PHADA Advocate
Helping House America
Public Housing Authorities Directors Association
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HUD Publishes a Proposed Analysis of Fair Housing Tool for HAs

The Flood Continues

On the heels of publishing its proposed AFH tool for use by states and in their collaborations with local HAs, HUD published a proposed AFH tool for use by HAs and collaborations among HAs on March 23. Comments on the tool for states are due by May 10, and comments concerning the tool for HAs are due by May 23 The public may submit comments concerning either or both of these tools electronically through www.regulations.gov. PHADA has included HUD's notice, its proposed 20 page AFH tool for local HAs along with its 42 pages of instructions, and a document comparing this tool to the final AFH tool for CDBG and HOME entitlement communities on its web site.

Contents of HUD's Notice

A major component of these notices of proposed information collections involves HUD's estimate of the administrative burden in hours the collections will impose. The department's estimates of administrative burden are notoriously low, and in this case HUD has assumed that two-thirds of HAs will collaborate with entitlement localities or states in preparing AFHs. The department has speculated that these agencies will require only half of the time to complete AFH analyses as those agencies that complete their own AFH. In the case of this HA tool, HUD estimates that it will take each submitting agency 240 hours, or six weeks, to prepare their AFH, or over 315,260 hours every five years. That will require the devotion of over 153 FTEs for completing these AFHs. In total, HUD has estimated that CDBG and HOME entitlement communities, states and insular areas, and HAs will consume almost one million man-hours every three to five years to complete AFHs. HUD's estimates do not include the time it will take HUD to oversee its new AFH process or review submitted analyses.

Unreasonable Demands

AFH requirements beyond HAs' expertise or ability to influence include:

- School policies that affect access to proficient schools by race/ethnicity, national origin, or disability,
- Participants access to employment opportunities by race/ethnicity, national origin, familial status, or disability,
- Participants' and applicants' access to transportation,
- Local and regional distribution of people with disabilities by disability,
- Olmstead plan implementation to integrate people with disabilities into local communities, and
- People with disabilities' access to (for instance) sidewalks, pedestrian crossings, and pedestrian signals locally and regionally.

See "Proposed AFH Tool" continued on page 12

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Contributing Writers: Jim Armstrong • Tim Kaiser • Kathi Whalen • Crystal Wojciechowski Jonathan Zimmerman

President's Forum: Like Us, HUD Can't Manage All of Its Requirements

Department Should Reconsider Its Approach

Introduction

PHADA has frequently commented that HUD should take spending cuts and budget realities into account when it imposes new regulations on HAs. Unfortunately, the current Administration has done the exact opposite. As part of its well-meaning but misguided *"Department of Opportunity"* strategy (see my August 12, 2015 article at **www.phada.org/advocate/article.php?storyid=2321**), it has dramatically increased burdens on housing providers at a time of historically low funding. This is an unmanageable combination.

PHADA President Nancy Walker met with HUD Secretary Castro a little more than a year ago. She and other PHADA leaders have often stressed the need for deregulation and streamlining to ensure HAs can fulfill their core mission. President Walker writes here that HUD also needs to more narrowly focus its diminished resources to ensure fulfillment of its own objectives.

In this column, I'd like to explore whether HUD itself can successfully manage all the new regulations and initiatives currently under development. Many of us believe the answer is no and there is ample evidence to prove our point. That begs the question: Shouldn't HUD consider this factor before moving forward with some of its plans? For that matter, wouldn't it make sense for the Department to engage with the industry and undertake a serious examination of what objectives may be doable in the context of the present budget environment?

Capacity Problems

I want to be very clear that what follows is not meant in any way to disparage the Department's professional staff. I know many career HUD staff are highly committed public servants, work diligently, and realize some of the new rules are well-intentioned. I am sure many readers feel the same way. The point, however, is that HUD's leadership is setting up the agency for an unworkable situation that will create problems not just for us, but for its own staff.

See "President's Forum" continued on page 14

Streamlining Rule in Effect

The Department of Housing and Urban Development (HUD) issued a final streamlining rule on March 8, 2016. PHADA previously reported on the final streamlining rule in the March 23 edition of the *Advocate*; the article provided a summary of the streamlining provisions available to housing authorities (HAs), including both discretionary and mandatory actions. While the final rule remains modest, there are a number of discretionary provisions included that could provide agencies with a small amount of much needed relief by streamlining processes and decreasing administrative burdens.

On April 7, 2016, the date that the rule became effective, the Department issued two very important notices. The first, PIH Notice 2016-6, provides very detailed information on each individual provision in the final rule, including: the regulation, the programs to which the provision applies, a description of the change, background details and the effective date. The notice also provides a summary of which provisions are mandatory and which are discretionary. In the table below, the mandatory/discretionary provisions are broken down as follows, per the Department's guidance.

The Department also issued a separate notice specifically associated with tenant self-certification of Community Service requirements, PIH Notice 2016-06, entitled, "Administering the Self-Certification Flexibility when Verifying Community Service and Self-Sufficient Requirement (CSSR) Compliance." The notice provides, among others, detailed information related to the contents of a resident self-certification, policy changes, sampling methodology and validation requirements.

For a detailed summary of each measure in the final rule, please take a look at the informational box entitled "Final Streamlining Rule Provisions" included in this article on page 4. Furthermore, please refer to the final rule, entitled, "Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs," for more detailed information. It can be found at: **www.gpo.gov/fdsys/pkg/FR-2016-03-08/pdf/2016-04901.pdf**.

Implementation of Provisions

PIH Notice 2016-05 provides some helpful implementation guidance for each provision in the final streamlining rule. The Department states in the notice that any provision that requires an agency to update its Admission and Continued Occupancy Policy (ACOP) and/or Administrative Plan (Admin Plan), or that constitutes a significant amendment should begin the amendment/revision process as soon as possible so that the provision may be implemented as soon as possible following the effective date of the rule. HAs may not begin implementing any provision until ACOPs and/or Admin Plans have been appropriately amended/revised.

Please be aware that most, if not all of the mandatory and discretionary provisions likely constitute either a "significant amendment" or "substantial deviation/modification," as defined by individual HAs, or encompass an element that HUD has determined requires revisions to HA Annual and 5-Year Plans (e.g. revisions to rent determination, grievance procedures, community service and self-sufficiency programs, etc.). As a result, agencies are required to be in compliance with the amendment provisions located in 24 CFR 903.21. Those provisions require, among others obligations, the solicitation of public comment and consultation with resident advisory boards.

Since the issuance of the streamlining rule PHADA staff and a number of members have brought some important questions related to program implementation, policy and IT-related factors to HUD's attention. HUD previously acknowledged there are some conflicts between existing regulations and the final rule, as well as some implementation and IT-related obstacles. Some of these questions and concerns were addressed in the recently issued notices discussed above. A few minor questions still remain, however. PHADA will provide any feedback and/or additional information it receives to members as soon as it is available once these questions have been addressed by the Department.

Utilizing the final rule and the guidance recently provided by the Department, agencies should now have all the information needed to begin implementing provisions and to take advantage of this modest streamlining. If your agency has questions that were not addressed by HUD's notices, please feel free to contact Crystal Wojciechowski at: cwojciechowski@phada.org. ■

Mandatory Provisions	Discretionary Provisions
Verification of Social Security Numbers	Streamlined Annual Reexamination for Fixed Incomes
Definition of Extremely Low-Income Families	Family Declaration of Assets Under $5,000
Exclusion of Mandatory Education Fees from Income	Utility Reimbursements
Earned Income Disregard	Tenant Self-Certification for Community Service Requirements
Public Housing Rents for Mixed Families	Biennial Inspections and the Use of Alternative Inspection Methods
Utility Payment Schedules	Housing Quality Standards Reinspection Fees
	Exception Payment Standards for Providing Reasonable Accommodations
	Family Income and Composition: Regular and Interim Examinations
	Public Housing Grievance Procedures

Final Streamlining Rule Provisions

HCV, MFH and PH Provisions

- Verification of Social Security Numbers (SSN) – expands and clarifies the timeframe under which a household is required to provide a SSN to an HA for an added family member under the age of six within the last six months to 90-days from the date of lease-up (for applicants) or for move-in (for existing participants).
- Definition of Extremely Low-Income Families – amends the Code of Federal Regulations (CFR) to reflect the new definition of "extremely low-income family" per the 2014 Appropriations Act, which defines the term as a very low-income family whose income does not exceed the higher of 30 percent of area median income or the poverty level.
- Exclusion of Mandatory Education Fees From Income – expands the definition of "tuition" to exclude mandatory education fees like, student activity fees, laboratory fees, association fees, etc. from income.
- Streamlined Annual Reexamination for Fixed Incomes – provides for a streamlined income determination for any fixed source of income in a household, even if an individual or other family member also has a non-fixed income source. The final rule details exactly what constitutes as "fixed-income." Upon admission to a program, third-party verification of all income amounts must be obtained for all family members and the fixed-income must be re-verified and determined every three years. This provision states that an interim streamlined income determination would take place in order to apply COLAs and/or interest-rate adjustments, obtained by either a public source or from tenant-provided, third-party verification. Agencies should pay particular attention to the final notice specifically related to the calculation of medical expenses and other income adjustments related to streamlined examinations.

Important Note: Please be advised that prior to the issuance of this final rule, the Fixing America's Surface Transportation Act (FAST Act) was signed into law. The FAST Act includes a provision permitting agencies to undergo full income recertification for families with 90 percent or more of their income from fixed-income sources every three years instead of annually, similarly to HUD's streamlining provision in this final rule. HUD states that it "…believes that while the FAST Act provisions and the provisions contained in this rule are very similar, they offer different benefits; therefore, HUD is retaining the flexibilities in this final rule and will issue implementation regulations for the FAST Act separately." Congress recently urged Secretary Julian Castro to publish guidance on this law as soon as possible.

While the provisions are similar, each may likely provide different benefits depending on how the guidance is written and which agencies decide to implement which provision. As result, it could be prudent to delay implementation until guidance is issued so that agencies are able to weigh the pros and cons of each provision before deciding which, if any, to implement.

- Earned Income Disregard – simplifies and streamlines EID for HAs by applying benefits to a straight 24-month period, with a clear start and end date, regardless of whether or not a participant maintains continual employment. Agencies will no longer be required to track employment starts and stops, only start date, 12-month date (in which the disregard may change from 100% to 50%) and end date (24-month date). Participants eligible for and participating in the disallowance of EID prior to May 9, 2016, are grandfathered in to the previous applicable regulations.

HCV and PH Provisions

- Family Declaration of Assets Under $5,000 – authorizes an agency to accept a family's declaration of net assets equal to or less than $5,000. HAs are required to obtain third-party verification of all family assets at admission and every three years.
- Utility Reimbursements – permits HAs with the option of making utility reimbursement payments quarterly, for reimbursements totaling $45 or less per calendar-year quarter. If agencies opt to institute this provision, HUD requires the establishment of a hardship policy for tenants if such policy would create a financial hardship.

PH Provisions

- Public Housing Rents for Mixed Families – requires HAs to utilize the established flat rent applicable to the unit to calculate rent for mixed families. A mixed family's payment much also be equivalent to their total tenant payment (TTP) when their TTP exceeds the flat rent.
- Tenant Self-Certification for Community Service Requirements – permits agencies to accept a tenant's signed self-certification of compliance with the community service requirement. However, HUD does require HAs to review a sample of self-certifications and validate their accuracy with third-party verification procedures to better ensure compliance. Tenants must be notified that self-certifications may be subject to validation.
- Public Housing Grievance Procedures – contains provisions that modestly streamline grievance procedures, provide for expedited grievance hearings in some cases and better aligns grievance procedures across programs. Further, the final rule maintains the elimination of the requirement that HAs consult resident organizations before appointing a hearing officer, but does require that agencies include their policies in the tenant lease form, which is subject to a 30-day comment period.

HCV Provisions

- Biennial Inspections and the Use of Alternative Inspection Methods– per the 2014 Appropriations Act, agencies are authorized to inspect HCV units not less than biennially, rather than annually. Additionally, HAs may rely on alternative inspection methods biennially, in order to avoid duplication. However, if the agency wishes to rely on an inspection method other than those conducted pursuant to LIHTC or HOME programs, or any other inspection performed by HUD, the protocol must be submitted to the Department for approval.
- Housing Quality Standards Re-inspection Fees – allows agencies the option to charge a reasonable fee to owners if the owner indicates that an inspection violation is fixed, but which a re-inspection proves has not been repaired or if a re-inspection conducted after the expiration of the timeframe for repairs reveals that the deficiency persists. Any fees collected may be utilized only for activities related to the provision of tenant-based assistance.
- Exception Payment Standards for Providing Reasonable Accommodations – allows an HA to approve a payment standard of not more than 120 percent of the FMR without HUD approval if required as a reasonable accommodation for a family that includes a person with a disability.
- Family Income and Composition: Regular and Interim Examinations– eliminates the requirement that an agency conduct a reexamination of income whenever a new family member is added, aligning the HCV program with PH regulations.

Senators and Representatives Urge HUD to Correct Its Flawed FMRs and Inflation Factors

Housing Authorities Continue to Weigh-In with Congress about Problems and Solutions

On March 10, 2016, the Senate Subcommittee on Transportation, Housing and Urban Development, and Related Agencies held a hearing to review HUD's FY 2017 budget request. During the hearing, two Senators expressed their concerns to Secretary Julián Castro about HUD's inaccurate Fair Market Rents (FMRs) and inflation factors and challenged him to make improvements. Before and after the hearing, PHADA and its members have been engaged with Congress and HUD in effort to correct these problems once and for all, for the millions of low-income households, property owners and communities served by HAs and other partners around the country.

There is a wide range of Federal programs affected by HUD's flawed FMRs. The primary uses of FMRs are to determine payment standards for the Housing Choice Voucher (HCV) program, and to determine initial renewal rents for some expiring project-based Section 8 contracts, as well as the Moderate Rehabilitation Single Room Occupancy program. FMRs also serve as rent ceilings for rental assistance units in the HOME Investment Partnerships program and are used in the calculation of flat rents in Public Housing units. FMRs are used in the calculation of maximum award amounts for Continuum of Care grantees. Agencies that administer the Shelter Plus Care (S+C) program where HUD's flawed FMRs have decreased, have suffered with reduced S+C grant amounts. Low-Income Housing Tax Credit (LIHTC) rents are also affected by FMRs.

Senate THUD Appropriation Subcommittee Hearing – Getting HUD on the Record

Congressional oversight of HUD's flawed FMRs and Housing Assistance Payment (HAP) contract renewal inflation factors, stemmed from HAs communicating with their elected officials about these problems and the negative effects they are having on their ability to serve their communities.

During the hearing, Senator Brian Schatz (D-HI) said, "[I]n my limited time I have left, I would like to flag an issue for you which I am sure you aware of but, especially in the State of Hawaii. The FMR level that is set is totally unrealistic. For example, on Kauai, the level of HUD's Fair Market Rents for a two bedroom in Kauai is $1,238 when it is actually $1,800 throughout the island of Kauai. So that is too big of a delta for people living on a fixed-income, it is too big a delta in a place where we pay three to four times the national average in terms of electricity. So we are going to need your help to remedy this. First of all, in the way you set FMRs. Second of all, then you ask the county to conduct a study at its own expense at $50,000 or so. At both of those steps, we are not doing this right."

Senator Patty Murray (D-WA), said "[a] major challenge for HUD is proper allocation of the resources it is given for the voucher program. This is a really difficult task given the complexity of local housing trends across the country. And I really do want to applaud you and your Department for working hard to refine the formula used to capture local rent inflation. Seattle and King County in particular, have experienced huge year over year rent increases that could not have been predicted when HUD last fully revised its inflation formula back in 2012. I was glad to hear that when this year's inflation factor was announced recently, HUD was better able to capture that drastic increase. But this is an issue that requires continued analysis and I just want to ask for your commitment to continue to examine that renewal funding inflation factor to make sure that is working for what we need today. Sec. Castro's responded by saying "We absolutely will. We were pleased in forecasting as we set those levels and I think that is important particularly for communities like Seattle which ranks near or at the top in terms of increased rents. So we absolutely can make that commitment."

HAs in Oakland/Alameda County Region Wrote to HUD About FMRs and Rent Studies

HUD has not allocated funds to conduct surveys of FMR areas, so HAs and other entities must pay for local surveys of rents to address comments filed regarding the FMR levels for specific areas. Housing Authorities have had to include sufficient information to justify any proposed changes. Several California HAs sent a letter to HUD in 2015 about its flawed FMRs and the amount that they had to pay themselves for a local rent survey without adequate administrative fee funding.

Vermont Congressional Delegation Writes to Secretary Julián Castro on Repeated FMR Problems

Three Housing Authorities (HAs) in Vermont, as well as the Vermont State Housing Finance Agency and a Vermont affordable housing coalition all have programs and low-income households that use HUD's FMRs. These organizations communicated their concerns to their Congressional delegation by identifying issues regarding HUD's proposed 2016 rents and the corresponding expense they have to bear to contract for local studies. In turn, the U.S. Congressional delegation from Vermont – Senator Patrick Leahy, Senator Bernard Sanders and Representative Peter Welch – sent a letter to Sec. Julián Castro on February 19, requesting the Department's reconsideration of the methodology HUD uses to calculate American Community Survey (ACS) for determining FMRs in the Burlington-South Burlington, VT Metropolitan Statistical Area (MSA). A respected survey of the local rental housing market in that MSA found rents *increased* from 2–3 percent. PHADA's analysis of HUD's proposed FY 2016 FMRs vs. final FY 2015 FMRs for that MSA, found:

0BR	1BR	2BR	3BR	4BR
-21%	**-13%**	**-13%**	**-8%**	**-13%**

HUD's inaccurate FY 2016 FMRs come just three years after an intervention by Representative Welch to get HUD to pay for a local rent

- **Request GAO Examination of HUD's Development of FMRs and SAFMRs** – Request the Government Accountability Office (GAO) to examine HUD's formulation of FMRs and SAFMRs including the way HUD uses the American Community Survey (ACS) data and the other issues identified by PHADA under Docket No. FR–5885–N–01 and FR–5855–A–01 (located in the related resource section below).
- **HAP Contract Renewal Inflation Factor & FMR Inflation Factor** – HUD's methodology for determining changes in residential rent and utility costs by first using a national trend factor a instead of regional or local index is flawed. HUD also bases the inflation factor on the average annual change in national gross rents, not over the last two years, but over the most recent 5 years is flawed. The disconnect between Housing Authorities' actual annual per voucher inflationary Housing Assistance Payment (HAP) costs versus the Department's HAP inflation factor for renewal funding eligibility, adversely affects HAs from meeting important voucher program goals.
- **Streamlined Appeals for One-Year Extensions Due to FMR Area Changes** – HUD provided a one-year extension of its proposed change FMR and FMR area change to Columbia, MD. Overall, there are many more counties that are adversely affected by HUD's discretionary adoption of OMB's February 2013 area definitions for FMR purposes, for which HUD has made no allowances. PHADA strongly urges the Department to set up a streamlined process for Housing Authorities (HAs) to make a similar request of HUD and to be granted a similar one-year extension to the Department's proposed FMR area definitions.
- **Streamlined Appeals Due to Rental Market Studies** – PHADA strongly urges HUD to set up a streamlined process for HAs to appeal HUD's proposed FY 2016 FMRs, if they dramatically conflict with a recent statistically valid rental market study(ies) by an HA or the Department within the last several years.
- **90-Day Grace Period in Voucher Programs** – PHADA recommends HUD allow HAs a 90-day grace period from HUD's publication of final FY 2016 FMRs before any HAs' revised voucher payment standards would affect voucher-assisted households' rent shares or Total Tenant Payment (TTP). There are a number of scenarios and reasons where providing a similar 90-day treatment to HAs in voucher programs as HUD does in the Public Housing, is also needed and warranted. PHADA requests HUD provide HAs with a 90-day grace period from the effective date of final FMRs on agencies' implementation of new voucher payment standards.

survey which resulted in HUD revising upwards its FMRs to accurately reflect the rental market in that MSA. Now, Vermont housing agencies and organizations are bearing the expense of a local rent study in order to correct HUD's flawed final FY '16 FMRs just to be able to manage their programs at accurate rental housing levels.

PHADA and Its HA Members Identify Problems and Solutions; Final Actions Needed by Congress and HUD

PHADA's analyses of HUD's FMRs showed erratic FMR values that do not reflect historic norms of rental housing market changes. The fundamental flaws in HUD's FMRs which PHADA has repeatedly analyzed, commented upon and recommended corrections to, continue to negatively impact millions of low-income households around the country. A host of adverse program impacts associated with HUD's flawed FMRs and inflation factors are described in PHADA's article titled, *Programmatic Impacts of HUD's Proposed FY 2016 FMRs* (**www.phada.org/news.php?id=2367**).

HUD's Inadequate HAP Contract Renewal Inflation Factors

Prior to FY '16, in most localities HUD used negligible to non-existent annual HAP contract renewal inflation factor for many HAs. Many HAs have received relatively low percentages of annual HAP renewal funding relative to their actual HAP renewal costs. This problem has been compounded by the Department's inadequate renewal inflation factors for many consecutive years, coupled with the budget-based voucher HAP renewal formula. The disconnect between HAs' actual annual per voucher inflationary HAP costs versus the Department's HAP inflation factor for renewal funding eligibility, impacts applicable HAs' ability to serve the same or greater number of households, at affordable income to rent burdens, in modest housing that passes HQS in relatively poverty deconcentrated neighborhoods.

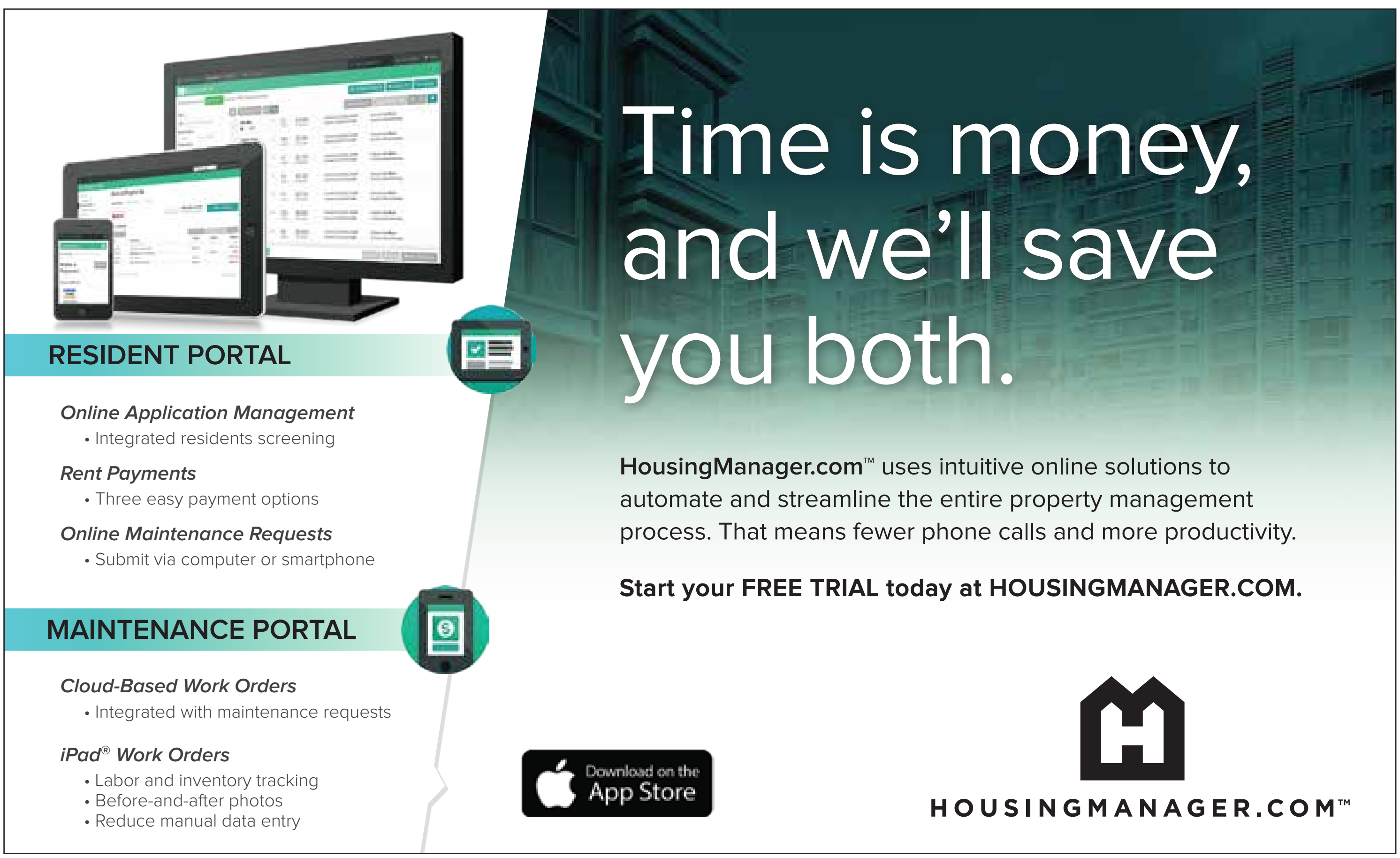
PHADA previously filed comments with HUD regarding the need to fix this problem. PHADA wrote, "Recognition of this reality would go a long way towards helping the Department and Congress improve HAP funding and formula distributions, administrative fee funding, and inflation factors to help better achieve expanding housing opportunities, increase voucher leasing rates, improve voucher-assisted households' income to housing cost burdens, and improve voucher success rates, etc."

Following HAs' receipt of their 2016 HAP contract renewal funding enclosures from HUD on March 1 and Sec. Castro's Congressional testimony, PHADA analyzed the Department's refined HAP contract renewal inflation factors in several parts of the country to see the extent to which they better capture local rent inflation.

For numerous HAs, PHADA found HUD's CY 2016 renewal funding allocation located on line 8 in Enclosure A, reflects a renewal funding inflation factor of 1.000 (zero inflation percent). In several other HA examples PHADA found in two metropolitan areas:

- HUD's FY '16 HAP contract renewal inflation factor is 1.002 (two-tenths of one percent) which is substantially below the Consumer Price Index update inflation factor HUD used for their FY '16 FMRs – 1.0381 (3.81%) – and substantially below the overall two bedroom FMR percentage increase for their area – 1.0311 (3.11%); and

See "Flawed FMRs" continued on page 15



Hotel

Planet Hollywood Hotel

Las Vegas, Nevada

Overlooking the Las Vegas Strip, this high-rise hotel is a five-minute walk from the Bellagio fountains and 1.2 miles from Madame Tussauds Las Vegas wax museum. Colorful rooms feature famous movie memorabilia. Planet Hollywood offers lots of dining options which include an upscale steak-house, casual restaurants and bars. After a day of learning and sharing information with colleagues when you are not in the educational sessions or the exhibit hall, you will be able to enjoy other hotel amenities. For more information on Planet Hollywood, visit: www.caesars.com/planet-hollywood.

Reservations & Room Rates

Register for the conference first and receive a conference code to make your hotel reservations. Reservations will not be accepted without a code.

Important Change in Registration/Hotel Accommodations Process

Hotel Reservation Policy for PHADA's 2016 Annual Convention and Exhibition **Register first then reserve your room!** Due to the unique city and venue, conference registration is required prior to making a reservation in the PHADA room block. Any reservation in the PHADA room block without a corresponding conference registration may be canceled without notice. This policy is designed to give priority to registered conference attendees and provide them with greater access to the discounted hotel room rates. Once your registration is confirmed, you will receive a code to reserve your hotel accommodations in the room block. Requests for reservations at the PHADA group rate will be accepted for registered conference attendees on a space available basis through April 15 or until the PHADA room block is sold out.

Reservations at the PHADA rate may only be secured with the conference code included in your conference registration confirmation.

Planet Hollywood Las Vegas Resort & Casino
3667 Las Vegas Boulevard South
Las Vegas, NV 89109

Room Rate: $109 single/double + $29 resort fee

Room rates are per night plus applicable tax. A portion of the room rate is being used to offset conference costs.

Cut-off date: April 15*

All reservations made via the telephone call center will be assessed a fee by the hotel of $15 per reservation.

**Based on availability*

Agenda

**Agenda items and times are subject to change*

Friday, May 20

7:00 am–8:00 am	**EDEP Registration**
8:00 am–5:00 pm	**EDEP: Legal Issues**

Saturday, May 21

7:00 am–8:00 am	**EDEP Registration**
8:00 am–5:00 pm	**EDEP: Procurement and Contract Management**

Sunday, May 22

7:30 am–6:00 pm	**Conference Registration**
8:00 am–9:30 am	**Legislative/Regulatory Briefing**
9:40 am–10:40 am	**Small PHA Committee Meeting**
10:50 am–11:50 am	**Bollinger Committee Meeting**
10:50 am–12:20 pm	**Housing Committee Meeting**
1:00 pm–2:30 pm	**Professional Development Committee Meeting**
2:30 pm–4:00 pm	**Legislative Committee Meeting**
4:10 pm–5:30 pm	**Membership Committee Meeting**
5:30 pm–7:30 pm	**Welcome Reception in Exhibit Hall**

Monday, May 23

7:30 am–6:00 pm	**Conference Registration**
7:30 am–8:15 am	**Continental Breakfast in Exhibit Hall**
8:15 am–10:15 am	**Annual Business Session**
10:15 am–5:00 pm	**Exhibition Hall Open**
10:30 am–12:00 pm	**Education Sessions**
12:05 pm–1:05 pm	**Personnel Committee Meeting**
1:30 pm–3:00 pm	**Education Sessions**
2:15 pm–3:15 pm	**Finance Committee Meeting**
3:15 pm–4:45 pm	**Education Sessions**
5:00 pm–7:00 pm	**Reception in Exhibit Hall**

Tuesday, May 24

7:30 am–3:00 pm	**Conference Registration**
7:30 am–8:15 am	**Continental Breakfast in Exhibit Hall**
7:30 am–12:00 pm	**Exhibition Hall Open**
8:00 am–9:30 am	**Executive Board Meeting**
8:30 am–10:00 am	**Education Sessions**
10:15 am–11:45 am	**Education Sessions**
12:00 pm–1:30 pm	**Bollinger Scholarship Luncheon**
1:45 pm–3:15 pm	**Education Sessions**
3:15 pm–conclusion	**Board of Trustees Meeting**
3:30 pm–5:00 pm	**Education Sessions**

Wednesday, May 25

7:30 am–12:00 pm	**Conference Registration**
7:30 am–8:15 am	**Continental Breakfast**
8:15 am–9:45 am	**Education Session**
9:45 am–11:15 am	**Education Session**
11:15 am–12:45 pm	**Education Session**
6:00 pm–8:00 pm	**Closing Dinner**

PHADA'S 2016 ANNUAL CONVENTION & EXHIBITION

Don't miss this opportunity to learn, share ideas, and network with your colleagues from across the country.

Register for the Conference:

Register online at www.phada.org, or fill out the form below and mail or fax it, along with the registration fee, to:

PHADA Annual Convention & Exhibition
511 Capitol Court NE
Washington, DC 20002–4937
Fax: 202-546-4166

Reservations at the Hotel:

Register for the conference first and receive a conference code to make your hotel reservations. **Hotel reservations will not be accepted without a code.**

Planet Hollywood Las Vegas Resort & Casino
3667 Las Vegas Boulevard South
Las Vegas, NV 89109

(Please fill out a separate form for each registrant, including spouses)

Name ______________________ First Name for Name Badge ______________________

Housing Authority ______________________ Title ______________________

Street Address ______________________

City/State/Zip ______________________ Phone ______________________

Email address (to receive a confirmation) ______________________

Is this your first PHADA meeting? ☐ YES ☐ NO

Do you plan to attend the Bollinger Scholarship luncheon (included in registration fee) on Tuesday, May 24? ☐ YES ☐ NO

Do you plan to attend the closing dinner (included in registration fee) on Wednesday, May 25? ☐ YES ☐ NO

☐ Please check this box if you require special services or assistance because of a disability.

Executive Director Education Program (EDEP) Registration *(conference registration is included)*	PHADA Conference Registration Only *(for those not taking EDEP classes)*	
	After April 15	**On-site**
☐ Option 1: Friday, May 20: Legal Issues—$995	☐ Member: $465	☐ Member: $490
☐ Option 2: Saturday, May 21: Procurement and Contract Management—$995	☐ Nonmember: $575	☐ Nonmember: $600
☐ Option 3: Both classes—$1,560	☐ Spouse: $180	☐ Spouse: $190

Payment Method:

Check or money order enclosed in the following amount: $ ______________________

Please bill my: ☐ MasterCard ☐ VISA ☐ AMEX

Account # ______________________

Print Name ______________________ Signature ______________________ Exp. Date ______________________

*Cancellations received in writing before April 15 will be refunded less a $100.00 administrative fee. Substitutions are welcome if notified in writing. There will be no refunds after April 15. No refunds are given for no-shows.

BY SUBMITTING THIS REGISTRATION FORM YOU ARE AGREEING TO PHADA'S CANCELLATION POLICY.

EDEP registrants please note: On-site registrations are **not** accepted for the EDEP program, and class size is limited to 40 participants. You will receive confirmation of your EDEP registration from Rutgers University. If you do not receive a Rutgers confirmation, please contact the PHADA office at 202-546-5445. Refunds will only be issued to registrants who withdraw on or before April 15.

SHARP's Time Has Come

Be a Part of the 90-Day Sprint To Passage

Passage of SHARP (Small Housing Authority Reform Proposal) legislation is finally within sight for the nation's 2,800 small housing agencies that would benefit from streamlined HUD oversight. Passage of SHARP this year will largely be determined by the collective action of housing authorities asking Congress to hold hearings and to vote on SHARP legislation this year. PHADA strongly encourages each of its members to take action – individually or with other agencies to secure the support of your Members of Congress for SHARP.

It has been eight years since the 2008 release of the IBM Business Consulting Group's examination of HUD's oversight of small agencies entitled, "Rebalancing HUD's Oversight and Small PHAs' Regulatory Burdens." That study, commissioned by HUD, produced clear evidence that the Department was not spending its limited resources wisely when monitoring small agencies. The study recommended that the Department align its oversight resources based on real risks and concluded that small agencies presented very low risk to the taxpayer. The key IBM study finding stated that, "For core compliance monitoring, HUD's level of effort is grossly disproportionate to the level of risk, total units involved, and subsidy dollar volume."

HUD has yet to: 1) embrace its own evidence-based research, 2) recognize the existential threat to the public housing inventory in small, rural and suburban agencies, or 3) provide any real regulatory relief to small agencies. Small agencies are subjected to the same HUD one-size-fits-all reporting demands as agencies with thousands or tens of thousands of housing units and vouchers. This overreach generates enormous and needless costs for thousands of housing agencies and for the Department.

A Brief SHARP Timeline

It often takes years for new helpful research findings to become a legislative proposal and then be passed into law. So it is with SHARP. PHADA members are urged to continue their efforts to educate Members of Congress about the need for SHARP.

July 2008 – Release of HUD-commissioned IBM Business Consulting Group study that found HUD oversight of small agencies "grossly disproportionate to the level of risk."

April 2010 – PHADA and NAHRO, with the support of HAI, begin a joint initiative to help their small-agency members with a streamlining proposal that would benefit as many as 2,800 small agencies across the country. SHARP, the Small Housing Authority Reform Proposal began in earnest.

June 2011 – The Center on Budget & Policy Priorities (CBPP) while acknowledging the need for reform, attacks the SHARP proposal with flawed analysis and exaggerated claims of harm to residents.

Sept 2012 – Senators Jon Tester (D-MT) and Mike Johanns (R-NE) introduce SHARP in the Senate for the first time after hearing from small agencies in their states about HUD's excessive regulatory burden.

Jan 2013 – Implementation of the Rental Assistance Demonstration (RAD). HUD stated SHARP legislation is unnecessary because RAD would safely preserve public housing inventories at small agencies by converting units to the Section 8 funding platform. A key HUD selling point for RAD was the opportunity for housing agencies to finally escape HUD's outrageously burdensome public housing program.

April 2015 – PHADA published an *Advocate* article noting that HUD added 6.47 million work hours nationwide to underfunded agencies and jurisdictions with just the four (4) most recently added reporting requirements (AFH, VAWA, PNA and Section 3). This continuous "piling on" of new requirements during a period of severe underfunding reinforces the need to "right-size" the regulatory burden on small agencies.

Nov 2015 – Senators Jon Tester (D-MT) and Deb Fischer (R-NE) re-introduce SHARP (S.2292) in the Senate.

March 2016 – HUD publishes its final and very modest Streamlining Rule. The rule demonstrates the Department's inability to "find ways to eliminate unnecessary requirements to and improve efficiency" even in an era when agencies are deeply underfunded and severely overburdened with rules and reporting requirements. The rule also demonstrates the need for Congressional action to accomplish real streamlining.

April 2016 – Congressmen Steven Palazzo (R-MS), Sanford Bishop (D-GA) and Brad Ashford (D-NE) introduce SHARP (H.R.4816) in the House for the first time.

Present Time (Mid-April thru Mid-July) – PHADA and NAHRO urges on all of their members to make an all-out push to through persuade their Senators and Representatives to support SHARP. They also need to ask their legislators on Senate Banking and House Financial Services Committees to hold hearings and votes on SHARP this session.

July 18 and July 25, 2016 – The starting dates of the Republican and Democratic political conventions will mark the end of most legislative work for the year. **It is important that SHARP sees action during the next 90 days.**

Specific steps to help pass SHARP

1) **Thank your Member of Congress if he/she is already signed onto SHARP legislation** (see the list of Senate Bill and House Bill sponsors on page 11).

2) **If your Senators and Representative are not listed, call them now and ask them to sponsor SHARP**. Feel free to use any items in the SHARP toolkit (on the PHADA website) to make your pitch. The toolkit includes both House and Senate versions of SHARP legislation, talking points, the SHARP brochure and more (**www.phada.org/SHARP_Toolkit.php**).

Senate SHARP Bill - S.2292 (Original sponsors in bold)
Sen. Tester (D-MT) (Banking)
Sen. Fischer (R-NE)
Sen. Cotton (R-AR) (Banking)
Sen. Roy Blunt (R-MO)
Sen. Ayotte (R-NH)
Sen. Jeanne Shaheen (D-NH)

House SHARP Bill - H.R.4816 (Original sponsors in bold)
Rep. Palazzo (R-MS) (Financial Services)
Rep. Sanford Bishop (D-GA)
Rep. Brad Ashford (D-NE)
Rep. Chuck Fleischmann (R-TN)
Rep. Frelinghuysen (R-NJ)
Rep. Harper (R-MS)
Rep. Hartzler (R-MO)
Rep. Kuster (D-NH)
Rep. Posey (R-FL) (Financial Services)
Rep. Thompson (D-MS)
Rep. Westmoreland (R-GA) (Financial Services)
Rep. Guinta (R-NH) (Financial Services)
Rep. Brady (R-TX)

3) **Reach out to Special Targets in the Senate**. The Senate authorizing committee, Senate Banking, is also crucial to the passage of SHARP legislation. The more Committee members supporting the SHARP bill, the more likely the bill will see action during this session. **Ask the following Senators on the Banking Committee to support SHARP – AND to take action on the bill (S.2292) this session.**

Richard Shelby, AL *Chairman*
Mike Crapo, ID
Bob Corker, TN
David Vitter, LA
Patrick J. Toomey, PA
Mark Kirk, IL
Mark Warner, VA
Dean Heller, NV
Tim Scott, SC
Ben Sasse, NE
Tom Cotton, AR (SHARP sponsor)
Mike Rounds, SD
Jerry Moran, KS

Sherrod Brown, OH *Ranking Member*
Jack Reed, RI
Charles Schumer, NY
Robert Menendez, NJ
Jon Tester, MT (SHARP sponsor)
Jeff Merkley, OR
Elizabeth Warren, MA
Heidi Heitkamp, ND
Joe Donnelly, IN

4) **Reach out to Special Targets in the House**. In addition to contacting each and every Member of the House of Representatives to support SHARP, it is also very important to secure supporters from the House authorizing committee – the Financial Services Committee. The Committee will ultimately determine if and when SHARP legislation becomes law. If your Representative is listed below as a member of the Committee, please make an extra effort to insure that he/she knows how important passage of the SHARP bill is to small housing agencies in his/her district. **Ask the following Representatives on the Financial Services Committee to support SHARP – AND to take action on the bill (H.R. 4816) this session.**

Jeb Hensarling, TX, *Chairman*
Peter T. King, NY
Edward R. Royce, CA
Frank D. Lucas, OK
Scott Garrett, NJ
Randy Neugebauer, TX
Patrick T. McHenry, NC
Steven Pearce, NM
Bill Posey, FL (SHARP sponsor)
Michael G. Fitzpatrick, PA
Lynn A. Westmoreland, GA (SHARP sponsor)
Blaine Luetkemeyer, MO
Bill Huizenga, MI
Sean P. Duffy, WI
Robert Hurt, VA
Steve Stivers, OH
Stephen Lee Fincher, TN
Marlin A. Stutzman, IN
Mick Mulvaney, SC
Randy Hultgren, IL
Dennis A. Ross, FL
Robert Pittenger, NC
Ann Wagner, MO
Andy Barr, KY
Keith J. Rothfus, PA
Luke Messer, IN
David Schweikert, AZ
Frank Guinta, NH (SHARP sponsor)
Scott Tipton, CO

Roger Williams, TX
Bruce Poliquin, ME
Mia Love, UT
French Hill, AR
Tom Emmer, MN
Maxine Waters, CA, *Ranking Member*
Carolyn B. Maloney, NY
Nydia M. Velázquez, NY
Brad Sherman, CA
Gregory W. Meeks, NY
Michael E. Capuano, MA
Rubén Hinojosa, TX
Wm. Lacy Clay, MO
Stephen F. Lynch, MA
David Scott, GA
Al Green, TX
Emanuel Cleaver, MO
Gwen Moore, WI
Keith Ellison, MN
Ed Perlmutter, CO
James A. Himes, CT
John C. Carney, Jr., DE
Terri A. Sewell, AL
Bill Foster, IL
Daniel T. Kildee, MI
Patrick Murphy, FL
John K. Delaney, MD
Kyrsten Sinema, AZ
Joyce Beatty, OH
Denny Heck, WA
Juan Vargas, CA

Please Act Now

This legislative year will be shortened because of the early dates for the political conventions that begin during the third week in July. As a result, any legislation that hopes to pass before the end of the year will need to be acted on by authorizing committees within the next 90 days. That means SHARP will need to catch the attention of the leadership (4 Chairmen and 4 Ranking Members) of key committees. SHARP will need to be taken up by the Senate Banking Committee chaired by Shelby (R-AL) and Brown (D-OH) after it is vetted through its Housing, Transportation and Community Development Subcommittee chaired by Scott (R-SC) and Menendez (D-NJ). In the House, the Financial Services Committee led by Hensarling (R-TX) and Waters (D-CA) will consider SHARP after it goes through the Housing and Insurance Subcommittee chaired by Luetkemeyer (R-MO) and Cleaver (D-MO).

PHADA strongly encourages housing authorities to make calls/contacts immediately to make sure SHARP legislation is addressed this year. ■

…"Proposed AFH Tool"

Continued from page 1

In addition to HUD's estimate of administrative burdens imposed on HAs, the notice describes the contents of the AFH tool, its differences with the final published tool for entitlement communities, and solicits comments on specific issues.

Specific Comment Requests

HUD has asked for comments on the following:

1. Are instructions effective? How can they be changed to explain the AFH process better?
2. Do qualified HAs (small, non-troubled HAs, with passing SEMAP scores) expect to collaborate with a state, entitlement community, or other HA? How can the AFH tool facilitate collaborative AFH preparation?
3. Will HUD's addition of questions to this AFH tool facilitate preparation of the AFH?
4. Will requiring an analysis of rental housing facilitate a robust AFH, particularly for agencies only administering public housing?
5. Has HUD included factors contributing to fair housing issues that are not relevant to local HAs?
6. Does the order of issues raised in the tool facilitate AFH completion?
7. How can HUD collect information on HAs' jurisdictions with minimum burden to HAs?
8. Do HAs have the data to permit a fair housing analysis of households on agencies' waiting lists?

One reasonable option for HUD is to suspend its actions on these AFH tools until all relevant data maps and tables become available.… HAs have significant justified fears that this very complicated new AFH process may take effect without the promised support of AFH data and maps.

The nature of HUD's specific requests for comments reflect that in this proposed AFH tool, the department has failed to tailor the information collection to the circumstances under which local HAs operate, and HUD may not understand the nature of those constraints. It begs credulity that, after operating the public housing program through local HAs since 1937, HUD does not know those agencies' areas of jurisdiction or that HAs may not have the resources or capacities to analyze the locations of households on their waiting lists.

Contents of the Proposed AFH Tool for HAs

The tool consists of the following sections:

1. Executive Summary
2. Community Participation Process
3. Assessment of Past Goals and Actions
4. Fair Housing Analysis
   a. Demographic Summary
   b. General Issues
      i. Segregation/Integration
      ii. Racially or Ethnically Concentrated Areas of Poverty
      iii. Disparities in Access to Opportunity
      iv. Disproportionate Housing Needs
   c. Disability and Access Analysis
   d. Publicly Supported Housing Analysis
   e. Fair Housing Enforcement, Outreach Capacity, and Resources Analysis
5. Fair Housing Goals and Priorities

Much of the proposed information to be collected consists of detailed descriptions of how HAs have chosen to comply with HUD's revised AFFH regulations (i.e. descriptions of public participation processes and analyses of past goals developed under Analyses of Impediments (AIs)). In addition, despite the very common restrictions on operations of HAs outside of the jurisdictions defined in their charters (which HUD has chosen to rename, "service areas," for some reason), the AFH tool continues to require them to analyze fair housing issues within their region (usually very large Core Based Statistical Areas or CBSA). In most cases areas outside HAs' jurisdictions are irrelevant to operational choices, and HAs exercise little or no influence over regional communities. For example, although the Richmond (VA) Redevelopment and Housing Authority's jurisdiction is the City of Richmond, its region is a CBSA covering an area between the City of Fredericksburg and North Carolina, and between the City of Williamsburg half way to the City of Lynchburg. Although the Richmond HA cannot influence policies over a wide swath of this region, it's AFH must include fair housing analyses of this very large part of central Virginia.

The AFH also requires HAs to conduct analyses of matters far beyond their areas of responsibility or expertise. These include questions of residential displacement due to "economic pressures," zoning and land use regulations and community and regional revitalization strategies for both their jurisdictions and their regions. HUD is also requiring HAs to conduct an historical analysis of changes in fair housing issues over the past 26 years (since 1990).

Other required analyses that are probably beyond HAs' expertise or ability to influence include, for example:

- How school related policies limit or enhance families' access to proficient schools by race/ethnicity, national origin, or disability,
- Voucher holders' and applicants' access to employment opportunities by race/ethnicity, national origin, familial status, or disability,
- Program participants' and applicants' access to transportation,
- Geographic distribution of people with disabilities in the jurisdiction and the region by type of disability,
- Whether the HA or its local governments or the State have implemented an *Olmstead* plan to integrate people with disabilities into local communities, and

- Whether people with disabilities in the jurisdiction and the region have more or less access to public infrastructure (e.g. sidewalks, pedestrian crossings, pedestrian signals, transportation, proficient schools, educational programs, and jobs).

In addition to unreasonable demands for information only marginally related to their housing missions, the draft AFH tool requires agencies to prepare and report information that HUD already has. These include, for example:

- Demographics concerning public housing property residents and voucher holders,
- Comparison of these demographics with the population of agencies' jurisdictions and with the income eligible population, and
- Locations of public housing properties and addresses of voucher holders.

HAs submit much of this information through HUD's Form 500958, and HUD has the same access as HAs to U.S. Census data and data available through HUD's AFFH Data Mapping Tool.

HUD's proposed collection also requires unreasonably broad locational analyses of rental housing, affordable housing, project based Section 8 housing, other multifamily assisted housing, and LIHTC assisted housing in each HA's jurisdiction and region. The AFH also requires analyses of the changes in these inventories of housing since 1990.

HUD's AFFH Data Mapping Tool

HUD has consistently promised that it will make a significant amount of AFH related data available in maps and tables on its web site for use by agencies completing their AFHs. Unfortunately, the only useful information currently available on HUD's web site is for CDBG and HOME entitlement community jurisdictions and regions. These areas may conform to some HAs areas of responsibility, but data maps and tables for many HAs remain unavailable. This absence makes it difficult to evaluate the burden of the AFH, and complicates HAs' decision making as they decide whether to collaborate with an entitlement community, the state, or a group of neighboring HAs. One reasonable option for HUD is to suspend its actions on these AFH tools until all relevant data maps and tables become available. Given HUD's track record on IT related tools, HAs' have significant justified fears that this very complicated new AFH process may take effect without the promised support of AFH data and maps.

Next Steps

PHADA will submit and publish comments concerning this proposed tool. PHADA members concerned with the feasibility of HUD's proposed AFH process should consider submitting comments on their own in as much detail as possible. In conversations over a year ago with HUD staff, PHADA believed that the department would produce an AFH tool for HAs appropriate to the needs of that diverse population of agencies and their very different contexts. Unfortunately, HUD has not yet made good on that commitment. Submitting detailed comments may assist the department in developing an AFH tool more appropriate to the expertise and capacities of the vast majority of local HAs. ■

…"President's Forum"

Continued from page 2

In private off the record conversations with some HUD personnel, or those who have recently left the agency, many readily acknowledge the Department is suffering from the same kinds of problems as we in the industry – not enough staff and insufficient resources. These individuals tend to agree with our view that's HUD's present objectives are unrealistic.

We feel the need to register our concerns because HUD's lack of staff and resources directly affects Housing Authority operations. For instance, think of how many times you have been required to resubmit information because HUD's IT systems were malfunctioning.

Many of us have witnessed the issue firsthand in local HUD offices. There has been a proliferation of retirees and a loss of institutional knowledge at the field office level. The same is true at headquarters in Washington. The Department's most recent strategic plan, for example, noted that almost 60 percent of its employees are eligible to retire between last year and 2018. Further, HUD's Office of the Chief Human Capital Officer (OCHCO) stated the following in its FY 2017 budget justifications to Congress (page 38-1):

> "According to the U.S. Government Accountability Office's report (GAO-15619T), the federal government is facing workforce related challenges that could affect the ability of agencies to effectively carry out their missions. The Department confronts two major challenges: 1) HUD has experienced the **greatest percentage decline of permanent career employees across the Government from 2005 through 2014 and 2) HUD possesses the highest percentage of any agency of career permanent employees eligible to retire by 2019** [emphasis added]. This retirement wave can cause a loss of leadership and institutional knowledge at all levels."

In just a few years, the Department has gone from a staff of more than 11,000 people to 8,335 Full Time Equivalents (FTEs, page 1-13, 2017 HUD budget justifications). While HUD has added some new staff to address the turnover, many are just learning the programs.

The Department is proposing to add 40 new staff as part of its 2017 budget request. It is highly questionable whether Congress can, or will, approve any new HUD staff given flat appropriations. Meanwhile, Secretary Castro conceded HUD's incapacity as one of the main reasons why it was not supportive of an expansion the Moving to Work (MTW) program.

Budget Cuts Remain in Effect

The terms of the ten year budget law dictate that it is unlikely that we will see increases in either HUD resources or our own funding. While we did get a temporary reprieve from sequestration, "*de facto sequestration*" is still negatively impacting us and HUD personnel too. Furthermore, sequestration will return next year unless there is a deal to the contrary.

Despite these harsh budget realities – and the fact they are unlikely to change much regardless of the election's outcome – some of HUD's proposed rules (for example, the Fair Housing tool and Section 3) will add tremendous new burdens not just on us, but on HUD staff too. In fact, HUD's own Federal Register Notice points out that the Section 3 proposed rule will impose nearly 227,000 additional reporting and recordkeeping burden hours on top of an existing 896,190 hours. This equates to a grand total of 1.12 MILLION burden hours on HAs. **Even if we are somehow able to complete this mountain of work while trying to run our agencies with 80–85 percent funding, who at HUD is going read and analyze all of these Section 3 reports?**

It gets worse. The Department's own estimates indicate that, under the new Fair Housing Rule, entitlement communities, states, and PHAs will incur 994,740 reporting burden hours over the next five years. This equates to 198,948 hours or 95.6 person years annually. HUD staff will, in turn, have to review about 1,000 AFH tool submissions per year.

Again, will HUD personnel be able to read these very detailed and voluminous reports? We think not. The Government Accountability Office (GAO) pointed out, for example, that HUD could not even handle the existing and Fair Housing and Section 3 reporting systems, and these two new programs and their accompanying IT reporting procedures are MUCH MORE COMPLEX.

Aside from the inadequacy of personnel, the state of HUD's Information Technology systems are problematic, to say the least. Are those IT systems capable of handling thousands of new reports and web-based submissions? The Inspector General, for one, does not believe so. Moreover, HUD's Section 3 reporting system had to be deferred for about 1.5 years because of technical problems – which caused many reporting headaches for HAs (another example of how HUD's incapacity negatively impacts us).

I have focused on just two rules as examples here. What about all the other new measures HUD plans to implement over the coming months? These include a non-smoking rule, a major asset management re-write, demo-dispo requirements, UPCS-V, a new HCV admin fee formula, and VAWA revisions, among others. Does the Department have the staff and resources to properly oversee all of these new initiatives? If it cannot, why have thousands of resource-starved HAs jump through regulatory hoops only to see reports go unread and HUD IT systems mired in another potential meltdown?

Conclusion

HUD's regulatory agenda should be much more realistic and take current budget realities into account, not just for our sake but in terms of the Department's ability to fulfill its mission. HUD should also look for ways to maximize its limited resources. For instance, it should at least consider supporting things like the Small Housing Authority Reform Proposal (SHARP), which would free up many small HAs, allowing the Department to focus more on those HAs with technical assistance needs and those who pose a risk to taxpayers. Similarly, the Department should collaborate with the industry on our ongoing accreditation initiative, which in the long run would reduce HUD's workload under its various assessment systems. At a minimum, we should have an honest dialogue about existing resources and how they can best be employed to maximum effect.

PHADA strongly believes there should be a moratorium on all new rules and regulations and will continue to press this point. The continued increase of compliance and process requirements at the expense of the core mission will eventually reach a tipping point. We have repeatedly stressed the impact of reduced funding on the capacity of Housing Authorities to meet their mission. Given that it also has inadequate resources and diminished staff capacity, HUD should be careful not to undermine its own core objectives. ■

…"Flawed FMRs"
Continued from page 7

- HUD's FY '16 HAP contract renewal inflation factor is 1.005 (five tenths of one percent) which is substantially below the Consumer Price Index update inflation factor HUD used for their FY '16 FMRs – 1.0490 (4.90%) – and substantially below the overall two bedroom FMR percentage increase for their area – 1.0651 (6.51%).

There is not necessarily a one-for-one relationship in every dollar increase in FMRs to a dollar increase in an HA's per voucher HAP expenditures. However, the fact that the inflation factors HUD used for HAs' fortieth percentile FMR increases are substantially greater than the Department's HAP contract renewal cost inflation factors is evidence that even HUD's "improved" HAP contract renewal inflation factor in FY '16 is still inadequate and needs further improvement.

Agencies are encouraged to share their Enclosure A spreadsheets with PHADA from FY 2015 and FY '16 so that the Association can continue to demonstrate the need to fix HUD's inflation factors for a wide variety of rental housing markets throughout the country. Please feel free to e-mail them to Jonathan Zimmerman at: jzimmerman@phada.org.

HUD's Actions in FY '16 and Planned Actions for FY '17

In response to a letter from California HAs, the Department wrote, "HUD will be calculating proposed FY '17 FMRs using new 2014 American Community Survey (ACS) data." HUD also acknowledged that "given national trending, however, these data may not capture recent changes in rents for markets that are changing very rapidly." It remains to be seen what impacts this will have on the Department's pending FY '17 FMRs.

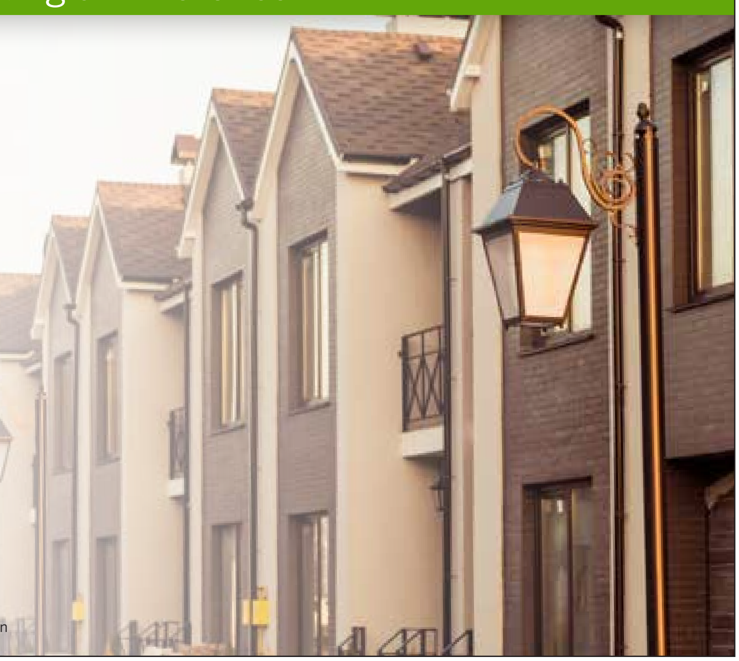
HAs' Requests to Congress for Further Interventions on FMRs and Inflation Factors Needed

In response to PHADA's critiques of HUD's FMRs, the Department's frequent excuse for its inaction is the statute governing FMRs would not allow them to make the Association's recommended improvements. Simultaneously, HUD's budget requests included statutory changes that are incorporated into Section 107 the Housing Opportunity through Modernization Act (H.R. 3700) that exclude provisions to correct the issues identified by PHADA. PHADA's detailed summary of the bill as of December 9, 2015, is accessible at: **www.phada.org/pdf/TableofHR3700AsAmended12092015.pdf**.

Therefore, PHADA urges its HA members to continue to communicate with your elected officials about these problems with FMRs and inflation factors in the programs you administer and the adverse impacts they are having on your ability to serve your community. PHADA asks that you ask your elected officials to include our recommendations in a FY '17 THUD Appropriations bill and to continue to weigh in with Sec. Castro until these problems are corrected.

Related Resources

- PHADA's Comment Letter and Data Analyses of HUD's Proposed FMRs for the HCV Program, Moderate Rehabilitation Single Room Occupancy and Other Programs; FY 2016 **http://bit.ly/210mgq8** ■



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PHADA Calendar 2016–2017

May 22–25, 2016 **Annual Convention & Exhibition** Planet Hollywood Hotel Las Vegas, Nevada *EDEP courses will be held May 20–21*	September 11–13, 2016 **Legislative Forum** Washington Court Hotel Washington, DC *EDEP courses to be held September 9–10*	January 8–11, 2017 **Commissioners' Conference** Hilton Orlando, Lake Buena Vista Orlando, Florida *EDEP courses to be held January 6–7*	April 30 – May 3, 2017 **Annual Convention & Exhibition** Hilton Chicago Chicago, Illinois *EDEP courses to be held April 28–29*

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