



## **RHA meets HUD mandate and saves potential \$3.75m funding loss**

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According to the Rochester Housing Authority (RHA), they have complied with U.S. Dept. of Housing and Urban Development (HUD) PIH Notice 2006-35 and therefore, will not face a \$3.75 million subsidy loss out of an \$8 million subsidy that had been previously calculated under a new funding formula.

"We are pleased to hear that there will not be funding cuts to our programs and services which could have had a devastating effect on our community," said RHA executive director, Anthony DiBiase. "Through the hard work and dedication of the entire RHA staff, we've managed to demonstrate to HUD that our organizational structure and management systems are sound."

In 2003, HUD mandated that the majority of public housing authorities across the country convert to a project-based system of multi-family housing management. This system of management called "asset management" was modeled after private sector providers. In addition to this mandate, earlier this year HUD declared that many public housing authorities faced a significant loss in subsidies but could stem those losses in funding by successfully demonstrating that they had converted their methods of operation to asset management. This mandate, widely known as Stop-Loss, allows agencies that faced a decline in funding, five years to phase in their conversion to asset management. The Rochester Housing Authority had previously begun its conversion to asset management as early as 2000.

The process of converting to this system of management has been long and difficult but the outcome means that the loss in funding to the Authority is limited to only \$188,000 annually, which is far better than the potential loss of \$3.75 million. Only a few public housing authorities across the country are known to have passed Stop-Loss. The RHA is one of the only public housing authorities in NYS to meet its Stop-Loss requirement and now operates as a project-based agency with a proven record of sound fiscal and operational management.

For further information on asset management and HUD PIH Notice 2006-35 please visit the U.S. Dept. of Housing and Urban Development website at <http://www.hud.gov/offices/pih/programs/ph/am/overview.cfm>.

Since 1955, RHA's mission has been to provide quality low-income housing for residents living in the area and provides numerous programs that teach life skills aimed at self-sufficiency. The RHA believes that everyone deserves a decent, safe, and sanitary place in which to live and raise a family. The RHA lends support and services to over 10,000 families from single senior citizens to large growing families and is proud to be recognized as one of the premier housing authorities in the country.