

Foundations: Public Housing Basics

In 1937, the U.S. Housing Act established permanent public housing funded by the federal government. The following programs make up the backbone of public housing today:

- Low Rent Housing—Asset Management Projects (AMPs)
- Section 8 Housing Choice Voucher Program
- Choice Neighborhoods
- Rental Assistance Demonstration (RAD)

Statutes and Regulations

Commissioners should know the federal, state, and local laws, as well as the federal regulations that guide public housing. These statutes and regulations are the foundation of the consolidated Annual Contributions Contract (ACC).

- The U.S. Housing Act of 1937 amendments
 - [The Section 8 Housing Choice Voucher \(HCV\) Program](#)
 - [Quality Housing and Work Responsibility Act of 1998](#)
- [Fair Housing Act and subsequent civil rights and disability laws](#)
- [Title 24 Code of Federal Regulations \(CFR\)](#)
- Annual appropriations law
- State laws and local ordinances

Annual Contributions Contract (ACC)

The ACC is the mechanism through which the PHA receives funding, defines the agency's obligations, and outlines remedies for breaches of contract. Should there be a breach of contract, HUD will pursue remedial actions. Obligations under the ACC include but are not limited to:

- Cooperation agreements
- Operating budgets
- Depository Agreements and General Fund
- Pooling of funds
- Books of account, records, and government access
- Notices, defaults, and remedies
- Conflict of interest

Declaration of Trust

Restricts the PHA from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering the property without first getting HUD approval. It ensures the accuracy of HUD subsidy calculations and payments under the Operating and Capital Funds, and expedites HUD's processing and approvals of other Federal public housing programs, such as:

- Capital Fund Finance Program
- Operating Fund Financing Program
- Mixed-finance development
- Dispositions

Public Housing Agency (PHA) Policies and Procedures

It is the responsibility of the board to be familiar with the following plans and policies:

- Admissions and Continued Occupancy Policy (ACOP)
- Section 8 Housing Choice Voucher Administrative Plan
- PHA Plan (Annual and 5-Year)
- Additional policies including capitalization, financial management and internal controls, maintenance, personnel, etc.

Program Funding

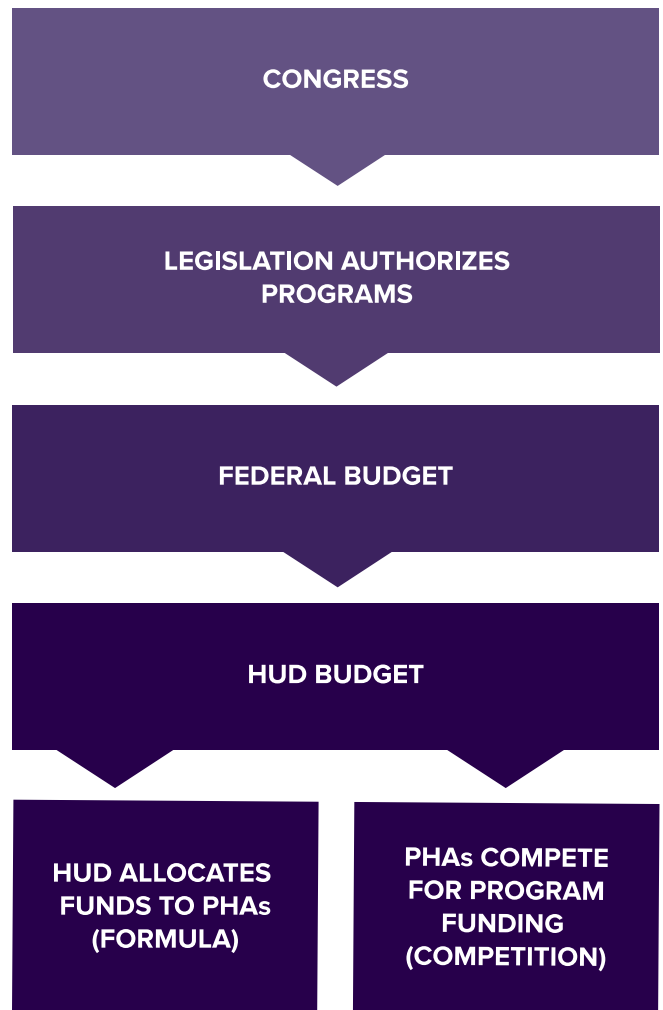
PHAs are funded through a number of different revenue streams. Federal sources of revenue are restricted and include:

- Full and open competition is key.
- Reasonable price must be determined by performing a price/cost analysis.
- Responsive and responsible bidders should be selected.
- Contract files must be documented.
- Contract compliance must be ensured.

Revenue Streams

The following list provides examples of possible program-funded revenue streams:

- Operating Subsidy
- Capital Fund
- Housing Choice Voucher: Housing Assistance Payments
- Housing Choice Voucher Administrative Fees
- Resident Program Grants
- Planning Grants



PHA Admissions Criteria

Under Federal laws and HUD regulations, there are certain policies for admission to a PHA's Housing Choice Voucher (HCV) or Public Housing (PH) program that are mandatory for all PHAs. They must prohibit admission if any household member is, or has been:

- A lifetime sex offender registrant
- Convicted for manufacture or production of Methamphetamine production in federally assisted housing.
- Evicted from federally assisted housing for drug-related crime within the last three years.

- Currently engaged in illegal drug use or threatening activity, where:
 - The PHA determines the member is currently engaging in illegal use of a drug.
 - The PHA determines that it has reasonable cause to believe that a household member's illegal drug use, pattern of illegal drug use, abuse of alcohol, or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

A PHA's discretionary admissions policies can be amended regarding criminal activity and substance use/abuse to be more inclusive of vulnerable populations, including people who are homeless, who may have criminal backgrounds or histories of incarceration.

Funding Facilities Maintenance

PHAs fund routine facility maintenance through their operating budget and fund facility modernization through capital funds. The board oversees the PHA's housing stock maintenance.

Maintenance is managed through work orders coming from tenant requests and through preventive maintenance. For example, PHAs may manage maintenance and inspections with these processes:

- A properly executed inspection of a representative sample of units, which would reveal systemic conditions and recurring maintenance needs that require intensive action by the project manager.
- An established risk hierarchy based on historical records. The board should concentrate on units that represent maintenance challenges and inspect these units more frequently than units that have historically presented fewer challenges.

The Physical Needs Assessment (PNA) is the basis for modernization activity, which is also part of the PHA Plan.