locate suitable housing with additional search time.

(2) In determining whether to approve the PHA request to establish success rate payment standard amounts, HUD will consider whether the PHA has a

TERMINOLOGY

- PIH - Public and Indian Housing
- SEMAP - Section 8 Management Assessment Program
- PHAS - Public Housing Assessment System
- HIP - Housing Information Portal

General Structure of a PHA



ROLE OF THE PHA

- The role of a PHA is to provide safe and habitable housing to low-income families at an affordable rent; to administer funding according to the Annual Contributions Contract; and to comply with federal, state and local laws and HUD regulations.
- Housing authorities have taken on new roles.

Notes

- The Work Responsibility Act (welfare reform), signed into law in 1996, and the Quality Housing and Work Responsibility Act of 1998.
 - As welfare reform time limits took effect, PHAs became vital partners in the welfare-to-work movement; it is in the PHA's interest to facilitate strategies that help families stabilize economically.
 - A central theme of QHWRA was to mandate that housing authorities restore public trust. QHWRA gave both PHAs and residents more choices, reflecting private sector property management strategies.
- HUD's asset management model for public housing provides the impetus for housing authorities to become more entrepreneurial. Each project is funded separately, and the projects are the economic engines for the housing authority's public housing program.
 - Repositioning, development of mixed-financed projects, and demolition and disposition, were some new asset strategies considered by housing authorities.

THE ROLE OF FAMILIES

- Families are a central customer to the PHA.
- Families have eligibility requirements to be admitted to the programs and have continuing obligations to continue participation.
- Stable housing is key to family stability. Studies show that affordable housing is a crucial brick in a stable society and a key success indicator for families attempting to become economically self-sufficient.
- The PHA Plan mandates a Resident Advisory Board. Many PHAs have resident councils. Residents also serve as commissioners.

Notes

Chapter 4 PHA Policies

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Identify the criteria for good policy
 - Evaluate and develop key policies and procedures
 - Define the purpose of the consolidated plan
 - Recognize the essential elements in developing the PHA plan
 - Identify the key elements that should be addressed in the PHA's admissions and continued occupancy policy (ACOP), administrative plan, and capital fund plan

CRITERIA FOR GOOD POLICY

- Good policy should be:
 - Explicit – in writing
 - Current – constantly used as reference
 - Literal – means what it says
 - Available to all
 - Brief and simple
 - Encompassing – deals with larger issues

KEY POLICIES

Board Policies

- As well as the bylaws, comprehensive policies and procedures for commissioners assure consistency, fairness, and efficacy. Following are some recommendations for a good commissioners policy and procedures manual. This is not an all-inclusive list but an illustration of some examples of what a good policy and procedures manual should address.
 - **Bylaws.** As discussed, the bylaws should address the number of commissioners required, appointment or election, length of terms, when and where board meetings are conducted, under what circumstances special meetings may be called and by whom, what constitutes a quorum, and removal for neglect of duty or misconduct in office.
 - **Conflict of Interest.** Does your board have written policies that are more specific than in the bylaws? Although it isn't possible to write a policy that covers all potential conflicts, a good policy helps commissioners avoid situations that might be construed as conflicts of interest.
 - **Code of Ethics.** Is there a description of ethical conduct and behavior while serving on the board? Is enforcement of ethics policies specific and clear?
 - **Political Contributions.** If this area, as with many other areas, isn't explicitly addressed, problems may arise. It is easier to avoid situations with good policy than to remedy embarrassing actions that have already occurred.

- **Confidentiality Agreement.** Board members need to particularly recognize the sensitivity of information regarding capital decisions, real estate purchases, union and labor negotiations, personnel decisions, and legal actions.
- **Maintenance of Housing Authority Documents.** Where are your organizational documents, such as the articles of incorporation, real estate titles, building blueprints, and any other historical or archived documents stored? Who on the board is entrusted with the safekeeping of these documents? In many cases the board secretary assumes this responsibility.
- **Selection and Appointment of Board Commissioners.** How are board vacancies filled with well-qualified candidates, with minimal disruption to the board's work? What happens when vacancies occur other than normal expiration of terms?
- **Removal of Board Commissioners.** What is considered failure to perform the expected duties of a commissioner? Criteria should be clear. What is the removal process? Is a majority vote of the board required to recommend removal? Who has final authority to remove board members?
- **Meeting Attendance Requirement.** What is the protocol if a board member cannot attend? From how many meetings can a commissioner be absent before removal is considered?
- **Compensation.** Any compensation to board members for service must be described in writing.
- **Commissioner Travel.** Travel as authorized business travel should be defined. Is there a request and approval process for travel? What is the request protocol? What reports and/or receipts are required upon completion of the travel? Are travel expenses described in detail? Is airline travel coach only? Are expenses for others accompanying the commissioner allowed? What about personal calls?

Notes

- ***Directors' and Executives' Errors and Omissions Insurance.*** If the PHA provides the commissioners liability insurance, it should be stated in policy.
- ***Board Legal Counsel.*** Does the board annually designate legal counsel to serve the needs of the PHA? Is legal counsel required or requested to attend board meetings? Can only the chairperson, executive director or designee contact legal counsel on behalf of the board?
- ***Board Correspondence.*** Does the board or its chairperson approve correspondence from the board? Except for legally-required reports to be sent out over the secretary or treasurer's name, will all correspondence be over the chairperson's name? Is PHA letterhead limited to official use only?
- ***Commissioners Speaking for the Board to the Public or Media.*** Must individual commissioners be authorized by the board to speak to the public or media? Are there guidelines regarding personal opinions when speaking to the public or media?
- ***Term Limitations.*** The bylaws should stipulate the terms of service. If not stipulated in the bylaws, how many consecutive terms may a commissioner serve? If there are limits to consecutive service, after how many years may a commissioner be eligible again for service? Are terms staggered to ensure that no more than a certain number of terms expire each year?
- ***Guidelines for Processing Public Complaints.*** Is there a protocol for submitting complaints, and a review process? Is there a complaint form?

Consolidated Plan

- Jurisdictions of over 50,000 are required to submit a Consolidated Plan.
- The purpose of the plan is to extend and strengthen partnerships among all levels of government and the private sector in the production and operation of affordable housing.
 - A PHA, as does any business, must pay attention to its board of directors (public officials and advisory boards), make strategic alliances with other businesses (other organizations and groups), and provide information to stockholders (citizens).
- Some PHAs, mostly in large jurisdictions, serve as the lead agency. All PHAs must consult, collaborate and coordinate in the development of the plan.

Notes

- The plan is a strategic plan that enables communities to view their HUD programs not as isolated tools to solve narrow problems, but as an invitation to build a comprehensive vision of housing and community development. This comprehensive vision includes:
 - Affordable housing and homeless prevention
 - Adequate infrastructure
 - Fair housing
 - Environmental justice
 - Enhancement of civil design
 - Economic growth coordinated with human development.
- The Consolidated Plan also serves as the application for federal funds under HUD's formula grant programs:
 - Community Development Block Grant (CDBG) programs
 - Emergency Shelter Grants (ESG) program
 - The HOME Investment Partnerships (HOME) program
 - The Housing Opportunities for Persons with AIDS (HOPWA) program.
- The Consolidated Plan is both a document and a process.
- The plan must include a citizen participation process to provide for and encourage citizens to participate in the development of the plan.

Civil Rights Certification

24 CFR 5.150-151

- On March 3, 2025, HUD issued an interim final rule terminating the 2021 affirmatively furthering fair housing requirements and restoring certain provisions under a rule issued in 2020 that relies on different interpretations of what it means to affirmatively further fair housing. Under the new rule, the following definitions apply.
 - Fair housing means housing that, among other attributes, is affordable, safe, decent, free of unlawful discrimination, and accessible as required under civil rights laws.
 - Affirmatively further means to take any action rationally related to promoting any attribute or attributes of fair housing as defined above.
- In addition, under the new rule, a PHA's certification that it will affirmatively further fair housing is sufficient if the PHA takes, in the relevant period, any action that is rationally related to promoting one or more attributes of fair housing as defined above.

24 CFR 903.7(o)

- The PHA must certify that it will carry out its plan in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, and other applicable federal civil rights laws, and that it will affirmatively further fair housing consistent with 24 CFR 5.150 and 5.151. The certification is applicable to both the 5-year plan and the annual plan.

24 CFR 903.15

- The PHA must ensure that the annual plan is consistent with any applicable consolidated plan for the jurisdiction in which the PHA is located. It must submit a certification by the appropriate state or local officials that the annual plan is consistent with the consolidated plan and include a description of the manner in which the applicable plan contents are consistent with the consolidated plans. A PHA is obligated to affirmatively further fair housing in its operating policies, procedures, and capital activities. All admission and occupancy policies for public housing and Section 8 tenant-based programs must comply with Fair Housing Act requirements and other civil rights laws and regulations and with a PHA's AFFH plans. The PHA may not impose any specific income or racial quotas for any development or developments.

The PHA Plan

- The PHA Five-Year Plan and Annual Plan, required by the Quality Housing and Work Responsibility Act of 1998, is Congress' mandate that PHA do strategic business planning. Strategic planning will be discussed in a later section.
- The PHA Plan's mission and goals must take into account the needs of the community, and therefore must be consistent with the jurisdiction's Consolidated Plan.
- A Resident Advisory Board (RAB) is part of the PHA Plan process, whereby residents participate in and comment on PHA direction and decisions in the planning process.
- The PHA is also required to hold public hearings on the proposed plan, and consider comments from its RAB, its residents and the public.

- PHAs must certify on form HUD-50077 that they are in compliance with the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act of 1973, and other federal nondiscrimination and equal opportunity laws.
 - A PHA Plan that is submitted without form HUD-50077 will be considered incomplete and the PHA's funding will be at risk.
- Many steps require coordination with other organizations and agencies, as well as the Resident Advisory Board (RAB).
 - The PHA needs to begin the plan development process well ahead of the due date. The plan is due 75 days prior to the start of the PHA's fiscal year.

The Annual Plan for Qualified and Non-Qualified PHAs

- Qualified PHAs are exempt from submitting a PHA Annual Plan.
- A qualified PHA, established under the Housing Economic Recovery Act (HERA), is defined as a PHA meeting the following requirements:
 - The sum of public housing dwelling units administered by the PHA and the number of vouchers is 550 or fewer; and
 - The PHA is not designated as a troubled PHA under section 6(j)(2) (extent to which the public housing agency is providing acceptable basic housing conditions) and does not have a failing score under SEMAP during the previous 12 months.
- While qualified PHAs are exempt from submitting a PHA Annual Plan, they are not exempt from the requirement to hold an annual public hearing or to submit a Capital Fund 5-Year Plan.

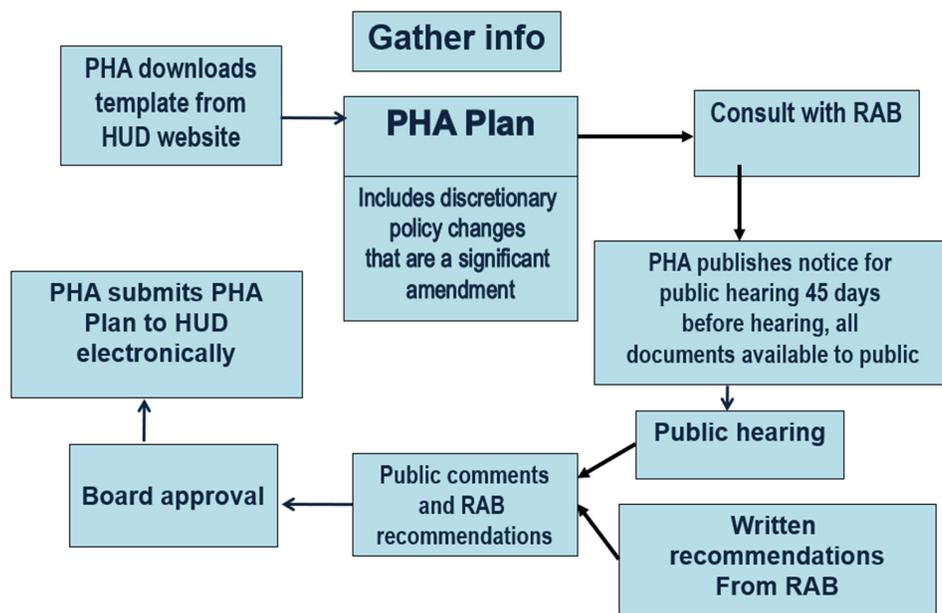
The Resident Advisory Board (RAB)

- The Reform Act of 1998 required PHAs to establish a Resident Advisory Board [§903.13]. The RAB is a board, or boards, that adequately reflect and represent residents of the PHA.
- The purpose of the RAB is to make recommendations regarding the PHA Plan and any significant or modification to the PHA Plan.
- If a PHA has a jurisdiction-wide resident council, the PHA must appoint this resident council or the council's representatives as the RAB.
- If a jurisdiction-wide resident council does not exist, but there are resident councils, the PHA must appoint these resident councils or their representatives to serve on one or more RABs.
- The PHA may require the resident councils to choose a limited number of representatives.
- If the PHA has a housing choice voucher (HCV) program of twenty percent or more of assisted households, the PHA must assure that the RAB or RABs have reasonable representatives of HCV families.
- If resident councils do not exist, the PHA must appoint a RAB as needed.
- To ensure that RABs can be as effective as possible, the PHA must allocate “reasonable” resources to provide “reasonable” means for the RAB to:
 - Become informed about programs covered by the PHA Plan;
 - Communicate with residents in writing and by telephone;
 - Hold meetings with residents; and,
 - Access information through the internet.
- A copy of the RAB’s recommendations and a description of whether those recommendations were addressed must be included with the final PHA Plan

The PHA plan timeline:

Action	Jan. 1 FY Start	April 1 FY Start	July 1 FY Start	Oct. 1 FY Start
Begin preparations for developing PHA Plan, including compiling information and obtaining a copy of the jurisdiction's Consolidated Plan	May	Aug.	Nov.	Feb.
Draft Plan developed for discussion with partners	Mid-July	Mid-Oct.	Mid-Jan.	Mid.-April
Notice of hearing and Plan on file for review	Mid-Aug.	Mid-Nov.	Mid-Feb.	Mid-May
Public Hearing	First week of Oct.	First week of Jan	First week of April	First week of July
PHA Plan due **Note: exact due date depends on calendar days in PHA's fiscal year	Mid-Oct.	Mid-Jan.	Mid-April	Mid-July

The PHA plan process:



The Admissions and Continued Occupancy Policy

- The Admissions and Continued Occupancy Policy (ACOP) is the public housing policy document. The ACOP covers:
 - Civil Rights
 - Taking Applications
 - Waiting List Preferences
 - Determining Eligibility
 - Tenant Selection and Assignment Plan (Unit Offers)
 - Leasing - Choice of Rent
 - Annual and Interim Re-examinations
 - Utilities
 - Income and Rent
 - Terminations
 - Grievance Hearings

The Administrative Plan

- The administrative plan is the Housing Choice Voucher (Section 8) policy document. The administrative plan covers the same topics as the ACOP (eligibility, preferences, admissions, screening, reexaminations, terminations and hearings), and in addition:
 - Portability
 - Moves
 - Non-compliance by landlord or family

RAD Policy Document

Tenant Selection Plan (TSP) for PBRA RAD

- If the PHA converts public housing to the multifamily Project-Based Rental Assistance (PBRA) program, the required policy document is the Tenant Selection Plan (TSP). This is the owner's written tenant selection policies and procedures.
 - Along with all civil rights regulations in 24 CFR 5, 8, 100, 108 and 146, regulations for PBRA are found in 24 CFR 245 and 880's. Mandatory references are HUD Handbooks 4350.3 REV-1 and 4350.1, and the HAP Contract are mandatory references.

PBV Administrative Plan for PBV RAD

- If the PHA converts public housing to PIH's Project-Based Voucher (PBV) program, much of the tenant-based voucher program regulations also apply to the PBV program. The regulations that are applicable only to the PBV program are listed at 24 CFR Part 983.

The Capital Fund Plan

- The Capital Fund 5-Year Action Plan describes the capital improvements necessary to ensure physical and social viability of the PHA's public housing developments, including the capital improvements to be undertaken within the five-year period, their estimated costs, status of environmental review, and any other information required for participation in the CFP.
- While qualified PHAs are exempt from submitting a PHA Annual Plan, they are not exempt from the requirement to hold an annual public hearing or to submit a CF 5-Year Plan.
- Previously, as required under the Quality Housing and Work Responsibility Act (QHWRA), the CFP was a component of the PHA Annual Plan Five-Year Plan.

Notes

- The Capital Fund Program Final Rule, published in the *Federal Register*, October 24, 2013, and effective November 25, 2013, decoupled the CF 5-Year Plan from the PHA Plan process.
- All PHAs, qualified and nonqualified, must conduct a public hearing on the Capital Fund submission.
 - For non-qualified (larger or troubled) PHAs, the PHA must present the Capital Fund submission to the public and its residents and Resident Advisory Board (RAB). The public hearing may be held concurrent with the public hearing being held on the PHA Annual Plan.

Use of Capital or Operating Funds by Small PHAs

- A PHA with less than 250 public housing units may use 100 percent of its capital or operating funds for capital or operating expenses if:
 - The PHA is not designated as troubled under PHAS, and
 - The PHA operates its public housing units in a safe, clean, and healthy condition as determined by HUD.
- In order to utilize 100 percent of its Capital Funds for operating funds, PHAs must also have determined that there are no debt service payments, there are no significant Capital Fund needs, and there are no emergency needs that must be met.
 - HUD field offices may disapprove a small PHA for utilizing 100 percent of its Capital Funds for operating expenses due to the criteria above.

Use of Capital or Operating Funds by Large PHAs

- A PHA with 250 or more public housing units may use no more than 20 percent of its annual capital fund grant for activities eligible under the operating fund.
- Note that per Notice PIH 2018-03, PHAs now have the flexibility to use a portion of their operating subsidies for capital activities as well. HUD publishes the maximum amount allowable (e.g., 20 percent) towards the end of each funding year.

Physical Needs Assessment

- A PNA captures the total needs of a PHA’s public housing stock, while the CF 5-Year Action Plan only includes work items the PHA can perform based on the funding it receives.
- The CFP final rule (published October 24, 2013 and effective November 25, 2013) required that large PHAs (250 units and more) continue to perform a PNA in order to receive capital funds. However, small PHAs (fewer than 250 units) will not be required to perform a PNA until the issuance of a notice implementing the requirement, which has not occurred.

Procurement Policy

- A PHA with public housing must establish a procurement policy. The Board must approve the PHA’s procurement policy, which establishes spending approval limits for procurement of goods and services.
 - The PHA’s procurement policy must comply with Part 200 of Title 2 of the Code of Federal Regulations. 2 CFR Part 200 contains regulations known as the “Common Rule” because they apply to all state and local government recipients of federal housing assistance grants. In addition, the procurement policy must comply with HUD’s Procurement Handbook.

Notes

- Spending approval limits must comply not only with federal requirements but any state or local law more stringent than federal requirements. The Board may choose to set limits lower than federal, state or local law.
- The PHA's procurement policy must comply with Section 3 of the HUD Act of 1968.
 - Section 3 requires recipients of certain types of HUD financial assistance to create job training, employment, and contract opportunities for low and very low-income individuals.
 - On projects above a certain monetary threshold, the PHA must make its best efforts to train and hire a portion of Section 3 workers or targeted Section 3 workers.
 - A *Section 3 worker* could be a person whose income for the previous calendar year is under the HUD-established income limit, a person who is employed by a Section 3 business concern, or a YouthBuild participant. A *targeted Section 3 worker* could be a worker employed by a Section 3 business concern, a public housing or Section 8 resident, a resident of other public housing projects or Section 8-assisted housing managed by the PHA providing the assistance, or a YouthBuild participant.
 - HUD establishes benchmarks specifying the ratios of the number of labor hours worked required for Section 3 workers and targeted Section 3 workers, respectively.

OTHER POLICIES TO CONSIDER

- Disposition policy
- Resident management policy
- Personnel policy
- Automobile policy
- Travel policy
- Capitalization policy
- Procurement policy
- Media policy
- Public records policy
- Drug-free workplace policy

DEVELOPING POLICY

- There are three stages in developing policy:

Policy Formation

- The board and staff both play a role in policy formation by:
 - Determining the need for direction or change;
 - Determining the outcomes and results to be achieved
 - The activities needed to achieve outcomes
 - Research, review and study
- All stakeholders should be involved in the formation of important policy. For example, in developing policies for HCV (Section 8), the HCV director needs to be at the table.
- Knowledge of federal, state and local laws and HUD regulations is crucial, as well as knowing the areas in which the PHA has options and choices.

Policy Determination

- It is the board’s responsibility to govern the PHA and oversee the direction in which the PHA is headed. The board approves final policy decisions, after recommendations are reviewed. The board may require modifications to recommendations to reflect the board’s intent more clearly in policy.

Policy Implementation

- This is staff’s responsibility. The board has *oversight* responsibility for the implementation of policy. Staff makes policy “happen.”

Chapter 5 The Board, the Executive Director, and Staff

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Define the roles and responsibilities of the board, board members, the executive director, and PHA staff, emphasizing the relationships between each
 - Recognize the importance of the board acting as a team
- State law determines how and by whom commissioners are appointed. Typically, the mayor, city council, or other governmental body appoints commissioners.

NATURE OF THE BOARD

- The board of commissioners oversees policy and hires the executive director, who implements policy and hires staff.
- The board approves budgets and training spending.
- The board must:
 - Provide direction in achieving a common purpose that meets need of community
 - Govern the organization's resources
 - Maintain, preserve, develop and expand programs and services for those served
 - Ensure viability of agency
- Board service should emphasize:
 - Strategic leadership
 - Clear distinction between board and administrator roles
 - Focus on the future
 - Proactivity rather than reactivity
 - Building and maintaining the PHA's public image

Notes

ROLE OF THE COMMISSIONER

- Regularly attend and actively participate
- Respect roles within board and between board and executive director
- Speak on behalf of PHA with one voice
- Be accountable to public
- Work to build positive community relations
- Be knowledgeable about laws and regulations

BOARD RESPONSIBILITIES

- Legal/moral responsibility to ensure organization operates in best interest of families and public
- Fiduciary responsibility to act in good faith/uphold integrity
- See that organization is well managed and assets properly cared for
- Not to make decisions based on personal or special interests
- Be committed to values of organization
- Make hard choices about which program or service to fund

Sample Board Commitment Letter

Dear _____

Thank you for agreeing to serve on the board of commissioners. As I'm sure you know, our mission is:

Our vision is:

We expect the following of our board members:

Attendance policy: Our meetings are (list times, date and place)

_____.

The length of your term is: _____.

We anticipate that it will take you approximately _____ hours (number of hours/weeks, months or year) minimum to serve on this board.

All board members are asked to serve on at least one committee. As we discussed, you will be on the _____ committee.

To help with the orientation process and to welcome you, our board mentor (or sponsor) is _____ (include phone number).

Should you have any questions about being able to fulfill your duties, please call _____ (include phone number).

Please sign the enclosed two copies, keep one, and return the other to us.

Welcome aboard. We look forward to working with you to _____ (refer once again to the mission).

Board Candidate

Chair of Board

Date _____

Board Member Annual Affirmation of Service

1. I continue to be fully supportive of our mission, purpose, goals and leadership.
2. I understand that board membership requires the equivalent of _____ days per year of my time, including preparation and meetings. I am able to give that time during the 12 months ahead, and I expect to attend all board and committee meetings unless I give the chair advance notice of my need to be absent for good cause.
3. I have reviewed, signed and intend to comply with our board conflict of interest policy.
4. (Add other items important to your board)
5. If anything should occur during the year that would not allow me to keep these intentions of being a positive contributor to our board, I will take the initiative to talk to the offices about a voluntary resignation to allow another to serve who is able to be fully involved.

Signed _____ Date _____

Please return signed statement to the board secretary in the envelope provided.

Thank you.

BOARD SETS POLICY

- Board members don't have time to manage - this is not your role.
- Policy is direction/course of action a body will take within the mission.
 - Policy establishes how PHA staff will conduct business.
 - It's essential that PHA policies be consistent and fair, comply with HUD regulations, and further nondiscrimination.
- Functions as observer, interpreter and evaluator of policies.

BOARD HIRES EXECUTIVE DIRECTOR TO MANAGE ORGANIZATION

- The most important decision a board makes is the selection of the executive director. The second is the selection of the board chair.
- The board also needs to understand that the executive director must be free to manage the day-to-day activities of the PHA. They must understand that the board role is governance. Simply stated, they set the direction of the agency.
- Board members should support and be advocates for the executive director.
- Board should evaluate executive director each year.

THE ROLE OF THE BOARD

- The board gives final approval of budgets, policies and contracts. The board assigns authority to the executive director, and the executive director delegates. Not everything should go to the board.
- The board approves hiring of an auditor to audit financial records, but the executive director seeks bids and makes recommendations for final selection.

Notes

- The board approves policies for management of finances, but the executive director actually invests funds, makes sure bills are paid, and oversees day-to-day finances.
- The board approves bids for major purchases according to policy (which must be approved by the board) but the executive director recommends bids be accepted and actually makes the purchase.
- The board is responsible for making a long-range plan for the agency but the executive director makes recommendations and implements the plan once it is approved.
- The board approves departmental budgets and general funding for staff salaries, but the ED decides the scope of each department's activities and recommends individual salaries and the amount of raises the staff receives.
- The board sets broad personnel policies, but the ED determines the level of staffing, writes job descriptions, and hires, promotes, evaluates, or fires staff.
- The board monitors the executive director through formal annual evaluation. The board should establish measurable performance indicators.
 - The formal evaluation should be a positive effort to communicate, not a fault-finding mission.
- The board measures bottom-line results:
 - Getting good flow of information
 - Finances relatively stable
 - Strong community support
 - Making progress toward mission and goals
 - Status of complaints received

Notes

- The board should not ask staff to evaluate the executive director.
- The board needs a point of reference to know whether the PHA is standing still, moving backward or moving forward; the board must know where the organization is supposed to be going.
- All commissioners have the right to:
 - Receive notice of board meetings and the agenda
 - Examine the housing authority's books, records, meeting minutes, financial statements, and contracts
 - Place items on the board meeting agenda at the appropriate time.

ROLE OF THE BOARD MEMBER

- Assist in setting policy and direction of the PHA
- Assist in hiring and training a qualified executive director
- Assist in adopting and overseeing budgets
- Serve as housing advocate in the community
- Ensure that PHA operates in manner which is efficient, within the law, and prevents mismanagement, fraud and discrimination
- Board members don't...
 - Discuss complaints about organization at social occasions
 - Let staff appearance at board meetings be used to appeal ED decisions
 - Act as liaison between residents and staff.
- These issues should be referred to the executive director

Board Members Contribute Expertise

- Remember you are not on the board to be a technical specialist.
- Exercise special skills in cautious manner.
- Don't be offended if expertise not accepted.
- Don't misuse power as board member.
- Know the answers and know when to offer them.

Your Responsibility as a Board Member

- Pay attention.
 - Financial reports/audits
 - Read minutes for accuracy
 - Have adequate/correct information before voting
 - Evaluate executive director and organization progress annually
- Know board policies well and follow them.
- Use common sense in taking action as board member.
 - Employment discrimination
 - Allocating funds
- Seek legal counsel when question of legality arises.
 - Counsel works for the board
- Check *Errors and Omissions Policy* to know what it covers and what it doesn't.
 - The E&O policy refers to the insurance coverage provided for board members and/or staff to cover them personally in case a decision, either by an error in judgment or omission of information, harms another individual.

Trainer Note:

An individual in the law can also be a corporation or company. Many PHAs have an E&O policy on the board, executive director, and sometimes deputy directors.

Six Smart Moves Great Board Chairs Make

1. ***Understand the role.*** Great board chairs understand that being named chair of the board does not mean they call the shots for the organization. Rather, great board chairs understand that they are but one director with a special duty to set the agenda, lead the board meetings to ensure they are focused and productive, serve as the CEO's link to the board, and to reign in disruptive personalities when necessary. These duties give the board chair the ability to influence the culture of the board and by extension, the PHA.
2. ***Support the CEO/Executive Director.*** Great board chairs treat their CEOs like equals. Great board chairs know that the relationship between a board chair and a CEO is not a master/servant relationship and that their role is to support, not undermine, the CEO. Nurturing a supportive relationship with the CEO requires a board chair who is able to discuss sensitive issues in a forthright and open manner. Great board chairs are also careful to respect the CEO's authority to lead the staff. To properly support the CEO, great board chairs schedule regular meetings with the CEO to review board meeting agendas for upcoming meetings, discuss organizational issues and provide a board perspective on issues that arise between board meetings.
3. ***Think big.*** Boards without great leadership can get bogged down in the minutia. Don't major in the minors! While your role include the compliance and oversight responsibilities of the board, and it's important to do these things well, it's not the organization's raison d'être. Great board chairs help steer the board clear of this phenomenon by keeping the board focused on their vision of the impact the board wants to make on the community the organization serves. Great board chairs understand that focusing on the organization's breakthrough goals rather than busywork keeps the board energized and engaged.
4. ***Lead by example.*** Great board chairs know that if they want an engaged board that attends meetings and relentlessly promotes the PHA's mission, the place to start is with a self-assessment. Great board chairs understand that there is no better way to motivate fellow board members than to model the behavior you are aiming for.

5. ***Make board service fun.*** Great board chairs realize that volunteer board service should be a fun and rewarding experience. They get to know members of the board to find out what their interests and strengths are to help ensure each board member's interests and abilities are being appropriately utilized. Great board chairs also remember to schedule retreats for strategic planning, and time for board members to get to know one another and the organization better. Finally, great board chairs make sure the board has the opportunity to experience the work of the PHA rather than just meeting to make decisions and review reports. Schedule a tour of the public housing developments. Ensure that board members are invited to PHA events when appropriate. Nothing is more rewarding and energizing than experiencing the PHA's accomplishments first hand.
 6. ***Know when it's time to step down.*** Being a great board chair is a big commitment of time, energy, vision and resources. Few people can make that sustained effort over a period of more than a few years. Great board chairs understand this and step aside in favor of a fresh leader when the time is right. To ensure a smooth transition, great board chairs know that they may need to mentor other board members to be able to successfully take on the role when the time is right.
- From: <http://charitylawyerblog.com/2010/07/01/smart-moves-great-board-chairs-make/#ixzz3CwE7w18U>

Sample Job Descriptions for Members of Board

Board Chair Job Description

- Is a member of the board;
- Serves as the chief volunteer of the organization;
- Is a partner with the executive director in achieving the organization's mission;
- Provides leadership to the board of directors, who sets policy and to whom the chief executive is accountable;
- Chairs meetings of the board after developing the agenda with the chief executive;
- Encourages board's role in strategic planning;
- Appoints the chairpersons of committees, in consultation with other board members;
- Serves *ex officio* as a member of committees and attends their meetings when invited;
- Discusses issues confronting the organization with the chief executive;
- Helps guide and mediate board actions with respect to organizational priorities and governance concerns;
- Reviews with the chief executive any issues of concern to the board;
- Monitors financial planning and financial reports;
- Plays a leading role in fundraising activities;
- Formally evaluates the performance of the chief executive and informally evaluates the effectiveness of the board members;
- Evaluates annually the performance of the organization in achieving its mission; and
- Performs other responsibilities assigned by the board.

Vice Chair Job Description

- Is a member of the board;
- Performs Chair responsibilities when the Chair cannot be available;
- Reports to the board's Chair;
- Works closely with the Chair and other staff;
- Participates closely with the Chair to develop and implement officer transition plans; and
- Performs other responsibilities as assigned by the board.

Committee Chair Job Description

- Is a member of the board;
- Sets tone for the committee work;
- Ensures that members have the information needed to do their jobs;
- Oversees the logistics of committee's operations;
- Reports to the board's Chair;
- Reports to the full board on committee's decisions and recommendations;
- Works closely with the executive director and other staff as agreed to by the executive director;
- Assigns work to the committee members, sets the agenda and runs the meetings, and ensures distribution of meeting minutes; and
- Initiates and leads the committee's annual evaluation.

Board Secretary Job Description

- Is a member of the board;
- Maintains records of the board and ensures effective management of the organization's records;
- Manages minutes of board meetings;
- Ensures minutes are distributed to members shortly after each meeting; and
- Is sufficiently familiar with legal documents (articles, by-laws, IRS letters, etc.) to note applicability during meetings.

Board Treasurer Job Description

- Is a member of the board;
- Manages finances of the board;
- Administrates fiscal matters of the board;
- Provides annual budget to the board for members' approval; and
- Ensures development and board review of financial policies and procedures.

Board Member Job Description

- Regularly attends board meetings and important related meetings;
- Makes serious commitment to participate actively in committee work;
- Volunteers for and willingly accepts assignments and completes them thoroughly and on time;
- Stays informed about committee matters, prepares well for meetings, and reviews and comments on minutes and reports;
- Gets to know other committee members and builds a collegial working relationship that contributes to the consensus;
- Is an active participant in the committee's evaluation and planning efforts; and
- Participates in fund raising for the organization.

OPERATING AS A TEAM

- All authority is vested in the board when it meets in legal session and not with individual board members.
 - Only the team has the power and authority to act.
- The board works as a team. It's important to make one team out of diverse voices. This doesn't mean giving up your personal views, values or goals. Each board member was appointed for leadership skills.
- The executive director is a member of the board team. Although nonvoting, the executive director needs a high level of trust and cooperation from the board, and is a vital resource.
- As a commissioner, it is your duty to:
 - Listen carefully to your teammates, and those served by the PHA
 - Respect the opinion of other commissioners
 - Respect and support the majority decisions of the board
 - Recognize that all authority is vested in the board when it meets
 - Keep well informed of developments that are relevant to issues that may come before the board
 - Participate actively in board meetings and actions
 - Call to the attention of the board any issues that you believe may have an adverse effect of those the PHA serves.

Notes

- Attempt to interpret the needs of constituents to the PHA and interpret the action of the PHA to its constituents
- Refer customer or staff complains to the proper level on the chain of command
- Recognize that the commissioner's job is to ensure that the PHA is well managed, not to manage the PHA
- Vote to hire the best possible person to manage the PHA
- Represent all constituents of the PHA and not a particular geographic area or special interest group
- Consider yourself a "trustee" of the housing authority and do your best to ensure that the PHA is well maintained, financially secure, growing and always operating in the best interests of constituents
- Always work to learn more about the commissioner's job and how to do it better
- Declare any conflicts of interest between your personal life and your position on the board, and avoid voting on issues that appear to be a conflict of interest.

Notes

PROGRAM PARTICIPANT ON THE BOARD

- The board must include one resident directly assisted by the PHA. Exceptions are when:
 - Board members are full-time and salaried as required by state law
 - The PHA is not governed by a governing body.
- The Housing Opportunity through Modernization Act of 2016 (HOTMA) also provides an exception to this requirement for certain jurisdictions:
 - These include HACLA or any PHA in the states of Alaska, Iowa, and Mississippi
- Further, the rule does not apply to a PHA when:
 - It has less than 300 public housing units (or no public housing)
 - It has provided reasonable notice to the resident advisory board of the opportunity of residents to serve on the board
 - No resident has notified the PHA of intention to serve on the board
 - The PHA gives residents notice at least once a year to express interest in serving on the board.
- Since PHAs and boards are enabled through state law, implementation details are left up to state and local governments to resolve.
 - However, state law not currently including the requirement of the board to include a program participant does not relieve PHAs of the responsibility to implement the resident board member requirement.

Trainer Note:

PH resident or S8 tenant-based participant, must be at least 18 yrs. old and on the lease.

Notes

- The board member who is a PHA participant is a full member of the governing board.
 - Must be allowed to take part in board decisions related to administration, operation and management of public housing programs and Section 8 tenant-based assistance.
 - HUD's rule does not extend to matters that are exclusively related to other types of housing assistance, or do not involve housing assistance.
 - However, a PHA may choose to expand the scope of involvement to include all board matters.

Learning Activity 5-2: Board Team Member Score Card

Instructions: The purpose of this learning activity is to evaluate your performance as a board and as a board member. You have two columns: one is for rating the item for board performance as a whole and the second column is used to score yourself from 5 (highest) to 1 (lowest) on your performance on the PHA board.

Performance:

Board Mine

_____	_____	I know enough about the other commissioners to function well as a board team member.
_____	_____	I know enough about the executive director to function well as a board team member.
_____	_____	I have the board information packet at least 3 days prior to the meeting for at least 90% of the time.
_____	_____	I have a copy of the by-laws and have read them within the last 2 years.
_____	_____	I know the procedure for introducing a resolution to the board.
_____	_____	I always stick to the agenda and encourage others to do the same.
_____	_____	I always ask for more information if I feel it is needed for my understanding of the topic.
_____	_____	I see that the Board seeks advice from an attorney when there could be a legal challenge or possible problem.
_____	_____	I do allow for media and public questions.
_____	_____	I attend all meetings unless I have a reasonable excuse.
_____	_____	I make at least 80% of the Board meetings a year.
_____	_____	I have read and digested the informational packet in advance of the meeting.
_____	_____	I don't monopolize the meeting.
_____	_____	I am an active participant at the meetings.
_____	_____	I don't make a grievance hearing out of the board meeting.
_____	_____	I don't confuse good politics with good business.
_____	_____	I don't make rejection a personal crusade.
_____	_____	I respect the opinions of others.
_____	_____	I know the operating rules of the board.
_____	_____	I actively participate in monitoring the results of our programs.
_____	_____	I learn about our programs.
_____	_____	I make clear my position on matters before the board.
_____	_____	I listen to the position of other Board members and staff.

ROLE OF THE EXECUTIVE DIRECTOR

- The title of the executive director may also be CEO or President. This position “wears many hats”: leader, public relations, planner, director, communicator, business manager, mediator/negotiator, and Board coordinator. In smaller PHAs, the executive director may also be the financial, HUD program, IT, and or HR expert.
- The necessary abilities of any executive director are decision-making, planning, and problem-solving.

General Responsibilities

- The degree of responsibility of the executive director varies with the size of the PHA, the programs covered, and authority delegated by the board. However, all executive directors have the following general areas of responsibility:

Leader

- As a leader, the executive director advises the board. He or she reports to the board in a timely, accurate and concise manner. He or she advocates and promotes the PHA and changes related to the PHA mission. The executive director supports motivation of employees.

Visionary and Information Bearer

- The executive director ensures staff and board have sufficient and up-to-date information. He or she looks to the future for change opportunities and plans for the future in operations and capital needs, responding to changes in population served and demand
- The executive director is the interface between the board and employees and between the PHA and the community

Decision Maker

- The executive director formulates policies and makes planning recommendations to the board. He or she decides or guides courses of action in operations by staff.

Manager

- The executive director carries out day-to-day operations in all PHA programs This includes implementing policies, plans and budgets.
- The executive director manages the human resources of the PHA. He or she is responsible for all personnel actions for all staff below his or her level, consistent with plans and budgets.
- In addition, the executive director manages financial and physical resources.

Board Developer

- The executive director assists in the selection and evaluation of board members. He or she makes recommendations and supports the board during orientation and self-evaluation. The executive director must support the board's evaluation of the executive director.

Responsibilities Specific to a PHA

- Development and financing
- Marketing and property management
- Maintenance and modernization
- Budgeting and financial administration
- Security and social services
- Personnel administration
- Public relations

Executive Director and the Board

- The executive director is more than just an employee of the board, but a valuable resource on all issues. He or she should sit at the board table at meetings and should be expected to make well-supported recommendations.
 - It is irregular for a board to meet without the executive director unless announced ahead of time as an Executive Session.
- The relationship between board members and the executive director defines the organizational “culture” of the PHA and defines the relationship between the entire staff of the PHA and the organization as a whole.
- The board chair and the executive director should have a strong, ongoing, working relationship. It is imperative, however, that the executive director give equal respect to all board members to avoid creating an environment that divides the board and results in the mission of the agency being undermined.
- The executive director’s role is NOT to “rubber stamp” board decisions but to:
 - Supply options/alternatives and give time for deliberation
 - Provide continuous flow of information regarding what he or she is doing
 - Report accurately and completely.
- The board delegates to the executive director the day-to-day management responsibility to:
 - Implement policies of board
 - Represent organization in negotiations, public relations and other public events, including with HUD
 - Hire, direct, supervise, educate, evaluate and discipline staff.

Notes

- The executive director is responsible for:
 - Preparing annual budget for approval by board
 - Managing finances of organization
 - Overseeing organization's assets
 - Preparing, implementing and monitoring the PHA Five-Year and Annual Plan
 - Assisting board by informing of status of organization and recommending policy direction for board
 - Reporting results of board actions to staff
 - Remaining current in:
 - Organizational management
 - Property management
 - HUD program requirements
 - Laws affecting the PHA
- The executive director has one boss— the full board. The executive director is not responsible to each board member.
 - The board must speak with one voice when delegating, giving direction, or asking for accountability.

Basic Expectations an Executive Director Has of Their Board

- Executive directors are occasionally replaced because they failed to meet their board’s expectations. Unfortunately, there are some executive directors who are let down by their boards.
- The following expectations are core performance criteria for any board attempting to improve the relationship and working partnership it has with its executive director. Underlying each of these expectations are important basic assumptions about the culture of the board and the honesty, integrity and diligence of its directors.

1. A willingness and commitment to get to know the organization and the environment in which it operates.

A sound knowledge of the organization’s business is an essential element in the board’s preparation for the hard choices it has to make from time to time.

The board and its individual directors must, therefore, be committed to continually improving their understanding of the characteristics of the housing authority and of the industry of which it is part. This means reading the background material the executive sends out and seeking out additional material.

2. Regular attendance at meetings.

When even diligent board members miss a meeting they cannot help but fall behind in their understanding of the executive director’s circumstances and thinking. Meeting minutes are no substitute for actually being there and experiencing the dynamic and shared learning of the meeting.

3. Adequate preparation for meetings.

It is frustrating for executive directors to have worked long hours with their teams to prepare, in good time, quality papers and reports for board meetings and then have board members, by their comments and questions, demonstrate that they have not read them.

4. Full participation in the governance process.

A smart executive director seeks to benefit from the collective intellect, wisdom and counsel of their board. The executive director occupies a lonely and at times isolated position. In some ways they are, too close to the action, and need the comparative detachment, objectivity and constructive criticism of the board. Board members' active engagement and sharing responsibility and information will build trust between the board and the executive director and within the board itself.

5. A commitment to teamwork.

An effective relationship between the executive director and board can release tremendous energy for the good of the organization and all those who depend on it.

Effective teamwork between the board and executive director cannot, however, occur unless there is effective teamwork within the board itself. This means among other things the board developing techniques to facilitate effective communication and allocating sufficient time to refine and come to grips with important issues. It means individual board members behaving with courtesy and respect toward each other keeping a reasonable check on their egos. To demand and encourage tough and unpopular views to be tabled and argued vigorously, a board must develop a culture of teamwork and collegiality.

6. A commitment to speak with one voice.

Many executive directors face the challenge of a board that lacks the ability or discipline to make timely decisions and give clear direction. For some this represents an opportunity. When the board is divided or has no clarity of thinking, the executive director can act as they see fit. For other executive directors, this type of situation is loaded with risk. Because they can never be quite sure who is calling the shots - the board as a whole, the chairman, or an individual board member - they continually have to make risk assessments about whose instructions or directions it is safest to follow.

The collective commitment of a board to an agreed course of action considerably reduces the risk that any of its individual members (including the chairperson) will attempt to separately instruct or direct the executive director according to their own agenda or preference. It is also less likely that the board will unwittingly undermine its delegation to the executive director.

7. A collective commitment to improvement.

It is not unreasonable that boards expect outstanding (and continuously improving) performance from their executive director. Every executive director also hopes that their board will take responsibility for, and commit real effort to, becoming a better board.

8. Sincere support for the executive director.

As the board's principal agent, the executive director deserves respect and loyalty - the office and the individual who occupies it. The board should demonstrate respect for the executive director's expertise and grant them the freedom to exercise their experience and professional judgment within reasonable board-set boundaries drawn as clearly as possible.

At the very least an executive director should expect to be given timely, honest and open feedback about their performance. Remember that few board members have as much at stake in the organization personally as does the executive director. If, given a clear understanding of the board's expectations and a reasonable opportunity to meet those, the executive director does not have the board's confidence, they deserve to be told that and be assisted to exit the organization in a dignified and constructive manner.

Generic Sample Job Description for Executive Director

Function

As the chief executive officer, function is:

- To implement the strategic goals and objectives of the organization
- With the chair, enable the board to fulfill its governance function
- To give direction and leadership toward the achievement of the organization's philosophy, mission, strategy, and its annual goals and objectives.

Reports to

Board of directors

MAJOR FUNCTIONS/ACCOUNTABILITIES

Board administration and support

- Supports operations and administration of board by advising and informing board members, interfacing between board and staff, and supporting board's evaluation of the executive director.

Program, product and service delivery

- Oversees design, marketing, promotion, delivery and quality of programs, products and services.

Financial, tax, risk and facilities management

- Recommends yearly budget for board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations.

Human resources management

- Effectively manages the human resources of the organization according to authorized personnel policies and procedures that full conform to current laws and regulations.

Community and public relations

- Assures the organization and its mission, programs, products and services are consistently presented in a strong, positive image to relevant stakeholders and the public.

Fundraising

- Oversees fundraising planning and implementation, including identifying resource requirements; researching funding sources, establishing strategies to approach funders, submitting proposals and administrating fundraising records and documentation.

SAMPLE ANNUAL EVALUATION

Executive Director Evaluation Form

For use by the Board of Commissioners.

Executive Director Name: _____

Evaluation Period: _____

Date of Evaluation: _____

Evaluator(s): _____

Rating Scale

Please circle a ranking for each objective:

- 1 – Unsatisfactory
- 2 – Needs Improvement
- 3 – Meets Expectations
- 4 – Exceeds Expectations
- 5 – Outstanding

Note: Provide detailed comments for rankings, especially for:

- 1 Requires either Board action of an improvement plan with specific performance measures and timelines for meeting expectations
- 2 Clarifying areas needing improvement, with specific performance measures

OBJECTIVE ONE – ORGANIZATIONAL ALIGNMENT WITH PERFORMANCE STANDARDS AND KEY PERFORMANCE INDICATORS

Description:

Ensures that the Housing Authority’s departments and individual staff maintain alignment with organizational goals by implementing clear performance standards that are measurable. Oversees that key performance indicators (KPIs) are tracked and reported for each department/function. The Executive Director ensures that staff and departmental goals are aligned with the agency's strategic direction and that accountability is enforced across the organization.

Performance Standard

The Board should set a standard for meeting expectations.

- The Executive Director promotes organizational alignment by regularly reviewing departmental and individual performance measures against established standards and KPIs.
- Ensures accuracy and compliance with HUD regulations and PHA policies by establishing and maintaining a quality control system to check work, correct errors, and track improvements through on-time accurate reporting.
- Ensures department heads and staff are held accountable for meeting their performance objectives and contributing to overall agency success.

RANK: 1 2 3 4

COMMENTS: *Add lines if needed.*

OBJECTIVE TWO – LEADERSHIP AND STRATEGIC MANAGEMENT

Description:

Provides overall leadership and strategic management to the Housing Authority, guiding the organization toward its long-term goals while maintaining high standards of performance and accountability. The Executive Director actively steers the organization to meet its mission while fostering a culture of collaboration and excellence.

Performance Standard

The Board should set a standard for meeting expectations.

- Articulates and demonstrates the vision and mission of integrity, service, and continuous improvement.
- Demonstrates leadership by setting clear and measurable expectations for staff performance and ensuring organizational goals are met. Each job position’s standards for meeting expectations are clear, fair, and measurable.
- Proactively addresses strategic challenges and adapts plans as necessary to achieve agency objectives.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE THREE – FINANCIAL MANAGEMENT AND BUDGET OVERSIGHT

Description:

Manages the agency’s financial resources, ensuring alignment with both organizational goals and departmental objectives. Ensures effective budget management, grant administration, and financial transparency.

Performance Standard

The Board should set a standard for meeting expectations.

- Monitors departments' financial performance and ensures budget adherence at the departmental and organizational levels. Ensures adequate budget controls and separation of duties.
- Holds department heads accountable to ensure that all IPA findings from the previous year are addressed and resolved, and for reporting on addressing and remedying IPA observations and recommendations.
- Monitors to ensure that unaudited financial reports are submitted to HUD within two months of fiscal year end (FYE) and that audited financial reports are submitted to HUD within nine months of FYE.
- Ensures that timely and accurate financial reporting is disseminated appropriately to the Board, executive team, and program managers.
- If the PHA has 400 or more public housing units, monitors to ensure compliance with project-based budgeting and accounting.
- If the PHA has Housing Choice Vouchers, ensures HUD’s Two-Year Tool (TYT) is utilized monthly to ensure maximum voucher and/or Annual Budget Authority utilization.
- Works with department heads to ensure programs’ budgets are balanced monthly.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE FOUR – SEMAP PERFORMANCE

Description:

Ensures the Housing Authority maintains or achieves designation status identified by the Board under the Section Eight Management Assessment Program (SEMAP), demonstrating effective program management and regulatory compliance.

Performance Standard

The Board should set a standard for meeting expectations.

- Oversees departments to ensure that SEMAP data-gathering and submissions are accurate and on time.
- Ensures that the PHA:
 - Maintains or achieves high performer status under SEMAP, or
 - Has gained at least 7 points in the SEMAP score from the previous SEMAP scoring.
- Ensures that the PHA is using as close to 100 percent of its allowable budget authority without over-leasing number of vouchers under the ACC.
- Ensures that the PHA maintains effective relationships with participating landlords and outreaches to potential landlords in the community.
- Collaborates with department heads to ensure that for any indicator not achieving full points, a detailed and measurable improvement plan is established.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE FIVE – PHAS PERFORMANCE

Description:

Ensures the Housing Authority maintains or achieves designation status identified by the Board under the Public Housing Assessment Program (PHAS), demonstrating effective program management and regulatory compliance.

Performance Standard

The Board should set a standard for meeting expectations.

- Ensures that the PHA:
 - Maintains or achieves high performer status under PHAS, or
 - Has gained at least 7 points in the PHAS score from the previous PHAS reporting.
- Collaborates with department heads to ensure that for any indicator not achieving at least 80 percent of the maximum points, a detailed and measurable improvement plan is established.
- Ensures that public housing asset managers and property managers have detailed and measurable improvement plans if the project scores 70 percent or lower in PHAS physical condition, financial condition, or management operations indicators.
- Ensures that there is an improvement plan for each development that has less than a 97 percent occupancy rate and/or less than a 96 percent rent collection rate.
- Monitors that effective and fair lease enforcement is conducted at the properties.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE SIX – VACANCY TURNAROUND AND MAINTENANCE MANAGEMENT

Description:

Ensures that housing units are turned around efficiently and maintenance is performed promptly, adhering to quality standards. The Executive Director ensures that property management and maintenance departments operate effectively and meet performance goals.

Performance Standard

The Board should set a standard for meeting expectations

- Ensures that vacant unit turnaround time is tracked monthly and holds the property management and maintenance teams accountable for meeting average number of days in make-ready of no more than (*Board to establish standard, e.g., 10 days*).
- Ensures that monthly, average number of days is reported and tracked to complete nonemergency work orders to achieve average of no more than (*Board to establish standard, e.g., 10 days*).
- Ensures that property management tracks daily to ensure that 100 percent of emergency work orders are completed or abated within 24 hours.
- For PHAs with 400 public housing units or more, ensures adequate tracking accuracy and reasonableness of fee-for-service charges by centralized maintenance staff.
- Sets reasonable ratio of maintenance staff to units to ensure the maintenance function is adequate staffed, and/or outsourcing maintenance functions results in a PHAS physical condition score of 90 or above, or score has improved by at least 7 points from previous PHAS physical condition score.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE SEVEN – FAIR HOUSING

Description:

Ensures that the PHA affirmatively furthers fair housing in all its programs and functions. Establishes clear expectations and protocols for addressing and documenting complaints from applicants and participants.

Performance Standard

The Board should set a standard for meeting expectations.

- Ensures that all staff working directly with applicants and participants, and supervisors of staff, are trained in fair housing and reasonable accommodation at least biennially. All staff should know how to advise someone how to file a fair housing complaint.
- Ensure systems are in place for the PHA to respond to and investigate all fair housing complaints.
- Monitors to ensure that staff understand the chain of approval, the appropriate process, and forms used for reasonable accommodation requests, and that tracking reports are maintained and for reasonable accommodations – when requested and whether granted or denied, and if granted, when fulfilled.
- Monitors to ensure that VAWA emergency transfer requests and transfers are tracked in the Housing Choice Voucher and public housing programs.
- Ensure that that the PHA publicly offers, on its website and correspondence, and provides competent oral interpretation, free of charge upon request for any limited English proficient (LEP) language spoken, either through a Language Line, bilingual staff, or community resource.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE EIGHT – REPORTS, GRANTS, AND TIMELY SUBMISSIONS

Description:

Ensures that departments prepare and submit required reports, including grant applications, on or before the due date with accuracy and completeness. Maintains oversight of departmental performance related to compliance and reporting.

Performance Standard

The Board should set a standard for meeting expectations.

- Ensures that department heads and staff are held accountable for submitting timely and accurate reports.
- Establishes processes for monitoring report deadlines and ensuring compliance.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE NINE – RELATIONSHIPS AND PARTNERSHIP DEVELOPMENT

Description:

Develops and maintains strong internal and external relationships, ensuring effective collaboration between departments, staff, stakeholders, and external partners. Fosters positive relationships that support the agency's mission and goals.

Performance Standard

The Board should set a standard for meeting expectations.

- Promotes a culture of collaboration among department heads and staff to ensure organizational success. Ensures that regular period meetings are held among departments to maintain open channels of communication.
- Reports biennially on existing collaborations and partnerships with external organizations to further the PHA's mission, and reports on plans to develop new collaborations and partnerships, identifying specific areas such as domestic violence protection, real estate development, economic self-sufficiency strategies such as apprenticeships and mentorships, and/or outreaching to underserved populations.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE TEN – TEAMWORK AND STAFF MANAGEMENT

Description:

Promotes teamwork and accountability among staff, ensuring that individual performance aligns with departmental and organizational goals. Supports the professional development of staff and encourages an environment of mutual support and collaboration.

Performance Standard

The Board should set a standard for meeting expectations.

- Works with department heads to ensure that staff performance is regularly evaluated with established standards for meeting expectations, and that performance measures are established and aligned with organizational goals.
- Holds an annual meeting with all staff.
- Holds meetings with department heads at least quarterly.
- Promotes professional development opportunities and encourages continuous learning. Requires departments to meet at least quarterly. Requires department heads to submit training plans for staff.

RANK: 1 2 3 4 5

COMMENTS:

OBJECTIVE ELEVEN – MAINTAINING POSITIVE COMMUNITY RELATIONS

Description:

Represents the Housing Authority effectively in the community and develops strong relationships with residents, community organizations, and local officials. Ensures the Housing Authority remains a trusted and positive presence in the community.

Performance Standard

The Board should set a standard for meeting expectations.

- Engages with community leaders, residents, and partners to foster strong relationships and enhance the agency’s reputation.
- Responds to community concerns proactively and ensures the Housing Authority is viewed positively by the public.

RANK: 1 2 3 4 5

COMMENTS:

SUMMARY EVALUATION AND RECOMMENDATIONS

Overall Performance Rating:

RANK: 1 2 3 4 5

COMMENTS:

Please provide an overall assessment of the Executive Director's performance. Highlight key strengths and areas for improvement.

ACTION PLAN AND GOALS FOR NEXT EVALUATION PERIOD

Based on this evaluation, outline key goals for the upcoming evaluation period. If any standard is scored at a "1", the next evaluation should be set at a more frequent interval than annually. Be specific about the targets, expected outcomes required in order to meet expectations, and timelines.

1. _____
2. _____
3. _____
4. _____
5. _____

Board Chair's Signature: _____

Executive Director's Signature: _____

Date: _____

THE BOARD'S RELATION TO STAFF

- The Board's job is to ensure that the PHA is well managed, not to manage the PHA.
- The board only has one employee, the executive director, although it approves pay, working conditions and contracts with staff.
- Employees need to clearly understand:
 - Who gives orders (executive director)
 - Who is accountable to whom (staff to executive director)
 - Who has responsibility for what.
- The board hires the executive director to be expert in managing personnel and the organization.
- The board delegates responsibility to the executive director, who hires other staff and has responsibility for personnel management.
- The executive director is accountable to the board for staff performance.
- The chain of command has rules...
 - Board has no responsibility for day-to-day supervision of staff
 - Board members have no authority to issue orders or make demands of staff except through the executive director
 - Board has no direct responsibility for assessing staff performance
 - Board does not usually act on complaints from line staff
 - Board should not let line staff "short circuit" chain of command.

Notes

- It is not unusual for a staff person to take a concern or complaint directly to the board or to an individual board member. However, when this occurs, it is the board member's responsibility to clearly remind the staff person of the chain of command. The board member should urge the staff person to take up the issue with the ED (or his or her immediate supervisor) and to follow the internal grievance procedure as necessary.
- If chain of command rules are not followed, efficient operation is compromised, the executive director's authority is compromised, and staff morale is damaged.

Maintaining Good Board Relations with Staff

- Show concern for well-being of staff. Be concerned about retention of good staff by budgeting for pay and benefits.
- Give recognition of good staff performance and thank staff through board action.
- Base relationship with staff on chain of command.

Summary of Board and Staff Responsibilities

Activity	Responsibility
PLANNING:	
Direct the process of planning	Staff
Provide input to long-range goals	Joint
Approve long-range goals	Board
Formulate annual objectives	Staff
Approve annual objective	Board
Prepare performance reports on achievement of goals and objectives	Staff
Monitor achievement of goals and objectives	Joint
PROGRAMMING:	
Assess stakeholder (customers, community) needs	Staff
Train volunteer leaders	Staff
Oversee evaluation of products, services and programs	Board
Maintain program records; prepare program reports	Staff
Prepare preliminary budget	Staff
Finalize and approve budget	Board
See that expenditures are within budget during the year	Staff
Solicit contributions in fundraising campaigns	Staff
Approve expenditures outside authorized budget	Board
Insure annual audit of organization accounts	Board
PERSONNEL:	
Employ executive director	Board
Direct work of the staff	Staff
Hire and discharge staff member	Staff
Decision to add staff	Board
Settle discord among staff	Staff
COMMUNITY RELATIONS:	
Interpret organization to community	Board
Write news stories	Staff
Provide organization linkage with other organizations	Joint
BOARD COMMITTEES:	
Appoint committee members	Board
Call committee chair to urge him/her into action	Board
Promote attendance at board/committee meetings	Joint
Recruit new board members	Board
Plan agenda for board meetings	Joint
Take minutes at board meetings	Joint
Plan and propose committee organization	Joint
Prepare exhibits, material and proposals for board and committees	Staff
Sign legal documents	Board
Follow up to insure implementation of board and committee decisions	Staff
Settle clashes between committees	Board

Notes

Chapter 6 Basics of the Housing Choice Voucher (Section 8) Program

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Identify the basic program elements of the housing choice voucher program
 - Define the purpose of the Section 8 Management Assessment Program (SEMAP) and identify its key performance indicators

INTRODUCTION

- PHA is responsible for subsidizing:
 - The right families (eligible)
 - In the right units (meet INSPIRE)
 - At the right rents (reasonable)
- The Section 8 Housing Choice Voucher program is tenant-based assistance, meaning families may choose a unit anywhere inside the PHA's jurisdiction or outside of the jurisdiction under portability provided the unit meets certain requirements. The HCV program utilizes private market housing.
 - Families have a wide area in which to choose a housing unit. Families may locate in any part of the community they can find a unit to rent.
 - The program allows assisted families the opportunity to move closer to family, friends and work.
- PHA doesn't own voucher units or manage property. In the HCV program, the PHA is the program administrator, not the landlord or property manager.

MANAGING THE PROGRAM ELEMENTS

- PHAs' HCV programs have differing quotas and resources, with different community issues, but they all manage the same program elements. Program aspects such as utilization, reexaminations of family income and calculation of family share of rent, and program planning and monitoring are inherent to every PHA's HCV program.
- The elements of the HCV program are:

Outreach

- The objective of owner outreach is to ensure that enough owners participate for families to easily locate and lease safe and habitable housing in areas that are close to employment opportunities. This function has become much more of a challenge in some rental markets. For owner outreach to be successful, PHAs need to acknowledge the value of participating owners, respond to their needs, and provide them with professional service.

Intake

- The waiting list process includes initial application or preapplication, management of and selection from the waiting list, needs estimation of availability of funding, and final eligibility determination. Statutory regulations require denial for certain illegal activity. The PHA must establish policies for opening and closing the waiting list.
- When the family is issued a voucher, the PHA is required to conduct a briefing to educate the family on the rules. The regulations for briefing requirements are at 24 CFR.982.301.

Leasing

- When the family finds a place in which they are interested in living, the family submits a Request for Tenancy Approval (RFTA) and the lease, with the required tenancy addendum.
- If the unit is eligible, the unit is inspected to see if it meets HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE).
- Upon approval, which involves meeting NSPIRE and rent reasonableness, the lease and housing assistance payments (HAP) contract are executed.

Rents

- Determination of income and calculation of family share of monthly rent is based on statutory regulations.

Annual activities

- After lease-up, there are activities that happen on a yearly basis to ensure family and owner compliance:
 - Annual reexamination for income determination and calculation of family share of rent.
 - HQS (or NSPIRE, the successor standards) inspection to ensure that the family and owner are maintaining the unit in safe and habitable condition.
 - Rent adjustment, if the owner decides to change the amount of rent for the unit. This involves approving or disapproving the change based on rent reasonableness.

Interim activities

- Interim activities, which take place when required by HUD or PHA policy, can include interim reexaminations/recertifications.

Moves

- HUD regulations and PHA policy determine whether and when a family may move.

Reasonable accommodation

- The PHA's fair housing policies, processes, forms, and practices are essential in order to affirmatively further fair housing and avoid discriminatory practices.

Terminations

- There are three types of termination in the voucher program:
 - PHA terminating a voucher for violation of the regulations. In this case, the PHA provides notice to the family that includes an opportunity for an informal hearing.
 - Owner or family terminating the lease. A family can terminate a lease with property notice. If an owner terminates a lease, it is most commonly through eviction.
 - Terminating the HAP contract. A PHA may terminate a HAP contract if the owner violates the contract terms. Owners can terminate HAP contracts as well.
 - Sometimes a PHA must terminate a HAP contract to afford an HCV participant's protections under the Violence Against Women Act.

Portability

- Portability is the process of renting a dwelling unit or purchasing a dwelling with voucher assistance outside the jurisdiction of the PHA. A voucher family has the right to lease anywhere in the United States in the jurisdiction of another PHA administering a voucher program.
- When a voucher family moves to another jurisdiction, the “receiving” PHA issues a voucher to the family and may either administer the voucher and bill the initial PHA or absorb the voucher.

Reviews and informal hearings

- HUD regulations grant more extensive hearing rights to participants than to applicants. Denial of assistance to applicants must include the right to request an informal review. HUD requires a PHA to give participant families the opportunity for an informal hearing. Hearings may be conducted in-person or remotely, depending on PHA policy. See Notice PIH 2020-32 for the requirements regarding conducting remote informal hearings.
- It is the PHA’s responsibility to ensure that administrative policies are clear and consistently applied. If the PHA is going to implement remote hearings, it must update its administrative plan to include provisions to allow for the use of mail, electronic mail, telephone, and video call, as appropriate.

THE BASICS OF SEMAP

Purpose of SEMAP

- SEMAP was created to:
 - Objectively measure in key areas
 - Identify management capabilities and deficiencies
 - Improve HUD risk assessment for each problem identified
 - Provide self-assessment tool for PHAs:
 - Right families in right units at right cost
 - Rental assistance is delivered effectively
 - Family self-sufficiency goals met

The PHA Profile

- Annually, each PHA must complete a SEMAP certification based on the 14 key performance indicators and the bonus indicator.
- Based on the certification and HIP data, HUD will assign a PHA rating.
- Note, SEMAP currently monitors data related to Housing Quality Standards (HQS) inspections. SEMAP will be revised to align with HUD's NSPIRE standards. The table below represents the current version of SEMAP. Further, HUD is migrating PHA data from the IMS/PIC to the Housing Information Portal (HIP). Currently SEMAP data for certain indicators is derived from the IMS/PIC system, but this data will be pulled from HIP.

Notes

Key Performance Indicators

- Waiting list* 15
- Reasonable Rent* 20
- Adjusted Income* 20
- Utility Allowance Schedule 5
- HQS Quality Control* 5
- HQS Enforcement* 10
- Expanding Housing 5
- Payment Standards 5
- Annual Reexams 10
- Correct Tenant Rent 5
- Precontract HQS 5
- Annual HQS 10
- Leaseup 20
- FSS 10

Sample Rating Profile

Indicator	Possible points	
Waiting list	15	
Reasonable Rent	20	
Adjusted Income	20	
UA Schedule	5	
HQS QC	5	
HQS Enforcement	10	
Expanding Housing	5	
Payment Standards	5	FO
Annual Reexams	10	MTCS
Correct Tenant Rent	5	MTCS
Precontract HQS	5	MTCS
Annual HQS	10	
Leaseup	20	HUDCAPS
FSS	10	FO
Total points earned:	145	

Scoring

- Percentage score is determined by taking total points earned and dividing by the total points that apply to the PHA.
- Percentage results are rated as follows:
 - High performer 90%+
 - Standard performer 61-89%
 - Troubled performer 60% or less

Calculation of Sample Score

$$\frac{\text{Total Points Earned } 135}{\text{Total Possible Points } 145} = 93\% \text{ overall score}$$

- Overall SEMAP Rating = High Performer

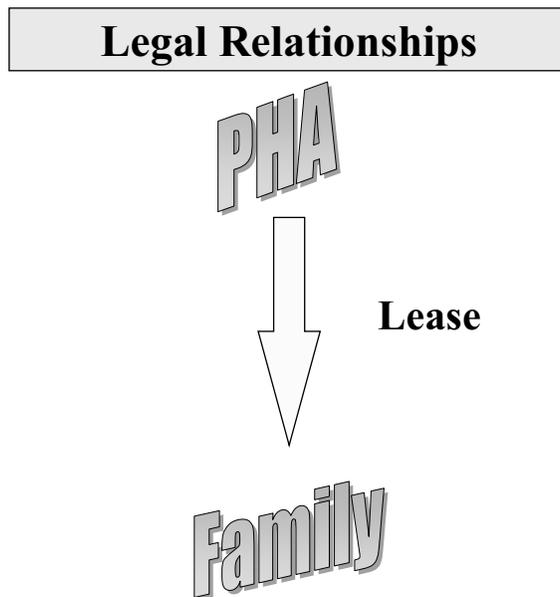
Prepare With a Preliminary Audit

- Don't wait until you have to certify to HUD.
- Some problems will take longer to solve.
- Some problems involve more than one department of agency.

Chapter 7 Basics of the Public Housing Program

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Identify and manage the basic program elements of the public housing program
 - Define the purpose of the Public Housing Assessment System (PHAS) and recognize the relevant changes in the PHAS interim rule
- Public Housing is project-based: Families live in the unit which has the subsidy attached to it. Housing authorities own the land and buildings, and thus are both the program administrator and landlord.



HUD'S MODEL OF ASSET MANAGEMENT

- Public housing projects are now the focus of budgeting, accounting, management, and performance assessment (PHAS).
- Successful conversion to the project-based asset management model consists of seven criteria:
 1. Project-based accounting – monthly operating and revenue statements for each project that reflect the financial performance of the project.
 2. Project-based management – property is managed in the best interest of the property considering needs, cost, and local market standards.
 3. Central office cost center (COCC) costs must be reasonable. The COCC must operate on allowable fees from the projects and other permitted reimbursements.
 4. Centralized services that directly support the Projects are funded using a fee-for-service approach; each project is charged only for actual services received. Charges must be reasonable compared to the local market.
 5. Review of project performance is the systematic review of the financial, physical, and management performance of each Project; HUD uses this review to identify its non-performing properties. Non-performing property is defined as one with:
 - PHAS physical score below 70
 - Significant drug and crime problems
 - Below 95% occupancy
 - TARS (rents uncollected) that exceed 7% of the monthly rent roll
 - PHAS grade of “D” or below for vacant unit turnaround time and work orders
 - Utility consumption more than 120% of the agency average
 - Other major management problems

Notes

6. Capital planning – there is a physical needs assessment and five-year modernization plan for each project. The PHA demonstrates a commitment to long-range energy conservation.
7. Risk management responsibilities related to regulatory compliance. This criterion is entity-wide. However, noncompliance in these areas often happens at the frontline. The PHA is considered not carrying out its responsibilities if:
 - The PHA is designated troubled under PHAS
 - Any outstanding FHEO findings or a voluntary compliance agreement (VCA) is not being implemented
 - There is no current energy audit
 - There are outstanding Inspector General (IG) findings with no progress demonstrated
 - The PHA is not in compliance with the Admissions and Continued Occupancy Policy (ACOP)
 - The PHA has made unsatisfactory progress under RHIP/RIM (income integrity – determination of family income and calculation of rent)
 - PIC (50058) reporting rate under 95%
 - Any other major compliance deficiency.

MANAGING PUBLIC HOUSING

- Public housing is a rental real estate business. HUD's new model of asset and project management treats each property as its own business. This has always been the model in the multifamily industry and in the private sector.
- Because the performance of the projects is now so critical, property managers' competencies (knowledge, skills and abilities) must include managing the project as a business. Highly skilled property managers, on-time and accurate reports, and trend analysis of the properties and the portfolio are elements for success.
- Managing the public housing program includes:

Intake

- The waiting list process includes initial application or preapplication, management of and selection from the waiting list, needs estimation of upcoming vacancies, and final eligibility determination, including determination of suitability. In public housing, statutory regulations require denial for certain illegal activity and allow PHAs to establish rigorous policies for criteria to deny applicants.

Filling units quickly

- Filling units involves processing and screening applicants near the top of the waiting list, making unit offers according to HUD regulations and PHA policies, and executing the lease with families.

Marketing

- Marketing is a necessary function in property management in order to attract higher income families and keep units leased. The marketing plan must affirmatively further fair housing and reach out to all populations and through various community media. Marketing should employ various and techniques should be adjusted often. Knowing the local market and the local services and resources, aiming for good curb appeal, a property staff highly skilled in customer service, advertising online, showing units in the evenings and weekends, setting up model or mini-model units, and matching amenities and services to the project's target population, are effective marketing strategies.

Managing the maintenance function at the project

- The delivery of maintenance services is a key decision under HUD's new model. Centralized maintenance positions will charge a fee-for-service to the project, based on actual services performed, and not to exceed reasonable market rates.
- Property managers' skills in overseeing the onsite maintenance team include daily communication, setting priorities, and monitoring and follow-up of emergencies, inspections, warehousing and inventory, routine maintenance, make-readies, maintenance of tools and equipment, and preventive maintenance.

Rents

- Determination of income and calculation of monthly rent is based on statutory regulations. Collection of rent is absolutely critical for the financial stability of the project.

Enforcing the lease

- The lease is the contract between the PHA and the family residing in a public housing unit. The purpose of consistent enforcement of the lease is to deal with problems professionally and timely, and to retain good tenants.
- HUD requirements for the lease are in Part 966 of 24 CFR and include rent (family choice annually between income-based and flat rent), PHA charges, redetermination of rent and family composition, tenant's right to use and occupy the unit, tenant's obligations, the PHA's obligations, defects hazardous to life, health, or safety, inspections, entry of unit during tenancy, notice procedures, termination of tenancy and eviction. Tenant's obligations include community service.
- Pet rules should be very specific and can either be incorporated in the lease or referred to in the lease.

Annual activities

- As in the voucher program, there are activities that happen on a yearly basis to ensure family and owner compliance:
 - Annual reexamination for income determination and rent calculation.
 - National Standards for the Inspection of Real Estate (NSPIRE) inspection.

Interim activities

- Interim activities, as in the voucher program, take place as required by HUD and PHA policy.

Reasonable accommodation and physical modification

- The PHA's fair housing policies, processes, forms, and practices are essential in order to affirmatively further fair housing and avoid discriminatory practices.

Transfers

- The PHAs's transfer policy should include mandatory transfers (required by the PHA) and tenant-requested transfers. Transfer should be very specific and applied consistently.

Termination of tenancy and eviction

- HUD requires the PHA to terminate the lease in certain circumstances. In other circumstances HUD requires the PHA to establish provisions for lease termination, with PHA determination on a case-by-case basis whether termination is warranted. PHAs have the authority to establish criteria for termination not in regulations, as long as criteria is reasonable, not in noncompliance with statutes or regulations, and not discriminatory.

Reviews and grievance hearings

- As in the voucher program, HUD regulations grant more extensive hearing rights to tenants than to applicants. Denial of assistance to applicants must include the right to request an informal hearing. HUD requires a PHA to give tenants the opportunity for a grievance hearing. Grievance hearings may be conducted in-person or remotely. Should the hearing be conducted remotely, the PHA must meet the requirements for conducting remote grievance hearings specified in Notice PIH 2020-32. It is the PHA's responsibility to ensure that grievance policies are clear and consistently applied.

Notes

- Following is a set of reports with information that should be submitted monthly. Some information will be compiled electronically and some manually by the property manager. An aggregate or synthesis report could be submitted to the executive director. The Board, with input from the executive director, should decide how often they want to see these reports. If the projects' performance is troubled, the executive director and Board should closely track effectiveness of the turnaround plan.

Project Performance Reports
Garden Glen (AMP 1)
June 2024

1. Property Narrative

In June, we hosted the annual graduation picnic. Mayor Walker attended.

Occupancy continues to improve and we hope to hit 98% next month. Rent collections reached 98% for the first time this month.

Two months ago, we started the use of a mini-model apartment to show vacant units (the kitchen and bathroom are decorated with attractive curtains, towels, and accessories). The mini-model gets moved to the longest-vacant unit.

2. Physical Occupancy

<i>a</i> Unit Type	<i>b</i> Total Units	<i>c</i> Occupied Units	<i>d</i> Capital Fund (Mod)	<i>e</i> Other Exemptions	<i>f</i> (d + e) Total Exemptions	<i>g</i> Vacant Units	<i>c/b%</i> Gross Occupancy	<i>c/(b-f)%</i> Adjusted Occupancy
0 BR								
1 BR	40	40				0	100%	100%
2 BR	120	116		2	2	4	96.7%	98.3%
3 BR	69	57				3	95.0%	95.0%
4 BR								
5 BR								
Total	220	213		2	2	7	96.8%	97.7%

3. Waiting List

Unit Type	Number of Applications			
	Total	RRO1	PEO3	PEO1
1 BR	48	3	9	36
2 BR	72	9	20	43
3 BR	15	7	8	10
4 BR				
5 BR				

RR01 = application approved / ready to be housed / awaiting ready unit

PE03 = passed credit and criminal check, pending other verification

PE01 = application received

Project Performance Reports
Garden Glen (AMP 1)
June 2024

4. Site-Based Waiting List Demographics (if applicable)

		Date of Site-Based 6-1-08	Current
Ethnicity	Hispanic or Latino	37%	38%
	Not Hispanic or Latino	63%	62%
Race	White	48%	47%
	Black/African American	38%	40%
	American Indian/Alaska Native	5%	5%
	Asian	8%	7%
	Native Hawaiian/Pacific Islander	1%	1%
Disability	Persons with Disabilities	2%	4%

5. Move-ins, Move-outs, and Unit Turnaround Time

	This Month	Year-to-Date
a. Move-ins	6	30
b. Move-outs	3	29
c. Evictions (included with move-outs)	0	2
d. Down time for units leased this month	3	30
e. Make-ready time for units leased this month	23	175
f. Lease-up time for units leased this month	25	138
g. Total turnaround days (d+e+f)	51	343
h. Average turnaround time (g/a)	8.5 days	11.4 days

6. List All Vacant Units and Their Status

Address	BR	Vacated Date	Projected Ready Date (mm/dd/yy)	Anticipated Lease Date (mm/dd/yy)
415 Garden Glen	2	5/20/24	6/7/24	6/7/24
517 Garden Glen	2	5/20/24	6/7/24	6/7/24
609 Garden Glen	2	6/2/24	6/15/24	6/20/24
707 Garden Glen	3	6/16/24	6/30/24	6/30/24
515 Garden Glen	2	6/24/24	7/5/24	7/5/24
617 Garden Glen	3	6/30/24	7/8/24	7/8/24
811 Garden Glen	3	6/30/24	7/15/24	7/15/24

Continue on a separate sheet if necessary

Project Performance Reports
Garden Glen (AMP 1)
June 2024

7. Promotions and Advertising Narrative

New color postcard was printed last month, and it seems to be increasing customer calls and walk-ins. New pictures were added to the website.

8. Reexaminations / Annual

Outstanding at start of month	7
Due to be completed this month	32
Completed for this month	37
Ending backlog	2

9. Annual Unit Inspections

Total units to be inspected for the year	220
Number completed: start of month	172
Number inspected for the month	30
Number completed: year to date	202
Total left to be inspected for the year	18

10. Lease Enforcements This Month

Lease warnings issued	13
Lease violation conferences conducted	2
Abandonment letters	0
30-day lease termination notices issued	3
72-hour lease termination notices issued	2

Project Performance Reports
Garden Glen (AMP 1)
June 2024

11. Grievance Actions

List all applicants who requested informal hearing, and all tenants who requested/received hearings and who received informal settlements and hearings.

Applicant Informal Hearings			
Applicant	Reason	Date Conducted	Decision
Georgina Mata	Denial for criminal history	6/2/24	Upheld
Matt Sills	Denial for criminal history	6/20/24	Upheld

Continue on a separate sheet if necessary

Grievance Hearings					
Tenant	Reason	Informal Settlement Conducted	Decision	Hearing Conducted	Decision
Josephine Crane	30-day notice for unauthorized person	6/8/24	Rescinded	No	Documentation presented at informal settlement
Elizabeth Mobutu	30-day notice for \$452 damages	6/20/24	Rescinded per VAWA, repayment agreement	No	
Les Leguine	6/15/24, served 30-day notice for drug criminal activity	Bypass due process		Bypass due process	Court case pending
Guillermo Rojo	6/17/24, served 30-day notice for unreported income	6/22/24	Upheld	Scheduled 7/1/24	

12. Evictions This Month

List all tenants on formal eviction/court summons, then all households for whom a judgment was issued, the date of the judgment, and the action (dismissal, eviction, etc.).

Resident Name	Reason (14-day/30-day/72-hour)	Summons Date	Judgment Action
Connie Calaveras	30-day nonpayment of rent	6/2	Upheld; lockout 6/30/24

Continue on a separate sheet if necessary

Project Performance Reports
Garden Glen (AMP 1)
June 2024

13. Non-Emergency Work Orders

	This Month	Year-to-Date
a. Beginning balance from previous month(s)	8	34
b. Number of non-emergency work orders active – include work orders active from previous month(s)	107	950
c. Total number of calendar days to complete non-emergency work orders in b (above)	790	7,618
d. Number within b (above) generated by tenant	21	238
e. Total number of calendar days to complete tenant-generated work orders in d (above)	143	1,736
f. Average number of calendar days to complete non-emergency work orders (c/b)	7.4 days	11.7 days
g. Average number of calendar days to complete tenant-generated work orders (e/d)	6.8 days	7.3 days

14. Emergency Work Orders

	This Month	Year-to-Date
a. Total requested/issued	2	82
b. Completed/abated within 24 hours in a (above)	2	82
c. Percent completed within 24 hours (b/a)	100%	100%

15. Rent Collection Rate

	This Month	Year-to-Date
a. Rent owed. Do not include damage charges, late fees, excess utility charges, legal fees, or retroactive rent charges	32,737	348,799
b. Arrears, tenants in possession	1,257	4,820
c. Total charges (a+b)	33,994	353,619
d. Rent collected	32,154	341,620
e. Rent collection rate (d/a)	98.2%	97.9%

Project Performance Reports
Garden Glen (AMP 1)
June 2024

16. Aged Receivables – Other Amounts Owed by Tenants (or attach report)

Tenant	Category Owed Late charges, maintenance charges, security deposit, pet deposit, legal fees, excess utility charges	Current (1-30 Days)	Over 30 Days	Over 60 Days	Over 90 Days
		\$471	\$324	\$122	\$64

17. Delinquencies – Repayment Agreements

Repayment Agreements	
Total number of households	4
Amount	\$3,020
Number under up-to-date repayment agreements	3
Amount under up-to-date repayment agreements	\$3,020
Number under legal (other than repayment agreements)	0
Amount under legal (other than repayment agreements)	0
Amount not under repayment agreements or legal	0

18. Aged Payable Summary Report

	Current (1-30 Days)	Over 30 Days	Over 60 Days	Over 90 Days
Totals:	\$214			

19. Security Report

List number of security incidents at project by category. Property manager should attempt to obtain police incident reports where available. If possible, on a quarterly basis compare total project incidents with crime statistics in the community at large.

Type	Vandalism	B&E	Assault	Aggravated Assault	Robbery	Drug Related	Other	Total
Number of Incidents								

Project Performance Reports
Garden Glen (AMP 1)
June 2024

20. Fair Housing (Reasonable Accommodation Requests, FHEO Issues)

List all requests for reasonable accommodation, complaints about possible discrimination, and other FHEO issues received, pending, or finalized this month.

Unit	Request	Date Requested	Status
114	Request for live-in aide	6/8/24	Approved. Background check on live-in aide pending.
89	Request for transfer to balcony unit	4/30/24	Denied 6/2/24 per 504 coordinator. See documentation. No verification of nexus.
05	Request for grab bars	6/5/24	Approved. No verification necessary. Installed 6/12/24.

THE BASICS OF PHAS

Overview of PHAS

- The Public Housing Assessment System (PHAS) is HUD’s “report card” for public housing, measuring performance of the public housing program.
- PHAS is mandated by Congress and designed by HUD to enhance public trust and hold PHAs accountable for performance.

Statutory Components

- Many PHAS components are statutory. HUD may only change scoring and how these components are assessed. HUD, of course, may add components, but may not eliminate any required by law.
- Assessment of the following functions is statutory:
 - Vacancy rate
 - Capital fund obligation and expenditure
 - Rent collection
 - Utility consumption
 - Unit turnaround time
 - Maintenance work orders outstanding
 - Inspections of units and systems
 - Economic self-sufficiency
 - Resident involvement
 - Screening, eviction, and anti-crime strategies
 - Coordination with local government
 - Acceptable basic housing conditions
 - Other factors as deemed by HUD
- Under the PHAS interim rule many of the above components are not currently scored but will be scored under a final PHAS rule. These components should be monitored as a diagnostic tool to determine the cause of any unsatisfactory performance.

PHAS Interim Rule

- The interim rule, effective March 25, 2011, made changes to the regulations governing PHAS in 24 CFR Part 902 and established a new 24 CFR Part 907 for regulations governing substantial default by a PHA.
- HUD considerably streamlined the PHAS evaluation process.

3-2-1 Schedule

- The changes in the interim rule include:
 - PHAs with less than 250 public housing units receive a PHAS assessment, based on its PHAS designation:
 1. A small PHA that is a high performer receives a PHAS assessment every 3 years;
 2. A small PHA that is a standard or substandard performer receives a PHAS assessment every other year; and
 3. All other small PHAs receive a PHAS assessment every year, including a PHA that is designated as troubled or capital fund troubled.
- For PHAs with 250 or more units, National Standards for the Inspection of Real Estate (NSPIRE) inspections are required every three years for projects that score 90 points or higher on their physical condition inspections, every other year for projects that score at least 80 points but less than 90 points, and every year for projects that score less than 80 points, as well as projects owned by PHAs that are overall troubled or troubled under the capital fund indicator.

Notes

- Small rural PHAs are PHAs with 550 or fewer combined public housing and Housing Choice Voucher units, and:
 - Has a primary administrative building with a physical address in a rural area.
- OR
- More than 50% of its combined units are in rural areas.
- High performers are assessed every 3 years when they have a score of 90% or greater.
- Standard performers are assessed every 3 years when they score 80% - 89% or 70% - 80% and all projects have a score of > 70%.
- Troubled performers are referred to local HUD office and are given a Corrective Action Plan when they score < 70% or 70% - 80% and at least one project receives < 70%.

Physical Condition Indicator

- The purpose of this indicator is to evaluate whether developments are providing safe, habitable dwellings, and that the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards.
- HUD-contracted inspectors inspect a statistically valid sample of all public housing units randomly selected by the NSPIRE app, plus up to five additional units recommended by the resident council or tenant organization.
- Each project receives a physical condition score, which will roll up for an overall PHAS score.

Notes

- Defects observed during an inspection are multiplied by a corresponding defect severity value. For example, the following defects were observed during an inspection of 10 sampled units:

Defect Severity Category	Inspectable Area		
	Outside	Inside	Unit
Life-threatening	0	0	2
Severe	0	2	1
Moderate	0	3	0
Low	1	10	0
Total by Inspectable Area	1	15	3

- After applying the defect deduction values, the raw score is 79.94, rounding up to the physical condition score of 80.

Financial Condition Indicator

- Each project receives a financial condition score. Scores of all projects roll up for the overall financial condition score of the PHA.
- There are three financial condition subindicators that will examine the financial condition of each program.
 - Quick Ratio (QR)
 - Months Expendable Net Assets Ratio (MENAR)
 - Debt Service Coverage Ratio (DSCR)

Notes

- The values of the three subindicators are derived from the financial data schedule (FDS) submitted by the PHA.

Financial Condition Scoring	25 Points Maximum
Quick Ration (liquidity)	12.0
Months Expendable Net Assets Ratio (adequacy of reserves)	11.0
Debt Service Coverage Ratio	2.0
Flags:	
No audit opinion (minus 30 pts)	
Going concern opinion (*)	
Disclaimer of opinion (minus 30 pts)	
Material weakness/internal control (*)	
Adverse opinion (minus 30 pts)	
Qualified opinion (*)	
Reportable conditions(*)	
Findings of non-compliance and questioned costs (*)	
(*) Points will be deducted to the extent points remain after initial scoring for the sub-indicator affected by the flag	

Management Operations Indicator

- Management operations is assessed for projects and PHAs.
- PHA self-certification has been eliminated. Under the interim rule, the values of the indicator will be derived from the PHA's annual Financial Data Schedule (FDS) and IMS/PIC.

Notes

- The management review will be used “as a diagnostic and feedback tool.” HUD will incorporate the management review into PHAS scoring at a later time.

Management Operations Indicator Scoring	
Subindicator	25 Points Maximum
Occupancy Rate	16.0
Tenant Accounts Receivable	5.0
Accounts Payable	4.0

Capital Fund Indicator

- The capital fund program indicator is required by statute to be measured at the PHA level.
- The capital fund indicator was revised to reflect actual performance rather than just statutory compliance. Five points will be provided for timely obligation, and five points will be provided if a PHA's adjusted occupancy rate is at least 96 percent.

Capital Fund Scoring	10
Timeliness of Fund Obligation	5.0
Occupancy Rate	5.0

- PHAs will automatically receive five points for the occupancy subindicator for fiscal years through December 31, 2015.

Summary of Interim PHAS

Indicator Number	Indicator	Points Possible
1	Physical Condition	40
2	Financial Condition	25
3	Management Condition	25
4	Capital Fund Program	10

Notes

Chapter 8 Rental Assistance Demonstration (RAD)

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Identify the purpose of the RAD program
 - Discuss the PHA's programmatic options under RAD
 - Recognize the steps and requirements of the RAD process

WHAT IS RAD?

- The purpose of the Rental Assistance Demonstration (RAD) program is to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term Section 8 rental assistance.
- The program's four primary objectives are to:
 - Preserve and improve public and other assisted housing.
 - Standardize the administration of the plethora of federally subsidized housing programs and rules. RAD aligns eligible properties more closely with other HUD affordable housing programs.
 - Attract private market capital for property renovations. Under RAD, properties may be able to leverage private debt and equity to make capital repairs.
 - Increase tenant mobility opportunities.
- A PHA must submit an application to HUD. To be eligible, the PHA must be a Standard or High Performer under PHAS or SEMAP. However, HUD may waive this requirement for troubled agencies that have demonstrated significant progress under corrective action plans or propose a revision to such agreements or plans that incorporates conversion under RAD that is acceptable to HUD.

- Under the first component of RAD, the PHA can select to convert public housing units to one of two major sub-programs under RAD:
 - Project-based rental assistance (PBRA), or
 - Project-based vouchers (PBV).

PBRA vs. PBV

- HUD’s Office of Multifamily Housing Programs administers the PBRA component, whereas HUD’s Office of Public and Indian Housing (PIH) administers the PBV component.

Project-Based Rental Assistance (PBRA)

- The PBRA HAP contract term is 20 years. Unlike in the standard PBRA program, contract renewals after the initial term are mandatory.
- The rental assistance is project-based and stays with the unit.
- HUD calculates initial contract rents and establishes rent amounts on the HAP contract. PBRA rents under RAD typically cannot exceed 120 percent of the Fair Market Rent (FMR, published annually by HUD), unless certain exceptions are made. Rents are adjusted annually based on HUD’s Operating Cost Adjustment Factor (OCAF)
- There is no limit on the percentage of assisted units in PBRA.
- In PBRA, choice mobility does not apply until after 24 months and such moves may be limited in certain circumstances.

Program Assessment

- Compliance with the terms and conditions of the HAP Contract is the responsibility of the project owner. Under contract with HUD, Contract Administrators (CAs) or Performance Based Contract Administrators (PBCAs) perform regular assessments of program compliance, called Management and Occupancy Reviews (MORs), using form HUD-9834. The PBCA/CA assigns a score based on the results of the MOR.
- In addition to regular MORs, REAC inspectors also perform onsite inspections of the project to ensure compliance with the National Standards for the Inspection of Real Estate (NSPIRE).

Project-Based Vouchers (PBV)

- The initial PBV HAP contract term is 15 to 20 years for public housing conversions. Unlike in the standard PBV program, contract renewals after the initial term are mandatory.
- HUD calculates initial contract rents and establishes rent amounts on the HAP contract. PBV rents are generally limited to 110 percent of FMR, although rent reasonableness and other factors may also limit rents.
- Unlike in the standard PBV program, there is no limit on the number of RAD PBV assisted units in the project.
- In PBV, assisted households have the right to a PHA's next available voucher (choice mobility) after one year of occupancy.

Program Assessment

- All SEMAP indicators apply with the exception of indicator #12 for annual HQS inspections (note, once SEMAP is updated, this will change to NSPIRE inspections.)
 - In RAD PBV (and regular PBV), only 20% of PBV units need to be inspected annually/biennially.

THE RAD PROCESS

- A PHA must complete several steps for a successful RAD project. Generally, a PHA does not have all the expertise needed in house, so it may be necessary to hire a consultant familiar with federal and private financing techniques.
- Following is a brief summary of the actions involved in converting public housing to RAD:

1. Applying for the RAD Program

- PHA must submit an application to HUD. Applications must be submitted for specific projects.
- To be eligible the PHA must not be classified as troubled under PHAS or SEMAP. HUD may waive this requirement for troubled PHAs.
- PHAs should first determine the financial feasibility of the project under consideration. While RAD encourages leveraging equity in the properties and private sector funding, it does not provide additional subsidy.
- It is important to become familiar with the RAD website; all applications as well as subsequent submissions are done electronically through the website.
- The submission of a RAD application is a significant change to the PHA's 5-Year Plan. Therefore, a PHA must obtain input from the RAD and take all other mandatory steps to meet the PHA Plan requirements.
- RAD application materials can be found on HUD's RAD webpage.

2. Commitment to Enter into a Housing Assistance Payment (CHAP)

- PHAs are notified of selection via an award letter by HUD. Attached to the award letter is a commitment to enter into a housing assistance payment (CHAP), which states the HUD-approved terms and conditions for the conversion.
- The CHAP requires the PHA to meet a series of contractual milestones applicable to both RAD transactions and debt or equity financing. The CHAP includes a Financing Plan.
- Once the Financing Plan is approved, HUD issues a RAD Conversion Commitment (RCC). The PHA must then submit a Firm Commitment of Financing, with the terms included in the financing plan.

3. Closing

- The RAD conversion is complete when the PHA reaches closing. In the initial year of conversion, projects will be funded through public housing accounts. At closing, the PHA provides certification that it will make operating and capital funds available in HUD-determined amounts within RAD budget line items in the LOCCS system. The PHA must use all such funds to make HAP payments for the remainder of the calendar year.
- In the calendar year following conversion, projects will be funded from either PBRA or PBV, accounting to the amount indicated in the HAP contract.

SPECIAL RAD PROVISIONS

- Even though the PHA typically creates a separate legal entity to be the owner of the project, if that entity is under the control of the PHA that is acting as the contract administrator, the project may be deemed as PHA-owned.
- In RAD PBV only, for PHA-owned units, a third-party independent entity approved by HUD must perform all NSPIRE inspections, all rent reasonableness determinations, and approve annual rent increases.
- HUD may also require another PHA, other than the one with ownership interest, to act as contract administrator if the PHA is not a standard or high performer under SEMAP.
- For each conversion property with multiple financing sources, PHAs must be familiar with the overlapping regulatory requirements for each property.
- The statutory grievance rights survive the conversion to RAD. These rights extend beyond the original public housing tenants into perpetuity.
- RAD generally doesn't allow a reduction in units; however, there are some circumstances that allow a de minimum reduction in public housing units. There could be LIHTC-only or HOME-only units in a RAD project; the statutory public housing grievance rights would not apply to these units.

Chapter 9 Other Programs

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Identify the basic program elements of other key housing programs such as project-based vouchers (PBV) and mixed-finance housing
 - Briefly explain the purpose and process of setting up a nonprofit entity

PROJECT-BASED VOUCHERS

- Basically, the project-based voucher (PBV) program allows PHAs to attach the designated funding to specific units rather than using it for tenant-based assistance. PHAs may use up to 20 percent of their voucher program authorized units under the HCV annual contributions contract (ACC) for project-based vouchers.
 - Certain units do not count toward the 20 percent limitation, such as RAD PBV units and certain units that were previously subject to certain federal rent restrictions.
 - The PHA may project-base an additional 10 percent of its units above the 20 percent limitation if those units are made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Conium of Care Interim Rule; are made available specifically to house families that are comprised of or include a veteran; provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403; or are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

Notes

- The PBV program follows many of the regulations that govern the HCV program which are found in 24 CFR 982, but it also follows regulations specific to project-based assistance found at 24 CFR 983.
- If your PHA is considering whether to utilize a portion of your HCV funding for project-based vouchers, some key considerations include:
 - A PHA may only operate a PBV program if doing so is consistent with the PHA's annual plan, and a goal is to deconcentrate poverty and expand housing and economic opportunities.
 - The PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years.
 - At any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of up to 20 years if they determine an extension is appropriate to achieve long-term affordability of the housing or to expand housing opportunities. The PHA may further extend the HAP contract beyond 20 years from the end of the initial term provided the determination is made no earlier than 24 months prior to the expiration of the HAP contract, the new extension does not exceed 20 years, and that such extension is appropriate.
 - For PHAs and owners with HAP contracts in effect prior to the implementation of this HOTMA provision (4/18/17), if contracts are still in the initial term, the term may be extended to a maximum term of 20 years by mutual consent. PHAs and owners with HAP contracts that are no longer in the initial term may likewise mutually agree to extend the contract for a total extension term of 20 years (see Notice PIH 2017-21 for details).
 - PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing. PBV assistance can also be provided in PHA-owned units, but additional requirements apply.

- People who are displaced because of implementation of PBV must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Act.

MIXED-FINANCE HOUSING

- With the aging of the existing housing stock, as well as dwindling funding for preservation, capital improvements, and new development, PHAs, owners, and developers have looked to multiple funding programs to finance the rehabilitation or construction of affordable housing.
- More PHAs are developing projects by “mixing” a variety of funding sources and income levels at a housing site. For example, a combination of tax credits and private financing can be combined with public housing funds, including HOPE VI and capital funds to develop a project that includes some units at market rate, some units at shallow affordability, and some units deeply affordable. This mix enables developers to service the debt on the project while providing some affordable housing to the community.
 - Mixed income housing represents an important direction of housing policy, because studies show that a variety of households living in a development will result in social benefits.
- While the combination of funding allows owners and developers to raise sufficient capital to meet deferred maintenance and replacement needs or construct new developments, the resulting blending also creates more complex occupancy issues and the need for systems that ensure compliance among multiple programs.

Notes

USE OF NONPROFIT ENTITIES BY PHAS

SETTING UP A NONPROFIT ENTITY

- It is a relatively uncomplicated process to set up a nonprofit entity; however, the board should thoroughly understand the mission of the nonprofit. The nonprofit will have a board of directors. Separate policies and systems must clearly delineate the PHA from the nonprofit, and there must be no conflict of interest. In some communities, a “captive” nonprofit may cause community agencies to question if the PHA's nonprofit will receive favorable treatment or financing. The PHA's general counsel should research state law.
- One of the most common methods that PHAs utilize in the development of additional affordable housing is to establish a “captive” nonprofit.
 - This is an organization that is set up for specific purposes and recognized by the Internal Revenue Service as tax-exempt under the IRS Code Section 501(c)(3).
- Many agencies establish nonprofits because it is easier to participate in business deals and, in fact, to do business as a nonprofit rather than as a much-regulated public housing authority.
- Public housing authorities are established under state enabling legislation, which means that the powers and activities granted to a housing authority may be very limited and even prohibit development. Be sure to have the PHA general counsel research state law before making a decision to set up a nonprofit corporation.

Trainer Note:

PHAs can use the same board for the PHA and for the captive nonprofit. Usually the PHA would adjourn and then reconvene as the nonprofit board. But if the nonprofit is a community development organization or CHODO, the make-up of the board has to be different, although there can be some board members in common.

TIPS FOR STARTING ANY ENTREPRENEURIAL OR NEW BUSINESS VENTURE

- Starting any new business venture is complex, with many missteps possible at any point. In order to start off on the right track, avoid the following common mistakes:
 - Lack of research and planning
 - Lack of financial savvy
 - Thinking it's easier than it really is
 - Not realizing how much time, effort, and money it takes
 - Not having (or building) an effective board
- Whether you're considering starting a nonprofit, transforming your existing stock either through RAD or mixed finance, or beginning any new business venture, think through the following considerations.

Do Your Research

- Remember that a nonprofit is essentially a business, and your agency needs to be realistic when starting one. Is there a need? Are you sure that a nonprofit is the best business structure for what you want to accomplish?

Develop a Business Plan

- A nonprofit is simply another version of a business. Your agency needs to have at least as much money coming in as going out in order to even survive, much less succeed in your mission. Many nonprofit startups are launched on a wing and a prayer rather than a well thought-out plan.
- Spend some time doing a needs assessment before starting out.

Notes

- Make sure the financial plan is viable—will there be enough resources to cover expenses? Make sure the agency does pro forma planning to brainstorm possible scenarios. Will the projects stay financially viable over time? Make sure the agency looks at short- and long-range financials.
- Elements of the business plan are executive summary, descriptions of the organizational structure, description of the programs or services, a marketing plan, an operations plan, the management and organizational team, capital structure, and financial plan.

Be Sure to Take Care of All the Legal Requirements

- Any new endeavor will be highly accountable to laws and regulations. Laws will probably be codified both by the states in which they reside and by the federal government. Make sure your agency has the legal expertise it needs.

Keep Good Records

- Good recordkeeping is a must, and all programs have reporting requirements that are unique to them. Start with good records and your agency is less likely to run into problems later. Make sure the executive director verifies that accounting and management staff are well-trained on required recordkeeping and reports to be submitted.

Ensure an Existing, Effective Board

- Some entrepreneurial endeavors won't require a separate board. With a nonprofit, however, the board is a key consideration. It cannot be overstated how important your board is to your nonprofit's success. It is legally responsible for keeping the agency on track with its mission, which helps secure the funds the agency needs to accomplish that mission. The board should feel confident that the necessary expertise is available. If a new board is needed, it's crucial to find the right people, get them on board, and keep them interested.
- For strategies such as RAD, mixed financing, etc., it's imperative that the board understand the purpose (why), where (which projects), when (what's the timeline), how (including what will change and what will not change), and who (is responsible, involved, and affected). Many of these new initiatives will require extensive education and outreach to residents and the community. Fear and anxiety are a common reaction to change. The board needs to understand and fully support any new entrepreneurial endeavor, and help the public and residents see the benefits.

Notes

Chapter 10 Economic Self-Sufficiency

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Explain the PHA's role in helping families achieve economic self-sufficiency
 - Recognize and apply key economic self-sufficiency strategies
 - Define the purpose of HUD's logic model and monitor self-sufficiency outcomes using the logic model

INTRODUCTION

- Only by gaining knowledge, skills and abilities can a family stabilize economically.
 - A person can gain knowledge, skills and abilities by working and learning on the job, through education, and/or through vocational training.
 - Those who are just beginning to work learn by working, gaining skills, and moving to a better job. There is no correlation between a low-wage, entry-level job and stabilizing economically; only by continuing to gain competencies can a person move into living-wage, stable employment.
- In addition, there are chronic barriers to economic stability that low-income people face as they begin to work: lack of affordable and reliable child care; lack of affordable and reliable transportation; lack of health care; lack of remedial and vocational education; and lack of jobs with benefits.
- The PHA is a key partner in the welfare to work movement. Studies show that families who receive housing assistance are far more likely to be able to stabilize as they move off welfare assistance. As we saw, self-sufficiency is a key strategic goal for HUD programs.

Notes

- Understanding and bridging to key community resources is a key role the PHA can play to help facilitate economic self-sufficiency efforts for housing choice voucher participants and public housing families.
- Collaborating with community-based agencies can bring a wide array of services to low-income families struggling to stabilize economically.
- Additionally, legitimate and meaningful activities offered at PHA developments are key deterrents to crime.

FAMILY SELF-SUFFICIENCY (FSS)

- The FSS program, mandated by the Cranston-Gonzalez National Affordable Housing Act of 1990, is intended to promote economic independence in residents of public and assisted housing.
- All PHAs receiving funds in Fiscal Year 93 and subsequent years for new Section 8 tenant-based programs, and all PHAs/IHAs receiving funds for new Public/Indian Housing units were required to operate a Family Self Sufficiency program of a specific mandatory minimum program size, unless exempted by HUD.
- HUD calculates each PHA's minimum program size as of May 24, 2018, by calculating the original minimum program size (including public housing and Section 8) and reducing that number by the number of graduations reflected in PIC since October 21, 1998, to date.
 - PHAs reduce their FSS mandatory minimum program size by one slot for each FSS family from any rental assistance program the PHA administers who graduates from the FSS program by fulfilling their obligations under the Contract of Participation.

Notes

- Each PHA that was still required to administer an FSS program on May 24, 2018, must continue to operate such a program for, at a minimum, the total number of families the PHA was required to serve as of that date, subject only to availability of sufficient appropriations.
- PHAs have the option to operate programs larger than the minimum FSS program size.

STRATEGIES FOR SELF-SUFFICIENCY

- Collaborating with community partners can bring important and creative services and programs to PHA families struggling to achieve economic stability.
- The PHA can be a working partner in grants written by community agencies and/or the PHA can apply for and include community partners in HUD grants.
- Many community agencies will provide services as an-kind contribution.
 - Colleges and universities can provide innovative long-range services
 - Adult education provides remedial and job-related education
 - On-the-job training services are essential; studies show that most adults learn best on the job
 - Career counseling helps people explore the vast array of careers, which are most economically promising, and which best suit a person's particular interest and skills
 - Mental health counseling, family counseling, drug or alcohol counseling, domestic violence counseling, or household budget counseling is sometimes the first step in moving toward economic stability.
- Other strategies include:
 - Understanding welfare requirements in the PHA's jurisdiction
 - Self-sufficiency grants.

Notes

- Section 3 is a requirement that PHAs make their best efforts to provide employment and training opportunities to public housing residents, participants in Youthbuild programs, and low and very low-income persons residing within the metropolitan area.
- Communication to residents is important in bridging residents to services in the larger community.
- Resident involvement in public housing, including resident on the board, helps provide a sounding board for families.
- Nontraditional occupations for women – the skilled trades, construction, aviation – often have paid apprenticeships, shorter training, higher wages, and more employment benefits than more traditional employment.
- Entrepreneurship – home-based and micro-businesses – is sometimes the most viable strategy for a family member who can't get to work regularly.
- Cultural competence and respect for diversity must be inherent in all PHA interactions.
- Community service in public housing helps build beginning competence.

Chapter 11 PHA Finances

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Identify the key components of financial management
 - Explain how the housing choice voucher program budget works, including financial reporting requirements and monitoring funding
 - Explain how public housing funding works, including fees paid to the central office cost center (COCC) and budget controls

INTRODUCTION

- The board is entrusted with public funds and has a legal position as a governing agent of the housing authority.
- Financial management is the planning, directing, monitoring, organizing and controlling of the monetary resources of an organization.

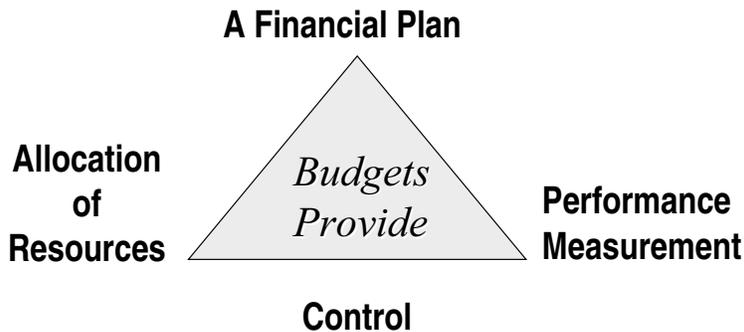
Components of Financial Management

- What does financial management Include?
 - Planning
 - Budgeting and cost Effectiveness
 - Accounting
 - Financial systems
 - Internal controls
 - Evaluation and communication
 - Personnel requirements

Planning

- A PHA’s strategic planning should be based on sound assumptions and accurate information and should provide the foundation for the entire fiscal process. Resource requests must be consistent with program goals, guidance and planning assumptions, and must consider current financial status. The planning process:
 - Identifies the goals or objectives to be achieved,
 - Formulates strategies to achieve them,
 - Arranges or creates the means required, and
 - Implements, directs, and monitors all steps in their proper sequence.

Budgeting



- The budget is a plan expressed in financial terms. It is a road map plan to monitor the PHA's programs, to guide staff, and to ensure accountability and financial health. The budget is used as a forecasting tool, for trend analysis, and to warn management of variances from expectations.
- A budget is useful in setting standards of performance, motivating board and staff members, and providing a tool to measure results. Fulfilling the organization's mission is the main goal, and budgeting makes it possible.

Notes

- A budget is a written financial plan of an organization for a specific period. Each area of the PHA's operations typically has a separate budget. Budgets are:
 - A method of planning for the future use of resources (funds, personnel, equipment, etc.);
 - A vehicle for forecasting;
 - A means of controlling the activities of various groups within the PHA;
 - A means of motivating individuals to achieve performance levels previously agreed upon; and
 - A means of communicating the goals of senior management.



The Annual Planning Cycle

Cost Effectiveness

- Cost effectiveness can be defined as anything effective and productive in relation to its cost. A budget is cost effective if it is economical in terms of tangible benefits for money spent. Good financial management balances expenditures and results. Managers at all levels must ensure that the organization gets what it pays for and that the results are what the organization needs to accomplish its mission. Ongoing projects should be evaluated to ensure results justify continued funding.

Accounting

- Accounting is simply the system of recording and summarizing financial transactions and analyzing, verifying, and reporting the results. Accountants use financial systems to do several things including, most basically, documenting gains and losses.

Financial Systems

- Financial systems are the processes and procedures used by an organization's management to exercise financial control and accountability. These measures include recording, verification, and timely reporting of transactions that affect revenue, expenditures, assets and liabilities.

Internal Controls

- Internal controls are broadly defined as a process, affected by the PHA's Board of Directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of the following objectives:
 - Effectiveness and efficiency of operations;
 - Reliability of financial reporting; and
 - Compliance with laws and regulations
- Good financial management requires implementing solid internal controls. Appropriate, cost effective controls throughout the financial management process ensure adequate accounting of funds expended, prevent over-obligation of funds and inappropriate expenditures, identify early instances where funds should be reallocated, and produce valuable information for the planning process. Internal controls will be discussed more fully in chapter 14.

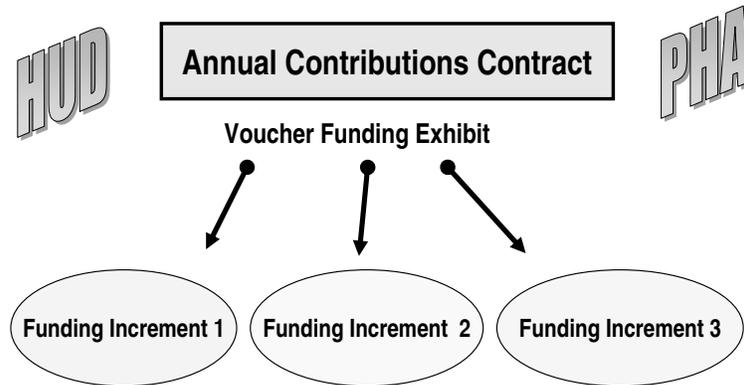
Evaluation and Communication

- Financial document systems allow a PHA to evaluate its progress. Maintaining and communicating oversight of these documents is of the utmost importance. Finally, the results, of the financial system in place, and reporting the same, are key to a program's success.

Essential to Financial Health

- Coordination between finance and program management
 - Finance should be able to forecast the funding the PHA will utilize over the calendar year.
 - Determine program utilization by reviewing the HUD-funded budget authority vs. actual HAP, HUD PUC vs. actual PUC, and leased units vs. awarded units.
 - Determine if you are leasing more or fewer units than the HUD funding will support and, if so, how to counteract the situation.
 - Develop budgets collaboratively, monitor budgets, and program managers manage to budgets.
 - Review SEMAP to determine projected status as of year-end.
 - Form an internal partnership between finance and management.
 - Communicate frequently
- Timely, regular, and accurate communication to the Board
 - The Board receives accurate and easy-to-understand reports
 - Key indicators of financial performance are tracked.

Housing Choice Voucher Funding



HOUSING CHOICE VOUCHER BUDGET

- Based on contract documents with HUD, the PHA receives a yearly amount of funding known as the annual budget authority (ABA).
 - One of the goals of the Section 8 program is to use as much of the ABA as possible.

HAP Funding

- In the Housing Choice Voucher program, families select a unit on the open market that they wish to lease under the program.
- Assuming the owner agrees to enter into a Housing Assistance Payment (HAP) contract with the PHA, and assuming that the unit meets criteria established under federal regulation, the PHA will pay all or part of the rent to owner on behalf of the family.
- This payment, or HAP, comes from the PHA's funding, as calculated by HUD. Each year, Congress determines the amount of the federal budget that will be available to fund the HCV program nationally. Congress also provides HUD with parameters to use in determining just how much annual renewal funding to award to each housing agency.

Notes

- Under SEMAP, housing agencies are graded on whether they have enough families leased up under the program as compared to how many units HUD awarded them.
- In today's environment of rising rental costs, many housing agencies actually cannot afford to lease all of the units awarded to them. So, SEMAP has a second lease-up measurement: is the housing agency using enough of their renewal funding? In order to receive the maximum points possible under the SEMAP lease-up indicator, housing agencies must lease at least 98% of units awarded or spend at least 98% of dollars awarded.
 - However, the PHA cannot exceed the total number of unit months under the ACC for the year, even if they can afford it.

Administrative Fee

- The PHA earns an administrative fee in the HCV program for acting as the contact administrator for HUD. The amount of administrative fee the PHA receives is determined by Congress. PHAs are notified yearly by HUD of the amount they will receive.
- The administrative fee is the largest source of income to cover Section 8 administrative expenses.
- A PHA is no different from any other agency or company when it comes to managing administrative fees within budget. The PHA must spot adverse trends in time (monitoring and quality control will be discussed in a later chapter).
- The budget is not only a planning tool but is also a monitoring tool. Monitoring begins with developing an annual HCV operating budget (non-HAP expenses) and then monitoring budget-to-actual.

Trainer Note:

A PHA may also be entitled to other specialized fees (hard-to-house, WTW, etc.) if the Congress appropriates funding.

Housing Choice Voucher Reporting Requirements

- After funds are received, PHAs, use two HUD systems to report financial information to HUD: Voucher Management System (VMS) and Financial Assessment Subsystem (FASS).

Voucher Management System (VMS)

- The purpose of this electronic system is to monitor and manage PHAs' use of vouchers. The system collects PHA data that enables HUD to fund, obligate and disburse funding and facilitates PHAs' submission of monthly data.
- The system's goal is to integrate budgeting and funding activities and automate the currently manual tasks.
- To access and use the VMS (or FASS-PH), a qualified PHA employee must have a valid user ID and password.

Year-end FASS financial reporting requirements

- PHAs must submit unaudited fiscal year financial data no later than 2 months following the PHA's fiscal year end (FYE).
- The audit report is due no later than 9 months FYE.

Monitoring Funding

- The executive director and HCV manager must ensure that the HAP annual budget authority (ABA) is used to assist as many eligible families as possible, capped at the PHA's authorized units and funded dollars.
 - The PHA must determine about how many units the ABA will support. A number of factors compound the issue, such as the following:
 - HUD is statutorily prohibited from funding overleasing.
 - Historically, many PHAs used excess funds to support units over their ACC. This is no longer permitted.
 - PHAs may overlease in excess of ACC authorized units in a given month or months, but must be within ACC authorized units by the end of the calendar year.
 - If a PHA's per unit cost (PUC) is higher than the funded PUC, there will be no increases from HUD to cover the additional costs.
 - Failure to lease all the units possible (within baseline) within the total funding amount may impact future funding.
 - An underleased PHA may deliberately overlease near the end of their calendar year on a monthly basis in order to fully utilize calendar year funding. However, this will result in the PHA's being overleased at the beginning of the next calendar year.

Monitoring tools:

- Monthly lease-up and financial reports:
 - Units funded and actually leased, and variance; if HAP payments are higher than HUD funding; if earned and funded admin fees will cover actual admin expenses; and if actual PUCs are higher than the HUD-funded PUC level;
 - Net restricted assets (prior year unspent HAP funds); and
 - Reserves.
- The executive director, HCV manager and accountants must also monitor:
 - The Family Self-Sufficiency program (FSS)
 - Repayment agreements
 - Portability activity
 - Administrative fee reserves

Administrative Reserves

- As mentioned, the administrative fee reserve is primarily for covering deficits in years in which the PHA's administrative expenses exceed the amount of fees it earns. If revenues exceed expenses, there will be reserves.
- Beginning with FFY 2004, PHAs are limited to using administrative fee reserves only for expenses of the Section 8 program.

PUBLIC HOUSING FUNDING

The Operating Subsidy Formula

- The old operating subsidy was calculated for all public housing units.
 - Funding was at an aggregate level.
- Under the new formula, subsidy is calculated and allocated by project. Funding goes directly to the projects, and all other activities (cost centers) must be supported by fees paid by the projects.
- All subsidy goes to the projects. Rents are project revenue. The projects are the economic engine of the public housing program.

Paying for Services

- Property services can be arranged such that they are provided at the project level, shared between projects, provided centrally to the project as an allocated (prorated) cost, or provided centrally on a fee-for-service basis (either by the COCC or third party).
 - The property manager oversees onsite administrative staff and typically the onsite maintenance team. All salaries, benefits, and costs of running the project are frontline (direct) costs of the project.
 - Shared staff resources are generally shared between 2-3 projects. Shared resources are limited to a few projects rather than across all projects.

Notes

- Certain centralized services allocated to frontline project costs can be prorated across all projects. The PHA must have a reasonable allocation methodology, such as number of units, turnover, etc. HUD allows PHAs to provide prorated staff for the following functions:
 - Waiting list management (including supervisor)
 - Intake/resident screening (including supervisor)
 - Rent collection
 - 504 coordinator
 - Work order intake
 - Social services/resident services (including supervisor)
 - Security services (including supervisor)
- Centralized maintenance specialists are a typical fee-for-service function at some PHAs. The project can only be charged for the actual time (labor and benefits) to do the job. The fee-for-service must be comparable to market rates and must be in the best interests of the project. Materials to do the job are also charged to the project.
- Services must be arranged in the best interest of the properties.

Fees Paid by the Project to the COCC

- The Central Office Cost Center (COCC), performs indirect services; these services cannot be charged directly to the projects. Typical indirect costs are the executive director, asset manager, legal team, human resources, and IT. The fees that the project pays to the COCC include:
 - Property management fees are paid monthly from each project to the COCC, earned on each occupied unit and allowable vacancy. HUD has published criteria for property management fees. Property management fees across the country range from approximately \$44 per unit per month to approximately \$66 per unit per month.
 - Bookkeeping fees are also paid monthly based on occupied units and allowable vacancies. HUD has established this fee at \$7.50 per unit per month.
 - The asset management fee is not to exceed \$10 per unit per month and is based on the total number of ACC units in the project. However, this fee can only be paid by the property if the audit shows “excess cash” at the FYE.
 - Under the Capital Fund Grant (CFG), capital funding is calculated for each project. 10% of the CFG is paid as an administrative fee to the COCC.

Public Housing Budget

- All PHAs with 250 or more public housing units (400 currently) are required to maintain a system of budgeting and accounting for each project in a manner that allows for analysis of the actual revenues and expenses associated with each project. If a PHA has ten projects, ten budgets will be prepared and ten different operating fund subsidy amounts will be calculated.
- The public housing budget is divided into three sections: operating receipts, operating expenses, and operating reserves.
- Budgets must be approved by the PHA's board before the start of the fiscal year. Approved board resolution must be submitted annually to HUD.
 - Only one board resolution approving all project-based budgets is required.
- Except in the case of troubled PHAs, project budgets do not require HUD approval but have to be made available to HUD and others.
- HUD does not prescribe a specific format for budgets; however, the budget must readily reconcile to HUD's Financial Data Schedule (FDS), which is used for year-end financial reporting.
- If a project is expected to incur a loss, the PHA will need to target intervention and improvement strategies. Some of these strategies must be decisions recommended by the executive director and approved by the board.
 - Increase income - filling units and collecting rents is the strategy par excellence to increase income at the project;
 - Reduce expenditures;
 - Use project reserves, if available;
 - Use CFG funds to increase operating subsidy;
 - Receive transfers from other projects that have excess cash; and/or
 - Defer/reduce/forgive fees charged.

PER UNIT MONTH (PUM)

- Budgets should be presented both in annual dollar amounts and per unit monthly (PUM) dollar amounts.
- PUM amounts are an important factor in assisting the director and property manager in comparing properties of different sizes (number of units and types of units).
- The aggregate dollar amount of some types of revenues and expenses will be greater for some properties than others by virtue of the number of units. If we just consider aggregate expenses and compare the expense of one property (say, maintenance) with another on an aggregate basis, we may come to the conclusion that if one property's expenses are lower, the property is doing a better job of controlling its maintenance expenses. But the reality might be that on a PUM basis we are actually spending more per unit.
- For example, last year AMP #1 spent \$15,000 in heating and cooling costs, and AMP #2 spent \$9,996. Based on these annual amounts, you might conclude that AMP #1 spent too much. But, because AMP #1 has 150 units and AMP #2 has 100, the PUM for heating and cooling for both properties was \$8.33.
- PUM applies to any category of expense or revenue-past, present, and future. For example, the property manager might want to look at the average rent for the last three years compared to this year.
- PUM also allows the director to track expenses and revenues over time as the portfolio changes. For example, last year a PHA had 1200 units in its portfolio. As a result of RAD conversion, this year the PHA has 800 units. Just looking at annual amounts doesn't give the director a way of comparing costs and revenues. PUM figures provide a picture of average amounts per unit.

Analyzing the PHA's Income and Expenses

Lakeville Housing Authority						
Operating Budget Forecast						
FY 1/1 – 12/31S						
	COCC	AMP 1	AMP 2	HCV Program	Non-Profit	Total
Income	\$	\$	\$	\$	\$	\$
Dwelling Rent	-	405,540	210,760	-	-	616,300
Vacancy Loss	-	(12,170)	(10,540)	-	-	(22,710)
HUD Op Sub/Admin Fees	-	289,284	363,222	58,387	-	710,903
Funding Prorations	-	(14,464)	(18,161)	(11,679)	-	(44,304)
HAP Funding	-	-	-	489,240	-	489,240
Management Fees	239,130	-	-	-	-	239,130
CFP Management Fees	62,790	-	-	-	-	62,790
Bookkeeping Fees	24,410	-	-	-	-	24,410
Asset Management Fees	33,120	-	-	-	-	33,120
Tenant Revenue – other	-	8,650	7,210	-	-	15,860
Other Income	2,230	11,500	5,100	1,190	17,950	84,020
Interest Income	<u>1,100</u>	<u>32,000</u>	<u>40,000</u>	<u>150</u>	<u>10,770</u>	<u>84,020</u>
Total Income	<u>362,780</u>	<u>720,340</u>	<u>587,591</u>	<u>537,298</u>	<u>28,720</u>	<u>2,246,729</u>
Expenses	\$	\$	\$	\$	\$	\$
Administrative						
Administrative Salaries	166,860	62,300	51,550	21,780	2,090	304,580
Employee Benefits	60,490	30,380	26,260	10,440	850	128,620
Management Fees	-	138,440	98,290	2,400	-	239,130
Bookkeeping Fees	-	13,970	10,440	-	-	24,410
Asset Management Fees	-	19,200	13,920	-	-	33,120
Auditing	950	4,129	3,000	950	240	9,260
Advertising	570	2,570	1,890	-	-	5,030
Office Supplies	13,730	6,630	7,260	1,380	5,410	34,410
Legal Expenses	4,500	-	-	-	-	4,500
Travel	2,900	500	250	50	1,900	3,800
Accounting	15,540	-	-	-	-	15,540
Other Admin Sundry	7,960	8,750	6,710	5,030	1,900	30,350
Tenant Services Salaries	-	-	-	-	-	-
Tenant Services Benefits	-	-	-	-	-	-
Tenant Services	200	1,450	16,480	-	-	18,130
Water	-	28,980	3,830	-	-	32,810
Electricity	-	26,290	9,460	-	-	35,750
Gas	-	29,460	5,330	-	-	34,790
Sewer	-	26,410	1,890	-	-	-
Maintenance Labor	820	87,900	90,500	-	3,200	182,420

Lakeville Housing Authority

Operating Budget Forecast

FY 1/1 – 12/31S

	<i>COCC</i>	<i>AMP 1</i>	<i>AMP 2</i>	<i>HCV Program</i>	<i>Non- Profit</i>	<i>Total</i>
Maintenance Benefits	300	37,920	29,820	-	680	68,720
Garbage	-	6,200	12,210	-	-	18,410
Heating & Cooling	-	3,560	1,120	-	-	4,680
Snow Removal	-	-	1,670	-	-	1,670
Elevator	-	8,500	-	-	-	8,00
Landscape/Grounds	-	1,940	4,660	-	-	6,600
Unit Turnaround	-	-	-	-	-	-
Electrical	-	2,160	2,920	-	-	5,080
Plumbing	-	10,050	8,940	-	-	18,990
Pest Control	-	7,030	3,970	-	-	11,000
Janitorial	-	-	-	-	-	-
Routine Maintenance	100	1,440	900	-	-	2,440
Other Maint Contracts	260	17,170	19,320	140	740	37,360
Protective Serv Salaries	-	-	-	-	-	-
Protective Serv Benefits	-	-	-	-	-	-
Protective Serv-Other Contracts	-	3,130	4,850	-	-	7,980
Property Insurance	-	28,830	20,900	-	1,330	51,060
General Liability Insurance	4,760	4,720	3,920	530	60	13,990
Workers Comp Insurance	6,850	6,780	5,640	770	90	20,130
Other Insurance	-	940	620	-	-	1,560
Other General Expenses	-	-	-	-	770	770
Compensated Absences	20,740	11,300	12,960	920	320	46,240
Collection Losses	-	5,500	5,500	-	-	11,000
PILOT	-	28,220	17,970	-	320	46,510
HAP Payment				489,240		489,240
Extraordinary Maintenance	-	-	-	-	-	-
Repl of Equip/Betterments	-	30,000	3,500	-	-	33,500
HUD Repayment Agreements	=	=	=	=	=	=
Total Expenses	308,730	751,170	579,410	534,000	20,370	2,193,680
Net Operating Cash Flow (Deficit)	54,050	(30,830)	18,181	3,298	8,350	53,049
Number of Months Operating Reserve	11.06	36.43	42.41	2.83	431.86	N/A

SUMMARY

- The PHA is a public nonprofit corporation whose mission is to do good business. To do good business, business must be done well. Good financial management includes accurate accounting and tracking performance, and also includes a much broader constellation of systems and communication. Departments working well together, transparent reports as appropriate, good customer service and responding to complaints, a willingness to correct mistakes, and a sense of shared mission are all essential to doing business well.

Chapter 12 Avoiding Lawsuits

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Consider appropriate legal protection for your PHA
 - Discuss how directors and officers (D&O) insurance can help your PHA avoid lawsuits
 - Correctly identify the most common lawsuits in fair housing
 - Describe the role of the commissioner in procurement and contract management and define the purpose of the procurement policy
 - Define risk management, categorize various property risks, and list the possibilities for reducing property risks for the PHA
- Each Board member is personally liable in their fiduciary role as a board member. The “business judgment rule” protects board members from liability as long as they can show that they are trying to act reasonably and in good faith - that they are performing their duties of care and loyalty.

LEGAL CONSIDERATIONS

- When considering legal protection for board members and the PHA, the following should be considered:
 - Board members cannot abdicate their responsibility to direct
 - Board members must make certain the organization is operating within a legal framework
 - Board members have a legal responsibility for the protection of all assets
 - Board members must validate all major contracts by giving and recording formal approval
 - Board members must attend most board meetings, not just on occasion. Absence from a board meeting does not release the director from responsibility for decisions made.
- There is no absolute protection against someone bringing suit against you. Conscientious performance is the standard.
 - The best defense is a good offense; strive hard to do everything right and be able to show that you tried hard.
 - Remember: The assumption in the law is not necessarily that you must make the correct decision, but that you must make the decision correctly.
 - This is demonstrated in the board minutes that reflect the board seriously considered an action before the action was taken.
 - Board members are more at risk for taking no action when action is needed than for taking the wrong action for the right reasons.

Trainer Note:

A pattern of absence may indeed be presumed to increase an individual's liability because she or he cannot demonstrate a serious dedication to the obligation of the position.

Trainer Note:

It is not a crime to be wrong, but did you ask the right questions and respond as another reasonable individual would in that situation?

Notes

DIRECTORS AND OFFICERS (D&O) INSURANCE

- Directors & officers can be held personally liable for misuse of funds, misappropriation of funds, knowledge of illegal or improper acts, making improper loans, fraudulent acts, or transactions or decisions which are not authorized by the bylaws of the corporation.
- D&O insurance policies provide coverage for legal actions against the insured by D&O for wrongful acts committed at any time prior to the end of the policy term. The coverage applies to amounts that the D&O are legally required to pay as a result of any claim brought against them as a result of wrongful acts, and includes damages, judgments, settlements and defense costs but excludes fines, penalties, and any other charges deemed uninsurable. Penal defense coverage covers fines, penalties, regulatory costs (i.e., workers compensation fines)

MANAGING NONDISCRIMINATION

- Fair housing is civil rights as those rights apply to the sale and rental of housing, whether subsidized or private sector.
- Every PHA must affirmatively further fair housing.
 - Fair housing means housing that, among other attributes, is affordable, safe, decent, free of unlawful discrimination, and accessible as required under civil rights laws.
 - Affirmatively further means to take any action rationally related to promoting any attribute or attributes of fair housing as defined above.
 - This commitment is specified in the ACC and in the PHA plan process.

Trainer Note:

Does D&O insurance cover legal cost, defense and lawyers fees, damages awarded? Yes it does, as they are defined in the insurance policy contract wording.

Trainer Note:

Why do I need general business liability insurance if I have Directors & Officers coverage? D&O insurance does not cover your general business activities, such as meetings, contracts, newsletters, premises, etc...as a matter of fact, not having general liability could lead to a law suit against directors for not having it when a claim occurs.

Notes

- HUD has the role of monitoring and enforcing fair housing—both public and private.
 - HUD’s office of Fair Housing & Equal Opportunity (FHEO) monitors and investigates. FHEO can impose voluntary compliance agreements (VCAs) against PHAs found in noncompliance with fair housing.
 - HUD can also file a lawsuit against a PHA for civil rights violations or can refer a case to the Department of Justice (DOJ). DOJ can also take up a case on its own. DOJ prosecutes in court.
 - An individual or group can also seek judicial remedy on its own—there is no requirement to first go through the PHA, or HUD, or DOJ.
- A large body of law comprises PHAs' obligation to affirmatively further fair housing.

Federal Fair Housing Laws

- Discrimination under federal fair housing laws means any difference in treatment, exclusion of, or failure to offer a person an equal opportunity in housing because of race, color, religion, national origin, sex, familial status, or disability. It is essential that PHAs thoroughly understand their obligations under fair housing laws. The interpretation of fair housing laws is ever-evolving. Supreme Court decisions and HUD regulations have expanded PHAs’ fair housing obligations.
- The largest number of fair housing complaints is based on inadequate reasonable accommodation for persons with disabilities; the second most frequent fair housing complaints are based on racial discrimination. The PHA is required to have fair housing posters in all offices where applicants and participants visit and must inform families how to file a discrimination complaint.
- Following are the most common areas of complaints and legal challenges.

Reasonable Accommodation

- Reasonable accommodations eliminate barriers preventing people with disabilities from fully participating in everyday aspects of life-including housing opportunities. A change, exception, or adjustment to a rule, policy, practice, or service may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces.
- The Joint Statement of HUD and the DOJ on Reasonable Accommodations under the Fair Housing Act, published May 17, 2004, is definitive and clear guidance.

What is the Reasonable Accommodation Process?

1. First, the housing provider has an obligation to inform applicants and families of the right to request a reasonable accommodation. The project should review forms, letters, posters, and signs for this language, for example:

If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize your dwelling, our programs, and services, please contact your property manager, Roberta Simmons, at 213-567-8900.

2. A person's request triggers the process. PHA staff should not offer an accommodation until one has been specifically requested. Treating people differently because of a perceived disability is discrimination.

PHAs must give appropriate consideration to reasonable accommodation requests even if the requester makes the request orally or does not use the PHA's preferred forms or procedures.

Notes

3. The request must be made by or on behalf of a person with disabilities. The Fair Housing Act defines the term handicap for purposes of reasonable accommodation as:
 - “A physical, mental, or emotional impairment that substantially limits one or more of a person's major life activities;
 - A record of such impairments; or
 - Regarded as having such an impairment.”
4. There must be a relationship (“nexus”) between the disability-related limitation and the accommodation being requested.
 - If a person’s disability is obvious, or otherwise known to the housing provider, and if the need for the requested accommodation is also readily apparent or known, then the housing provider may not request any additional information about the requester's disability or the disability-related need for the accommodation.
 - If the requester’s disability is known or readily apparent to the housing provider, but the need for the accommodation is not readily apparent or known, the housing provider may request only information that is necessary to evaluate the disability-related need for the accommodation.

Notes

5. Is the request reasonable?

- A request for reasonable accommodation can be denied if:
 - The request wasn't made by or on behalf of a person with disabilities.
 - There is no disability-related need (nexus) for the accommodation.
 - The accommodation will result in an undue financial and administrative burden.
 - The courts look at the overall financial resources of the entire organization or program. The cost of the accommodation will be measured against the resources available at the time of request.
- The accommodation would fundamentally alter the nature of the housing provider's operations.
 - This might include a request that would require the housing provider to do something it is not in the business of doing, or to waive an essential lease obligation.
- There is a direct threat to the health and safety of other individuals, or threat of substantial physical damage to the property of others, if the threat cannot be removed, alleviated or mitigated by an accommodation.
- The housing provider should enter into conversation, or negotiation, with the requestor, to explore alternatives. If there is an alternative that meets the requestor's need for accommodation, the housing provider must grant it.

Treat Each Case Individually

- The essential intent of federal anti-discrimination laws is that each case should be treated on its individual merits.
- The PHA's legal protection from a discrimination complaint or lawsuit lies in having written proof that good-faith, individual consideration was given to that particular person.

**Limited English Proficient Persons –
Nondiscrimination Based on National Origin**

- Under Title VI of the Civil Rights Act, recipients of federal financial assistance have a responsibility to ensure meaningful access to their programs and activities by persons with limited English proficiency (LEP).
- Recipients of federal dollars have two main ways to provide language services: they can be oral or written.
Agencies are obligated to provide competent oral interpretation services, free of charge, upon request.
For housing providers in areas where many languages are spoken, language lines (interpreters over the phone) are ideal. HUD has provided guidance for written translation services which can be found in the DOJ's self-assessment tool at: <http://www.lep.gov/selfassesstool.htm>

The Violence against Women Act (VAWA)

- VAWA amends the 1937 Housing Act. VAWA affects the public housing and tenant-based and project-based Section 8 programs by placing safeguards in the admissions and termination processes, including provisions and procedures for certification, confidentiality, and notification.

Notes

- VAWA is a reauthorization of ongoing federal priorities to protect victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking.
 - Although the VAWA 2022 statute does not specifically do so, HUD has recently begun including human trafficking as part of the list of victims protected under VAWA, as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24. In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, we have opted to include human trafficking in this text in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears

Notification

- PHAs and owners are required to provide the Notice of Occupancy Rights (HUD 5380) and certification form (HUD 5382) with any notice of denial of admission, at admission, and with any notice of termination/eviction.

Terminations

- VAWA includes program requirements for the protection of victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking from lease termination. The law protects a victim while enabling a housing provider to remove or evict the perpetrator. A housing provider may bifurcate a lease in order to evict, remove, or terminate assistance to the perpetrator, without evicting or otherwise penalizing the victim of such violence. VAWA takes precedence over any local, state, or other federal law that might otherwise prohibit bifurcation of a lease.

Notes

- Eviction or removal of the perpetrator may not be necessary in all instances. If the family requests that the housing provider give the perpetrator the chance to seek counseling or other treatment, the housing provider could give the same consideration they would in any other case not involving domestic violence.
- The law does not limit the authority of the housing provider, when notified, to honor court orders addressing rights of access to or control of the property to protect victims, or the distribution or possession of property among household members.

FR Notice 1/4/23

- PHAs and owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA.
- The law does not limit the housing provider's authority to terminate tenancy when there is an actual and imminent threat to other tenants, employees, or others providing services to the property.
 - Notice PIH 2017-08 provides several considerations for reducing "actual and imminent" threats.

Emergency Transfer Plan (ETP)

- VAWA regulations require PHAs to develop an emergency transfer plan (ETP) for victims and threatened victims in the public housing and voucher programs.

Equal Access Rule

- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, effective March 5, 2012, requires that HUD-assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

Notes

- Further, on January 20, 2021, the White House issued Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation. The order states that federal laws prohibiting discrimination on the basis of sex, including the Fair Housing Act, also cover discrimination on the basis of sexual orientation and gender identity under the same category.
 - The order requires federal agencies, including HUD, to review any regulations, guidance documents, policies, programs, or other agency actions that were put into effect under any statute or regulation prohibiting sex discrimination and to develop a plan to ensure their consistency with the order.

Sexual and Other Forms of Harassment

HUD Final Rule on Harassment and Liability for Discriminatory Practices

- HUD published a final rule in the *Federal Register* on September 14, 2016, amending regulations in 24 CFR Part 100, effective October 14, 2016, to formalize standards for use in investigations and judicial proceedings involving allegations of harassment on the basis of race, color, religion, national origin, sex, familial status, or disability.
 - This rule clarifies that harassment can be not only a form of discrimination based on sex, but also can be discrimination based on other protected classes under the Fair Housing Act.

Notes

- The rule defines the two types of harassment—quid pro quo harassment and hostile environment harassment.
 - Quid Pro Quo (something for something) harassment is an unwelcome request or demand to engage in conduct where submission to the request or demand, either explicitly or implicitly, is made a condition related to housing activities such as the sale, rental, or availability of a dwelling, or the provision of housing-related services or facilities. An unwelcome request or demand may constitute quid pro quo harassment even if a person accepts without protest the unwelcome request or demand.
 - Hostile environment harassment is unwelcome conduct that is sufficiently severe or pervasive as to interfere with housing activities such as the sale, rental, or availability of a dwelling, or the provision or enjoyment of housing-related services or facilities. Hostile environment harassment does not require a change in the economic benefits, terms, or conditions of the housing-related activities.
- The final rule provides that a *person is directly liable* for failing to take prompt action to correct and end a discriminatory housing practice by a third party, *where the person knew or should have known* of the discriminatory conduct and had the power to correct it.
 - The final rule adds a provision, Section 110.400(c)(6), prohibiting retaliation against anyone because they reported a discriminatory housing practice to a housing provider or other authority.

Notes

- A note about policy: Even if the PHA has adequate policies prohibiting sexual and other harassment, but behaviors are accepted by supervisors and managers in the workplace that do not conform to the policies, if the PHA is challenged, the courts consider the accepted behaviors of the workplace the “de facto” or “in fact” policies. In other words, there is personal and agency liability if someone with authority in the PHA knew or should have known about the harassment and failed to take prompt action.

State and Local Law

- Housing providers must also be in compliance with any state or local laws that have additional protections or create additional protected classes of people.

Working with Advocacy Groups

- Working with advocacy groups will enable the PHA to ensure it’s in compliance with laws.
- Working well with community-based agencies ensures that the PHA is effectively serving low- and low-income families and that families are well-informed of their rights and protections under civil rights and fair housing laws. These collaborations protect the PHA and the families.
- A collaboration to affirmatively further fair housing is key: work with the people doing the work.

Section 504 Coordinator

- Per Section 504, if the PHA employs more than 15 people, the PHA must establish a 504 coordinator. In a small PHA, this position may be part of the executive director's or another manager's duties. In a large PHA, the 504 coordinator will be a dedicated position.

HUMAN RESOURCES

- There are a number of litigious areas in the workplace. Reasonable accommodation, sexual or other harassment, and violation of federal or state employment law are common employment lawsuits. The PHA should be knowledgeable in federal, state and local employment laws, develop comprehensive policies, train managers and staff, and ensure that policies are being monitored and enforced.

PROCUREMENT AND CONTRACT MANAGEMENT

- Each PHA is required to develop and implement a procurement policy that must be approved by the Board of Commissioners. The board must also approve any revisions to this policy.
- The area of procurement is a litigious one, and is one of the areas that PHAs often receive audit findings from HUD.
- A commissioner must not use his or her position on the board to prevent the PHA from competing for business opportunities.

Notes

- The PHA’s procurement policy must:
 - Provide for the fair and equitable treatment of all persons or firms involved in the provision of goods and services to the PHA
 - Ensure that supplies, services and construction are procured efficiently, effectively and at the most favorable prices available to the PHA
 - Promote competition in contracting
 - Provide safeguards and integrity of the process
 - Ensure that the PHA purchasing actions are in full compliance with applicable federal standards, HUD regulations and state and local laws.
 - Many states have detailed procurement laws; in the case of conflicting statutes, generally the more stringent law is applied.
 - Example: The federal limit for small purchases is \$250,000; a state may set a limit of \$50,000 for small purchases; the PHA's procurement policy must not set a limit for small purchases above the state limit, or \$50,000.
 - For a number of reasons, the threshold for spending in the PHA's procurement policy may be set at less than the applicable federal or state limit. However, unless there are extreme circumstances, the Board should not set spending limits so low that the executive director is micromanaged.
 - Further Section 3 opportunities for training and hiring of Section 3 residents and contracting with Section 3 businesses.
- Once the procurement policy is approved, the board designates the executive director as the person responsible for implementing the policy.

Trainer Note:

Depending on the size of the PHA, the Executive Director may formally delegate (in writing) certain procurement functions to other PHA staff positions

- A procurement policy should include the following:
 - Statement of policy
 - General provisions
 - Procurement delegation of authority
 - Procurement methods
 - Contract qualifications
 - Types of contracts
 - Specifications
 - Appeals and remedies
 - Assistance to small and other business
 - Statement of ethics
- A well-written procurement policy will provide the basis for a strong contract document that will ensure the PHA receives the goods or services being procured. It is the responsibility of the executive director or designee to administer the terms of the contract.

SAFETY

- Because harm to persons carries such far-reaching consequences, the importance of safety cannot be overestimated. The PHA may be sued for its actions or its failure to act.

Risk Management

- Risk management is defined as the process of controlling or reducing risk to acceptable levels.
- Public housing, because it is residential real estate management, has many risks.
 - Fires, falling, and natural disasters have always been a concern.
 - Now, chemicals in the air and ground, lead in the paint, bacteria in the water, and more complex regulatory requirements add to the PHA's responsibilities and concerns.

Notes

- Almost all property risks can be categorized as one of the following:
 - Liability or the legal obligation to do—or refrain from doing—something
 - Compliance with local, state and federal regulations and laws
 - Natural and man-made emergencies and disasters.
- In order to reduce risks related to property, the PHA should:
 - Inspect its premises often, including PHA offices, public housing units, and timely NSPIRE inspections for Section 8 units
 - Maintain building records that show information for all structural, construction, and mechanical components
 - Maintain appropriate insurance records for employees, contractors and residents
 - Maintain vehicle records for all vehicles owned by the PHA
 - Implement safety and security programs
 - Implement standard incident reporting procedures and a chain of command to assess safety and risk issues.
- The PHA may be held liable if PHA employees, residents or program participants are attacked or criminally assaulted on PHA premises, or if their personal property is stolen or destroyed. Security and safety should be addressed on a regular basis.
- Prevention is the most effective way to reduce safety risks and to protect the PHA, employees, residents and program participants.

Trainer Note:

Also, consider recommending that it use outside contracts for maintenance areas with a high liability potential, such as elevators or boilers, to provide education to residents

Trainer Note:

Some low-cost ways of reducing risk include using safety equipment, not taking shortcuts, developing a process to report problems as soon as they become evident, and providing clear directions and the expectation that directions will be followed.

PHAs may develop safety booklets. Local fire and police departments, insurance companies and other agencies may have resources.

Emergency Response

- The PHA should provide immediate maintenance response to potential safety risks. Any health and safety risk should be immediately abated or repaired in accordance with NSPIRE standards and state and local laws.
- Examples:
 - If a stair on a PHA building is loose, the PHA should repair the stair within 24 hours and block access until repaired
 - If a public housing unit is dangerous or uninhabitable, even if the damage is tenant-caused, the PHA should immediately relocate the family.
- PHAs should give thought to their emergency response system in order to be prepared for natural or man-made disasters. All PHA staff, residents and program participants, and emergency personnel should be appropriately briefed in the PHA's emergency response system.

Notes

- Necessary elements of an emergency response system are:
 - Notification system
 - Must provide a way for employees, residents or program participants to communicate the need for emergency services. Could involve a on-call list, answering service, direct line to fire or police.
 - Screening system
 - Not every call is an emergency. Some after-hours calls can wait until regular business hours. Some calls cannot wait.
 - Response system
 - The PHA should clearly stipulate who responds to what type of emergency, when, and how. Systems may involve a skeleton crew in public housing at night and on weekends and holidays, rotating personnel on-call, or on-call maintenance personnel.

Learning Activity 12-1: Checklist: How to Minimize Liabilities of Nonprofit Board Members

- Liability can be significantly reduced if Board members undertake the activities listed below. (The following is not offered as legal advice.) Go through the checklist below and check boxes that need further attention.

Board Practices

- Have board meetings at least quarterly.
- Be sure that by-Laws accurately reflect board members' specifications of the structure of the agency and how it is to be managed.
- Produce and approve board minutes that include highlights of members' deliberations, decisions and actions from board meetings and committee meetings.
- Include an indemnification paragraph in by-laws, which explains corporate protection of members.
- Be sure the personnel policies are up-to-date and approved by the board, and staff are trained on the policies.
- The treasurer should not also be the auditor.
- Be sure each member undergoes basic training on roles and responsibilities of governing boards of director.
- Be sure that board members are trained on their roles and the roles of staff.
- Conduct a board self-evaluation once a year.
- Conduct an evaluation of the executive director at least once a year according to the personnel policies.
- Adhere to the board policies, especially conflict of interest and ethics policies.
- As much as possible, staff the board with independent members - those who have no business affiliation with the housing authority, and are not friends of the CEO.
- As much as practical, ensure staff members are not involved in recruiting board members.
- Train board members how to analyze financial information.

Board Deliberations and Decisions

- Participate in all board meetings or be excused beforehand.
- Participate in board deliberations and board decisions.
- Notify members if there is an apparent conflict of interest with any member.
- Be sure that highlights from deliberations, decisions and actions are included in board-approved meeting minutes.

Notes

Chapter 13 Management of the Board

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Discuss the importance of good communication in managing the board and organization as a whole
 - Apply the principles and practices of effective meetings
 - Discuss the essential characteristics of effective leadership

INTRODUCTION

- A board that operates as a team, with effective conflict resolution and rigorous debate in an atmosphere of trust and mutual respect, has a better chance of driving better performance than a board that is dysfunctional and unable to reach agreement on the key issues.
- Core skills of highly competent boards include problem-solving and decision-making, planning, delegation, communication, meeting management, and managing oneself. Leadership is the integration of these skills, and ethics is the roadmap of leadership.

COMMUNICATION

- Effective communication is the lifeblood of an organization. Mutual understanding is the thread that connects everyone in an agency. Successful agencies have strong communication - from the top down, from the bottom up (vertically) and across departments and functions (horizontally). In order to build a strong tapestry of communication throughout the organization, board members must be outstanding communicators. Consider the following competencies in communication:

Notes

- **Interpersonal communication**, sometimes known as “interpersonal intelligence”, is the ability to interact with others, understand them, and interpret their behavior. Interpersonal intelligences allows us to affect others by understanding them; without it, we are not adept at subtle social language.
- **Intrapersonal communication** is our cognitive ability to understand and sense our “self”. This set of skills and abilities allows us to tap into our being—who we are, what we’re feeling, and why we are this way. A strong intrapersonal intelligence can lead to a sense of strength of character, allowing us to communicate clearly and simply.
- **Linguistic communication** refers not only to grammatical competence (using words and language rules correctly). It also includes appropriateness, cohesion and coherence, and appropriate use of communication strategies.

Learning Activity 13-1: Managing Yourself and Others–DiSC®

- The person who is truly productive in working with other people knows her/himself and understands how they affect other people, why they affect people the way they do, and why other people affect them the way they do. They know their own strengths and weaknesses. They not only know these things, they do something about it! This person maximizes their strengths and minimizes their weaknesses. They develop a positive attitude about themselves which causes others to trust and have confidence in them. The truly successful person develops the ability to study situations and people and adapts appropriate behavioral strategies.
- The perception of differences is often the root of conflict between people. When people solely focus on their differences, they are less productive. When people acknowledge and work to understand differences, and build on common ground towards common goals, they are more productive.
- DiSC® is a self-assessment instrument used to improve work productivity, teamwork, and communication. DiSC is non-judgmental and helps people discuss their behavioral differences. When you completed your online DISC profile, you were asked to complete a series of questions that produced a detailed report about your preferred behavior. You can utilize this knowledge to better manage yourself and your team in your work environment.

Notes

- DiSC is not a personality test. It does not measure intelligence, aptitude, mental health or values. DiSC profiles describe human behavior in various situations, for example how you respond to challenges, how you influence others, your preferred pace, and how you respond to rules and procedures. It indicates behavioral styles. This is important because behaviors are adaptable and can be modified in the short term. Personalities are intrinsic and cannot be modified in the short term.

MEETINGS

- A well-run meeting can make the difference in a board's effectiveness. Most PHAs use parliamentary procedures to conduct business; this is stipulated in the bylaws.
- 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.
- Although the executive director is not a member of the board and has no voting rights, the executive director is more than just an employee of the board; they are a valuable resource on all issues. The executive director should sit at the board table at meetings and should be expected to make well-supported recommendations.
- The board meeting is where you will bring your interpersonal, intrapersonal, and linguistic competencies, as well as other knowledge, skills and abilities. Consider the crucial principles of running effective meetings:

Principles and Practices of Effective Meetings

- Effective meetings will:
 - Clearly identify purpose of meeting
 - Focus on well-chosen and clearly stated goals
 - Affirm the PHA's values, mission and goals
 - Identify purpose of each agenda item
 - Facilitate information exchange when appropriate:
 - Learning
 - Creative thinking and generating ideas
 - Critical thinking
 - Analysis, goal setting, problem solving, decision making
 - Accomplishing tasks

- Commissioners should:
 - Read and think about the agenda prior to the meeting
 - Use a facilitator when appropriate
 - Be on time for the meeting
 - Be prepared to contribute
 - Remain on topic; avoid digression

Select and Prepare Participants

- Consider ahead of time who needs to attend the board meeting in addition to the “regulars”. Who needs to attend depends on what is to be accomplished in the board meeting.
 - For example, have expert staff to get good background data. Bring in decision-makers when an agenda item requires a decision. Without the right people at the meeting, progress will stall.

The Agenda

- List, in order of presentation, each major topic for the meeting. Next to each topic, include the type of action needed, such as decision, vote, or discussion. List the estimated time allotted for each item, and indicate discussion leader(s) and presenter(s) for each item.
- Before the meeting:
 - Circulate the agenda several days prior to the meeting
 - Be prepared to modify the agenda based on feedback
 - Read the agenda before the meeting and ask yourself:
 - Do I understand the action I am expected to take?
 - Get clarification if needed
 - Is the agenda relevant to all attendees?
 - Is the information thoroughly prepared and appropriately documented?

Open the Meeting

- When opening any meeting, always start on time.
- Adopt the following best practices:
 - Welcome attendees and thank them for their time.
 - Review the agenda at the beginning so participants understand all major topics, review and change them, and ultimately accept them.
 - Ensure that the scribe is present to keep good meeting notes of key information, discussions, and outcomes. They list any items requiring additional action and person responsible.

Ground Rules for Meetings

- *Ground rules* are descriptions of the behavior and demeanor that is expected in the meeting. For example, if the meeting is intended to reach a difficult decision, you may want board members and participants to feel free to offer any and every alternative and yet stay focused on the topic at hand.
- **Examples of effective ground rules are:**
 - All attendees participate.
 - Everyone remains on the task at hand.
 - No one interrupts.
 - Board members and participants stay on time and keep the momentum.
 - Team resolves or refers all issues on the agenda.
 - Everyone maintains confidentiality when appropriate.
- Review ground rules for new members of the group. You may want to post the ground rules with a new group, or if there has been a history of conflict or interruptions. Support people who follow the ground rules and deal with those who don't.

Facilitate the Meeting

- If you are the board chair or facilitator of the board meeting, you want to make sure that everyone has a chance to contribute. If a particular person or faction is dominating a meeting, you may want to simply say, “I'd like to hear from some of you who haven't said anything yet.” You could call on some board members and ask if there's anything they'd like to say, but don't put anyone on the spot or require anyone to speak up.
- You want to create a safe enough environment where no one is afraid to contribute. Meetings are not a good place to resolve personal conflict. Not allowing interruptions, listening for the quiet person who makes a good suggestion, politely limiting someone who gets carried away by the sound of their own voice, and modeling openness to collaborative communication are all ways of ensuring an effective meeting environment.

Manage Time in Meetings

- One of the most difficult meeting management tasks is managing time. Many meetings spend valuable time on insignificant agenda items, only to find that time has run out to consider the essentials. Before time runs out on a particular subject, ask the group if this discussion is achieving the stated goal for the discussion- problem solving, information sharing, decision making? Should you move this discussion to another arena-the next meeting, or committee?
- Be firm and keep the group to the decision.

Close the Meeting

- Closing meetings can be as important as the agenda or opening. This is an opportunity to draw everyone back to the primary goals of the meeting.
- Always end meetings on time and on a positive note. Summarize the decisions, actions and assignments that resulted from the meeting. Confirm the time and location for the next meeting.

Prepare and Circulate Minutes

- Minutes provide the permanent record of board meetings. Effective minutes allow the agency to move forward with decision-making and planning. In the minutes, include a brief discussion of the issue, agreed-upon follow-up on any action needed, the person responsible, and the date due for the next step or completion.

REQUIREMENTS FOR MEETINGS

- As a public body, the PHA is subject to state and local laws governing open meetings and records. A PHA must also protect information obtained and covered under the federal Privacy Act.
 - For example, to comply with California's Open Meeting Act, notice for meetings must be supplied in three ways:
 - In a publicly accessible place
 - To any interested individual or group that requests it
 - On the internet (with a link to the agenda).
 - The meeting notice should have the following three items, at a minimum:
 - Location and time
 - Contact person
 - Agenda

- Notice of closed sessions still require a notice of the meeting and the agenda items involved.
- There is another general exception to California’s Open Meeting Act, special meetings. In these special situations, a topic can be added if notice is provided earlier than 48 hours. This can occur if an item discussed in the meeting requires an “emergency meeting” or for a topic that requires immediate attention. In a situation involving immediate attention, a two-thirds vote or unanimous vote must be made.

TYPES OF MEETINGS

- All board meetings are open to the public unless, for a specifically named and limited purpose, a meeting is scheduled as a closed meeting, or an open meeting is called into a closed session, in compliance with public notification procedures.
- All votes on an item discussed in a closed meeting or session must occur in a meeting open to the public

Annual Meetings

- The articles of incorporation and bylaws stipulate the time and place of the annual meeting. In addition to the holding of elections of officers, the Commissioners review the PHA’s performance and accomplishments and set goals and objectives for the coming year.

Regular Meetings

- Notice of the monthly regular meetings is described by state and local law. Some state and local laws require placing a notice in the newspaper. Most require posting on the front page of the PHA's website, and in PHA offices no later than a specific number of calendar days prior to the date of the meeting.

Special Meetings

- Again, state and local law define the requirements for special meetings. For example, state law may stipulate that the Chairperson may, when deemed appropriate or upon written request of four members of the Board or written request from the Executive Director, call a special meeting for the purpose of transacting any business designated in the call.
 - State or local law may state where notice is delivered to, how many days prior to the date of the special meeting, and where notice must be posted. At a special meeting, no business can be considered other than as designated in the call; however, some state laws stipulate that if all of the Board of Commissioners are present at a special meeting, any and all business may be transacted at the special meeting.

Executive Session Meetings

- State law commonly allows the Chairperson to, upon motion by any Board member, recess a regular or special meeting to go into executive session to discuss only those matters permitted in law. Some state laws require that the Board's counsel certify that the executive session called for meets the requirements of and is in accordance with applicable law.
- These meetings are not open to the public. No minutes are taken during the executive session and Board members may not disclose the content of the discussions.
- No deliberation and no voting takes place during an executive session. The minutes of the regular or special meeting must reflect the time the Board recessed and returned to the regular or special meeting.

ETHICS

- Ethics is coming to know what is right or wrong in the PHA and doing what's right. A sense of ethics is critical during times of fundamental change, when values previously taken for granted are questioned.
- Ethics is a strong moral compass in times of crisis and confusion.

General Guidelines for Managing Ethics

- Managing ethics is a process. The bottom line is accomplishing preferred behaviors in the workplace.
- The best way to handle ethical dilemmas is to avoid their occurrence in the first place. As much as possible, make ethics decisions in groups and make decisions public as appropriate.
- Value forgiveness. Trying to operate ethically and making a few mistakes is better than not trying at all.
- The board and executive director must support and model ethical behavior.

Description of a Highly Ethical Organization

- A highly ethical organization is at ease interacting with diverse internal and external groups. Obsession with fairness is a hallmark of a highly ethical organization.
- Responsibility is individual rather than collective; individuals assume personal responsibility for actions of the organization. Activities are seen in terms of purpose.

Integrity

- Integrity is defined as soundness; firm adherence to a code of moral values; the quality or state of being complete or undivided.
- Some of the abilities, tasks and characteristics of integrity are:
 - Hold and support a vision
 - Force an external focus
 - Functions and decisions outcome driven
 - Separate large issues from small ones
 - Force forward thinking
 - Facilitate diversity and unity
 - Define common basis for discipline
 - Decide board's role in common topics
 - Balance over/under control
 - Manage conflict ethically
 - Use board time efficiently

Ethics Policy

- Assume your actions will be scrutinized. Ethical policies and practices cut across all PHA operations. Establish an ethics policy. A sample beginning ethics policy that contains valuable sample language, from HUD's Procurement Handbook can be found at the end of this chapter.

Top 15 Board Mistakes

- To conclude the chapter on management of the board, it may be helpful to review the common mistakes made by PHA boards (and any governing board of a nonprofit agency). Before your board and PHA begin the strategic planning process, think honestly about how your board can acknowledge and address any of these common errors.
1. ***Failing to understand fiduciary duties.*** When you volunteer to serve as a director or officer of a PHA or any non-profit, you accept the responsibility to act with the duties of good faith, due care and loyalty. You also accept the potential liability for failing to fulfill those duties. Increased scrutiny from Congress, HUD's Offices of Inspector General (OIG) and Fair Housing and Equal Opportunity (FHEO), the Department of Justice, and the media, require vigilance at every step. It is no longer sufficient to rubber stamp ED, committee or staff recommendations or to simply “abstain” from dicey decisions. Today, board service comes with real responsibilities and real consequences for those that fail to live up to them.
 2. ***Failing to provide effective oversight.*** Boards are entitled to delegate tasks to committees, officers, staff, or in certain cases, professionals, but only if they perform sufficient oversight. Oversight is commonly exercised through policies and procedures so long as the board ensures that the policies and procedures are compliant with laws and regulations, and actually followed. Important oversight mechanisms include review of financial statements as well as the implementation of various governance policies. Governance policies include conflict of interest policies, executive compensation policies, travel and expense reimbursement policies, whistleblower policies, etc. Difficult tasks that require more time and focused attention can be delegated to committees. Common board committees include those designed to oversee finances, investments, audits, and compensation.
 3. ***Deference to the executive committee or board chair.*** No one owns a PHA (or any non-profit agency). No one committee, director, or individual can control the PHA. The executive committee, if one exists, is typically charged with acting on behalf of the board when the board is not in session and cannot be easily convened. It is, however, accountable to the full board and should not be permitted to operate as a “mini-board.” The chair's primary duty is typically to preside over board meetings and to act as a liaison between the board and the CEO/ED. The chair does not have the power to override decisions of the board. Similarly, the CEO/ED runs the day to day affairs of the PHA. The board has a duty to review the performance and set compensation for the CEO/ED.

4. ***Micro-managing staff.*** Once board members demand keys to the PHA's offices and start making direct demands on staff, the board has crossed the line. The board's key duties are to provide oversight and strategic direction, not to meddle in the PHA's day to day affairs. Board members who cross this line are undermining the authority of the CEO/ED to their own detriment - you don't have the time or expertise for this full-time job! Similarly, staff (including the CEO/ED and other directors) should not invite micromanagement by asking the board to take on day-to-day tasks that the staff should be handling.
5. ***Avoiding the hard questions.*** It can be uncomfortable to ask tough questions or to disagree with one's fellow board members. However, group think rarely leads to sound decision-making. Often, the most valuable board members are the ones who, calmly and respectfully, speak their mind. It is important to set a tone that encourages a free exchange of ideas, both good and bad. Open, vigorous discussions about key issues should be encouraged. A board that passes every resolution “unanimously” should evaluate whether it needs to do more to encourage a thoughtful and open discussion.
6. ***Insufficient conflict of interest management.*** If a conflict of interest is with an insider, their family member or business, it is not enough to simply disclose the conflict and have the disinterested directors approve the transaction. In such cases, the disinterested members of the board need to consider alternate arrangements that do not give rise to a conflict of interest or perceived conflict of interest. Comprehensive ethics and procurement policies, rigorously followed, will help the board navigate management of potential conflicts of interest.
7. ***Lack of awareness of laws and HUD regulations.*** Directors that hail from the for-profit world often assume nonprofits operate in a less-regulated environment. In reality, the opposite is true. PHAs must comply with a myriad of federal, state and local laws, HUD regulations, and PHA requirements. It is essential that directors of PHAs ensure awareness of the various federal, state, and local laws that apply to the agency, as well as the mandatory PHA policies. Ongoing board training and orientation for new board members is often the best solution.

8. ***Operating with outdated, inconsistent governing documents and policies.*** Over time, many PHAs change their mission and/or programs without updating their governing documents. Similarly, many PHAs develop practices that do not comply with their original governing documents. For example, it is not uncommon to see bylaws with term limits, yet board members are serving beyond their time limits. In addition, outdated policies can be a liability for a PHA. HUD regulations can change frequently. Fair housing especially involves an evolving set of laws and requirements. Ensure regular reviews of the governing and policy documents.
9. ***Airing disagreements outside the boardroom.*** Every board's motto should be “what happens in the boardroom stays in the boardroom.” Inherent in the duty of loyalty that all board members must adhere to is an implied duty of confidentiality. Once an issue is settled by board vote, the board members who voted against the majority must present a united front. If a board member feels strongly about a dissenting vote, he or she can write a dissenting opinion and have it entered into the next meeting's minutes. If a vote is so disagreeable that a board member cannot carry on in this manner, the board member should consider resigning. In extreme cases, if the board member believes the PHA's, residents', staff's or the public's rights are being violated, the board member could join together with other like-minded board members with HUD to take action, including requesting a full audit or investigation.
10. ***Failure to cultivate board diversity.*** If your organization is run by a group of “usual suspects,” consider mixing it up by creating a matrix of skills, experiences, and backgrounds that would add valuable perspectives to the board. Those with law, business, real estate, and/or development are obvious choices. Substantive mission-related skills are also important. And ensure racial, ethnic, and cultural diversity that represents the community you serve.
11. ***Recruiting and selecting board members without due care.*** A board sometimes selects colleagues and business associates often because members believe that they will share the vision, support your views, and make meetings pleasant. And sometimes because you can't find anyone else. Boards sometimes select influential individuals. All of this may be well and good, but only if you make sure that you select board members who are going to attend meetings, provide real oversight, and govern using their independent judgment.

12. ***Failing to educate and motivate board members.*** You may be stuck, at least temporarily, with a number of directors who regularly fail to meet their legal duties of care and loyalty. Amidst all the media attention on cases involving intentional misconduct, you should recognize that the vast majority of board members simply don't understand what they are supposed to be doing and believe that they will not be held accountable for their inaction. It's up to the CEO/ED, board chair, and really each board member to correct this lack of understanding. While this is an ongoing process, you can make some quick fixes. Set up a basic orientation process. Invite other nonprofit organizations and community legal experts to present to the board (board members' ears tend to perk up when they hear the word "liability"). Regularly send out information to the board about the agency's major issues (it's okay to be repetitive if the issues remain outstanding) and how board members might help. Have the board conduct a SWOT (strengths, weaknesses, opportunities, threats) analysis on itself (not just the agency) and create an action plan based on the analysis.
13. ***Failing to document actions appropriately.*** Some PHAs adopt minutes that are virtual transcripts of board meetings. Others adopt minutes that only document actions without any mention of the process or deliberations. What's proper? It depends. But often what is most appropriate lies somewhere between these two extremes. Documenting every discussion could create greater exposure for liability and makes it unlikely that minutes will be reviewed except in cases where someone is looking for something specific. On the other hand, documenting only actions can result in a loss of institutional knowledge about why certain decisions were made and provide less evidentiary support of a board's due care in making decisions. Documenting nothing is not an acceptable alternative, but it's a common problem.
14. ***Failing to review program effectiveness and efficiency and take appropriate follow-up actions.*** Many board members understand they are fiduciaries and have a responsibility to provide financial oversight. And they "know" their PHAs are doing great work because the CEO/ED tells them so. But how do you really know this? And if PHAs exist for the public good, and not to maximize profits, isn't programmatic oversight just as, if not more, important than financial oversight?

15. ***Failing to hold executives (and nonparticipating board members) accountable.*** How many boards give regular performance reviews to their CEO/EDs? Do you just give pats on the back (which you should do whenever deserved) or do you also take a hard look at deficiencies and take corrective actions? Many agencies are transitioning to younger, less experienced leaders as the boomers start to retire or move to other positions. Mistakes happen and may happen more often with new leaders. How do you respond to this? Do you document errors in judgment, complaints, abuses of authority? Are you prepared to fire a CEO/ED even without malfeasance where he or she is just not getting the job done? And what about removing directors who don't show up at meetings or otherwise fail to fulfill their governance responsibilities? Tricky stuff, but isn't it crucial to deal with it?

- From: <http://charitylawyerblog.com/2009/10/05/top-15-non-profit-board-governance-mistakes-from-a-legal-perspective/#ixzz3CwMjsfAu>

Sample Ethics Policy

Soliciting or Receiving Gifts

- Commissioners must never offer, give, solicit or receive any form of bribe or kickback through their connection to the housing authority. Commissioners must not solicit a personal gift of any kind from anyone who does business with the PHA. This restriction applies to both actual and proposed business transactions involving the PHA.

Duty Not to Compete

- There is also a duty not to compete. A commissioner should never use her or his position on the board to prevent the PHA from competing for business opportunities. Commissioners should not use client lists or other confidential information acquired by virtue of being a commissioner for purposes of financial gain. This duty should extend for a period, usually at least a year, from the date of resignation from the board.

Conflict of Interest

- A commissioner has a duty not to enter into areas where there is a conflict of interest. Conflicting interests can be financial, personal relationships, status, or power.
- Commissioners should never receive gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial agencies, which obligate or induce a commissioner to compromise responsibilities to negotiate, inspect or audit, purchase or award contracts with the best interest of the PHA in mind.
- Commissioners must keep confidentiality. Commissioners should be prohibited from knowingly disclosing information about the housing authority to those who do not have a need to know or whose interest may be adverse to the PHA, either inside or outside the agency. All commissioners are responsible for bringing to the board's full attention any conflicts of interest by the executive director, whether real or perceived. This issue would call for immediate and prompt resolution by the board.
 - Commissioners must not have a significant financial interest in any property which the PHA purchases, or a direct or indirect interest in a supplier, contractor, consultant or other entity with which the PHA does business.
- Since it is not possible to write a policy that covers all potential conflicts, PHA commissioners and employees are expected to be alert and avoid situations that might be construed as conflicts of interest.
- Any possible conflict of interest on the part of any commissioner should be disclosed to the other commissioners and made a matter of record, either through an annual procedure or when the interest becomes a matter of board action. Any commissioner having a conflict of interest or possible conflict of interest should not vote or use her or his personal influence on the matter, and should not be counted as part of a quorum for the meeting. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.
 - These restrictions should not prevent the commissioner from briefly stating his or her position on the matter, nor from answering pertinent questions of other commissioners, since his or her knowledge could be of assistance to the deliberations.

Political Contributions

- Commissioners must not make political contributions on behalf of the housing authority. If a commissioner takes an active part in the political process, it must be done at the commissioner’s personal expense. The housing authority may not reimburse anyone for a political contribution. Commissioners must not make any direct or indirect political contribution in cash, property or service on behalf of the housing authority.

Maintaining Ethical Credibility

- Because the conduct of the board has a direct impact on public and constituent perceptions about the PHA, commissioners must maintain an appearance of high credibility in adhering to legal and policy requirements.
- The board chairperson will be active and encourage all other commissioners to be active by attending meetings, studying, questioning, voting on all issues, and annually monitoring the PHA.
- Commissioners will not condone conflicts of interest on the board. A generally accepted rule of thumb is that a commissioner or his or her family may not receive any gain (tangible or intangible) through connection with the board.
- Commissioners will vote against proposed actions if they feel there is insufficient information on which to base an opinion. Minutes of each meeting should be carefully maintained and all votes properly recorded.
- Commissioners will adopt formally, by motion, any rules, regulations, policies and budgets.
- Commissioners will keep policies up to date for ready reference, and have rules, regulations and policies available and posted for staff and constituents.
- Commissioners will review fiscal records and controls and regular intervals.
- Commissioners will ensure that standard budget forms and annual report forms and prepared and filed as required by law.

Leadership Quiz – Working With Others

Objectives

- To gain a personal insight on how I relate to others.
- What behaviors I need to improve upon to become a better leader.
- To see how others view and perceive my personal behaviors.

Behaviors that are Essential to High Level Human Relating

Listed below are a number of behaviors that are essential to relating to others. Rate yourself on these behaviors, using the following scale: **Note:** *A rating of 5 means that you would consider yourself a resource person (if only minimally so). That is, in a relationship or group, you would be a giver rather than just a receiver.*

- | | | | | | | | | | |
|--|-----------|---|-----------------|---|----------|---|-------------------|---|-------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | Very Weak | | Moderately Weak | | Adequate | | Moderately Strong | | Very Strong |
1. ____ **Feelings:** I am not afraid to deal directly with emotion whether it is my own or others. I allow myself to feel and give expression to what I feel.
 2. ____ **Initiative:** In my relationships I act rather than react by going out and contacting others without waiting to be contacted.
 3. ____ **Respect:** I express that I am for others even if I do not necessarily approve of what they do.
 4. ____ **Genuineness:** I do not hide behind roles or facades. I let others know where I stand.
 5. ____ **Concreteness:** I am not vague when I speak to others. I do not beat around the bush in that I deal with concrete experience and behavior.
 6. ____ **Immediacy:** I deal openly and directly with others. I know where I stand with others and they know where they stand with me.
 7. ____ **Empathy:** I see the world through the eyes of others by listening to cues, both verbal and nonverbal, and I respond to these cues.
 8. ____ **Confrontation:** I challenge others with responsibility and with care. I do not use confrontation to punish.
 9. ____ **Self-disclosure:** I let others know the person inside, but I am not exhibitionistic. I am open without being a secret-revealer or secret-searcher.
 10. ____ **Self-exploration:** I examine my lifestyle and behaviors and want others to help me to do so. I am open to change.

Scoring

There are no correct or incorrect scores. This assessment simply shows you where you stand in your relations with others. Your goal should be to work on the lowest scorings of the 10 behaviors.

Also, have one or two others rate you so that you can get an outside view of yourself as to whether you are projecting yourself to others as you believe you are.

LEADERSHIP OVERVIEW

1. Leadership Traits
 - Integrity
 - Effective communication
 - Responsibility, accountability and authority
 - positive Mental Attitude
 - Consideration and respect
 - Constancy of purpose
 - Teamwork
 - Effective resource management
 - Fact-based decision making
2. Leadership Principles
 - Controlled emotions
 - Adaptability
 - Initiative
 - Courage
 - Determination and resolution
 - Ethical behavior
 - Sound judgment
 - Endurance
 - Desire
 - Dependability
3. Vision, Goals and Objectives
 - Leadership vision and values
 - Developing your values
 - Be ethical
 - Ensure fact-based decision making
 - Practice collaborative goal- and objective-setting
 - Developing the Leadership Vision
4. Your Leadership Team
 - Team-building
 - types of teams
 - Team dynamics
 - Team structure
 - Team process
 - Team phases
5. Leadership Planning
 - Knowing, understanding and planning what has to be done
 - Deploying the plan; how it has to be done
 - Estimating the resources involved
6. Communication, Coordination and Cooperation
 - Leadership resistance
 - Strategies to overcome resistance
 - Communication
 - Cooperation
 - Change factors
7. The Leadership Challenge
 - Be prepared to share power, authority, and responsibility
 - Build Mutual trust and respect
 - Provide training in team building
 - Be willing to accept consensus
 - Be willing to reject solutions that are not beneficial.
 - Be willing to decentralize the decision-making process
 - Learn quickly that progress is much more important than authority.
 - Chase fear out of your organization
 - Leadership is a long-term commitment

Learning Activity 13-2: Leadership Principles

Instructions: Read each question carefully and respond according to the following scale:

0 = NO/ No ability/preparation, education, training, knowledge

2 = Poor/ Very slight ability/preparation, etc.

4 = Below average/ Some ability/preparation, etc.

6 = Average/ Working knowledge of area

8 = Above average/ Journeyman ability

10 = YES/ Total mastery and confidence

	Score
1. Do you make decisions in a timely manner?	_____
2. Are you a self-confident person?	_____
3. Do you have a sense of responsibility?	_____
4. Do you use goals and objectives to achieve your purpose on a regular basis?	_____
5. Can you communicate effectively orally and in writing?	_____
6. Are you tactful in dealing with your peers and subordinates?.....	_____
7. Do you seek responsibility?	_____
8. Are you guided by a clear set of values?	_____
9. Are you able to set the example for your followers?	_____
10. Do you consider yourself competent to fill a leadership position?	_____
Total: _____ divided by 10 = _____	_____

Learning Activity 13-3: Leadership Traits

Instructions: Read each question carefully and respond according to the following scale:

- 0 = NO/ No ability/preparation, education, training, knowledge
- 2 = Poor/ Very slight ability/preparation, etc.
- 4 = Below average/ Some ability/preparation, etc.
- 6 = Average/ Working knowledge of area
- 8 = Above average/ Journeyman ability
- 10 = YES/ Total mastery and confidence

	Score
1. Is your desire to be a leader strong enough to make personal changes/sacrifices?	_____
2. Can you adapt to different situations quickly?.....	_____
3. Do you have the mental and physical endurance to be a leader?.....	_____
4. Do you base your decisions on facts?	_____
5. Can you handle difficult situations and difficult people successfully?	_____
6. Do you have the self-confidence to be a leader?	_____
7. Do others have the confidence in you to be a leader?	_____
8. Can you focus yourself, your time and your resources on becoming a leader?	_____
9. Are you enthused about what you do?	_____
10. Do you have the integrity needed to be a leader?	_____
Total: _____ divided by 10 = _____	_____

Learning Activity 13-4: Leadership Skills

Instructions: Read each question carefully and respond according to the following scale:

0 = NO/ No ability/preparation, education, training, knowledge

2 = Poor/ Very slight ability/preparation, etc.

4 = Below average/ Some ability/preparation, etc.

6 = Average/ Working knowledge of area

8 = Above average/ Journeyman ability

10 = YES/ Total mastery and confidence

	Score
1. Do you have the education required to be a leader in your chosen field? . . .	_____
2. Do you have the training necessary to be a leader in your chosen field? . . .	_____
3. Do you have the practical knowledge and experience to be a leader in your chosen field?	_____
4. Do you possess the required financial skills needed to achieve your vision?	_____
5. Do you have the business skills needed to achieve your vision?	_____
6. Do you have the planning skills needed to achieve your vision?	_____
7. Do you have the communication skills needed to achieve your vision?	_____
8. Can you effectively network with others in your selected area of leadership to build a supporting structure for your leadership?	_____
9. Do you have the team building and facilitating skills you will need?	_____
10. Can you communicate effectively orally and in writing?	_____
Total: _____ divided by 10 = _____	_____

Learning Activity 13-5: Leadership Team

Instructions: Read each question carefully and respond according to the following scale:

0 = NO/ No ability/preparation, education, training, knowledge

2 = Poor/ Very slight ability/preparation, etc.

4 = Below average/ Some ability/preparation, etc.

6 = Average/ Working knowledge of area

8 = Above average/ Journeyman ability

10 = YES/ Total mastery and confidence”

	Score
1. Do you realize the importance of a team to achieving your goals?	_____
2. Do you have team members with appropriate planning skills?	_____
3. Do you have team members with appropriate financial skills?	_____
4. Do you have team members with business skills?	_____
5. Do you have team members with specific technical skills (housing, development)?	_____
6. Do you actively involve team members in establishing goals and objectives?	_____
7. Do you promote a team structure?	_____
8. Do you understand how to facilitate team actions?	_____
9. Do you know how to run effective meetings?	_____
10. Do you know how to establish performance measures for your team?	_____
Total: _____ divided by 10 = _____	_____

Learning Activity 13-6: Leadership Vision

Instructions: Read each question carefully and respond according to the following scale:

0 = NO/ No ability/preparation, education, training, knowledge

2 = Poor/ Very slight ability/preparation, etc.

4 = Below average/ Some ability/preparation, etc.

6 = Average/ Working knowledge of area

8 = Above average/ Journeyman ability

10 = YES/ Total mastery and confidence

	Score
1. Do you clearly understand your basic values?	_____
2. Do you clearly understand the basic values of your organization?.....	_____
3. Can you orally communicate organization values to your team?	_____
4. Do you clearly know and understand your competencies and those of your team and organization?	_____
5. Are your goals based upon the reality of your values and competencies? ...	_____
6. Do you think you can achieve consensus about your goals and objectives with your team?.....	_____
7. Can your leadership capture the imagination and ignite the enthusiasm of your team?.....	_____
8. Is your vision feasible considering the financial facts of your business situation?.....	_____
9. Is your leadership goal achievable?	_____
10. Is your leadership consistent with the needs of yourself, your team and the organization?.....	_____
Total: _____ divided by 10 = _____	_____

Learning Activity 13-7: Communicating

Instructions: Read each question carefully and respond according to the following scale:

0 = NO/ No ability/preparation, education, training, knowledge

2 = Poor/ Very slight ability/preparation, etc.

4 = Below average/ Some ability/preparation, etc.

6 = Average/ Working knowledge of area

8 = Above average/ Journeyman ability

10 = YES/ Total mastery and confidence

	Score
1. Do you understand the natural causes of resistance to your leadership?	_____
2. Do you understand how to use communication to overcome this resistance?	_____
3. Are you effective in individual communication?	_____
4. Can you communicate effectively in writing and electronically?	_____
5. Can you lead effective meetings?	_____
6. Are you an effective public speaker?	_____
7. Can you communicate to your organization effectively?	_____
8. Do you practice active listening?	_____
9. Are your communications brief and to the point?	_____
10. Do you communicate in clear distinct sentences that can be clearly understood by the listener?	_____
Total: _____ divided by 10 = _____	_____

Learning Activity 13-8: Achieving

Instructions: Read each question carefully and respond according to the following scale:

- 0 = NO/ No ability/preparation, education, training, knowledge
- 2 = Poor/ Very slight ability/preparation, etc.
- 4 = Below average/ Some ability/preparation, etc.
- 6 = Average/ Working knowledge of area
- 8 = Above average/ Journeyman ability
- 10 = YES/ Total mastery and confidence

	Score
1. Do you understand the strengths and limitations of your team?	_____
2. Can you fulfill your team’s needs for improvement?	_____
3. Do you have a complete and realistic Plan of Action to achieve goals and objectives?	_____
4. Do you know and understand your strengths?	_____
5. Do you know and understand your needs for improvement?	_____
6. Do you have the training and education resources required?	_____
7. Do you have the experience needed to be a successful leader in your chosen field?	_____
8. Do you have the budget available to achieve your goals?	_____
9. Do you have the time available?	_____
10. Do you know how you will measure success once it is achieved?	_____
Total: _____ divided by 10 = _____	_____

Notes

Chapter 14 Monitoring and Tracking the Essentials

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Establish internal controls to minimize identified risks in key areas
 - Identify the five key components of internal controls
 - Assess established internal controls, including segregation of duties, bank reconciliation, review of supporting documentation and employees, and safeguarding assets
 - Define audits and assure an effective audit for your PHA
 - Identify the essential elements to monitor and track
 - Consider trend analysis reports submitted to the Board

INTERNAL CONTROLS

Introduction

- Internal controls address and minimize identified risks in key organization areas by establishing procedures and controls. A PHA should be concerned with internal controls to protect their assets and reduce the risk of fraud.
- Management should provide for reasonable assurance that the following objectives are being achieved:
 - Effectiveness and efficiency of operations,
 - Reliability of financial reporting, and
 - Compliance with applicable laws and regulations.
- Although management has the primary responsibility for establishing a system of internal controls, the Board is ultimately responsible for ensuring that management fulfills its duty in establishing a system of internal controls.

Internal Controls Components

- Internal controls include five key components:
 - Control Environment
 - Risk Assessments
 - Control Activities
 - Information and Communication
 - Monitoring
- 1. Control Environment**
 - Creating an ethical agency environment by setting the tone at the top is essential. This means establishing a code of conduct, hiring of capable and qualified employees, providing ethics training, and disciplining violators.
- 2. Risk Assessment**
 - Implementing antifraud processes and controls will enable the PHA to identify and assess risks related to misappropriation of assets.
 - Fraud-related financial risks include disbursements, payroll, and cash receipts.
 - In assessing the risk in your organization, executive management should be able to ensure the Board that the following questions have been addressed:
 - Is fiscal staff familiar with the rules and regulations regarding finance and accounting?
 - Has fiscal staff been appropriately trained in the use of the accounting system, including the chart of accounts and edits?
 - Has fiscal staff been appropriately trained in the use of the systems reports and reporting tools?
 - Does fiscal staff possess basic accounting skills and knowledge necessary to adequately perform their responsibilities?

3. Control Activities

- Internal control activities are the policies and procedures -- as well as the daily activities -- that occur within an internal control system minimize risk. There are five control activity types:
 - Preventive controls: To limit the possibility of an undesirable outcome.
 - Periodic job rotation, cross-functional responsibilities, and ensuring that staff takes vacations are some examples.
 - Access and authorization controls are preventive measures.
 - Corrective controls: To correct undesirable outcomes which have occurred.
 - Independent checks of employees' work to (detect errors) by supervisors and PIC detect errors and enable correction.
 - Directive controls: To ensure that a particular outcome is achieved or an undesirable event is avoided.
 - Setting performance standards and establishing policies, procedures and goals are examples of directive controls.
 - Detective controls: To identify undesirable outcomes “after the event.”
 - Surveillance techniques are detective controls.
 - Performance controls: To orientate and motivate PHA staff to focus on targets appropriate for the achievement of objectives.
 - Reviewing monthly financial statements and monitoring performance of staff and programs in a timely manner.

4. Monitoring

- Information and communication encompasses the identification, capture, and exchange of financial, operational (and compliance information) in a timely manner. Directors, managers and supervisors who have timely and reliable information are better suited to conduct, manage, and control the organization's operations.

5. Communication

- Just as control activities help to ensure that risk management actions are carried out, monitoring helps to ensure that plans are executed in a proper and timely manner. Ongoing monitoring activities evaluate and improve the design, execution and effectiveness of a plan.

BUDGET CONTROLS

- Budget controls are accomplished by comparing actual results with budgets. Any differences (variances) are made the responsibility of key individuals who can either exercise control action or revise the original budgets.

General Budget Controls

- An example of budget controls includes summary management reports. These reports should be prepared for executive management to evaluate the current financial status of the PHA.

Use of Line-Item Budgets

- Line-item budgeting offers decision-makers an incremental, or step-by-step, approach to budgeting. Budgeters can use a line-item budget to make specific decisions, such as changing funding levels of programs or making cuts to budgeted expenses.

Comparing Actual Against Budgeted Expenditures

- It is always wise for an organization to create benchmarks to measure their actual revenues and expenses versus those that were budgeted.

Timely Obligation of Grant or Operating Funds

- It is important for grantees to spend their allocated funds by the deadline imposed by HUD. Not doing so can lead to reprimand, at the least, and forfeiture of funds in the worst-case scenario.

Financial Controls Review

- In assessing internal controls, practical areas for consideration include:
 - Segregation of duties
 - Bank reconciliation
 - Supporting documentation
 - Employees
 - Safeguarding assets
- 1. Segregation of Duties**
 - Certain accounting and bookkeeping functions are designed to cross-reference each other for accuracy. If the same person is responsible for multiple duties, the natural checks and balance of your financial system is compromised. Giving a single person unbridled authority over your resources is not a wise practice.
 - 2. Bank Reconciliations**
 - Bank statements can only help you find discrepancies if they are reviewed in a timely manner. At a minimum, bank statements should be reconciled once a month.

3. Supporting Documentation

- Never sign checks, or any other document for that matter, without reviewing the supporting information. Though Federal employees and grantees often face a hectic work environment, it is not a wise practice to “take someone's word for it.”

4. Employees

- Are your employees possessive of their work and reluctant to share their tasks? Have you noticed that an employee is suddenly living above their means? Does an employee have a need for immediate cash (due to a family emergency, etc.)? These factors alone, by no means, implicate one of your staff members. However, these types of behaviors tend to precede employee fraud.

5. Safeguarding Assets

- Safeguarding the organization's assets includes small tasks such as:
 - Locking up blank checks
 - Depositing all cash and checks daily
 - Password-protecting all of your sensitive electronic data
 - Maintaining an inventory list of office furniture, electronics, etc.
 - Ensuring adequate insurance coverage for all of your assets.

Does Your PHA Have Effective Financial Controls?

- With this information, the Board can be assured that the PHA has effective internal controls if:
 - The PHA has developed and communicated rules of operations to all employees.
 - Follow-up is done to ensure expectations are met.
 - Financial duties are properly segregated.
 - Accounting system tracks grant and matching funds separately.
 - Accounting system is used to create financial reports.
 - Proper safeguards over assets exist.

AUDITS

Audit Defined

- An audit is an independent examination of an entity’s financial statements by a firm of independent public accountants.
- The audit is the presentation of an opinion as to whether a PHA’s financial statements are presented fairly in accordance with generally accepted accounting principles (GAA).
- A PHA must arrange for an annual audit of its program by an independent public accountant if the combined federal funds expended by the PHA are \$1,000,000 or more. PHAs are required to submit their unaudited and audited financial data to HUD on an annual basis.
 - Those PHAs that do not meet the \$1,000,000 threshold required for a single audit may still decide to conduct a program-specific audit.

What to Look For

- You want to see that the auditor’s opinion is “unqualified”. This means that the auditor can give a firm opinion based on documentation.
 - An audit opinion that is anything other than unqualified will be a serious concern. It means that the PHA’s financial records are irregular or insufficient.
- A “finding” is a monetary irregularity, or condition that is not in compliance with statutory or regulatory requirements.
- A “concern or observation” is a deficiency that needs to be brought to the attention of the PHA but that is not based on a regulatory or statutory requirement.

How the PHA Can Assure an Effective Audit

- Procure the audit firm before the end of the fiscal year
- Verify account balances are supported
- Document the internal control procedures used by the PHA
- Have the Management Discussion & Analysis (MD&A) prepared ahead of the audit
- Prepare an audit file by gathering information during the year:
 - Operating budgets
 - HUD-approved funding levels
 - Changes in PHA policies
 - Required year-end reports
 - Any other submission required by HUD.

QUALITY CONTROL

Trend Analysis

- Is the Board receiving trend analysis reports? Snapshot reports do not document whether key functions are improving, staying the same, or going downhill.
 - The Board should identify which programs/functions it wants to see tracked over time. Key trend analysis reports should show performance month by month with an overall performance assessment compared to the previous year and the year before that.

The Quality Control (QC) System

- A good QC system prevents errors, enables the PHA to take action where performance is lacking, and documents improvements.
- Only when the agency starts tracking performance of critical performance areas, can real trend analysis be conducted.
- A quality control system can be broken down into the following components:
 - **Preventive quality control** is a check for issues where the PHA can't afford to make a mistake. Obviously, preventive quality control is time-consuming. Not everything needs this level of scrutiny.
 - Hearing packets, eviction notices, and denial of reasonable accommodation requests may be good candidates for preventive quality control tracking.

Notes

- **Periodic quality control** assesses the need for revision and updating of major policies and protocols at the PHA on a regular basis, usually annually. This type of review is usually performed by upper management.
 - Review of the admin plan, ACOP and lease and other major policies and protocols are examples. HUD conducts periodic reviews such as SEMAP, PHAS, and audits.
- **Continuous quality control** identifies key (and problematic) areas that need continuous monitoring. This is a primary tool for supervisors and frontline managers. Supervisors and managers should be accountable for continuous quality control. Patterns of work are clear and indicate where improvement is needed. This type of tracking gives the PHA an efficient, fact-based way to measure productivity of staff and quality of work.
 - Tracking error rates of each staff conducting annual and interim reexaminations is an essential tracking responsibility.
 - Tracking utilization rate of the HCV program and performance of the public housing properties are more examples of essential monthly tracking.
- Quality control reports tells the Board, the executive director, managers and staff what is going on. QC tracking and reports should be rolled up to the management and executive team.

ESSENTIALS TO TRACK AND REPORT

Financial Condition

- How can the Board be sure the PHA has enough financial resources and is managing those financial resources well?
 - Does the PHA have a master entity-wide budget?
 - What is the status of the Central Office Cost Center (COCC) reserves? The COCC should have at least six months in reserves.
 - Is the PHA monitoring its program budgets by comparing budget-to-actual figures? Is each program in the “red” or the “black”?
 - What is the status of program reserves (HCV and public housing)? The HCV program should have at least six months in reserves and each public housing project should have at least four months in reserves.
 - If the PHA has more than 400 public housing units, is the PHA tracking the financial condition of each project?
- If there were any findings from the audit report, is the PHA remediating the deficiencies and the Board receiving regular progress reports?

Program Performance

- Is the Housing Choice Voucher (Section 8) program performing well?
 - What is the most recent SEMAP score? Does the PHA have a system to compile and submit SEMAP certifications in an accurate and timely manner?
 - Is the HCV program utilizing as much annual budget authority as possible without exceeding its allocated number of units under the ACC?
 - Is the PHA utilizing the Voucher Management System (VMS), reporting vouchers under lease and HAP expenditures monthly?

Notes

- Is the public housing program performing well?
 - What is the most recent PHAS score?
 - Physical condition, financial condition, management operations, and Capital Fund?
 - What is the occupancy rate portfolio-wide and by project?
 - What is the rent collection rate portfolio-wide and by project?
 - Is the Capital Fund 5-Year Plan on track? Are serious health and safety deficiencies being addressed adequately by the PHA?
- Is the Section 3 program adequately implemented?
 - Is Section 3 championed at the top?
 - Do procurement policies and processes collaborate with resident economic self-sufficiency strategies and HR?
 - Has the PHA formed innovative collaborations with community-based agencies such as community colleges, apprenticeships, Department of Labor and job training programs?

Regulatory Compliance

- Has the PHA informed the Board how it will stay up to date on changes in HUD regulations and other HUD requirements? Who is responsible for then disseminating the information to responsible parties? Who is responsible for updating policies and procedures, training staff, and monitoring for compliance?

Voluntary Compliance Agreements and Consent Decrees

- If the PHA is under any fair housing VCAs, is the PHA remediating the findings, and the Board receiving regular progress reports?
- If the PHA is under any consent decree, is the PHA following the court order, and the Board receiving regular progress reports?

Ethics

- Does the PHA have a code of ethics? How is it being monitored and enforced? What are the systems for staff and participants/tenants to report violations in ethics?

Legal Issues

- If the PHA is facing any legal challenges, is the Board being updated regularly on the status of the challenge?

Key Reports Not Previously Discussed

- Following is a list of reports/submissions, not already described. The PHA should show the Board that the reports are being tracked, are accurate, and are submitted timely.

Allowable Costs/Cost Principles

- The amount of salary, including bonuses, of PHA chief executive officers, other officers, and employees paid with Section 8 Housing Choice Voucher administrative fees and Capital and Operating Funds may not exceed the annual rate of basic pay payable for a federal position at Level IV of the Executive Schedule.
 - Implementing guidance has been issued in Notice PIH 2016-14, Guidance on the Public Housing Agency (PHA) salary restriction in HUD's annual appropriations.

HUD-52725, Schedule of Position and Compensation

- PHAs must prepare this form for each of their five highest compensated employees, which will then be posted of HUD's website with job titles but without employee names. This form is intended to provide a point of comparison for local PHA Boards in determining appropriate compensation levels.

Financial Reporting

- A PHA is required to submit its financial statement in the electronic format specified by HUD. The unaudited financial statement is due two months after the PHA's fiscal year end (FYE) and the audited financial statement is due no later than nine months after FYE [§ 902.33]. Discussed more in chapter 12.

HUD-50058 Reporting (Family Report)

- The PHA is required to submit this form electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in (for the voucher program), or other change of unit for a family. The PHA must also submit the 50058 when a family moves out.
 - If the PHA has a PBRA (multifamily program), this program uses the HUD-50059 for the functions mentioned above.

Energy Audit

- PHAs are required to complete an energy audit for each PHA-owned project under management, not less than once every five years [§965.302].

Public Housing

HUD-52723, Operating Fund Calculation of Operating Subsidy

- PHAs must prepare a separate form HUD-52723 for each of their public housing projects. This form is prepared and submitted on a calendar-year basis and is used by HUD to calculate funding for the upcoming calendar year. The form's data is based on historical information.

HUD-52722, Operating Fund Calculation of Utilities Expense Level

- PHAs must prepare a separate form HUD-52722 for each project.

Wage Rate Requirements (Davis-Bacon)

- Wage rate requirements apply to construction activities for public housing. The requirements do not apply to volunteer work where the volunteer does not receive compensation, or is paid expenses, reasonable benefits, or a nominal fee for such services, and is not otherwise employed at any time in construction work (42 USC 1437j(a) and (b)). HUD's Factors of Applicability for these requirements can be found on HUD's website.

SUMMARY

- The board is the governing body of the PHA. The board's job is not to manage the PHA, but the board must be confident that the PHA is being managed well. The board needs to understand how well the PHA is performing its fundamental functions. If there are problematic or at-risk areas, the board should be apprised of an improvement plan, and of progress in fulfilling the plan to remedy or improve these areas.

Summary

Notes

Chapter 15 Strategic Planning

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
 - Define the purpose of strategic planning and list the purposes strategic thinking and planning serve
 - Identify and apply the basic steps in the strategic planning process
 - Recognize the core qualities of a leader

INTRODUCTION

- Sometimes it's difficult to stand back and take an objective look at how the PHA is really doing.
- Many PHAs spend much of their time “fighting fires” – time is mostly spent realizing and reacting to problems. It can be very difficult to stand back and take a hard look at what we want to accomplish and how we want to accomplish it. We're too busy doing what we think is making progress.
- One of the major differences between a “fighting fires” organization and a strategic organization is the skill to see the broad perspective and take the long view. One of the best ways to develop this skill is through ongoing experience in strategic planning.
- Strategic planning is the process used to develop and establish an agency's mission, vision, long- and short-term goals and objectives, and the methods by which those goals will be achieved. Strategic planning determines where a PHA is going and how it's going to get there.

Notes

- Strategic thinking and planning serves a variety of purposes in a PHA, including to:
 - Clearly define the purpose of the PHA and to establish realistic goals consistent with the mission
 - Communicate those goals to the PHA and its customers
 - Develop a sense of ownership of the plan
 - Ensure the most effective use is made of the PHA's resources by focusing the resources on the key priorities
 - Provide a base from which progress can be measured
 - Bring together everyone's best efforts.
- The following guidelines are helpful:
 - The real benefit of the strategic planning process is the process, as well as the plan document
 - There is no "perfect" plan. There's doing your best at strategic thinking and implementation, and learning from what you're doing to enhance what you do next time around
 - The strategic planning process is usually not an "aha!" experience. It's like the management process itself – it's a series of small moves that together keep the organization doing things right as it heads in the right direction
 - Start simple, but start!

STEPS IN THE STRATEGIC PLANNING PROCESS

- Again, the process is as important as the document itself, so plan how to plan before you begin.
 - Consider your timeline, which will entail the complexity of your plan and the urgency of the need. A timeline that is too accelerated may not be realistic if it would drastically distract managers from day-to-day business. A timeline that is too prolonged can result in lost momentum and interest.
 - The PHA should consider whether an outside facilitator or consultant should assist in the strategic planning process. This decision will be based on the PHA's experience and competence in the strategic planning process and the importance of having an impartial party.
 - Is strategic planning (including any new systems of accountability) being championed and supported by the Board and the executive director? If not, this support is critical before the PHA attempts agency-wide strategic planning.
- There are times that are not conducive to undertaking strategic planning.
 - When the PHA is in crisis, the focus must be on the resolution of the urgent issues.
 - When the Board is choosing a new executive director, strategic planning should wait until the new leader comes on board. The new executive director will need to lend their own thinking and vision to the process.
 - When the environment is very turbulent, it makes better sense to wait until outside factors develop further. Examples might be a major election or new legislation coming soon.
 - There are times when issues are not truly strategy issues. Poor executive leadership, poor working conditions, poor supervision, and/or Board conflict are some examples. Although these issues are important, they should be addressed for what they are.

Notes

- One additional note before the steps in strategic planning are explored. Documentation throughout the process, at every step, is stressed. Documentation will leave a record of not only what decisions were made, but who made the decisions, why, and how (consensus, brainstorming, formal adoption by the Board, etc.) When you're planning how to plan, decide how and by whom this historical narrative will be maintained and saved.

Step 1. Define how the PHA will plan and who will participate

- Define the number of meetings and length of time to plan. Define who will participate in the strategic planning process, and who will provide key information. Determine if there will be teams or committees. Schedule the meeting times and locations. Finalize mission and vision statements.
- While you want to reasonably plan, your planning process should be evolving and flexible. The strategic planning process should be part of a continuous improvement philosophy.

Step 2. Review your PHA's mission and vision statements

- It is important to periodically bring fresh eyes to your mission and vision. Your mission and vision will drive the strategic planning process, and is a lodestar to all staff in day-to-day operations.
- The mission statement answers the question: Why does the organization exist?
- The vision statement answers the question: What does the organization want to become?
- Values statements can be helpful because they answer the question: How will the organization fulfill its mission and achieve its vision? How do we value our employees? How do we value the larger community? What are our business values?

Step 3. Know your PHA's baseline

- You can't solve a problem you don't know you have. And you don't want to waste time trying to solve a problem that's not the real problem.
- You need to understand where you are now. This is essential to the process of taking stock (to be discussed in the next step, the SWOT analysis).
- As described in chapter 14, a quality control (QC) system tells the Board, the executive director, managers and staff what is going on. A good QC provides a baseline for PHA performance.
- Only when the agency starts tracking performance of critical performance areas, can real trend analysis be conducted.

Step 4. Conduct SWOT analysis (strengths, weaknesses, opportunities and threats)

- The SWOT analysis is a strategic scan, or review of the PHA's environment. A SWOT analysis examines the agency's:
 - **Strengths:** internal characteristics of the PHA that give it an advantage over others.
 - **Weaknesses:** internal characteristics that place the PHA at a disadvantage when compared to other similar agencies.
 - **Opportunities:** external chances to improve performance (e.g., be more profitable).
 - **Threats:** external elements in the environment that could cause trouble.
- Consider the PHA's financial and human resources, staff competencies and skills, and managerial strengths and deficiencies. Also consider the effectiveness of the PHA's current QC system and trend analysis monitoring.
- The SWOT analysis will help:
 - Indicate where opportunities and risks should be pursued and where avoided;
 - Know if resources are allocated properly;
 - Planners assess PHAS, SEMAP, financial strengths and weaknesses, community reputation, and community partners. Surveys may be a useful tool in conduct the SWOT analysis.

Notes

- Brainstorm as you begin this process. Put all ideas on the wall with stick notes. Do not filter or judge ideas - just write down all the thoughts and ideas that come up. Brainstorming will deepen understanding and help the group explore relationships between factors. Record results.
- As well as an inadequate QC system, lack of succession planning often surfaces in strategic planning. You need to know where you are in order to plan where you're going. The PHA's long-range and strategic planning needs to plan how to grow, mentor, attract and retain the next generation of leaders.
- Understanding how to manage different generations will become increasingly important as organizations pass the baton to the next generation of leaders and workers.
- The team reviews and agrees on top strengths, weaknesses, opportunities and threats. The team prioritizes all the various ideas generated during the brainstorming sessions. This may take several meetings.

SWOT Analysis

- Take a few minutes to think about the PHA and the community the agency serves and add a few notes in each of the four areas. Examples you may want to consider include the following (note that some may be appropriate in more than one category):
 - Financial stability (sufficient reserves)
 - Manageable operating expenses (costs not growing beyond economy)
 - Long term staff with historical perspective
 - Short term staff with different ideas
 - Political environment
 - Community support
 - Federal funding
 - Recommendations
- Strengths of PHA include:

- Weaknesses of PHA include:

- Opportunities for PHA to pursue:

- Threats PHA needs to manage:

Step 5. Prioritize and agree on goals and objectives

- The purpose of goals and the purpose of objectives work together:
 - Goals are high level and broad. Objectives are to achieve goals, and are narrower.
 - Goals are intentions. Objectives are precise.
 - Goals are more abstract. Objectives are concrete and can be measured.
 - Goals cannot be validated as is. Objectives can be validated.
- Stretch goals drive strategic out-of-the-box thinking. Best practice agencies set targets that require a shift from business as usual.
- Decide on your top strategic goals, Limit the number. Twenty strategic goals will look good on paper, but you're better off actually accomplishing 5-10 goals.

Step 6. Prioritize and agree on strategies to achieve goals and objectives

- Decide on strategies. Determine how objectives will be measured.
- Planners emphasize action plans. Establish timelines and responsibilities. Allocate human resources to support the strategic initiatives in the plan. Not all assets are financial the knowledge, skills and abilities of staff and managers are critical assets to be considered.
- Budget resources to achieve objectives. Here's where your budget becomes a crucial element of the plan. Annual budget approval should be consistent with timelines of identified strategies.
- Remember, your other plans and policies should work together with your strategic plan.

Step 7. Draft the plan and submit to the Board, the team and stakeholders

- Review and feedback is a universal element in any strategic plan. The more participatory the process has been, the caliber of ongoing vertical and horizontal communication, and the more diverse the competencies going into drafting the plan, will affect the amount of “buy in” the draft plan will encounter.
- The Board should be very committed to this process, and should already be engaged in communicating the long-range vision and direction of the PHA.
- When the plan is submitted, a time period should be established for comment, review and revision.

Step 8. Plan out the implementation, dissemination and training

- The implementation of a major strategic plan may be in phases. For example, the executive director may recommend beta-testing a new QC system with a target group or department. In addition, there may be departmental strategic plans that support the overall plan.
- Communication of the strategic plan should be a formal and significant element of the process and viewed as a measure of quality planning. Make sure everyone in the agency sees and understands the strategic plan, including any new QC system. Verbally discuss the plan with and train staff.
- Executive leadership implements the plan as approved by the Board.

Step 9. Periodic review and recalibration

- As mentioned earlier, the process is as important as the document itself. The plan should be a vehicle to aid communication. Don't let your strategic plan end up on a shelf!
- Monitor implementation and track trends through the measurable objectives. A monthly report to stakeholders, management and the Board (and ideally to all staff) should be a progress report of strategic goals. An annual report should include an overall status report of all strategies.
- Revise the plan if something isn't working and/or wasn't realistic. Plans may need to be amended if:
 - There are unanticipated changes in planned resources, financial or human.
 - Strategies shift due to unforeseen circumstances.
 - There is a change in leadership at the agency.
 - There is a significant delay (or advancement) of timelines.

LEADERSHIP

- A leader is someone with a vision who demonstrates that vision.
- When individuals with a shared vision come together, extraordinary things happen.

Why Are Leaders Important?

- Leaders manage through times of change. They determine direction and move organizations from where they are to where they need to be.
- Leaders make things happen. They shape the culture. They know how to use management tools.
- Leaders face reality and mobilize appropriate resources. They encourage others to do the same.

Trains of Leadership

Inner integrity

- Instills faith, respect and trust.

Individual consideration

- Coaches, advises, and teaches people who need it. Gives newcomers a lot of help.

Intellectual stimulation

- Gets others to use reasoning and evidence, rather than unsupported opinion. Enables other to think about old problems in new ways.

Courage

- Willing to stand up for ideas even if they are unpopular. Does not give in to pressure or to others' opinions in order to avoid confrontation. Will do what's right for the agency and for employees even if it causes personal hardship.

Dependability

- Follows through and keeps commitments. Takes responsibility for actions and accepts responsibility for mistakes.

Flexibility

- Functions effectively in changing environments. Can handle more than one problem at a time. Changes course when the situation warrants it.

Honesty

- Does what is morally and ethically right. Does not abuse management privileges. Is a consistent model.

Judgment

- Reaches sound and objective evaluations through logic and analysis. Uses past experience and information to bring perspective to present decisions.

Respect for others

- Honors and does not belittle the opinions or work of other people, regardless of their status or position.

Actions, Skills and Strategies Leaders Need

- ***Belief in oneself*** is what gives an individual the self-confidence to step into the unknown and to persuade others to do so.
 - This has to be done combined with a decent doubt, the humility to accept that one can be wrong occasionally, that others also have ideas, and that listening is as important as talking.
- ***A passion for the job*** provides the energy and focus that drive the organization and sets an example to others, but this also has to be combined with the ability to think beyond one's own box.
 - Leaders find time to read, to meet people beyond their own circle, and to walk in other worlds.
- ***Leaders believe in others*** because leadership is getting things done through and with others.
- ***Leaders must have a capacity for aloneness*** because leaders must be out front.
 - It is not always possible to share one's worries with anyone else. Few will fault the leader when things go right, but many will blame the leader if things go wrong.
- Leaders must derive satisfaction from the successes of others and give recognition to others.

CONCLUSION

- Board members have high-stakes duties and responsibilities. Duty of care requires prudence based on common sense. The test is “What a reasonably prudent person would exercise in comparable circumstances”.
- Diligent attention to business is essential. Failure to attend meetings, unquestioning reliance on housing authority directors, or inaction does not lessen the duty of responsibility. The proper care and protection of the interests of the housing authority must be considered first.
- Duty of prudence requires that board members act carefully deliberately, and cautiously trying to foresee the probable consequences of a proposed course of action.
- Duty of compliance requires every board member to comply with the articles of incorporation, by-laws, and all other statutory law and regulations including civil rights, the criminal code, the environment protection act, income tax act, labor standards act, workmen's compensation act, pay equity act, securities acts, HUD regulations, and many others.
- You will bring all your competencies—your knowledge, skills, and abilities—to your role as a board member. As a board member, you will lead the housing authority through vision, a plan, and smart work.

Notes

Glossary

Glossary of Acronyms

PHA AND COMMUNITY

ACC	Annual contributions contract
ADA	Americans with Disabilities Act of 1990
CDBG	Community Development Block Grant (Program)
CFR	Code of Federal Regulations
CPD	(HUD Office of) Community Planning and Development
DOJ	Department of Justice
EIV	Enterprise Income Verification (HUD's UIV system)
EOHP	Equal Opportunity Housing Plan
ESL	English as a Second Language
EUM	Eligible Unit Months
FDS	Financial Data Schedule
FFY	Federal Fiscal Year
FHA	Federal Housing Administration
FHEO	Fair Housing Equal Opportunity
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal Year
FYE	Fiscal Year End
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GASB	Governmental Accounting Standards Board
HCV	Housing choice voucher
HUD	Department of Housing and Urban Development
IFB	Invitations for Bid
IMS-PIC	(HUD) Inventory Management System-Public and Indian Housing Information Center
IPA	Independent public accountant
LAP	The PHA's Language Assistance Plan for LEP (see LEP below)

Table of Contents

LEP	Limited English Proficient (or Proficiency)
LOCCS	Line of Credit Control System (for grants)
MSA	Metropolitan statistical area (established by the U.S. Census Bureau)
MTCS	Multi-Family Tenant Characteristics System (now the Form HUD-50058 sub module of the PIC system)
MTW	Moving to Work (Program)
NOFA	Notice of funding availability
OGC	(HUD) Office of General Counsel
OIG	(HUD) Office of Inspector General
OMB	Office of Management and Budget
OSHA	Occupational Safety and Health Administration
PHA	Public housing authority
PHRA	Public Housing Reform Act of 1998 (also known as the Quality Housing and Work Responsibility Act)
PIC	PIH Information Center (now IMS-PIC)
PIH	(HUD Office of) Public and Indian Housing
QC	Quality control
QHWRA	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
REAC	(HUD) Real Estate Assessment Center (also known as PIH-REAC)
RFP	Request for proposals
RMC	Resident Management Corporation
SSA	Social Security Administration
TANF	Temporary assistance for needy families
TTP	Total tenant payment
UA	Utility allowance
UIV	Up-front income verification
URP	Utility reimbursement payment
VAWA	Violence Against Women Act

APPLICABLE TO PUBLIC HOUSING

ACOP	Admissions and Continued Occupancy Policy
AMP	Asset Management Project
CFG	Capital Fund Grant
CFP	Capital Fund Program
COCC	Central Office Cost Center
DOFA	Date of Full Availability (date when all units in a new project are ready for rental)
EHS	Exigent Health and Safety
FASS	Financial Assessment Sub-System for PHAS
HOPE VI	Homeownership and Opportunity for People Everywhere (Program for revitalization of severely distressed public housing)
HVAC	Heating Ventilating and Air Conditioning
LBP	Lead-based paint
MASS	Management Assessment Sub-System for PHAS
NSPIRE	National Standards for the Inspection of Real Estate
PASS	Physical Assessment Sub-System for PHAS
PILOT	Payment in Lieu of Taxes
PBM	Project-Based Management
PEL	Project Expense Level
PH	Public Housing (Program)
PHAS	Public Housing Assessment System
PO	Purchase Order
PUM	Per Unit (per) Month
TAR	Tenant Accounts Receivable
TSAP	Tenant Selection and Assignment Plan (in PH ACOP)
TR	Tenant rent
UFAS	Uniform Federal Accessibility Standards
WO	Work order

APPLICABLE TO THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

AAF	Annual adjustment factor (published by HUD in the Federal Register and used to compute annual rent adjustments)
HAP	Housing assistance payment
HOPE	Homeownership and Opportunity for People Everywhere (Program)
HOPWA	Housing Opportunities for Persons with AIDS (Program)
HQS	Housing quality standards
PS	Payment standard
RFTA	Request for tenancy approval
SEMAP	Section 8 Management Assessment Program
TR	Tenant rent

Glossary of Terms

The definitions below have been taken from various HUD regulations and the references are cited where applicable. However, in the PHA industry there are some commonly used terms that by definition are generally accepted even though there is no HUD regulation to reference. Please note that where NMA lists a definition without a HUD reference, it is a generally accepted definition of the term.

KEY TERMS FOR THE BOARD AND PHA

Annual Contributions Contract (ACC). The contractual agreement between the PHA and HUD that contains the rules for the development/operation of low-income housing developments and the Housing Choice Voucher program and which, upon execution by all parties, is the authority for HUD to disburse monies to a PHA.

By-laws. Rules, established by state law under the organizational transcript, governing the activity of the Board of Commissioners (also known as the Board of Directors) and the PHA.

Cooperation Agreement. A contractual agreement that is required to be executed between the governing council of the city/county and the Board of Commissioners of the PHA. The agreement (1) exempts public housing projects from all real and personal property taxes and special assessments levied by any taxing body; (2) binds the local government to provide the same level of services to the authority as it does to other property holders; and (3) obligates the PHA, to make an annual payment to the local governing body, which is the payment in lieu of taxes (PILOT). See definition of PILOT below.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Federal Register (FR). Daily publication of all proposed regulations, final rules/regulations and NOFAs for all Federal Agencies.

Jurisdiction. The area in which the PHA has authority under State and local law to administer the program. (CFR 982.4)

Notice Of Funding Availability (NOFA). For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

Payment In Lieu Of Taxes (PILOT). In the cooperation agreement, paid to the municipality instead of real property taxes, for municipal services to public housing developments.

Public Housing Agency (PHA). Any state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of housing for low-income families.

Public Housing Assessment Program (PHAPS). PHAS is the system used by HUD to evaluate the performance of a PHA's public housing program.

Real Estate Assessment Center (REAC). Performs physical inspections of housing authority property.

Request For Proposal (RFP). A written request for a proposal for services. The services are normally for professional services, i.e. attorney, architect, auditor, fee accountant, consultant, etc.

Section 8 Management Assessment Program (SEMAP). The system used by HUD to evaluate the performance of a PHA's housing choice voucher (HCV) program.

KEY TERMS FOR BOTH PUBLIC HOUSING AND HCV

Accessible Unit. A unit that can be approached, entered and used by individuals with physical disabilities. (CFR 8.33 and 8.40)

Admission. Admission to the program.

Annual Income. The anticipated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations. (CFR 5.609)

Applicant. A family that has applied for admission to a program, but is not yet admitted.

Assisted Tenant. A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving public housing, housing choice voucher, moderate rehabilitation, rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

Auxiliary Aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in and enjoy the benefits of programs and activities.

Co-head. An individual in the household who is equally responsible for the lease with the Head of Household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent.

Confirmatory Review. An on-site review performed by HUD to verify the management performance of a PHA.

Consent Form. Any consent form approved by HUD to be signed by assistance applicants and residents to obtain income information from employers, financial institutions and SWICAs (for PIH use); information from the Social Security Administration and return information for earned and unearned income from the IRS (for HUD use only). Consent forms, including those designed by the PHA, expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Covered Families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Dependent. A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age, is a person with a disability, or is a full-time student 18 years of age or over. (CFR 5.603)

Disabled Family. A family whose head, spouse, cohead, or sole member is a person with disabilities (as defined below), or two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

Displaced Family. A family in which each member, or sole member is a displaced person as defined below.

Displaced Person. “Displaced person” means a person displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal Disaster Relief laws.

Economic Self-sufficiency Program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). (Also see CFR 5.603(c)).

Effective Date. The “Effective Date” of an examination or reexamination refers to: (i) in the case of an examination for admission, the date of initial occupancy and (ii) in the case of reexamination of an existing tenant, the date the redetermined rent becomes effective.

Elderly Family. A family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides. (CFR 5.403)

Elderly Person. An individual who is at least 62 years of age. (1937 Housing Act)

Eligible Families. Families who are eligible for residence in public housing assisted under the U.S. Housing Act of 1937. (CFR 5.603)

Extremely Low-Income Family. A family whose annual income does not exceed 30% of the median area income, as determined by HUD, with adjustments for smaller and larger families. (CFR 5.603)

Fair Market Rent. The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, safe and habitable rental housing of modest (non-luxury) nature with suitable amenities.

Head Of Household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. (CFR 5.504)

Income. Income from all sources of each member of the household as determined in accordance with criteria established by HUD. (CFR 5.609)

Local Preference. A waiting list preference used by the PHA to select among applicant families.

Low-Income Family. A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% on the basis of its findings that such variations are necessary because of the prevailing levels of construction costs or unusually high or low incomes. (1937 Housing Act)

Minimum Rent. An amount established by the PHA between zero and \$50.

Mixed Family. A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Near-elderly Family. A family whose head, spouse, cohead, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Non-Public Housing Over-income Family. A family whose income exceeds the over-income limit for 24 consecutive months and is paying the alternative non-public housing rent. The over-income limit is determined by multiplying the applicable income limit for a very low-income family, as defined in 24 CFR 5.603(b), by a factor of 2.4. See 24 CFR 960.507(b).

Reasonable Accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

Recertification. Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Total Tenant Payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities. (CFR 5.613)

Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from 0 bedrooms (studio/efficiency) to 6 bedrooms.

Up-front Income Verification (UIV). UIV is the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. (VG, p. 7)

Utilities. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included.

Utility Allowance. The PHA's estimate of the average monthly utility bills (except telephone) for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and size and are listed on the PHA's Utility Allowance Schedule. (CFR 5.603)

Utility Reimbursement Payment. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit. (CFR 5.603)

Very Low-income Family. A lower income family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. (1937 Housing Act)

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Act (VAWA). Prohibits denying admission to the project to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, sexual assault, dating violence, stalking, or human trafficking. (Pub.L. 109-162)

Waiting List. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

KEY TERMS FOR PUBLIC HOUSING

Admissions and Continued Occupancy Policy (ACOP). Contains the policies and procedures a PHA follows in administering the eligibility and occupancy requirements for public housing.

Capital Funds Program (CFP). The CFP program provides annual funding to all PHAs with public housing to make management and physical improvements to the existing public housing developments to assure their continued availability for low-income families. The funding amount each PHA receives is based on a formula allocation, which is established by HUD.

Flat Rent. Established by the PHA for each public housing unit; a rent based on the market rent charged for comparable units in the unassisted rental market, designed so that the rent does not create a disincentive for continued residency by families who are attempting to become economically self-sufficient.

General Occupancy Development. Referred to as family developments. Includes elderly, disabled, and families.

Grievance Policy. Policy which outlines the procedure the PHA and tenants must follow in attempting to resolve a grievance.

Mixed Population Development. Formerly referred to as elderly/disabled developments. Reserved for elderly families and disabled families at its inception, or PHA has since obtained HUD approval to reserve for elderly and disabled families. The PHA must give equal preference to elderly families and disabled families in priority for admission to mixed population developments.

Occupancy Standards. Standards established by a PHA in the ACOP to determine appropriate number of bedrooms for families of different sizes and compositions.

Per Unit Month (PUM). Calculated for each budget line item of the Conventional Public Housing Operating Budget. The calculation is a function of the budget line item dollar amount divided by the unit months available (Unit months available represents the number of housing units in the budget times the number of months the units will be in operation during the year, which is normally twelve months). The PUM is an excellent way to compare income and expenses on a per unit basis.

Tenant Rent. The amount payable monthly by the public housing family as rent to the PHA. (CFR 5.603)

KEY TERMS FOR THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

Absorption. In portability (under subpart H of this part 982): the point at which a receiving PHA starts making assistance payments with funding under its consolidated ACC, rather than billing the initial PHA.

Administrative Fee. Fee paid by HUD to the PHA for administration of the program. See §982.152.

Administrative Fee Reserve (formerly “operating reserve”). Account established by PHA from excess administrative fee income. These reserves are also referred to as unrestricted net accounts. The administrative fee reserve must be used for housing purposes. See §982.155.

Family Share. The portion of rent and utilities paid by the family. For calculation of family share, see §982.515(a).

Family Unit Size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

Housing Assistance Payments Contract (HAP Contract). A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

Housing Assistance Payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing Quality Standards (HQS). The standards PHAs use to inspect units assisted under the Housing Choice Voucher program.

Initial PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Payment Standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Portability. Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

Reasonable Rent. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

Receiving PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Rent To Owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Subsidy Standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.