

HUD Regulatory Issues Affecting Project-Based Section 8 Housing

North Tampa Housing Development Corporation

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Session Instructor

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Agenda

- Transportation Costs
- Draft Section 8 Renewal Policy Guidebook
- TRACS/IMAX Rules of Behavior
- FY 2011 OCAF



Transportation Costs

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Transportation Costs

- HUD HQ has instructed local HUD field offices to allow Budget expenses for certain transportation costs.
- Allowable budget expenses are limited to:
 - Ongoing maintenance (fuel, maintenance, insurance etc.)
 - If the vehicle was part of the original mortgage, a reasonable replacement cost may be an acceptable project expense.



Transportation Costs

- If the vehicle was not part of the original mortgage, the ongoing maintenance and lease costs may be an acceptable project expense.
- For 236 projects, the owner must contact the HUD PM to obtain specific approval to use excess income to cover the transportation costs.

Draft Section 8 Renewal Policy Guidebook Proposed Changes

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Proposed Changes

- On July 22, 2010, HUD issued an advanced notice regarding proposed changes to the Section 8 Renewal Policy Guidebook.
- The renewal process will be drastically changed if the draft changes are approved.

Budget Calculations

- The budget will no longer include a 2 percent contingency reserve for projects owned by nonprofits and those projects once owned by nonprofits but which have been sold to limited dividend partnerships.
- For-profit and nonprofit owned projects with 100% Section 8 may include a vacancy loss rate of 3% in the budget.

Budget Calculations

- For nonprofit owners, a 6% return on initial equity investment will be included in the budget calculations.
- Budgets will reflect the project's current debt service. (except 202 refi's with a Debt Service Savings Agreement)

DUNS Requirements

- All project owners must register and obtain a Data Universal Numbering System (DUNS) number.
- This number must be affixed to all contracts, payment vouchers, and contract renewal request forms.

Rent Adjustment Timelines

- If a rent adjustment package is submitted late, the owner will not be penalized on their rent effective date.



Option Four- Renewal of Projects Exempt from or not Eligible for Debt Restructuring

- Projects may renew under option 4 if they are financed under the risk-sharing loan program, Section 542(b) and (c) of the Housing and Community Development Act of 1992.
- Projects renewed under Option 4 who are requesting a budget based rent adjustment must submit an RCS.
- Allow owner to terminate their contract early in order to participate in Capital Repairs Program



Comment Period

- Once the draft changes have been posted in the Federal Register, you will have 20 business days to comment.
- Comments must be identified by specific page and paragraph reference.
- Comments may be submitted by email to Section8RenewalGuide@hud.gov

TRACS/IMAX Rules of Behavior

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TRACS Rules of Behavior

- As of October 1, 2010, Users and Coordinators of HUD's TRACS and iMAX systems must read and accept a Rules of Behavior.
- Additionally, Users and Coordinators must take a Security Awareness Training module mandated by the Federal Information Security Management Act no later than 30 days after accepting the Rules of Behavior.

TRACS Rules of Behavior

- To access the Security Awareness Training Module, visit <http://iase.disa.mil/eta/index.html#onlinetraining>
- Use the Federal ISS Awareness Icon



Federal ISS Awareness
(for non-DoD Personnel)
September 2009



TRACS Rules of Behavior

- Ensure that you maintain a signed and dated copy of the Rules of Behavior document along with your Security Awareness Certificate of Completion.

FY 2011 OCAF

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FY 2011 OCAF Factor

- If you have a property whose Contract Effective date is 2/11/2011 or later, please be aware that NTHDC may hold your rent adjustment until the FY 2011 OCAF factor is published in the Federal Register.
- Your rent effective date will not be delayed.

Questions???

