



Regular Board Meeting Minutes

November 27, 2024

The regular board meeting of the Delta Housing Authority Board of Commissioners was held on Wednesday, November 27, 2024, in the agency office of the Housing Authority. The meeting was called to order by Chair Brad Kolman at 3:31 pm. The following Commissioners and officers of the agency were present at the meeting: Commissioner Terri Hocking, Commissioner Rob Turner, Chair Brad Kolman, and Secretary Ute Jantz (Executive Director). Vice Chair Kim Guthrie Burch and Commissioner Cathy Boyd were absent. Notice of the regular board meeting was posted at least twenty-four hours before the meeting. Notice was also sent, upon standing request, to the City of Delta.

Quorum present (minimum of three Commissioners): Yes No

Changes or Additions to the Agenda

There were no changes or additions to the agenda.

Citizen Comments

There were no citizen comments.

1. Approval of Minutes

Minutes of the regular meeting held on October 23, 2024, were approved as presented; motion to approve by Commissioner Hocking and seconded by Commissioner Turner. All in favor, motion carried (3:0).

2. Financial Reports for October 2024

Ms. Thompson, the Finance Officer, presented the financial reports for October. We should be at 84% of the budget. All programs are performing well except for the Voucher program, which shows a deficit. Ms. Thompson highlighted the following aspects of each program:

10 - General

Only the interest income of \$31 is reported in this program.

20 - Voucher

The negative amount is due to receiving a HAP subsidy that is less than the HAP expenses paid during 2024. To offset the negative balance, a withdrawal from HUD-held reserves will be requested during the month of December. Interest income continues to exceed budget expectations, with \$23,650 received through October. Overall, insurance, telephone, internet, and software costs were higher than anticipated. A revised budget will be proposed at the December Board meeting.

30 - PHA (Including Capital Funds)

This program continues to operate with a healthy net income of \$132,281, which is normal. All Expenses are within budget estimates except water and trash expenses.

40 - Rural Development

Property insurance and maintenance supply costs are over budget as of October 31st.

60 - Affordable Housing

Except for insurance costs, expenses are within budget estimates.

70 – Residences at Delta

Telephone, internet, and maintenance costs are well over the estimated budget. This is due to unforeseen costs during this new property's first full year of operations.

80 - Villas at the Bluff

Auditing fees and maintenance supplies are over budget. Expenses for insurance and utilities went up.

82 - Villas at the Bluff II

Auditing fees and maintenance supplies are over budget. Expenses for insurance and utilities went up.

The Board reviewed the October balance sheets and financial statements, with a few questions for discussion and clarification. Commissioner Hocking moved, and Commissioner Turner seconded, to accept the financial reports for October as presented and discussed. All were in favor, and the motion carried (3:0).

3. Reports for October 2024

Erika Nieto, Housing Operations Manager, presented October's occupancy, maintenance, and capital improvements reports.

Program Reports

- Voucher Program: 254 vouchers are leased up; 395 applicants (combined) are on the Housing Choice Voucher (HCV) and Project Based Voucher (PBV) waiting lists. Six new vouchers were leased up, two voucher holders ended participation, and 21 unit inspections were completed. 22 voucher holders are currently searching for a unit. Ms. Nieto highlighted that two Veterans Vouchers (VASH) were leased up. We will continue to lease up the remaining vouchers and allow attrition to occur.
- Public Housing: 75 units are leased, no vacant units, 285 applicants are on the waiting list, and no unit turnovers were reported. The maintenance crew started with the annual unit inspections. Work orders: Plumbing and electrical issues, appliances, doors, screens, preventative, routine, and ground maintenance. Capital Fund Projects: The project to replace exterior doors and shed siding is near completion.
- Villas at the Bluff (VAB and VABII): 87 applicants are on the waiting list; VAB has one vacancy, VABII is fully leased, and two unit turnovers were reported (VAB – 1 and VABII – 1). Work orders: electrical, plumbing, appliance and door repairs, preventative, routine, and ground maintenance.
- Grand Manor Apartments: 52 applicants are on the waiting list; the property is fully leased, and no unit turnovers were reported. Work orders: preventative, routine, and ground maintenance.
- DHA-Owned Houses: Both units are occupied. Work orders: Preventative, routine, and ground maintenance.
- Residences at Delta: 45 applicants are on the waiting list; 48 units are occupied. No unit turnovers were reported. Work orders: Replaced furnace filters in all units and performed preventative, routine, and ground maintenance.

The board reviewed and discussed the program reports, Commissioner Hocking moved, and Commissioner Turner seconded the motion to approve the reports for October as presented and discussed. All were in favor, and the motion carried (3:0).

4. Old Business None

5. New Business

Note: Agenda Item 5A) – DHA’s outside counsel, Ben Doyle, is scheduled to join the meeting at 4:00 pm. The board decided to move forward with the agenda until Mr. Doyle joined the meeting.

B) Resolution #699-24 Authorizing the Write-Off of Uncollectible Tenant Accounts

The Executive Director stated that it is housing authority policy and generally accepted accounting practice to write off delinquent accounts receivable deemed by staff to be uncollectible. The current write-off period is through October 31, 2024. The write-offs are recommended as part of the 2024 fiscal year-end preparation. The accounts recommended for write-off are all from former tenants. Accounts written off will remain in the authority’s computer system, and individuals may not reapply for housing assistance until they have paid all amounts owed to the housing authority. In addition, individuals with unpaid balances are electronically reported to HUD so that other public housing agencies are aware of the balances owed (this only applies to the Public Housing Program). The summary chart attached to the board packet represents amounts owed by tenants who moved from the developments and owe the authority money for unpaid rents and/or deposits, legal fees, and damage expenses. Staff notified the former tenants by mail, informing them of the amounts due and that they would be reported to a collection agency if they failed to repay the amount owed. None of the tenants listed have responded, and the accounts were turned over to a collection agency. The total amount of charges to be written off for the period ending October 31, 2024, are as follows: PHA - \$4,089.66; DHA-Owned Housing - \$0; Rural Development \$0; Residences at Delta - \$433.00; VABI \$4,650.44 and VABII \$0.

After discussion, Commissioner Hocking moved to adopt Resolution #699-24 Authorizing the Write-Off of Uncollectible Tenant Accounts as presented and discussed, and Commissioner Turner seconded the motion. **Roll call vote:** Commissioner Hocking, aye; Commissioner Turner, aye; Vice Chair Guthrie Burch, aye; and Chair Kolman, aye. Motion carried (3:0).

C) Execution of Engagement Letter for the 2024 Delta Housing Authority Audit

Chair Kolman asked if Penny Thompson, the authority’s Chief Financial Officer, is comfortable continuing with Blair & Associates, LLC. The Executive Director confirmed her response with a yes. Commissioner Hocking motioned authorizing the Chair and the Executive Director to execute the 2024 Audit Engagement Letter with Blair & Associates LLC, as presented and discussed. Commissioner Turner seconded the motion. All in favor. Motion carried (3:0).

6. Executive Director Comments

The Executive Director (ED) provided the following report:

General:

- ED inquired if the board is willing to give each staff member a gift certificate for one paid day off as appreciation for their work throughout the year (half a day for part-time employees) as in the past. Chair Kolman stated that the board appreciates what the staff has accomplished this year and clarified that granting this extra day off is not an entitlement but a recognition of the staff’s hard work. The Commissioners in attendance agreed with his statement. Commissioner Hocking motioned for employees to receive a gift certificate for either a full or a half day in recognition of their work throughout the year. Commissioner Turner seconded the motion. Motion carried (3:0).
- The succession planning for the Executive Director and Housing Operations Manager is nearing completion. The Chief Financial Officer position will be assessed next spring.
- There are no changes to the DHA personnel policy.
- The annual enrollment process for Health Insurance and Simple IRA has begun, and the yearly employee benefit meeting is scheduled for December 3, 2024.

To be continued after Agenda Item 5A).

5. New Business (CONTINUED)

A) Resolution #698-24 A Resolution of Delta Housing Authority Approving: (I) The Formation and Admission of Housing Delta County IV LLC to Residences at Delta II, LLLP as the Special Limited Partner, (II) Releasing the Phase II Property from Certain Phase I Deeds of Trust and Memorandum, (III) Project- Based Vouchers for the Project, and (IV) Providing Services as Property Manager and Entering into a Property Management Agreement with the Partnership

Ben Doyle from New Communities Law, DHA's outside legal counsel, joined the meeting online at 4:00 p.m. and stated that TWG is the lead developer for the Residences at Delta Phase II project and desires to close the construction financing in mid-December. The Phase II project is similar to Phase I, except DHA will not be a pass-through lender in Phase II. There are four parts to the resolution:

1. Creating a new entity, Housing Delta County IV, LLC, and admitting it as a project partner. Mr. Doyle explained that the Partnership Agreement outlines the conditions of the partnership. However, the provisions important to Delta Housing Authority are in the Addendum to the Partnership Agreement. Drafts of both documents were attached to the digital board packet.
2. Subdividing the land and releasing certain Phase I Deeds of Trust and Memorandum. As a lender in the Phase I project, Delta Housing Authority needs to partially release a couple of the Deeds of Trust encumbering the Phase II project. This is part of the title cleanup.
3. Authorize eight (8) project-based vouchers for the property.
4. Authorize providing property manager services and enter a property management agreement with the partnership. As with Phase I, TWG will be the primary property manager, and then they will subcontract most of the functions to Delta Housing Authority. Whether the authority receives 6 or 7 percent as a management fee is still under discussion.

Mr. Doyle answered the board's questions and stated that if the Board is ready to proceed, the Board may approve the resolution and delegate authority to the Executive Director to finalize the documents and deliver signature pages for the loan closing. In doing so, the Board may place conditions on its approval of the transaction documents and give direction to the Executive Director in finalizing the agreements. Chair Kolman requested that a statement of purpose be added to clarify why the board is adopting this resolution. The Commissioners in attendance agreed with his request. Chair Kolman stated that the board finds that the development of Residences at Delta Phase II is consistent with the vision of the City of Delta and Delta County to increase access to affordable housing within the City and the County.

Commissioner Hocking moved to adopt Resolution #698-24 as presented and discussed and to authorize the Executive Director to execute all documents necessary to proceed with the Residences at Delta Phase II project. Commissioner Turner seconded the motion. **Roll call vote:** Commissioner Hocking, aye; Commissioner Turner, aye; and Chair Kolman, aye. Motion carried (3:0).

6. Executive Director Comments (CONTINUED)

The Executive Director (ED) continued to provide the following report:

Public Housing Program (PHA)

- Submitted the Davis Bacon Wage Rate Determinations to the HUD Office of Davis-Bacon & Labor Standards for approval. The new wage rates will be effective January 1, 2025.
- A Resident Advisory Board meeting is scheduled for December 17th (this also applies to the HCV program).

Housing Choice Voucher (HCV) Program:

- Project Based Vouchers for Residences at Delta Phase II:

Environmental Review: The City of Delta published a 'notice of finding of no significant impact' and a 'notice of intent to request the release of funds'. The public comment period ended on October 25th, and the Request for Release of Funds and Certification was executed and submitted to HUD.

Subsidy Layering Review: The Colorado Housing and Finance Authority (CHFA) completed the subsidy layering review.

We are getting close to executing the Agreement to Enter into a Housing Assistance Payments (AHAP).

Grand Manor Apartments (USDA):

- Nothing to report.

Villas at the Bluff (VAB and VABII)

- VAB and VABII - The 2024 audit with Novogradac has officially begun. The management interview took place on November 19th. We are in the process of uploading the requested documents to Novogradac's web portal.
- VABII - As mentioned at the last meeting, VABII received a notice of non-renewal from American Family Insurance stating that the policy will be canceled effective November 10th, 2024. With the help of Mountain West Insurance (formerly Home Loan Insurance), we found an insurance carrier willing to insure the property for \$43,347.00. The policy was locked in on November 5th, five days before the cancellation date, and operating funds were used to pay for the policy. The carrier's name is CRC Insurance Services Inc. We only received one offer. The American Family premium spanning 11/2023 to 11/2024 was \$12,589.12.

Residences at Delta (RAD)

- The Housing Technician who accepted the position never showed up, and we had to continue the interviews. We made an offer to Sierra McFarland, who is supposed to start on December 2nd.
- The Colorado Housing and Finance Authority (CHFA) conducted an online compliance review.

Residences at Delta Phase II (RADII)

- RAD II – working on the Special Limited Partnership Agreement and the Sub Management Agreement with DHA's attorney, Ben Doyle. We are also creating Housing Delta County IV, LLC, an independent entity in the ownership structure. This is a separate agenda item.

8. Correspondence

The Chair wished everyone a happy Thanksgiving and said he might be late for the December Board meeting. He requested that the Vice Chair be made aware of this.

9. Commissioner Comments

No comments were made.

Chair Brad Kolman adjourned the meeting at 4:38 p.m.

Respectfully submitted

Ute Jantz, Secretary of the Board

Chair/Vice Chair DHA Board of Commissioners

Upcoming Board Meetings:

Regular Board Meeting	December 18, 2024 , at 3:30 pm
Regular Board Meeting	January 22, 2025, at 3:30 pm
Regular Board Meeting	February 26, 2025, at 3:30 pm

December 2024 Occupancy & Maintenance Report

Prepared by: Erika Nieto and Housing Technicians

Housing Choice Voucher Program		
Voucher Type	Waiting List	Increase/Decrease from Prior Month
Regular HCV Vouchers (HCV)	302	+25
PBV Residences at Delta	24	+2
PBV Creek Vista	74	+1
	Available	Leased Up
HCV	213	236
PBV - Creek Vista Senior Apts.	5	5
PBV - Residences	8	7
VASH	10	9
Total	236	257
By Location		
Austin	8	257
Cedaredge	44	
Crawford	1	
Delta	141	
Eckert	6	
Hotchkiss	22	
Paonia	31	
PORT out	4	
# Unit Inspections Completed		
HCV	14	
PBV	0	
VASH	1	
Voucher Activity		
Leased-Up	9	
Ended Participation	6	
Vouchers on the Street	8	
DHA owned/managed units leased		
Villas I	22	
Villas II	13	
DHA-owned	2	
RAD	26	
Scheduled orientaion 11/14/2024 issued 5 more HCV vouchers. Will continue to lease up remaining HCV vouchers and allow attrition to occur.		

Public Housing		
	Waiting List	Increase/Decrease from Prior Month
1 Bedroom	100	-61
2 Bedroom	84	+1
3 Bedroom	40	+3
4 Bedroom	4	+0
Total	228	65
Occupancy	Available	Occupied
1 Bedroom (35)	0	35
2 Bedroom (13)	0	13
3 Bedroom (17)	0	17
4 Bedroom (10)	0	10
Total	0	75
Maintenance		
Work Orders	33	36
Units turned		
1 Bedroom	0	
2 Bedroom	0	
3 Bedroom	0	
4 Bedroom	0	
Total	0	
<p>Work Orders Completed: Minor plumbing, furnace issues, electrical issues, and preventative maintenance. Annual inspections completed.</p> <p>Capital Fund Program: The door project is completed. Two bathtubs for replacement are under contract.</p>		

Villas at the Bluff		
	Waiting List	Increase/Decrease from Prior Month
Combined	79	-8
Total	79	-8
Occupancy	Available	Occupied
1 Bedroom (8)	0	8
2 Bedroom (24)	0	24
3 Bedroom (16)	1	15
Total	1	47
Maintenance		
	Completed	Open
Work Orders	11	25
Units turned		
1 Bedroom	0	
2 Bedroom	0	
3 Bedroom	1	
Total	1	
Work Orders Completed: Minor appliance issues, furnace and AC issues, and battery changes in smoke alarms.		

Villas at the Bluff II		
Occupancy	Available	Occupied
1 Bedroom (12)	0	12
2 Bedroom (16)	0	16
3 Bedroom (4)	0	4
Total	0	32
Maintenance		
	Completed	Open
Work Orders	6	12
Units turned		
1 Bedroom	0	
2 Bedroom	0	
3 Bedroom	0	
Total	0	
Work Orders Completed: Appliance issues, minor electrical issue, and preventative maintenance.		

DHA- Owned Houses		
Occupancy	Available	Occupied
2 Bedroom (2)	0	2
Total	0	2
Maintenance		
	Completed	Open
Work Orders	1	0
Units turned		
2 Bedroom	0	
3 Bedroom	0	
4 Bedroom	0	
Total	0	
Business as usual.		

Grand Manor		
	Waiting List	Increase/Decrease from Prior Month
1 Bedroom	45	+1
2 Bedroom	0	-8
Total	45	9
Occupancy		
	Available	Occupied
1 Bedroom (6)	0	6
2 Bedroom (4)	1	3
Total	1	9
Maintenance		
	Completed	Open
Work Orders	2	0
Units turned		
1 Bedroom	0	
2 Bedroom	1	
Total	1	
Work Orders Completed: Cleaned gutters and installed a new refrigerator.		

Residences at Delta		
	Waiting List	Increase/Decrease from Prior Month
Combined	29	-16
Total	29	-16
Occupancy	Available	Occupied
1 Bedroom (8)	3	47
Total	3	47
Maintenance	Completed	Open
Work Orders	10	4
Units turned		
1 Bedroom	1	
Total	1	
Work Orders Completed: Appliance issues, plumbing and electrical issues, furnace repairs, and preventative maintenance.		



MEMO

AGENDA ITEM # 5(A)

MEETING DATE: December 18, 2024

STAFF CONTACT: Ute Jantz, Executive Director
Penny Thompson, Finance Officer

TITLE: Discussion and Adoption of Resolution # 700-24 Approving the Revised Operating Budgets for Fiscal Year 2024

ACTION: Motion and Roll Call

ATTACHMENTS: Board Resolution #700-24; Fiscal Year 2024 Revised Operating Budgets

SUMMARY:

The U.S. Department of Housing and Urban Development regulations require the Public Housing Agency Commissioners to approve Operating Budget revisions for our Public Housing and Housing Choice Voucher Programs (does not apply to tax credit properties). This resolution approves variances in the budgets for the fiscal year 2024. The Board previously approved these expenditures as they occurred every month by approving the monthly financial reports. However, the board needs a formal resolution approving the variances before the end of the year.

As a good business practice, we recommend revising the operating budgets for all DHA-run programs as the attached budget proposes.

RECOMMENDATION: Approval of Resolution #700-24



BOARD RESOLUTION 700-24

A RESOLUTION OF THE DELTA HOUSING AUTHORITY,
APPROVING THE REVISED OPERATING BUDGETS
FOR THE FISCAL YEAR JANUARY 1, 2024 TO DECEMBER 31, 2024

WHEREAS, the Delta Housing Authority Board of Commissioners adopted a mission to assist in providing housing that is safe, decent, and affordable; and

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development require the Commissioners of a Public Housing Agency to approve Operating Budget revisions; and

WHEREAS, the Executive Director has submitted the revised Operating Budgets for the Calendar Year beginning January 1, 2024 (Calendar Year 2024); and

WHEREAS, the Board of Commissioners has reviewed the revised Operating Budgets and finds that the proposed expenditures are necessary for the efficient and economical operation of the Housing Authority to serve low-income families; and

WHEREAS, the Budget indicates sources of funding adequate to cover all proposed expenditures; and

WHEREAS, all proposed rental charges and expenditures are consistent with provisions of the Annual Contributions Contract (where applicable); and

WHEREAS, the Authority hereby certifies that no employee of the Housing Authority is serving in a variety of positions that will exceed 100% of his/her time. This certification includes the proration of an employee's time between the various programs administered by the Delta Housing Authority; and

WHEREAS, the Authority certifies that none of the funds in the budget authorized under Section 8 (only with respect to the tenant-based rental assistance program) and Section 9 of the United States Housing Act of 1937 will be used for any amount of salary for any employee that exceeds the annual rate of basic pay payable for a position at Level IV of the Federal Executive Schedule; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Delta Housing Authority hereby approves the revised Operating Budgets for calendar year 2024 and that the expenditures are hereby authorized; and

BE IT FURTHER RESOLVED that the details of the revised budget revenues and expenses, as found in Exhibit A, titled "Revised 2023 Operating Budgets," are hereby incorporated into this resolution.

ADOPTED this 18th day of December, 2024

Chair or Vice-Chair
Delta Housing Authority Board of Commissioners



MEMO

AGENDA ITEM # 5(B)

MEETING DATE: December 18, 2024

STAFF CONTACT: Ute Jantz, Executive Director

TITLE: Discussion and Adoption of Resolution # 701-24 Approving the Revised **Public Housing** Operating Budget for Fiscal Year 2024

ACTION: Motion and Roll Call to Approve Resolution

ATTACHMENTS: Board Resolution #701-24; Fiscal Year 2024 Revised **Public Housing** Operating Budget, Form HUD-52574 (Resolution)

SUMMARY:

The U.S. Department of Housing and Urban Development regulations require the Delta Housing Authority Commissioners to approve the Agency's Operating Budget revision for the Public Housing Program. This resolution approves variances in the budget for the fiscal year 2024. The Board previously approved these expenditures as they occurred every month by approving the monthly financial reports. However, the board needs a formal resolution approving the variances before the end of the year.

RECOMMENDATION: Approval of Resolution #701-24.

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing and
Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0029 (exp. 04/30/2027)

Public reporting burden for this collection of information is estimated to average 136.2 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, completing the operating budget and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information including suggestions for reducing this burden, to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410. When providing comments, please refer to OMB Approval No. 2577-0029. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed and budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating budget adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA complies with HUD prescribed procedures. PHA boards must approve the operating budget and HUD requires boards to certify their approval through this form. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: **Delta Housing Authority** PHA Code: **CO040**

PHA Fiscal Year Beginning **01/01/2024** Board Resolution Number: **700-24**

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

- | | DATE |
|--|------------|
| <input type="checkbox"/> Operating Budget approved by Board resolution on: | [REDACTED] |
| <input type="checkbox"/> Operating Budget submitted to HUD, if applicable, on: | [REDACTED] |
| <input checked="" type="checkbox"/> Operating Budget revision approved by Board resolution on: | 12/18/2024 |
| <input type="checkbox"/> Operating Budget revision submitted to HUD, if applicable, on: | [REDACTED] |

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.
WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Print Board Chairperson's Name: Bradley Kolman	Signature:	Date: 12/18/2024
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General:

- Our annual holiday party was a success. The staff was grateful for their appreciation gift and the extra day off.
- The annual enrollment for the 2025 health insurance, dental, and vision has been completed.
- Working on contract renewals for pest management and landscape maintenance contracts.

Public Housing Program (PHA)

- HUD accepted our 5-Year Agency and 2025 Annual Plans.
- HUD accepted our 2023 Audit, and we are officially done with CY 2023.
- Working on 2024 budget revisions. The resolution needs to be uploaded to the HUD Secure Systems.

Housing Choice Voucher (HCV) Program:

- Project Based Vouchers for Residences at Delta Phase II:
The draft Agreement to Enter into a Housing Assistance Payments (AHAP) is complete and should be executed any day now.
- On December 2024, HUD issued the '2025 Get Ready' letter addressed to Executive Directors and PHA Board Chairs (attached under correspondence). For 2025, the Senate calls for a 97.5% HAP Proration and 93.3% Admin Fee Proration, and the House calls for an 88.59% HAP Proration and 100% Admin Fee Proration.

Grand Manor Apartments (USDA):

- USDA approved our request to increase the rent effective 1/1/2025.
- Updated the property lease agreement to comply with Colorado law going into effect 1/1/2025.

DHA-Owned Units

- Updated the property lease agreement to comply with Colorado law going into effect 1/1/2025.

Villas at the Bluff (VAB and VABII)

- VAB and VABII - 2024 audit is ongoing.
- VABII - The new property liability insurance carrier conducted an onsite inspection. The inspection went well, and the inspector was pleased with the property's condition.
- Filed annual periodic reports for Housing Delta County II and Villas at the Bluff II with the Colorado Secretary of State.
- Updated the property lease agreement to comply with Colorado law going into effect 1/1/2025.

Residences at Delta (RAD)

- Our new Housing Technician, Sierra McFarland, started on December 2nd.
- A tenant holiday party is scheduled for Friday, December 20th.
- We are waiting for the Colorado Housing and Finance Authority (CHFA) to close out the online compliance review.
- Updated the property lease agreement to comply with Colorado law going into effect 1/1/2025.

Residences at Delta Phase II (RADII)

- RAD II – the financing for the construction loan should be locked in at any time now. The Partnership Agreement, the Addendum to the Partnership Agreement, Releases of Deeds of Trust, and other partnership documents will be executed during the loan closing. TWG is aiming for mid-December. Some outstanding items, i.e., management fees and reimbursement for bookkeeping services, are still ongoing.



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

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

December 6, 2024

Dear Executive Directors and PHA Board Chairs,

I am writing to emphasize the critical importance of careful and diligent planning and management of your Housing Choice Voucher (HCV) program in Calendar Year (CY) 2025. As you are aware, a fundamental principle of the HCV program is to manage within your budget. HUD has limited funds to address public housing agencies (PHAs) HCV funding shortfalls and additional funding is not guaranteed in any given year. In other words, your agency should not rely on additional funds from HUD beyond what is provided in renewal funding when planning your HCV leasing and funding utilization for CY 2025.

Over the past two years, PHAs have experienced an unprecedented increase in voucher Housing Assistance Payment (HAP) costs, which most PHAs to date have been able to address through a combination of existing program reserves and new funding. As a result, many PHAs will enter 2025 with very limited program reserves, and the availability and amount of future shortfall funding from HUD is uncertain. While HUD expects that voucher costs will soon stabilize, it is critical that PHAs prioritize careful leasing and funding utilization decision-making, both now and throughout CY 2025, to ensure that families currently assisted are not placed at risk of termination due to funding shortfalls.

The Department has evaluated CY 2025 funding scenarios under the draft Senate and House bills that were recently passed by their respective committees. Typically, HUD provides HCV HAP renewal funding between 99-100% HAP proration each year. Based on HUD's most recent projections, **the draft Senate fiscal year (FY) 2025 bill would provide funding at an estimated 97.5% HAP proration** and estimated 93.3% Administrative Fee (AF) proration. **The draft House bill provides an estimated 88.59% HAP proration** with an estimated 100% AF proration. (Although the House bill proposes a slightly lower amount for AF than the Senate's, it yields a higher proration because the proposed HAP funding is significantly lower and will support fewer vouchers and would therefore represent more AF funding per voucher.)

I encourage PHAs to use the HCV Utilization Tools to make sound program decisions. PHAs may have to make hard decisions to limit or cease voucher issuances or modify other policies (such as payment standards) in response to limited funding or potential shortfalls. HUD has created these tools to help PHAs to model the effects of various policy options, maximize program utilization, and avoid shortfalls. The tools are available on the **HCV Utilization Tools** section of www.hud.gov/hcv. These include:

- **The Two-Year Tool (TYT).** The TYT assists PHAs in managing their program budget in the current year and the year ahead. The tool provides the most current HUD program financial data—so PHAs can forecast how different voucher issuance decisions and local rent trends may impact their budget.
- **The Payment Standard Tool (PST).** The PST allows PHAs to determine the impact of potential payment standard changes on both program costs and participant rent burden.

HUD's Shortfall Prevention Team (SPT) is another important resource for your agency. If your agency was in a shortfall in 2024, you will continue to work with the SPT, at least initially, to manage your program in 2025. If your local PIH Field Office has referred you to the SPT to confirm a shortfall, that team will be reaching out to you to develop an Action Plan to assist you in managing your shortfall for CY 2025.

Your local PIH Field Office is available to provide training and assistance on these tools and to help your PHA navigate the months ahead. I recommend that your Board receive training on interpreting TYT modeling and regularly review TYT updates at Board meetings. You may also learn more about HUD HCV program resources and the HCV funding process by viewing the [HCV Overview Video Series](#), or visiting www.hud.gov/hcv.

Sincerely,



Richard J. Monocchio
Principal Deputy Assistant Secretary
Office of Public and Indian Housing