

The CONN/NAHRO Connection

April 2019



From the Executive Director

In This Issue

SEMAP Success	2
Rent Stratification	3
Resident Spotlight	4
HUD FSS	5
Notice PIH 2019-05	6
Board Meetings	7
CMERS/ Housing & Legislative Comm.	8
Calendar of Events	9

Committee Members

Mitzy Rowe, Chair
Bristol Housing Authority

Laura Coleman, Vice Chair
Webster Bank

Melissa Green, Co-Secretary
Bristol Housing Authority

Laura LaMar, Co-Secretary
Bristol Housing Authority

Janet Wortman



Happy Spring! I am happy to see some warmer weather making a return to CT!

April is shaping up to be one of our busiest months with several trainings including Small PHA, Fair Housing, Project Based Vouchers, as well as our Annual Employee Training and Networking Day and general membership meeting.

Check out our new "Calendar of Events" in this issue of the CONN/NAHRO Connection for more details.

We will also be including The Committee Corner in upcoming issues so you can see what our committees have been working on.

Save the Date for our Annual Convention coming up August 25-28 at the Mohegan Sun Casino.

The committee has begun meeting to set up the agenda so please let us know if there is a certain topic or speaker you would like to see.

I am always available for any questions or concerns you may have, please feel free to email me. I look forward to hearing from you and seeing you at a future CONN/NAHRO event.

Sincerely,
Jessica Olander
admin@conn-nahro.org

“SEMAP Success”

Article by
Michael P. Guyder, CPA
& Kara Silva, Marcum LLP

For more than 20 years, the Section Eight Management Assessment Program (SEMAP) has been a constant measure of a public housing authority’s performance in the administration of the Housing Choice Voucher Program. While all PHAs strive for a high performance rating, scores can be put at risk when independent audits and on-site HUD reviews reveal deficiencies in how SEMAP evaluations were conducted, even when assessment results are not called into question.

This has held true in our experience in the field on audit engagements where we consistently see positive SEMAP scores, but also frequent occurrences of deficiencies. Fortunately, many of these deficiencies can be addressed with simple solutions to ensure a successful SEMAP assessment that holds up to scrutiny. Here are some of the common SEMAP pitfalls and their solutions:

Insufficient Documentation – For SEMAP indicators 1 through 7, it’s critical that the PHA document the populations identified and the methodologies used to make the selections. If the PHA cannot support that the population was properly determined and that the selection was either random, systematic or haphazard, then the adequacy of the sample can be challenged. To address this issue, simply retain documentation of the populations (list of new admissions, HQS fails, etc.) and document the use of a random number generator or other systematic process for making selections.

Appearance of Bias – Even though SEMAP is a self-assessment, the scoring must not be impaired by any appearance of bias, which may be present when specific selections are made deliberately to avoid potential testing exceptions. To avoid any appearance of bias, SEMAP should always be conducted by someone independent of the program or of the processes subject to review. In situations where the size of the PHA limits the ability to conduct an unbiased SEMAP, then the PHA should consider using a peer organization or a third party to conduct the assessment.

Inconsistent Results – When an auditor or HUD personnel re-performs a test of an indicator using the original selections, the results are expected to be the same. When results vary, the integrity of the overall score may be questioned. Documentation again plays a role here, and it should be sufficient to support the original assessment, which should be reported accurately. In a program as challenging to administer as HCV, a perfect SEMAP score is not always realistic or necessary, and a high performing score can still be achieved with less than perfect results.

The complexities of SEMAP certainly extend far beyond the matters discussed above. For more information, the SEMAP regulations are contained in 24 CFR 985, and resources are always available at HUD.gov. Our associates at Marcum LLP are also always available to assist with everything from answers to your questions to helpful tools, or SEMAP services.

“When Considering Rent Stratification”

Article by Rhonda Caldwell, CHFA

When considering Rent Stratification, the most difficult part of the process is knowing where to start. The first step in this process is the Board or Owner need to decide how many units are needed in each rent level and what those rent levels will be. The key component to consider in the early stages of Rent Stratification is determining what the monthly per unit cost is for your property. The monthly per unit cost is found by using the annual budget figures and calculating a property's Annual Operating Expense + Replacement Reserves + Debt Service (if applicable), dividing by the total number of units, divided by 12. An example of this calculation is the following:

Annual Operating Expense	\$650,000
Plus Replacement Reserve Deposit	\$85,000
Plus debt service (if applicable)	<u>\$41,000</u>
Total	\$776,000
(90 Unit property)	
$\$776,000/90=\$8,622.22$	annual cost per unit
$\$8,622.22/12= \718	monthly cost per unit

This calculation reveals the minimum cost to operate one unit within your property and should be the baseline for your stratification efforts going forward. The next step is to review the property's current rent roll and determine the number of existing residents that are paying at or below the per unit cost of the property, which can be found in Section 6 of CHFA's Rent Stratification workbook. Section 6 illustrates the property's current population based on 30% of their income. This is a great chance to review where the property is in existing rent levels and revenue and which rent levels should be increased or decreased.

The next step will be to consider the desired unit distribution in Section 4 and Potential Rent Levels in Section 3 of the Rent Stratification workbook. In the example above, this property

has 90 units. If they charged everyone \$718 per month, they would break-even in their expenses, however, they may need to begin saving up for future capital replacements in two to three years and need to increase reserve deposits to \$140,000 per year to be ready for the future replacement schedule. Consider our example currently has 30 units within each rent level. To meet the future capital needs of this property, the property may want to increase the rents as follows:

- Level 1 \$718 (base rent based on monthly per unit operating cost)
- Level 2 \$750
- Level 3 \$850

By implementing slight increase to incoming residents, this property will be able to increase its total revenue to \$834,480, generating \$58,480 more revenue to deposit to reserves to prepare for the future scheduled capital replacements.

While the example above is the property's revenue at 100% stratification, it will be achieved through a re-rental turnover rate for each individual apartment community. It could take several years to achieve 100% stratification, as in our example, Level 2 and 3, considers 30 total units at the new increased rent. An exercise to consider includes using the past 3 years turnover rate for the property to determine how many years it will take to implement the Rent Stratification plan.

It makes sense to consider Rent Stratification as early as possible as the new rent levels only apply to incoming residents and it could take several years to reach full stratification. In addition when preparing a capital plan, consider this program as one of the tools that may be used to address a property's capital needs.

“Resident Spotlight”

Article by Brenda Moore, ROSS Coordinator, Bristol Housing Authority

In September 2018 the Bristol Housing Authority partnered with Dr. Tyrone C. Black, Founder and CEO of T. Carlton Educational Consulting, LLC, to provide free personalized college prep seminars and workshops to families within our community.



Salvador Morales, age 17, who attends Bristol Eastern High School, participated in the program and has successfully completed this program and has been accepted into several colleges including: Mitchell College, Quinnipiac University, Lasell College, Colby-Sawyer College, Hofstra University, Roanoke College, Ithaca College and Sacred Heart University. Salvador appreciates having this opportunity and said, “This would not be happening if it was not for the Bristol Housing Authority and Dr. Black.”

Dr. Black stated, “It was such a great experience working with Salvador Morales and his mother. Salvador was a student who had very good grades, a pretty strong academic program at his high school, and a resume that spoke to his passion for sports, mainly basketball. To me, he had the total package, unfortunately his standardized test scores were on the lower side. We strategized and agreed that he would only apply to test optional schools. By doing so, he was able to apply to more selective colleges and universities. I must say, although Salvador was late in the college process, asked many questions and did what he was instructed to do. We spent a snowy Saturday afternoon at a local Panera completing all of his college applications, editing his personal and supplemental essays and uploading his resume onto Common Application. He was dedicated to complete the task, now he is enjoying the fruit of his labor.”

We applaud Salvador’s achievement and expect to see great things from him in the future.

“Education and Childcare-Keys to Unlocking Self Sufficiency”

Article by Jennifer Gottlieb Elazhari
HUD Hartford Office of Public Housing

Secretary Carson stresses the importance of helping families on HUD program achieve a greater level of self-sufficiency. The HUD Family Self Sufficiency (FSS) grant offered by the Office of Public Housing provides case management services and allows residents to accumulate savings in an escrow account. We encourage Commissioners to ask questions about how their FSS program works and what measurable results your program is achieving. THE HUD self-sufficiency guidebook can be found at: <https://www.hudexchange.info/resources/documents/FSS-Program-Guidebook.pdf>

Education and access to childcare can be two of the most powerful drivers for a family to achieve real and lasting long-term self-sufficiency. While the Office of Public Housing grants do not offer funds for direct assistance for childcare or education, many housing authorities have been able to offer program supporting residents in this way. Below are some ideas of how you Agency may set up both tuition assistance and childcare scholarships.

#1: Apply to be an MTW Agency if you are a High Performer: If you are a high performer, you may consider applying to become an MTW Agency. MTW Agencies have flexibilities that allow you to set up service programs from your regular HUD grants (i.e. voucher program) that would not be considered an eligible use for regular Agencies. You will have to act fast as due dates for letters of intent are approaching:

Cohort 1 of new MTW applicants (Agencies that have 1,000 or less units of LIPH and voucher combined) has a due date for a letter of intent to HUD of May 13.

Cohort 2 of new MTW applicants (Agencies that must agree to specific Rent Reform policy and are from 1,000 to 6,000 units combined) has a due date for a letter of intent to HUD of June 12.

Please see the following for more information:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion

#2 Apply for a CDBG grant for Higher Education and Childcare Assistance: Some communities have CDBG funded childcare assistance programs for people that did not qualify for State programs. College students do not qualify for Care4Kids. If you have residents that want to go to college or trade school and need childcare assistance to do so, you may want to apply to your local CDBG office for a grant for this purpose. You may also develop a college/trade school scholarship program and apply to CDBG to fund it. The communities that receive CDBG funds annually are: Bridgeport, Bristol, Danbury, Hartford, Meriden, Middletown, Milford, New Britain, New Haven, New London, Norwalk, Norwich, Stamford, Waterbury, West Haven, East Haven, Fairfield, Greenwich, Hamden, Manchester, Stratford and West Haven. If you do not operate in one of these towns, you may be able to convince your town leadership to make an application under the CBDG Small Cities Program. The contacts for CDBG Administrators are listed here: <https://www.hud.gov/states/connecticut/community/cdbg>

A model of a Child Care scholarship program in Maryland, which is only one of many models you can review is given here: <https://earlychildhood.marylandpublicschools.org/child-care-subsidy-program>

#3: Develop a Higher Education Scholarship Program through a PHA developed Non-Profit. Norwalk Housing Authority has developed a very successful higher education scholarship program for their residents which gives significant funds each year (over \$200,000) for college and trade education to its residents. Local corporations and individuals can be solicited for donation and this can often have a tax benefit for the donors. If you do not wish to develop a separate program, you may want to ask NAHRO if you solicit donations, would they allow you to “designate” a scholarship(s) for your residents with funds you donate as part of their regular annual scholarship program.

We encourage you to think creatively and use your local counsel and FSS coordinators as resources to help you put programs together that increase access to education and childcare for participants in both the LIPH and voucher programs as education and the access to childcare can provide powerful change to a person’s ability to increase earnings.

“Streamlined Conversions of Public Housing to Tenant-based Assistance-PIH Notice 2019-05”

Article by Janet Wortman, CPA

Notice PIH 2019-05 spells out how a PHA with 250 or fewer federal public housing units (LRPH) can convert 100% of them to tenant-based assistance. Here is a brief summary; consult the notice and the HUD Hartford Field Office for more details:

The PHA must demonstrate that the conversion:

1. Is not more expensive than continuing to operate as LRPH
2. Benefits residents, PHA & the community
3. Has no adverse effect on availability of affordable housing in the community

Interested PHAs provide conversion timeline & conversion assessment including the following: (Note: HUD has authority to waive this conversion assessment:)

1. Cost analysis
2. Market value analysis
3. Rental market analysis and
4. Impact analysis on the neighborhood.

The notice provides details of the conversion plan & application process:

- A. Must reference the proposed conversion in the PHA Annual Plan & discuss at public hearing
- B. Must provide evidence of resident participation in the conversion plan
- C. Board of Commissioners must approve
- D. Must provide evidence of local government review/consultation
- E. Must describe the planned future use for all the real property that comprise the units proposed for conversion. If the project will continue as rental housing, the PHA must provide **tenant-based** assistance. If **project-based** vouchers (PBV) are planned, all PBV program requirements apply. **Tenants must be informed and voluntarily forego tenant-based assistance in favor of project-based.**
- F. Environmental HUD approval required
- G. Must provide impact analysis on neighborhood including availability of affordable housing, poverty concentration & other substantial impacts
- H. Must provide relocation plan & also meet relocation needs of any over-income families
- I. Must demonstrate intention to close-out public housing program
- I. Public Housing Only PHAs with no Section 8 HCV program must identify another PHA who can administer the Tenant Protection Voucher

“10 Ways to Help Increase the Effectiveness of Your Housing Authority Board Meeting”

Article by Ken Schultz, Imagineers, LLC

As you balance your housing authority board responsibilities as a commissioner with other work, family, personal and life demands, it is important that the time that you do volunteer to serve your town/city housing authority is productive and that you consider it to be time well spent. The following suggestions are simple ways to help increase the effectiveness and productivity of your housing authority board meetings:

1. Build a quality agenda and use the written agenda and board package to help drive the meeting goals. Encourage all board members to review the agenda and board package prior to each meeting to help ensure everyone's familiarity with the agenda items in advance of discussion and thereby save time during the meeting.
2. Start the meeting on time. Respect fellow board members by committing to be at the meeting on time and expecting the meeting to start on time (start the meeting once a minimum quorum is achieved).
3. Establish ground rules for conduct during the meeting. Set some agreed upon ground rules for the conduct of the meeting to help facilitate the effectiveness of the meeting. This should be achieved by soliciting input from all board members and not just be dictated by one person (some examples include: phones are turned off or put on vibrate; no phone calls, emails or texting unless an emergency or you leave the meeting; one person speaking at a time, mutual respect and courtesy; meeting starts on time; etc.). Commit to revisit these ground rules every so often and commit to identify ways to continuously improve the effectiveness of your meetings.
4. Stick to the agenda. Keep the discussion focused on housing authority business only (usually the responsibility of the meeting chair). Social conversation is also important but can continue after the formal housing authority business is concluded. When you finish each agenda item, make sure you have established assigned responsibility for any follow up action. Make sure you leave the meeting knowing "who" is assigned to "what" and "when" for any agenda items requiring action.
5. When wrestling with potentially tough issues it may be helpful to present a solution or options to the issue at the same time you introduce to help better refine the group's discussion and move to a quicker resolution.
6. Use a placeholder slot at the end of the meeting to put any non-agenda issues that may be raised during the meeting. At the end of the meeting when you do review the non-agenda issues, decide whether you can act quickly on them or if not, decide whether to take incremental steps, no action and/or table.
7. Identify someone on the board to be an enforcer to help keep the meeting on track and to help to determine the flow of business. This person should politely enforce. This person should have skills to help mediate disputes as well as find consensus in the group (usually the responsibility of the meeting chair but does not have to be).
8. Use organized discussion to help diffuse conflicts or heated discussion. Robert's Rules and Parliamentary Procedure can assist the flow of the discussion but should not get in the way of the discussion with obscure rules or become frustrating to participating board members.
9. Consider using a timed agenda to help keep the meeting moving. To do so you would assign each agenda item with a beginning time. The time allotted to begin each agenda item becomes the ending time for the previous agenda item. The times identified do not have to be strictly followed but can act as a guide as to whether there is a need to push forward due to time constraints.
10. Finish the meeting on time. The productiveness and effectiveness of most meeting starts to diminish substantially after 90 minutes.

Ken Schultz is with Imagineers, a housing services company that manages housing and housing programs.

“CMERS: CT Municipal Employees’ Retirement System Revised Actuarial Assumptions”

Article by Janet S Wortman, CPA

CT PHA Executive Directors recently received a letter regarding CMERS Experience Study and Revised Actuarial Assumptions.

The letter contains the following forecast of future employer contribution rates for general employees with social security (expressed as a percentage of payroll:)

Year ending June 30, 2019	11.74%
Year ending June 30, 2020	14.22%
Year ending June 30, 2021	16.22%
Year ending June 30, 2022	18.22%
Year ending June 30, 2023	20.22%
Year ending June 30, 2024	21.79%

The increased employer contributions are attributable to recommendations from the CMERS actuarial firm. As a result of their experience investigation, the actuaries recommended revised economic assumptions, demographic

“Housing & Legislative Committee”

Article by Joseph D’Ascoli

CONN/NAHRO issues a News Alert at least weekly to make everyone aware of the upcoming Bills that are coming out of committees. Executive Directors should keep an eye out for these and perhaps submit testimonies on their behalf.

The list below include the most alarming concerns that we are watching over. It is imperative that we act before it’s too late!

[HB 5713 - AN ACT CONCERNING CONSIDERATION OF CRIMINAL CONVICTIONS OF A PROSPECTIVE TENANT.](#)

[SB 54 - AN ACT CONCERNING A LANDLORD'S ABILITY TO REVIEW CRIMINAL RECORDS RELATING TO A PROSPECTIVE TENANT.](#)

[HB 7225 - AN ACT CONCERNING THE APPLICATION PROCESS FOR PUBLIC HOUSING.](#)

[HB 7067 - AN ACT CONCERNING HOUSING AUTHORITY JURISDICTION](#)

On April 1, 2019 President Sanderson along with the H&L Committee met with the new Housing Commissioner, Seila Mosquero-Bruno and Deputy Commissioner Shante Hanks to introduce ourselves and voice some of our concerns.

H&L Committee Members

Annette Sanderson – Hartford Housing Authority

Joseph D’Ascoli – Manchester Housing Authority

Jessica Olander – CONN NAHRO Executive Director

Kenneth Schultz – Imagineers, LLC

Scott Bertrand - Enfield Housing Authority

Charles Rothenberger – Rome, Smith and Lutz

Calendar of Events



April 2019

GENERAL MEMBERSHIP MEETING – APRIL 18

Presented by Mental Health CT
12:00 pm to 1:30 pm- Traditions Golf Club-
Wallingford, CT
\$30 per member/\$45 non member

SMALL PHA TRAINING – APRIL 23

Presented by Nick Mayo, HAI Group
10:00 am – 11:00 am – HAI Group – Cheshire
No cost to attend / Must register

FAIR HOUSING – APRIL 25

Presented by Donn Swift
9:00 am to 4:00 pm
Holy Trinity Greek Orthodox Church - Waterbury, CT
\$85 per member/\$125 non member

May 2019

PROJECT BASED VOUCHERS – MAY 1- 2

Presented by Nan McKay
8:00 am to 5:00 pm
Holy Trinity Greek Orthodox Church - Waterbury, CT
\$350 per person

EMPLOYEE TRAINING AND NETWORKING DAY – MAY 10

Presented by American Integrity Restoration
Hoarding and Bio Hazards
9:00 am to 5:00 pm
Holiday Hill - Prospect, CT
\$65 per member /\$75 non member

GENERAL MEMBERSHIP MEETING – MAY 23

Presented
by Human Resource Consulting Group
12:00 pm to 1:30 pm-Traditions Golf Club-
Wallingford, CT
\$30 per member/\$45 non member

June 2019

The CONN/NAHRO Scholarship Comm. is now accepting applications for graduating high school students and college students continuing their education at a full-time school. **Applications must be received by June 7th.** A minimum of 3 scholarships for \$3,500 each will be awarded. For more information contact Michelle Molina at: mmolina@jdamelia.com



2019 Annual Conference &
Exhibition
June 23-26

Wentworth by the Sea, Portsmouth, NH
Visit nercnahro.org for more information

