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**Colorado Chapter—National
Association of Housing and Redevelopment
Officials**

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Phone: 303.447.0690 | Fax: 303.402.1959
www.conahro.org

March 20, 2012

Senator Michael Bennet
458 Russell Senate Office Building,
District of Columbia 20510-0605

Dear Senator Bennet,

The Colorado Chapter of the National Association of Housing and Redevelopment Officials (Colorado NAHRO) is a membership driven organization that exists to provide professional development, advocacy for public housing and community development agencies to enhance the affordable housing industry and promote viable communities in Colorado. Colorado NAHRO members represent 60 housing authorities and 30 community development agencies. Our members administer over \$250 million each year in funding from the U.S. Department of Housing and Urban Development. Nationwide, NAHRO consists of 19,900 individual members and associates who provide housing for over 7.9 million low-income people.

The purpose of this letter is to convey the serious impacts the federal budget cuts have had in our Colorado communities and to urge you to push for regulatory relief. Our Colorado NAHRO members operate successful housing and self-sufficiency programs that serve low-income working families, seniors, Veterans, and people with disabilities.

We are seeking your assistance in facilitating the implementation of the regulatory and administrative relief changes recommended by NAHRO and other industry leaders. For several years, NAHRO leaders have worked in good faith with HUD officials on sound and responsible regulatory relief, however to date, HUD has failed to make significant changes.

In this letter, the members of Colorado NAHRO outline the administrative relief efforts that we urge HUD to implement immediately so that we can manage through these challenging economic times. The changes will maintain the integrity of these valuable programs and will have minimal impact on the families we serve. We are already nearing the mid-point of this federal fiscal year without adequate funding to satisfy burdensome requirements that could easily be changed.

The 2012 HUD budget approved and enacted by Congress imposes a 25% cut to the Housing Choice Voucher “Administrative Fee” funding to operate the program. In Colorado, this 25% cut represents approximately \$4.1 million. This cut in annual funding comes on top of a 10% cut in funding of Administrative Fees in 2011. In addition, while all members of Colorado NAHRO administer Housing Choice Vouchers, some agencies also administer Community Development Block Grant (CDBG) funds and own and manage Low-income Public Housing portfolios. Those agencies with multiple programs are additionally impacted by severe cuts of between 15% and 40% to those programs.

Public Housing Authority leaders are forced to make difficult decisions in order to manage these devastating program funding cuts. Since the administrative program functions require human resources, staff reductions are the only cuts that can be made. Decreased staffing levels equate to decreased ability to administer program requirements, creating a vicious cycle. Through staff lay-offs or re-hiring freezes, Housing Choice Voucher programs are being operated at bare bones levels. Because the Housing Assistance Payments for families’ rent has been fully funded in the Federal budget, the number of families served has remained constant, but Public Housing Authorities must administer the same number of vouchers with insufficient staffing levels. To date, neither Congress nor HUD has implemented any significant regulatory or statutory changes to the Housing Choice Voucher program which would materially impact the compliance and administrative burden of the program. Without regulatory relief this year, Public Housing Authorities face the dire prospect of inadequate service levels to families and/or noncompliance with over-complicated regulation.

In Colorado, these funding cuts occur at a time when the demand for the housing programs we administer is at an all-time high. Unemployment of over 8%, foreclosures that exceeded 42,600 in 2010, a tight rental market with vacancies ranging from 1% to 5% across the state, and a poverty rate of 12.2% are leaving a growing number of families homeless and/or in need of assistance to make ends meet. On January 24, 2011, a point-in-time study in Denver found 11,377 homeless people.

Last month, HUD issued Notice PIH 2012-15 which suggested administrative changes Public Housing Authorities could make to cut administrative costs of program administration. Unfortunately, there were no regulatory changes in this notice and the suggestions were things that many housing authorities already do. Much more needs to be done in order to manage through this challenging funding period. Colorado NAHRO is requesting that HUD act as a partner and ally in immediately implementing meaningful relief to ensure the future viability of these longstanding and proven programs. Only through collaboration and advocacy can we ensure that the people we serve are not the ones who bear the brunt of the underfunding of these vital programs. We urge HUD Secretary Donovan and the Department to implement 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:

- I. Simplify income verification by enacting provisions relating to improved household income and asset determinations by enabling Public Housing Authorities to use participants’ actual past income from the previous twelve months or current income as anticipated for the following twelve-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 include:

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- II. Allow Public Housing Authorities to use their unobligated Net Restricted Asset (NRA) funds from prior years to increase ongoing Administrative Fee pro-rations which would help the HCV program sustain the number of families served last year and facilitate the Department in accomplishing its FT 2010-15 Strategic Plan goals.
- III. Where possible, suspend or waive all or portions of the Section Eight Management Assessment Program (SEMAP) which assesses Public Housing Authorities' management of this program. Taking unilateral action to suspend compliance and reporting burdens until full funding of Administrative Fees is restored will allow Public Housing Authorities to focus their limited resources toward service delivery. NAHRO raised numerous, well documented, concerns over the scoring and implementation of SEMAP Indicators. Colorado NAHRO believes that under current conditions this would be a good time to allow the most recent scores to be carried forward until all issues are addressed.

In addition to the critical Housing Choice Voucher program relief efforts discussed above, there are additional measures which HUD can take immediately that would assist Public Housing Authorities to more effectively manage their Public Housing and Community Development Block Grant programs.

- IV. Asset Management regulations came out of a "Negotiated Rulemaking" conducted in 2004. Asset Management costs/fees were benchmarked to a model of FHA-insured properties. Colorado 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.
- V. 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. Colorado NAHRO members urge HUD to raise the Asset Management threshold from 250 units to 400 units immediately.
- VI. Extend the CDBG timing requirement for updates of the required Analysis of Impediments to Fair Housing Choice (AI) or allow Entitlement Communities to determine when such updates or revisions are needed based on local conditions.
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- VIII. Allow for formation of HOME Consortia without requiring each jurisdiction to alter its Program Year to conform to the principal organization's Program Year where an organization already has its own established Program Year.

- IX. Eliminate the excessive financial sanctions that result from CDBG funds unspent in excess of a ratio of 1.5 of its annual entitlement and create a more reasonable way to ensure communities are effectively utilizing appropriated funding.

Colorado NAHRO asks you to contact the HUD Office of the Secretary to express your support for the deregulation measures as outlined in this letter and asks that your office convene a meeting with appropriate HUD senior officials and NAHRO members to reach consensus on the requested program reforms and develop an expedited timeline for implementation by the third quarter of 2012. Colorado NAHRO will be setting up appointments to review and further explain this information with you and your staff during the upcoming NAHRO Legislative Conference. The members of Colorado NAHRO will meet with our peers from the states that make up Mountain Plains NAHRO and appropriate HUD staff during the NAHRO Legislative Conference to discuss how we can best move forward on these initiatives.

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March 20, 2012

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1222 Longworth House Office Building,
District of Columbia 20515-0606

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March 20, 2012

Representative Diana DeGette
2335 Rayburn House Office Building
District of Columbia 20515-0601

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**Colorado Chapter—National
Association of Housing and Redevelopment
Officials**

705 Iris Avenue | Boulder, Colorado 80304
Phone: 303.447.0690 | Fax: 303.402.1959
www.conahro.org

March 20, 2012

Representative Cory Gardner
213 Cannon House Office Building
District of Columbia 20515-0604

Dear Representative Gardner,

The Colorado Chapter of the National Association of Housing and Redevelopment Officials (Colorado NAHRO) is a membership driven organization that exists to provide professional development, advocacy for public housing and community development agencies to enhance the affordable housing industry and promote viable communities in Colorado. Colorado NAHRO members represent 60 housing authorities and 30 community development agencies. Our members administer over \$250 million each year in funding from the U.S. Department of Housing and Urban Development. Nationwide, NAHRO consists of 19,900 individual members and associates who provide housing for over 7.9 million low-income people.

The purpose of this letter is to convey the serious impacts the federal budget cuts have had in our Colorado communities and to urge you to push for regulatory relief. Our Colorado NAHRO members operate successful housing and self-sufficiency programs that serve low-income working families, seniors, Veterans, and people with disabilities.

We are seeking your assistance in facilitating the implementation of the regulatory and administrative relief changes recommended by NAHRO and other industry leaders. For several years, NAHRO leaders have worked in good faith with HUD officials on sound and responsible regulatory relief, however to date, HUD has failed to make significant changes.

In this letter, the members of Colorado NAHRO outline the administrative relief efforts that we urge HUD to implement immediately so that we can manage through these challenging economic times. The changes will maintain the integrity of these valuable programs and will have minimal impact on the families we serve. We are already nearing the mid-point of this federal fiscal year without adequate funding to satisfy burdensome requirements that could easily be changed.

The 2012 HUD budget approved and enacted by Congress imposes a 25% cut to the Housing Choice Voucher “Administrative Fee” funding to operate the program. In Colorado, this 25% cut represents approximately \$4.1 million. This cut in annual funding comes on top of a 10% cut in funding of Administrative Fees in 2011. In addition, while all members of Colorado NAHRO administer Housing Choice Vouchers, some agencies also administer Community Development Block Grant (CDBG) funds and own and manage Low-income Public Housing portfolios. Those agencies with multiple programs are additionally impacted by severe cuts of between 15% and 40% to those programs.

Public Housing Authority leaders are forced to make difficult decisions in order to manage these devastating program funding cuts. Since the administrative program functions require human resources, staff reductions are the only cuts that can be made. Decreased staffing levels equate to decreased ability to administer program requirements, creating a vicious cycle. Through staff lay-offs or re-hiring freezes, Housing Choice Voucher programs are being operated at bare bones levels. Because the Housing Assistance Payments for families’ rent has been fully funded in the Federal budget, the number of families served has remained constant, but Public Housing Authorities must administer the same number of vouchers with insufficient staffing levels. To date, neither Congress nor HUD has implemented any significant regulatory or statutory changes to the Housing Choice Voucher program which would materially impact the compliance and administrative burden of the program. Without regulatory relief this year, Public Housing Authorities face the dire prospect of inadequate service levels to families and/or noncompliance with over-complicated regulation.

In Colorado, these funding cuts occur at a time when the demand for the housing programs we administer is at an all-time high. Unemployment of over 8%, foreclosures that exceeded 42,600 in 2010, a tight rental market with vacancies ranging from 1% to 5% across the state, and a poverty rate of 12.2% are leaving a growing number of families homeless and/or in need of assistance to make ends meet. On January 24, 2011, a point-in-time study in Denver found 11,377 homeless people.

Last month, HUD issued Notice PIH 2012-15 which suggested administrative changes Public Housing Authorities could make to cut administrative costs of program administration. Unfortunately, there were no regulatory changes in this notice and the suggestions were things that many housing authorities already do. Much more needs to be done in order to manage through this challenging funding period. Colorado NAHRO is requesting that HUD act as a partner and ally in immediately implementing meaningful relief to ensure the future viability of these longstanding and proven programs. Only through collaboration and advocacy can we ensure that the people we serve are not the ones who bear the brunt of the underfunding of these vital programs. We urge HUD Secretary Donovan and the Department to implement 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:

- I. Simplify income verification by enacting provisions relating to improved household income and asset determinations by enabling Public Housing Authorities to use participants’ actual past income from the previous twelve months or current income as anticipated for the following twelve-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 include:

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- II. Allow Public Housing Authorities to use their unobligated Net Restricted Asset (NRA) funds from prior years to increase ongoing Administrative Fee pro-rations which would help the HCV program sustain the number of families served last year and facilitate the Department in accomplishing its FT 2010-15 Strategic Plan goals.
- III. Where possible, suspend or waive all or portions of the Section Eight Management Assessment Program (SEMAP) which assesses Public Housing Authorities' management of this program. Taking unilateral action to suspend compliance and reporting burdens until full funding of Administrative Fees is restored will allow Public Housing Authorities to focus their limited resources toward service delivery. NAHRO raised numerous, well documented, concerns over the scoring and implementation of SEMAP Indicators. Colorado NAHRO believes that under current conditions this would be a good time to allow the most recent scores to be carried forward until all issues are addressed.

In addition to the critical Housing Choice Voucher program relief efforts discussed above, there are additional measures which HUD can take immediately that would assist Public Housing Authorities to more effectively manage their Public Housing and Community Development Block Grant programs.

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- V. 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. Colorado NAHRO members urge HUD to raise the Asset Management threshold from 250 units to 400 units immediately.
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Colorado NAHRO asks you to contact the HUD Office of the Secretary to express your support for the deregulation measures as outlined in this letter and asks that your office convene a meeting with appropriate HUD senior officials and NAHRO members to reach consensus on the requested program reforms and develop an expedited timeline for implementation by the third quarter of 2012. Colorado NAHRO will be setting up appointments to review and further explain this information with you and your staff during the upcoming NAHRO Legislative Conference. The members of Colorado NAHRO will meet with our peers from the states that make up Mountain Plains NAHRO and appropriate HUD staff during the NAHRO Legislative Conference to discuss how we can best move forward on these initiatives.

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President, Colorado NAHRO



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March 20, 2012

Representative Doug Lamborn
437 Cannon House Office Building
District of Columbia 20515-0605

Dear Representative Lamborn,

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President, Colorado NAHRO



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March 20, 2012

Representative Ed Perlmutter
1221 Longworth House Office Building
District of Columbia 20515-0607

Dear Representative Perlmutter,

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**Colorado Chapter—National
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Officials**

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Phone: 303.447.0690 | Fax: 303.402.1959
www.conahro.org

March 20, 2012

Representative Jared Polis
501 Cannon House Office Building
District of Columbia 20515-0602

Dear Representative Polis,

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We are seeking your assistance in facilitating the implementation of the regulatory and administrative relief changes recommended by NAHRO and other industry leaders. For several years, NAHRO leaders have worked in good faith with HUD officials on sound and responsible regulatory relief, however to date, HUD has failed to make significant changes.

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The 2012 HUD budget approved and enacted by Congress imposes a 25% cut to the Housing Choice Voucher “Administrative Fee” funding to operate the program. In Colorado, this 25% cut represents approximately \$4.1 million. This cut in annual funding comes on top of a 10% cut in funding of Administrative Fees in 2011. In addition, while all members of Colorado NAHRO administer Housing Choice Vouchers, some agencies also administer Community Development Block Grant (CDBG) funds and own and manage Low-income Public Housing portfolios. Those agencies with multiple programs are additionally impacted by severe cuts of between 15% and 40% to those programs.

Public Housing Authority leaders are forced to make difficult decisions in order to manage these devastating program funding cuts. Since the administrative program functions require human resources, staff reductions are the only cuts that can be made. Decreased staffing levels equate to decreased ability to administer program requirements, creating a vicious cycle. Through staff lay-offs or re-hiring freezes, Housing Choice Voucher programs are being operated at bare bones levels. Because the Housing Assistance Payments for families’ rent has been fully funded in the Federal budget, the number of families served has remained constant, but Public Housing Authorities must administer the same number of vouchers with insufficient staffing levels. To date, neither Congress nor HUD has implemented any significant regulatory or statutory changes to the Housing Choice Voucher program which would materially impact the compliance and administrative burden of the program. Without regulatory relief this year, Public Housing Authorities face the dire prospect of inadequate service levels to families and/or noncompliance with over-complicated regulation.

In Colorado, these funding cuts occur at a time when the demand for the housing programs we administer is at an all-time high. Unemployment of over 8%, foreclosures that exceeded 42,600 in 2010, a tight rental market with vacancies ranging from 1% to 5% across the state, and a poverty rate of 12.2% are leaving a growing number of families homeless and/or in need of assistance to make ends meet. On January 24, 2011, a point-in-time study in Denver found 11,377 homeless people.

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- III. Where possible, suspend or waive all or portions of the Section Eight Management Assessment Program (SEMAP) which assesses Public Housing Authorities' management of this program. Taking unilateral action to suspend compliance and reporting burdens until full funding of Administrative Fees is restored will allow Public Housing Authorities to focus their limited resources toward service delivery. NAHRO raised numerous, well documented, concerns over the scoring and implementation of SEMAP Indicators. Colorado NAHRO believes that under current conditions this would be a good time to allow the most recent scores to be carried forward until all issues are addressed.

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March 20, 2012

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218 Cannon House Office Building
District of Columbia 20515-0603

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March 20, 2012

Senator Mark Udall
328 Hart Senate Office Building
District of Columbia 20510-0605

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Greeley/ Weld County Housing Authority
Tom Teixeira, Executive Director

Jefferson County Community Development
Kat Douglas, Executive Director

Jefferson County Housing Authority
Alan M Feinstein, Executive Director

Julesburg Housing Authority
Alice Osborn, Executive Director

Danish Burnham

Littleton Housing Authority
Dan Burnham, Executive Director



Longmont Housing Authority
Michael Reis, Executive Director



Sam Betters

Loveland Housing Authority
Sam Betters, Executive Director



Metro West Housing Solutions
Tami Fischer, Executive Director



Pueblo Housing Authority
Frank Pacheco, Executive Director



Salida Housing Authority
Bille Jean Valdez, Executive Director

Summit County Housing Authority
Jennifer Kermode, Executive Director



Trinidad Housing Authority
Rosemary Shier, Executive Director

Walsenburg Housing Authority
Dave Mockmore, Executive Director