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March 15, 2012

Congressman Rob Bishop

123 Cannon Building

Washington, DC 20515

Dear Congressman Bishop:

The Utah Chapter of NAHRO is a membership organization whose purpose is to provide professional development, advocacy and networking opportunities for public housing and community development agencies, as well as other individuals and organizations working to enhance the affordable housing industry and promote viable communities in Utah. Collectively, Utah Chapter of NAHRO represents 18 housing authorities, serving 12,342 individuals and families in our state through the Section 8 Housing Choice Voucher Program.

The purpose of this letter is to share with you, from a frontline perspective, the negative impact federal budget cuts to housing and community development programs are having to programs and services we provide to low-income working families, seniors and disabled individuals. Due to the continued slow pace of economic recovery, these funding cuts are occurring at a time when demand for our housing services are increasing statewide. Acknowledging the political climate that we find ourselves in, which has prioritized deficit reductions over full funding of safety net programs, our request to the Department of Housing and Urban Development is to implement with the greatest urgency possible the regulatory and administrative relief efforts recommended by NAHRO and other industry leaders. In this letter the members of Utah NAHRO outline the administrative relief efforts that we urge HUD to implement immediately so that we can manage through these challenging financial times with a minimum level of impact to the families we serve.

Utah NAHRO is requesting that you contact HUD indicating your support for the measures outlined in this letter, and request a response from HUD indicating when they intend to implement the program reforms.

The 2012 HUD budget approved and enacted by Congress is forcing all housing authorities across the country to absorb a 25% cut to our Housing Choice Voucher administrative fees. In Utah this 25% cut represents approximately

$ 2,182,484 statewide. This decrease in annual funding comes on top of the approximately 10% cut in funding of admin fees already experienced in 2011.

While all members of NAHRO administer housing choice vouchers, some members also administer community development block grants (CDBG) funds. Some also own and manage low-income public housing portfolios. Those members with multiple programs are also impacted by severe cuts of between 15% and 40% to those programs.

Housing Authority (HA) members are forced to make difficult choices in order to manage these program funding cuts. Through attrition or staff reductions, Housing Choice Voucher (HCV) departments are operating at bare-bones levels. Because funding of HAP vouchers remained constant, HA’s must administer the same number of vouchers with reduced staffing levels. To date, neither Congress nor HUD has implemented any significant regulatory or statutory changes to the HCV program which would materially impact the compliance and administrative burden of the program. Without regulatory relief this year, HA’s face the dire prospect of lower service levels to families.

In Utah, these funding cuts occur at a time when the need and demand for the housing programs we administer are at an all-time high. We are facing the following in our community:

 2011 Unemployment Rate: 6% or 169,033 individuals

 2011 Foreclosures: 2.35% of all mortgages

 Rental Vacancy Rate: 5%

 2011 Homelessness: 0.52% or 14,649 individuals

 Poverty Rate: 10.8% or 304,260 individuals

Continued numbers of high unemployment, foreclosures and a tight rental market are leaving a growing number of families homeless and/or in need or rental assistance to make ends meet.

While we all appreciate the recommendations outlined by HUD in PIH Notice 2012-15; much more needs to be done in order to manage through this challenging funding period. Utah NAHRO requests that HUD partner with PHA’s to immediately implement additional, meaningful relief from unnecessary administrative and compliance burdens. Only through collaboration and advocacy can we ensure that the individuals and families we serve are not the ones who bear the brunt of the underfunding of the Housing Choice Voucher program, as well as public housing and community development block grants. We reiterate our request to HUD Secretary Donovan that the department proceed to implement, with the greatest urgency possible, the regulatory and administrative relief efforts recommended by NAHRO and other industry leaders, prioritizing revenue-generating and cost-saving reforms such as those highlighted here.

1. Simplify income verification by enacting provisions relating to improved household income and asset determinations by enabling PHA’s to use participant actual past income from the previous 12 months, or current income as anticipated for the following 12 months. This specific item from the original “rent refinement” interim rule is something that HUD can do now through regulation without having to introduce legislative language or wait to have legislative language enacted into law.

 Other income reforms that should be prioritized:

 a. Allow households to self-certify assets of less than $5,000;

b. Allow PHA’s to apply applicable annual adjustment factor to fixed benefits or income verified on HUD’s EIV system;

c. Eliminate requirements to verify “excluded income” items;

d. Allow PHA’s to use pay stubs to verify income as first-ranked item;

e. Allow PHA’s to use recertification documents from other agencies.

2. Allow PHA’s to use their unobligated Net Restricted Asset (NRA) funds from prior years to increase ongoing administrative fee pro-rations that would help the HCV program sustain the number of families served last year as well as facilitate accomplishing the Departments FT 2010-15 Strategic Plan goals.

3. Where possible, suspend or waive all (or portions) of the Section Eight Management Assessment Program (SEMAP). Taking unilateral action to suspend compliance and reporting burdens until full funding of administrative fees is restored will allow PHA’s to focus their limited resources toward service delivery. NAHRO raised numerous, well-documented concerns over the scoring and implementation of SEMAP Indicators. Utah NAHRO believes that under current conditions this would be a good time to allow PHA’s to have the option to carry forward their last SEMAP score until all issues are addressed.

In addition to the critical HCV relief efforts discussed above, there are additional measures which HUD can take immediately that would assist PHA’s to more effectively manage their Public Housing and CDBG programs:

4. Asset management regulations came out of a negotiated rulemaking conducted in 2004. These fees were benchmarked to a model of FHA-insured properties. UT NAHRO believes that these fees should be re-evaluated as part of the Federal Advisory Committee process required by the regulations. NAHRO sent a letter to HUD addressing concerns about the Operating Fund Rule and its asset management provisions on November 11, 2006.

5. We strongly believe that the asset management requirements of the Public Housing Operating Fund Rule are extremely burdensome for smaller agencies and do not provide any tangible benefits. UT NAHRO members urge HUD to raise the Asset Management threshold to 400 units immediately.

6. Revise the CDBG timing requirement to complete the Analysis of Impediments to Fair Housing Choice (AI). Extend it for a longer period or allow entitlement communities to decide when such an update or rewrite is needed.

7. Revise the HUD requirement regarding CDBG on-site sub-recipient monitoring. The requirement for on-site monitoring should be based on a minimum dollar threshold.

8. Allow for formation of HOME consortia without requiring each jurisdiction to alter its program year to conform to the principal organization’s program year if an organization has already established this program year.

9. Eliminate the sanctions regarding timeliness of expenditure on CDBG funds which presently result in serious financial sanctions that reduce a grantees entitlement amount if the grantee exceeds having a ratio of 1.5 of its annual entitlement unspent.

We thank you for your consideration of the specific requests for relief from compliance and

Administrative burdens as outlined in this letter. We request that you contact HUD indicating

your support for the measures outlined in this letter and requests a response from HUD

indicating when they intend to implement the program reforms.

UT NAHRO will be setting up appointments to review and further explain this information with your

staff during the upcoming NAHRO Legislative Conference. The member PHA’s of UT NAHRO also look

forward to joining with our peers in five other states (which comprise the regional Mountain Plains

NAHRO) at a meeting with appropriate HUD staff during the NAHRO Legislative Conference to discuss

 how we can best move forward on these initiatives.

Sincerely,

Lynell Smith, President

UT Chapter of NAHRO