



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OCT 26 2017

OFFICE OF PUBLIC AND INDIAN HOUSING

MEMORANDUM FOR: Janice Rodriguez, Director, Office of Public Housing, Colorado  
Office, 8APH

FROM: Miguel A. Fontánez, Director, Housing Voucher Financial  
Management Division, PEVB

SUBJECT: Voluntary Transfer of Housing Choice Voucher Program units from  
the Housing Authority of Foster County, ND028, to the Housing  
Authority of Stutsman County, ND, ND011

This is in response to your October 6, 2017, memorandum requesting approval for a full transfer of the Housing Choice Voucher Program units and the associated budget authority from the Housing Authority of Foster County, ND028, to the Housing Authority of Stutsman County, ND, ND011. The reason for this transfer is due to ND028, currently managed by ND011, is a small public housing agency (PHA) that had been unable to maintain its own Board of Directors (BOD). The families ND028 assists would benefit from Stutsman's capability of consistently maintaining a BOD as well as the administrative efficiencies of operating as a larger PHA. This includes both maintaining staff capacity and overall administrative and office expenses.

On October 26, 2017 the Office of Housing Voucher Programs approved the transfer and assigned January 1, 2018, as the effective date of the transfer. The Department recognizes that ND011, a Combined PHA, meets the criteria listed in PIH Notice 2015-22, and that the full transfer will be in the best interest of the program participants. ND011 will use the total 81 units, in the same geographic area and will serve the same population as ND028. This transfer does not include any Special Purpose vouchers or programs.

As part of this transfer, the Financial Management Center (FMC) will be responsible for amending ND011's Consolidated Annual Contributions Contract for the transferred units. Also, the Field Office and the FMC will ensure that ND028's unrestricted net position (UNP) and restricted net position (RNP) are calculated and reconciled with cash and cash in investments. Upon reconciliation, ND028's UNP balance must be transferred to ND011; however, ND028's RNP balance has to be returned to HUD because the RNP balance will be obligated under ND011 as HUD-held reserves, in compliance with cash management requirements. The divesting PHA will work with the receiving PHA and the FMC to transfer the UNP and RNP funds, respectively. Note that a repayment agreement must be established immediately should HCV funds be unaccounted for during the reconciliation of UNP and RNP balances.

The Field Office will ensure that ND028 has procured a close-out financial review per

The Field Office will ensure that ND028 has procured a close-out financial review per requirements in PIH Notice 2015-22, to include submission of all required financial information needed to close-out its HCV program for FY 2017 in the PIH sub-systems. The close-out reporting requirements include ND028's timely and complete reporting in the Voucher Management System (VMS) for all the months in operations prior to the effective date of the voluntary transfer.

Additionally, the Real Estate Assessment Center (REAC) staff will be responsible for modifying ND028's status in the PIH sub-systems, upon the submission of the aforementioned documentation and reporting needed to close-out the HCV program. After all PIH sub-systems have been modified, notifications should be forwarded to the Field Office, the FMC, and the Housing Voucher Financial Management Division.

Finally, the Field Office and ND011's management must continue evaluating ND011's utilization trends and leasing opportunities with the Two-Year Forecasting Tool in CY 2018 and future years. HUD cannot award additional funds to support additional leasing because of this transfer.

If you have additional questions regarding this approval, please contact Erwin Diaz, Financial Analyst, at 202-402-4038.