Enhance Rental Assistance

Goal Leader:

Hunter Kurtz, Assistant Secretary for Public and Indian Housing

Overview

Goal Statement

- o Enhance and reform HUD's rental assistance programs by providing sustainable models to empower communities to address local affordable housing needs. HUD will transform assisted housing by repositioning 125,000 Public Housing units to a more sustainable financial platform from the beginning of FY 2018 through the end of FY 2020.

Challenge

- o Today, 6.4% of nearly one million Public Housing units are currently off-line and 14.4% are in poor condition according to inspection scores.

- o The regulatory structure for the public housing program can limit PHAs' abilities to adequately address physical needs.

Opportunity

- o Maximize local decision-making and control over both affordable housing assets and resources.

- o Expand, improve, and streamline the available repositioning tools (Rental Assistance Demonstration (RAD), Section 18 Demolition/Disposition, Voluntary & Required Conversions, Declaration of Trust (DOT) Release) for PHAs, of all sizes, to better manage the long-term sustainability of their affordable housing portfolios.

Leadership

Hunter Kurtz
Assistant Secretary
Public and Indian Housing

Tom Davis
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Dominique Blom
General Deputy Assistant Secretary
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The Public Housing program provides affordable housing to nearly one million families nationwide. However, the current structure and fiscal constraints of the program limit the flexibility of Public Housing Agencies (PHAs) to efficiently operate housing, minimize costs, and provide access to critical financial resources to recapitalize the portfolio.

HUD's strategy to provide technical assistance and training on the new tools to reposition local housing programs will help reduce operational constraints on PHAs and increase their ability to develop locally appropriate strategies. Headquarters and field staff have attended conferences around the country to train PHA staff on how best to utilize available options to reposition units.

HUD has leveraged existing programs and published notices with supplemental guidance on how to best reposition public housing properties. Under these new policies, PHAs and their communities have more control over managing their affordable housing resources to address needs.

Summary of Progress – FY 19 Q3

In FY19 Q3, HUD transitioned 6,964 Public Housing (PH) units to different platforms as part of the Department's strategy to provide Public Housing Authorities (PHAs) access to tools for recapitalizing the PH portfolio. Overall, as of the end of FY19 Q3, HUD has transitioned 57,902 units on its way to its goal of 125,000 units.

RAD comprised 14,438 units (or 70.1 percent) of PH conversions in FY19, as of July 26, 2019. In addition, 5,404 units were demolished or disposed, towards the FY19 target of 12,000 units transitioned using Section 18 authority. Voluntary conversions accounted for 742 units.

HUD is continuing efforts to streamline guidance to better facilitate PHAs' public housing repositioning efforts through targeted outreach, training, and technical assistance.

Key Milestones

Engage with residents, PHA management, and industry thought leaders on different rental housing program structures. This engagement will occur through public comment, listening sessions, and other meetings across the country.

Milestone Summary				
Key Milestone	**Milestone Due Date**	**Milestone Status**	**Change from last quarter**	**Comments**
Hold training sessions on repositioning of Public Housing	12/31/2019	Completed & Ongoing	Ongoing training sessions on repositioning Public Housing	HUD conducted numerous training sessions at PHAs and national and regional conferences sponsored by organizations that represent public housing management, program administrators, and finance staff. Many of HUD's conversations with PHA management at these venues about repositioning Public Housing assets have led to more in-depth technical assistance calls between HUD and PHA staff about repositioning options. Additional training sessions are anticipated to occur as opportunities become available.

Key Milestones

Improve long term affordable housing options by encouraging Public Housing Authorities to transition Public Housing units with significant unmet capital needs to a more sustainable platform.
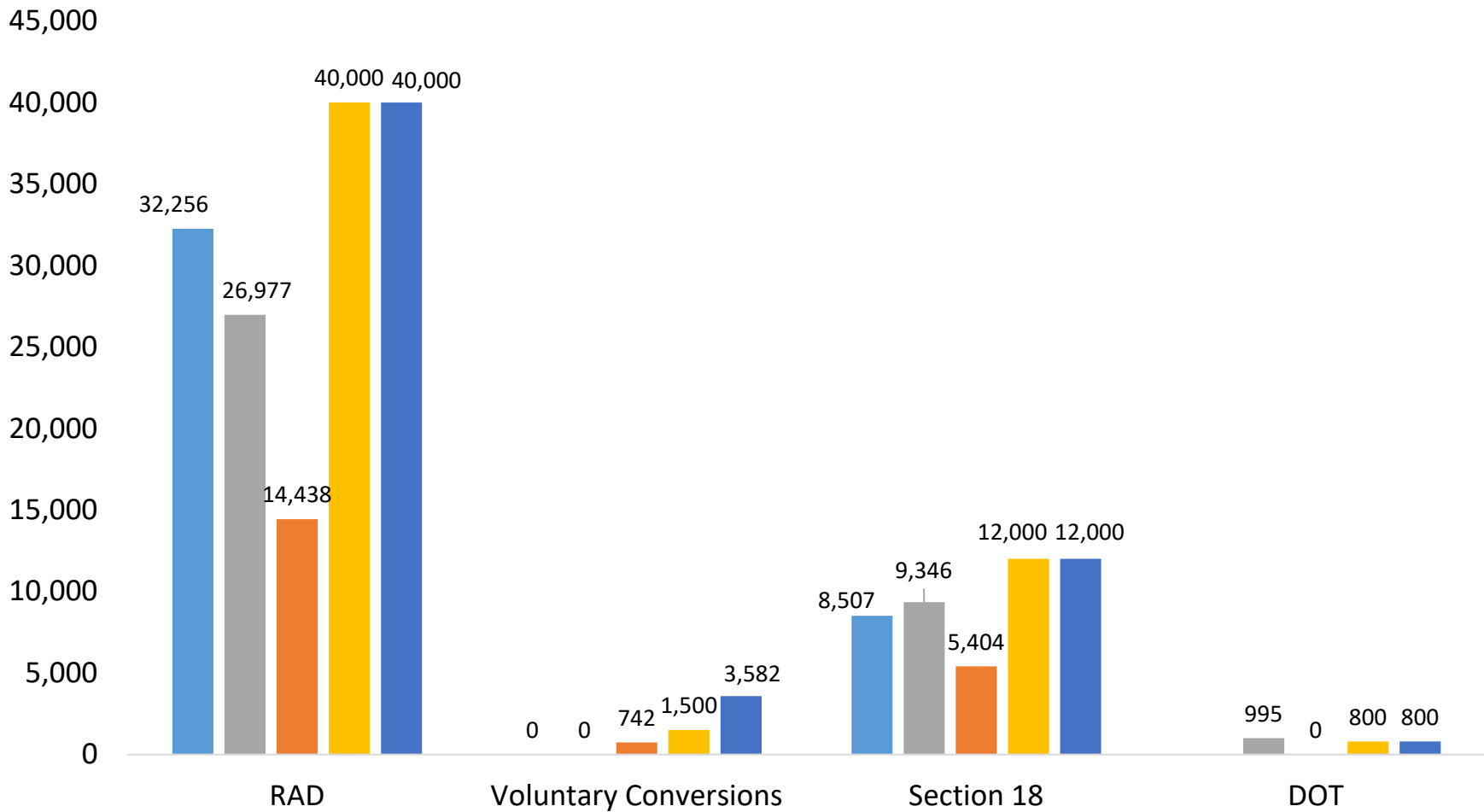
Milestone Summary				
Key Milestone	**Milestone Due Date**	**Milestone Status**	**Change from last quarter**	**Comments**
Publish Voluntary Conversion and Rental Assistance Demonstration Revision 4 Notices.	6/30/2019	Substantially On-Track	Y	The Voluntary Conversion Notice was published on 3/21/2019. The Required Conversion Notice was published on 4/30/2019. The RAD Notice Revision 4 is completing OMB review prior to publication. Publication is expected by early September 2019.

Key Indicators

Number of Public Housing Units Transitioned to a Sustainable Platform Per Fiscal Year, FY18-20 Targets

Legend:
- ■ FY17 Actual
- ■ FY18 Actual
- ■ FY19 Current Actual*
- ■ FY19 Target
- ■ FY20 Target

RAD
- FY17 Actual: 32,256
- FY18 Actual: 26,977
- FY19 Current Actual*: 14,438
- FY19 Target: 40,000
- FY20 Target: 40,000

Voluntary Conversions
- FY17 Actual: 0
- FY18 Actual: 0
- FY19 Current Actual*: 742
- FY19 Target: 1,500
- FY20 Target: 3,582

Section 18
- FY17 Actual: 8,507
- FY18 Actual: 9,346
- FY19 Current Actual*: 5,404
- FY19 Target: 12,000
- FY20 Target: 12,000

DOT
- FY18 Actual: 995
- FY19 Current Actual*: 0
- FY19 Target: 800
- FY20 Target: 800

* FY19 actuals cover the time period between 10/1/18 – 7/26/19

Data Accuracy and Reliability

Rental Assistance Demonstration (RAD)
- Description: Number of Public Housing (PH) units transitioned to the Section 8 platform through the RAD program.
- Data source: RAD Resource Desk.
- Calculation method: Number of units in transactions that closed within the time period as recorded in the RAD Resource Desk.
- Data quality (limitations/advantages of the data): The RAD Resource Desk contains all information on each individual RAD transaction, including the documentation evidencing that a closing has occurred. All transactions are recorded in IMS/PIC within seven (7) days of closing.
- Validation, verification, and improvement of measure: The IMS/PIC system records the current status of all public housing inventory removals. Closings in the RAD Resource Desk are compared monthly to unit removals from the IMS/PIC system to ensure accounting consistency. The Office of Recapitalization maintains the RAD Resource Desk. The IMS/PIC system is maintained by PIH. Both systems are reviewed and updated regularly by Public Housing Agencies (PHAs).

Voluntary Conversion
- Description: Number of Public Housing (PH) units transitioned from Annual Contributions Contract/ Declaration of Trust (ACC/DOT) through Voluntary Conversion.
- Data source: Inventory Management System/ Public and Indian Housing Information Center (IMS/PIC)
- Calculation method: Based on units transitioned in transactions that were approved within the time period as recorded in IMS/PIC
- Data quality (limitations/advantages of the data): PHAs begin the process by applying with IMS/PIC. HUD processes the application in IMS/PIC and then, all transactions are recorded in IMS/PIC within seven (7) days of closing by Field Office. HUD also tracks assignments in Assignment Tracker. Timeliness and validity of data are dependent what PHAs submit. We ensure that data is of good quality during the reviews of applications.
- Validation, verification, and improvement of measure: The Special Applications Center (SAC) maintains a back-up spreadsheet with all transactions listed and verifies in the IMS/PIC system.

Data Accuracy and Reliability (Continued)

Section 18 (Demolition/Disposition)
- Description: Number of Public Housing (PH) units transitioned from Annual Contributions Contract/ Declaration of Trust (ACC/DOT) through demolition or disposition under Section 18.
- Data source: Inventory Management System/ Public and Indian Housing Information Center (IMS/PIC)
- Calculation method: Based on units transitioned in transactions that were approved within the time period as recorded in IMS/PIC
- Data quality (limitations/advantages of the data): PHA's begin the process by applying with IMS/PIC. HUD processes the application in PIC and then, all transactions are recorded in IMS/PIC within seven (7) days of closing by Field Office. HUD also tracks assignments in in Assignment Tracker. Timeliness and validity of data are dependent on PHA submissions. HUD ensures that the data are valid and accurate during the review of applications.
- Validation, verification, and improvement of measure: The Special Applications Center (SAC) maintains a back-up spreadsheet with all transactions listed and checks in the IMS/PIC system.

Declaration of Trust Release
- Description: Number of Public Housing units transitioned from Annual Contributions Contract/ Declaration of Trust (ACC/DOT) through release of the Declaration of Trust in which the PHA retains title to the land.
- Data source: Inventory Management System/Public and Indian Housing Information Center (IMS/PIC)
- Calculation method: Based on PH units approved for a DOT release within the time period as recorded in IMS/PIC
- Data quality (limitations/advantages of the data): PHAs begin the process by applying with IMS/PIC. HUD processes the application in IMS/PIC. Then, all transactions are recorded in IMS/PIC within seven (7) days of closing by Field Office. HUD also tracks assignments in an Assignment Tracker.
- Validation, verification, and improvement of measure: The Special Applications Center (SAC) maintains a back-up spreadsheet with all transactions listed and verifies in the IMS/PIC system.

Additional Information

Contributing Programs Organizations:

- o   Office of Public and Indian Housing (PIH)
- o   Office of Housing

Program Activities:

- o   Rental Assistance Demonstration (RAD)
- o   Declaration of Trust (DOT) Release
- o   Voluntary & Required Conversions
- o   Section 18 Demolitions and Dispositions

Stakeholder / Congressional Consultations

The Department has consulted and will continue to consult with residents, Public Housing Agencies (PHAs)/owners, and industry group leaders while implementing the strategy to transition Public Housing units to a more sustainable financial platform.