

Navigating the Proposed Regulatory Changes

North Tampa Housing Development Corporation

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Session Instructor

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Agenda

- Occupancy Rules
- Section 8 Renewal Policies
- Special Claims
- Auto OCAF
- HUD Funding for FY 2013
- PBCA



Occupancy Rules

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Occupancy Rules

- A draft Bill in the Housing Subcommittee of the House intends to propose a bill that named “The Affordable Housing and Self Sufficiency Improvement Act of 2012.”
- This bill covers aspects of the Section 8 Project Based Occupancy rules.

Minimum Rents

- The AHSSIA includes provisions whereas the minimum rent would increase to \$75.
- This figure will be adjusted annually by an inflationary factor.
- Hardship exemptions would continue to be applicable.

Standard Deductions

- The AHSSIA includes provisions to increase the medical deductions from \$400 to \$550.
- Dependant deduction will increase from \$480 to \$525 with the ability to increase annually by an inflationary factor.

Section 8 Renewal Policies

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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.
- **Make sure that you have registered in the CCR and have obtained a DUNS # by 4/23/2012****



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

Special Claims

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Special Claims

- During the FY 2013 Budget call, HUD mentioned a proposal to reduce the claim period from 60 to 30 days for Regular Vacancy Special Claims.

HUD Funding

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HUD Funding

- HUD has stated that funding for FY 13 will be impacted due to the reduction in HUD's overall budget.
- Some contracts will receive less than 12 months of funding reservation.
- 5300 contracts will receive full 12 months funding reservation. 10K+ will be partially funded.

HUD Funding

- Residual Receipts will be used to offset BBRA increases.
- Option 4's will be limited to OCAF adjustments for properties that are above the published Fair Market Rents.



Auto OCAF

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Auto OCAF Process

- Started in FL on 5/26/2011, nationwide as of 3/1/2012.
- 150 days prior to your contract anniversary date, NTHDC will send you a copy of the rent schedule and letter detailing the adjustment of your rents.
- You may elect to accept to the OCAF, or opt to adjust your rents by any other method that you are applicable for.
- Utility Analysis is still required.



Performance Based Contract Administration

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PBCA Rebid Process

- The NOFA was released on March 9, 2012 and is due by April 10, 2012.



Questions???

