



HUD Pivots On Public Housing Payments

A scheme developed by HUD earlier this year to divert public housing appropriations to other uses and stymie legal action against the department for overreaching its authority has been abandoned under intense pressure from lawmakers and public housing lobbies.

Three public housing advocates -- the Public Housing Authorities Directors Association, Council of Large Public Housing Authorities, and the National Association of Housing & Redevelopment Officials -- asked lawmakers in June to thwart what they called an arbitrary move by HUD to unilaterally upend long-standing contract rules governing the department's interaction with the country's nearly 3,300 public housing authorities.

The complaint focused primarily on the Annual Contributions Contract, the document that governs the activities of the annual federal subsidies for PHA capital and operating funds.

The HUD changes covered several PHA activities, including changes in rule definitions, HUD requirements, government access to accounts and records, and grant funding.

Advocates accused HUD of sidestepping Congress and public scrutiny by the unilateral declaration of changes.

"PHADA believes that the flawed processes HUD has used to publicize the new ACC, receive and respond to public comments concerning that form, and 'execute' the new ACC with a first withdrawal of CFP (certified financial planning) resources from eLOCCS (electronic Line of Credit Control System), renders the new ACC illegitimate," the PHADA letter to HUD says. "PHADA also believes that inconsistencies and contradictions among terms of the new ACC, HUD regulations and federal statutes renders the terms of concern to PHADA and others unenforceable."

HUD Acting Assistant Secretary for Public & Indian Housing Dominique Blom says the previous version of the ACC will be restored, and HUD will seek comments on a revised version to be developed later.

Info: see the PHADA letter at www.cdpublications.com/docs/9557

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