HUD Regulatory Issues Affecting Project-Based Section 8 Housing

North Tampa Housing Development Corporation

Jacksonville, FL
September 28, 2010
Session Instructor

Layla Hayavi
Manager of Training and Compliance
North Tampa Housing Development Corporation

Contact Information:
CGI Federal/NTHDC
4300 W. Cypress St. Ste. 970
Tampa, FL 33607
813-554-1267
Layla.hayavi@cgifederal.com
Agenda

• Transportation Costs

• Draft Section 8 Renewal Policy Guidebook

• TRACS/IMAX Rules of Behavior

• FY 2011 OCAF
Transportation Costs

North Tampa Housing Development Corporation
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

North Tampa Housing Development Corporation
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

North Tampa Housing Development Corporation
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

North Tampa Housing Development Corporation
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.