



Policy Development:
Policy Requirements & How to Structure Sound Policy
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What is a Policy

- It's a written statement on how the PHA will administer a particular area or program in accordance with federal law, regulations, and HUD requirements
- It is the PHA's document that states:

WHAT MUST BE DONE [2]

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What are Procedures

- PHAs should develop a Procedures Manual which will provide a detailed method on how the PHA will carry out and implement the policy
- Procedures provides direction on:

HOW TO DO IT [3]

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Policies & Procedures

- ❑ Must comply with HUD rules and other federal, state, and local requirements
- ❑ Must be reasonable and practical
- ❑ Must provide guidance and tools for implementation as well as rules
- ❑ Must be in a format that is easy to update and accessible to staff

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Policies & Procedures

- ❑ Provides daily guidance to staff in the performance of routine activities
- ❑ Makes PHA decisions more transparent to staff and the public
- ❑ Are more defensible than unwritten policies when challenged
- ❑ Ensures consistency and fairness

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Policies & Procedures

- ❑ Provides a foundation for effective management and supervision
 - Allow supervisors to establish objective performance standards for staff
- ❑ Provides a basis for audit justification

Policies without procedures result in inconsistent practices

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Policies

- Policies and revisions must be formally adopted by the PHA's BoC
- Must be available for public and HUD reviews
- Once the policies are adopted, the ED is responsible for developing procedures to implement the policies

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Procedures

- Procedures do not require BoC approval
- Are used in conjunction with the policy
- Should be organized in the order as the policy

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Policy or Procedures Document?

- While the policy states what must be done, some procedures may be required
 - Limit procedures to the requirements
- The policy is no substitute for a Procedures Manual
- Both assure consistency and fairness in treatment of all applicants, residents, participants, staff, and all who do business with the PHA

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Policy or Procedure Document?

- Both are “living” documents which are subject to change as situations dictate
- Changes in policies may require revisions to the Procedures Manual
- Staff should never follow verbal instructions conflicting with the PHA’s policies and/or Procedures Manual

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Mandatory vs Discretionary

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Mandatory Policies & Procedures

- Required by current law, regulation, notice, or handbook
- No waivers or exceptions
 - “Must” “Shall” “Will”

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Discretionary Policies & Procedures

- Are decisions made within legal and regulatory limits for the purpose of:
 - Clarifying regulations, as needed, without changing the intent
 - Providing guidance and direction in areas on which HUD is silent
 - Following a HUD requirement with one or more discretionary components

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Discretionary Policies & Procedures

- Are optional
 - “May” “Should” “Suggested”
- Areas of discretion have both positive and negative effects
 - Positive: Enables PHAs to adapt their policies and procedures to local conditions
 - Negative: Can create the potential for confusion and inconsistency

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Policy Development Challenges

- Understanding what is mandatory and what is discretionary
- Developing compliant policies for mandatory provisions
- Developing reasonable policies for discretionary area
- Policies that could contain both mandatory and discretionary components

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Policy Development Challenges

- Keeping up with regulatory changes
- Monitoring policies and procedures to ensure compliance
- Developing procedures that translate mandatory and discretionary policies into action
- Communicating and training staff to ensure consistency

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Policy References

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Mandatory & Optional References

- Binding references which must be followed:
 - Statutes
 - HUD regulations
 - Current PIH Notices
 - HUD handbooks
 - Forms required by HUD regulations
 - Opinions or rulings by HUD's OGC

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Mandatory & Optional References

- Non-binding references:
 - Guidebooks
 - Notices that have expired
 - Handbooks that have expired
 - Recommendations from individual HUD staff

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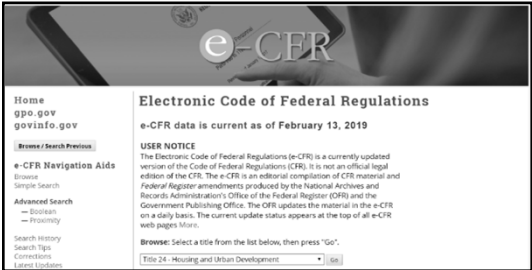
www.hud.gov



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Code of Federal Regulations
www.ecfr.gov



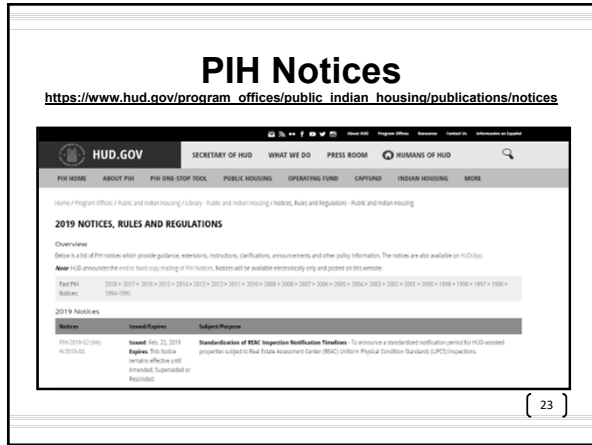
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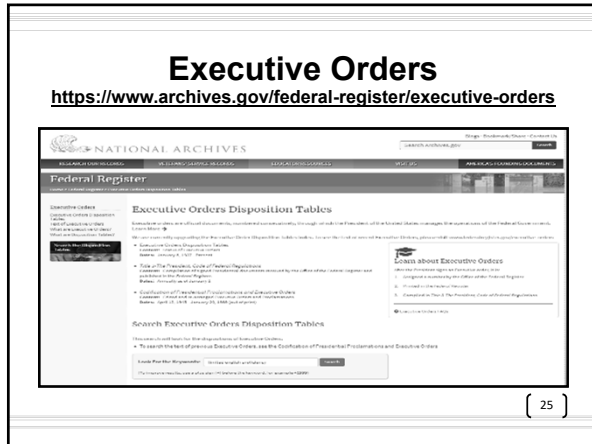


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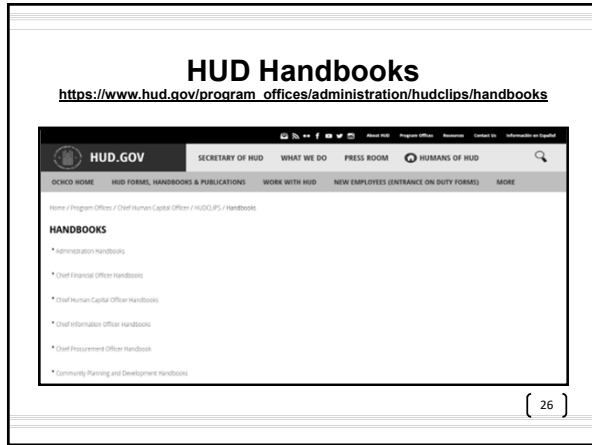


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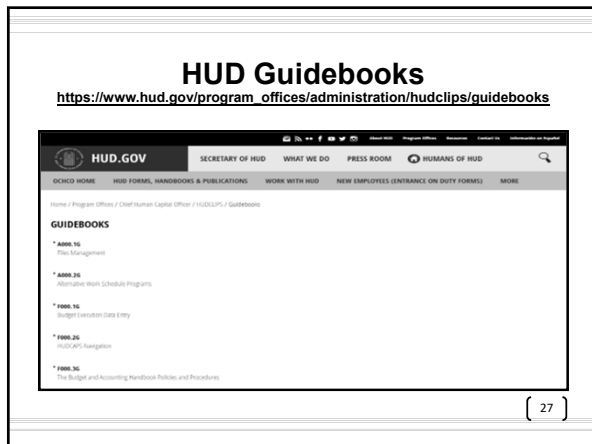
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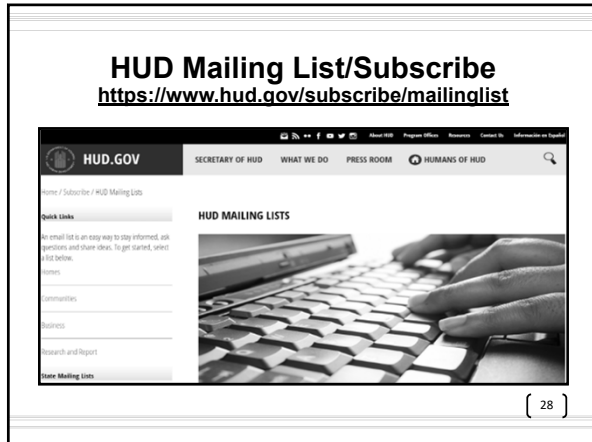


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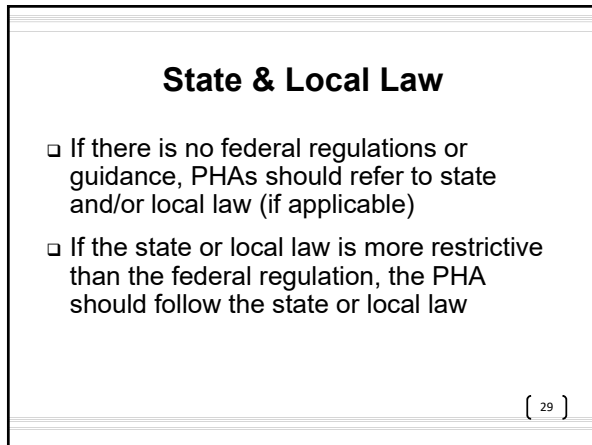


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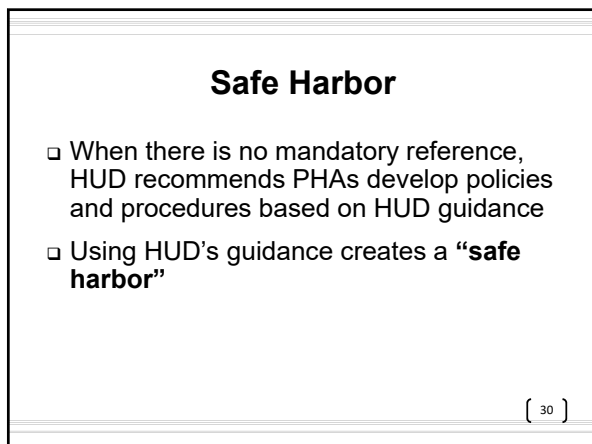
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Best Practices

- There may not be a mandatory reference or state or local law concerning certain subjects, in this case, PHAs may use a best practice for policies and procedures
 - **Example:** Families must report changes within 10 days of the date the change occurred

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Policy Resource Summary

Reference	What it Addresses	Key Source
U.S. Department of Housing and Urban Development	Website for the Department of Housing and Urban Development	www.hud.gov
Code of Federal Regulations	Program definitions and housing operational requirements	www.ecfr.gov 24 CFR Part 5 (General Program Requirements) 24 CFR Part 982 (HCV) 24 CFR Part 983 (PBV) 24 CFR Part 985 (SEMAP)
Federal Register	Proposed and Final Administrative regulations of federal agencies and organizations	https://www.govinfo.gov/advance-lookup/lookup-action?collection=FR/

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Policy Resource Summary

Reference	What it Addresses	Key Source
PIH Notices	HUD guidance, extensions, instructions, clarifications, announcements and other policy information	https://www.hud.gov/program_offices/public_indian_housing/publications/notifications
Fair Housing Laws	Fair housing laws and regulations that protect the protected classes	https://www.hud.gov/program_offices/fair_housing_equality_opp
Executive Orders	Presidential executive orders that affect persons receiving housing assistance	https://www.archives.gov/federal-register/executive-orders

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Policy Resource Summary		
Reference	What it Addresses	Key Source
POST (Public and Indian Housing One-Stop Tool for PHAs)	Quick access to PIH systems, tools, training opportunities, program requirements, commonly used external websites, and PIH contacts	https://www.hud.gov/program_offices/public_indian_housing/post
Handbooks/Guidebooks	Guides for Agency staff with more descriptive directions and examples on how HUD;s interprets program requirements	https://www.hud.gov/program_offices/administration/hudclips/handbooks

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Policy Resource Summary		
Reference	What it Addresses	Key Source
HUD Clips	Online source for forms, handbooks, policies and other HUD related information	https://www.hud.gov/program_offices/administration/hudclips
HUD Webcasts	Tutorials, training and guidance of HUD programs, notices, and policies	https://www.youtube.com/user/HUDchannel
Agency Annual Plans	Guide to the PHA;s policies, programs, operations, and strategies for meeting local housing needs and goals	https://www.hud.gov/program_offices/public_indian_housing/pha

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Policy Resource Summary		
Reference	What it Addresses	Key Source
State and Local Laws	Laws that apply to people living or working in a particular state, commonwealth, territory, county, city, municipality, town, township, or village	Landlord/Tenant Law Security Deposits Freedom of Information/Open Meetings

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Maintaining a Resource Library

- Decide what information to include
- Assign staff to update and monitor the Resource Library
 - Highly recommended to be kept electronic
- Create a Table of Contents (TOC)

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Maintaining a Resource Library

- Create a Table of Contents (TOC)
 - Create a file for each TOC subject
 - Subfiles (if necessary)
 - Example
 - PIH Notices
 - PIH 2019
 - PIH 2018
 - PIH 2017, etc.

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Maintaining a Resource Library

- Become a member of affordable housing national organizations:
 - NAHRO (National Association of Housing and Redevelopment Officials)
 - www.nahro.org
 - PHADA (Public Housing Authorities Directors Associations)
 - www.phada.org

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Identifying Decision Points

- Decision points are the questions the PHA must answer in order to ensure compliance with HUD regulations
- Is the need for the policy related to:
 - HUD updates or needed revisions
 - New policy to the PHA
 - Outdated activities, practices, or responsibilities of the PHA

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Identification of Decision Points

- Problems arising from the existing policy, including clarification, enforcement, or implementation
- Suggestions, recommendations, complaints, or concerns from the applicants, residents, participants, staff, and/or the public
- Information contained in PIC or other PHA reports, performance assessment indicators (PHAS or SEMAP), or audits

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Staff Assignment

- PHA Leadership:
 - Assigns staff to coordinate the policy develop process
 - Delegate responsibility to an individual staff member or create committees or sub-committees
 - Establishes the policy development process
 - Expectations
 - Deadlines

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Conduct Research

- Gather info on the decision point
 - HUD requirements/regulations
 - State and local laws
- Meet with staff with experience
- Industry practices
 - Affordable housing national organizations
- Legal advise

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Translate Research into a Draft Policy and Procedures

- Decision Point:
 - What is the HUD requirement
- Policy:
 - What is the PHA's performance standard of the requirement
- Procedures:
 - What are the required steps to perform the function

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Example Draft Policies and Procedures

- How to count child support
- HUD requirement: 24 CFR 5.609 Annual Income:
 - (b)(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

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**Example
Draft Policies and Procedures**

□ PHA Decision Points:

- What is counted if the family claims it is not actually receiving any or all of the child support?
- What is counted if there was never a child support awarded by the court?
- What is defined as a regular contribution or gift in terms of child support?
- How is the value of regular nonmonetary contributions determined?

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**Example
Draft Policies and Procedures**

□ PHA Policy:

- Annual income includes alimony and child support and regular contributions received by any family member whether or not they have been awarded by the court.
- Court-awarded contributions will be counted unless the family certifies that payments are not being made and has taken all reasonable legal actions to collect amounts due, including filing with the appropriate courts or agencies responsible for enforcing payment.

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**Example
Draft Policies and Procedures**

□ PHA Procedures:

- Court-awarded payments or contributions: Staff will require the family to provide a copy of court order.
- The PHA may accept a printout from the court (or agency responsible for enforcing the support payments) directly from the family as evidence indicating the frequency and amount of support payments actually received.
- Non-court-awarded contributions reported by the family will be verified independently through written third-party verification from the contributor.

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Draft Policy & Procedures

- Present the draft policy and procedures to key staff for any edits/changes and feedback
 - Make necessary revisions
- Make draft policy available for public comment
 - 30 days comment period before adoption
 - If applicable, make revisions to policy

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Final Policy

- Prepare the final policy for BoC approval
- Communicate the updated or new policy to the applicants, residents, participants, staff, and public
- Post final adopted policy for public view
 - Must be posted in 3 conspicuous locations
 - PHA buildings, structures, developments, common areas

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Implementation

- Policy development, interpretation, and implementation are central functions of the ED
- Train staff
- Monitor for compliance and consistency
- Update and/or modify periodically
- Changes in the policy may require a change in procedures

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Evaluation

- Development procedures for internal controls
- Set date to review the policy to ensure its relevancy and effectiveness
 - Date depends on the nature of the policy
 - May require adjustments

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Policy Development Summary

- Be careful with using another PHA's policy
 - Not sure if its in compliance with HUD regulations
 - Not sure if it violates Fair Housing and Equal Opportunity laws
 - Not sure if the policy will work for your PHA

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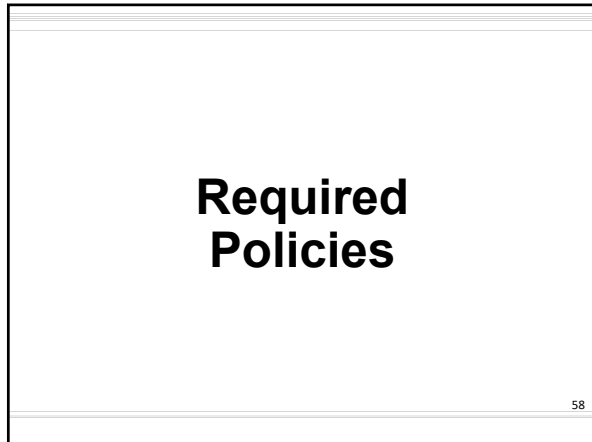
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Policy Development Summary

- Each PHA has their own experience of what works and what does not work for their PHA
- Each experience is an opportunity to review and refine a policy based on past experience

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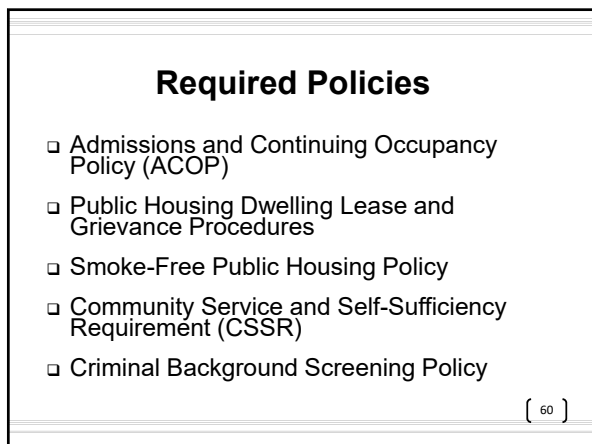
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Required Policies

- Pet Policy/Rules
- Rent Collection
- Administrative Plan
- Family Self-Sufficiency for both mandatory and voluntary programs
- Minimum Rent Hardship Exemption
- VAWA Emergency Transfer Plan
- Repayment Agreement Policy

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Required Financial Policies

- Capitalization of Property
- Disposition of Property
- Insurance
- Investments
- Petty Cash
- Collection Policy and Procedures

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Required Financial Policies

- Internal Transfer of Funds between PHA programs
- Cash Management Internal Controls Policy
- Collection-Losses Charge-off Policy
- Use of Credit Card
- e-LOCCS (Electronic Line of Credit Control System)

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Required Financial Policies

- File Access Internal Control Policy
- Allowance for Doubtful Tenant Accounts (Bad Debt)
- Insurance

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Other Policies Needed

- Records/Property Disposition Policy
- Maintenance Policy/Plan
- Risk Prevention Policy
- Respect in the Workplace Policy
- Disclosure of Records Policy

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Other Policies Needed

- Accessibility Policy
- Long Term Capital Replacement & Reserve Policy
- Technology Use Policy
- Vehicle Use Policy

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Required Plans

- ❑ Minority/Women Business Enterprise Plan
- ❑ Affirmatively Furthering Fair Housing Plan
- ❑ Section 3 Plan
- ❑ Annual Plan
- ❑ 5-year Plan

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Summary

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Summary

- ❑ Strong internal control lays the foundation for effective PHA operations
- ❑ Weak PHA policies and procedures contribute to poor performing PHAs
- ❑ Areas of PHA discretion enable PHAs to adapt the program to local conditions

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Summary

- Distinguish policy from procedures
- Revise and amend as necessary
- Seek all appropriate input into each policy

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Questions



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Thank you!!!

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