The HUD-9834 & You

Examining the HUD-9834 & Preparing for the Management and Occupancy Review (MOR)

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Session Instructor

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Introduction

• This overview will take the HUD-9834 MOR form and break it down into sections with the corresponding Addendum C- Documents To Be Made Available By Owner/Agent.

• The goal of this session is to provide an understanding of the Management and Occupancy Review document and ensure that you are prepared.
The HUD form # 9834 in use can be found on the internet.
Available at: http://www.hud.gov/offices/adm/hudclips/forms/hud9a.cfm

The Rent and Income Determination Quality Control Monitoring Guide for Multifamily Housing Programs (Guide).
Available at: http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm
Management Review for Multifamily Housing Projects Form HUD-9834

The HUD-9834 is one of many tools used during the Management & Occupancy Review (MOR) process. The following presentation will review the HUD-9834 in order to enable the Owner/Agent to be prepared for their Management & Occupancy Review. However, please note that the HUD-9834 does not directly address some areas that will be reviewed by NTHDC. NTHDC has a contractual obligation with HUD to ensure that Owner/Agents are complying with all HUD rules and federal housing regulations. All areas reviewed are within the scope of the MOR.
Agenda

- A. General Appearance & Security
- B. Follow-up and Monitoring of Project Inspections
- C. Maintenance and Standard Operating Procedures
- D. Financial Management/Procurement
- E. Leasing and Occupancy
- F. Tenant/Management Relations
- G. General Management Practices
- EIV
- Addendum B
- Addendum C
A. GENERAL APPEARANCE AND SECURITY

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A. General Appearance & Security

1. General Appearance

• *Question:* Based on observation, are the project’s exterior and common areas (i.e., grounds, landscaping, parking lots, playgrounds, hallways, laundry room, elevator, garbage area, stairwells, management office) clean, free of graffiti, debris and damage?

• *Examples of debris and/or damage:* garbage, rust, broken windows/screens, peeling paint, exposed wiring
A. General Appearance & Security

2. Security

• A list and/or report of all security incidents and/or police calls and/or arrests for the past 12-months.

• Security & criminal activity should be tracked/monitored on a monthly basis at least (can be more often if there is excessive criminal activity on site).

• The reviewer must be able to determine the number and types of security and/or criminal calls for the property for the past 12-months. This information may be obtained from police service reports, police grid searches, incident reports, and arrest records.
A-2. Security continued…

• Types of incidents will include break-ins, vandalism, auto theft, personal assaults, arrests, drug activity, and all other types of security/criminal activity.

• In addition to determining the number and types of security and criminal calls for the property for the past 12-months, the reviewer may inquire about what lease enforcement actions were taken in response to specific incidents. This is to ensure that the Owner/Agent is adequately addressing any issues that threaten the health and safety of tenants.
A-2. Security continued…

- Owner/Agent should be prepared to indicate which types of security measures, if any, are utilized on site.
- Some measures may include:
  - Tenant Patrol
  - Volunteer Organization
  - Paid Car Patrol
  - Paid on-site Guard
  - Police Patrol
  - Security Cameras and/or TV Monitor
  - Drug Free Housing Plan
  - Motion Sensors
  - Crime Prevention Plan
  - Community Policing
  - Local Law Enforcement Off-Duty
  - Security Contracts, etc…
A-2. Security continued…

Tip:
Create a folder for police grid searches, security logs, or police records. This can be organized by year and month. If any action is taken on a particular incident, include documentation of lease enforcement actions or any other required documentation.

This will help you save time when preparing all required documentation for the MOR.

*Please note all “tips” listed in this presentation are solely recommendations and are not mandated. However, you must be able to provide all required information and/or documentation to the reviewer.*
B. FOLLOW-UP AND MONITORING OF PROJECT INSPECTIONS
B. Follow-up and Monitoring of Project Inspections  3. Physical REAC Inspections

• *Question*: Based on a sampling, if EH&S items were identified, have the deficiencies been corrected and documented according to the owner/agent’s certification for the most recent REAC inspection?

• The EH&S certification may be reviewed to ensure all items were corrected within the appropriate time frame.
• All EH&S items may be reviewed to ensure they were actually completed as certified.

• *Question*: Does the analysis show any repetitive or systemic problems?
B-3. Physical REAC Inspections continued...

• **Question:** Based on a sampling of units and common areas, for all other deficiencies noted in the REAC inspection (other than EH&S), as applicable, verify that corrective actions have been taken. Have the deficiencies been corrected?

• **Question:** If no, is there a schedule for correcting the deficiencies within a reasonable timeframe to comply with decent, safe, sanitary and good repair standards?

• “Schedule” may include work orders, proposals, bids, etc.

• REAC items will be sampled/reviewed to ensure items were corrected, or are in the process of being corrected.
B-3. Physical REAC Inspections continued...

Tip:
Make sure work orders are generated for all needed work that is cited on a REAC Inspection.

This will ensure all deficiencies are corrected and done within a timely basis.
B. Follow-up and Monitoring of Project Inspections

4. Lead-Based Paint Inspection

• A copy of all lead-based paint and hazard inspections, if applicable, must be maintained and made available on-site at all times. This applies to subsidized family properties or elderly properties housing children under the age of six that were constructed prior to 1978.

• If the site has been inspected and has been determined to be free of lead-based paint and hazards, a certification must also be displayed at the site.
B-4. Lead-Based Paint Inspection cont…

• If lead-based paint and/or hazards have been found, the site must have a HUD approved Lead Hazard Control Plan (LHCP) in place and be able to provide documentation that it is being followed.

• The LHCP must be kept on-site and site staff should be aware of it and implementing the plan.

• Any reports pertaining to abatement, re-inspections, training, etc… must be available as well.
B-4. Lead-Based Paint Inspection cont…

Tip:
Ensure your HUD Office has the most recent documentation regarding lead-based paint and/or hazards for your property.

Many times, more than one inspection has occurred, and HUD has not received the most recent inspection.

This ensures your property is in compliance and that NTHDC has the correct information when conducting the MOR.
C. MAINTENANCE AND STANDARD OPERATING PROCEDURES

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C. Maintenance & Standard Operating Procedures - 5. Maintenance

• All Operating Procedure Manuals must be made available.

• Preventative Maintenance schedules/manuals must be made available for review and documentation that shows schedules are being followed.

• Schedules may include: Heating/A/C Equipment, Water Heaters, Carpets/Drapes, Roof/Gutter, Fascia Inspection, Appliances, Elevators, Vehicles, Sewer lines, Exterior painting, Windows, Recreational equipment, Landscaping, Other (please specify).
C-5. Maintenance continued…

- *Question:* Is there a satisfactory inventory system for accounting for tools, equipment, supplies, and keys (serial numbers, bar codes, etc.)?

- *Question:* Has the Owner/Agent secured inventory items, such as appliances and tools, to prevent theft?

- Are there written policies and procedures for work orders, unit inspections, emergency work orders, and are they available on-site for review?
C-5. Maintenance continued…

• Identify employees responsible for conducting unit inspections: Name and Title.

• Unit Inspections- What types? How often are they completed? How are they documented? How are deficiencies noted and addressed?

• Are emergency contact numbers posted?

• Annual inspections will be reviewed for all files reviewed (and more, if necessary).
C-5. Maintenance continued…

• Work Order Journals/Logs will be reviewed to ensure work is being completed in a timely manner. Does a backlog of work orders exist? Who’s provided a copy of the completed work orders?

• If any charges are being charged to the tenant, documentation must be made available to be verify the charge was actual cost or as a HUD-approved charge amount.

• If there are any outstanding work orders, information must be available to determine how long it has been open, why it is outstanding (parts ordered, contractor scheduled, etc…), and an estimated date of completion.
C-5. Maintenance continued...

• *Question:* Is there documentation by unit that indicates the date of purchase, manufacturer, model, and serial number for appliance purchases (i.e., ranges, refrigerators, furnaces, air conditioners, hot water heaters, etc.)?

• Remember inventory listings should be updated, as needed.
C. Maintenance & Standard Operating Procedures- 6. Vacancy & Turnover

• List of all vacancies/move-outs/move-ins for the past 12-months. This should include the date of MO, the date the unit was ready for occupancy, and the date of the new MI.

• Reviewer should be able to determine the average number of days it takes maintenance to turn over a unit from the date of MO to the date it is ready for occupancy. Target goal is less than 5 days. This is a guideline used by NTHDC.

• Reviewer should be able to determine the average number of days a unit is vacant from MO to the next MI. Target goal is less than 30 days. This is a guideline used by NTHDC.
C-6. Vacancy & Turnover continued…

• Owner/Agent should be able to advise reviewer on any units that are vacant (or not ready) for an excessive period of time. Tracking logs, if any, should be made available to the reviewer.

• If there is a vacancy problem, the Owner/Agent should be prepared to explain the reasons and measures that are being taken to resolve the issues.

• Question: Has management attempted to reduce energy consumption? How?

• Examples: Water saver devices, energy efficient appliances, consumer education, etc.
D. FINANCIAL MANAGEMENT/PROCUREMENT

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D. Financial Management/Procurement

• This section of the HUD-9834 is only completed by HUD Staff and/or Mortgagees. CAs/PBCAs proceed to Section E. This category will always be “Not Rated” on an MOR completed by NTHDC.
E. LEASING AND OCCUPANCY
E. Leasing & Occupancy- 14. Applicant Processing/Tenant Selection

• Application must include/request enough information so that the Owner/Agent can determine program and project eligibility. This includes screening information (for all cities/states of residence), income, assets, expenses, allowances, etc…

• **Question:** Is there an arms length procedure between the person who denies the applicant and the applicant appeal reviewer?

• **Question:** Has the Owner/Agent leased a Section 8 unit to police officer or security personnel who is over the income limits for the project? Has HUD authorized the admission?

• Documentation should be provided to the reviewer.
E-14. Applicant Processing/Tenant Selection continued…

• Tenant Selection Plan will be reviewed to ensure it has all of the required elements as listed in the HUD Handbook 4350.3 and that it is being followed and applied consistently to all applicants/residents.

• The current waiting list will be reviewed to ensure it has all required elements.

• Reviewer will check the information for all active applicants, rejected applicants, MIs, removals, etc… to ensure it is entered correctly and matches the application and file data (date, time, contact notes, MI/reject/removal dates, etc…) This may require access to historical waiting lists and In-House Unit Transfer waiting lists.
E-14. Applicant Processing/Tenant Selection continued…

• The reviewer must be able to understand what order the applicants were contacted, removed, moved-in, etc… and there should be detailed comments to determine proper order (especially when an applicant was skipped over for another). All actions taken with an application must be recorded.

• The number of current applicants on each waiting list will be counted and entered into the report.

• Documentation for Elderly Preferences Under Sections 651 or 658 must be available to show site is eligible for any elderly preferences. See HUD Handbook 4350.3, Chapter 3 for further information as to whether your property requires this documentation.
E-14. Applicant Processing/Tenant Selection continued…

• **Required**: Income Targeting Tracking Log- A copy must be given to the reviewer for the last fiscal year and current fiscal year to date. This will show whether the Owner/Agent has met their goal in the last fiscal year and whether they are on target for the current fiscal year.

• If the waiting lists are being used to track income targeting, it must be very clear as to what the income levels of the applicants are, as well as show detailed comments why one applicant was skipped over for income targeting.
E-14. Applicant Processing/Tenant Selection continued…

• **Question:** What steps has the owner/agent taken to market to extremely low-income families?

• All advertisements for the property or copies of apartment brochures will be reviewed to ensure site is advertising in accordance with the Affirmative Fair Housing Marketing Plan (AFHMP) (including all publications and frequency listed) for the past 12 months.

• Reviewer will check to ensure all documents made available to the public, advertising, brochures, etc… have the Fair Housing logo, slogan or statement as required.

• All advertising, documents for the public, brochures, etc… must display TTY/TDD whenever the telephone number is listed.
• The reviewer will also check to see that the AFHMP was reviewed in the past 5 years to ensure it is still valid.

• When reviewing the plan, the owner should look at the current demographics of the market area to determine if there have been demographic changes in the population in terms of race, ethnicity, religion, persons with disabilities and/or large families. The owner will then determine if the population least likely to apply for the housing is still the population identified in the Affirmative Fair Housing Marketing Plan, whether current advertising sources still exist, whether the advertising and publicity cited in the current Affirmative Fair Housing Marketing Plan are still the most applicable or whether advertising sources should be changed or expanded. Even if the demographics of the community have not changed, the owner should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy. If not, the Affirmative Fair Housing Marketing Plan should be updated. The revised plan must be submitted to HUD for approval. If based on their review the owner determines the Affirmative Fair Housing Marketing Plan does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no change is required.
E-14. Applicant Processing/Tenant Selection continued…

• *Question:* Is the affirmative fair housing sign posted in the rental office?

  
  Tip:
  
  Create a folder/binder with copies of all advertisements and brochures for the property. Invoices can be included to show frequency of advertising.
E. Leasing & Occupancy
15. Leases & Deposits

• Current lease, house rules, VAWA addendum, pet rules (if applicable), live-in aide addendum, lead-based paint addendum, and any other HUD approved addendums must be available.

• If lease modifications or addendums have been put into place in the past 12-months, HUD approval and proper notice to tenant will be reviewed as well.
E-15 Leases & Deposits continued…

• These documents will also be reviewed to ensure the correct tenant security deposits are being collected, and for correct information regarding utilities, interest on security deposits, and charges to the tenants.

• Pet Rules will be reviewed to ensure they contain all required elements as listed in the HUD Handbook 4350.3 (pet deposits, rules, information, etc…) and that they have been implemented and are being consistently followed.
E-15 Leases & Deposits continued…

• List of all additional fees and charges (lock outs, replacement keys, etc.).

• Documentation of HUD approval of fees and charges or documentation that the fees and charges are the actual and reasonable cost to provide the service. (These fees should also be listed in your lease and house rules as instructed in your approval letter from HUD).
E-15 Leases & Deposits continued…

• Question: Are rents collected in accordance with the provisions of the lease?

• Is the Owner/Agent collecting rent for all tenants? Does the Owner/Agent accept rent payments via check?

• Question: Is the policy for late fee assessment in compliance with the Handbook 4350.3 REV-1?

• Is the Owner/Agent consistently charging late fees to all tenants?
E. Leasing & Occupancy- 16
Eviction/Termination of Assistance
Procedures

• **Question**: Are tenants notified of termination of tenancy in accordance with HUD requirements?

• Termination of Tenancy letters (form and actual) will be reviewed to ensure proper notice (with required language) is being given to residents in accordance with the HUD Handbook 4350.3. This includes 10-day notices, 30-day notices, eviction notices, etc…

• **Question**: Are eviction procedures initiated timely, when warranted? Number of evictions completed during the last 12-months? Average cost per eviction and who handles the eviction?
E- 16 Eviction/Termination of Assistance Procedures continued…

• **Question:** Are tenants notified of termination of assistance in accordance with HUD requirements?

• Termination of Assistance letters (3rd reminder notices, failure to recertify, failure to transfer to an appropriate size unit, failure to complete the 9887/9887A forms, etc…) will be reviewed.

• **Question:** Is the termination of assistance initiated timely when warranted? Reasons for termination of assistance?
E. Leasing & Occupancy- 17. Tenant Rental Assistance Certification System (TRACS) Monitoring and Compliance

• *Question:* Is the owner/agent using the TRACS queries to review and monitor their transmissions?

• *Question:* Is the owner/agent following up and correcting TRACS deficiencies?

• Is the owner/agent submitting tenant certification data to PBCA to support the voucher billings? Do the vouchers consistently have discrepancies? Does O/A respond in a timely manner to resolve vouchering issues?

• This information will be provided to your reviewer by your assigned Central Contract Specialist (CCS) in Tampa.
E. Leasing & Occupancy
18. Tenant File Security

• Question: Are the files locked and secured in a confidential manner?

• Question: Is access to tenant file information limited to only authorized staff?

• Question: Who is authorized to have access to the tenant files? Indicate Name(s) and Title(s)

• Question: Is the owner/agent maintaining tenant files according to HUD’s document retention requirements?

• Question: Is the owner/agent properly disposing of tenant records (shred, burn, pulverize etc.)?
E. Leasing & Occupancy-
19. Summary of Tenant File Review

• Files will be selected at random and may include rejected applications (including appealed), MO files, MI/IC files, and MI files with a recent recertification (AR or IR).

• Minimum number of files is available in the instructions for the HUD MOR form 9834. More files may be reviewed by the reviewer depending on the conditions observed. There is no maximum number of files to be sampled.
F. TENANT/MANAGEMENT RELATIONS
F. Tenant/Management Relations

20. Tenant Concerns

• **Question:** Is there a written procedure to resolve tenant complaints or concerns and does the procedure adequately cover appeals?

• Is there a separate 504 grievance policy for discrimination based on disability alone?

• **Question:** Is there an active formal tenant organization at this project?

• **Question:** Is tenant involvement in project operations encouraged? Provide details…
F. Tenant/Management Relations
21. Provision of Tenant Services

• What social services are provided by either project or neighborhood, which meet the tenants’ needs? (Indicate services available and identify entity providing the service (i.e., city/county/state, church/school, community groups, etc. and any cost to project.)

• Social services include recreation, health care, job training, etc…

• The Owner/Agent must be prepared to provide information on the local social services provided by the project, or the neighborhood.
F- 21. Provision of Tenant Services continued...

• For elderly projects with Service Coordinators (HUD funded or funded through the project), or Family Projects with Service Coordinator positions the reviewer will ensure that the Service Coordinator’s office is clearly identifiable and private, files are kept secure and confidential, and a directory of service agencies and contacts is being made available.

• If there is a Neighborhood Network Center, what is the status of operations? What types of programs are offered at the Center? The START Business Plan should be made available.

• Does the owner/agent offer renter’s insurance? Is it required or clearly optional? Renter’s insurance information provided to tenants must be made available to the reviewer.
G. GENERAL MANAGEMENT PRACTICES
G. General Management Practices

22. General Management Operations

• **Question:** Have the complaints, as noted on the Desk Review, been satisfactorily resolved?

• **Question:** How does the owner/agent implement HUD changes in policies and procedures? Describe the process.

• **Question:** Does owner/agent have a formal ongoing training program for its staff? If yes, indicate types of training used and the frequency.

• Be ready to provide documentation of trainings, if so requested by the reviewer.

• **Question:** Are there signs enabling persons to locate the office?
G-22. General Management Operations cont...

• **Question:** Are after hours/emergency telephone numbers posted?

• **Question:** Has management made an effort to employ tenants in accordance with Section 3 of the Housing and Community Development Act of 1968?

• Please provide the LEP/LAP (Limited English Proficiency/Language Assistance Plan) currently in place or provide a status update to the reviewer.

• For further guidance on LEP: [www.lep.gov](http://www.lep.gov) and [www.hud.gov](http://www.hud.gov).

• List of all employees including hire dates, annual salaries, and, if they live on site, bedroom size and whether or not they receive subsidy.

• Report should be made available to the reviewer at the time of the MOR.
EIV REVIEW DURING THE MOR

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EIV Review During the MOR

• A review of compliance with EIV requirements will also be conducted during an MOR.
• Items that will be reviewed during the MOR include:
  • Owner/Agent Access to EIV
  • EIV Forms and Documents
  • EIV Policies and Procedures
  • EIV Training Documentation
  • Tenant Selection Plan
  • Tenant Files
  • EIV Income and Verification Reports along with All Discrepancy Follow Up Documentation
    • Master File EIV Reports
    • Tenant File EIV Reports
  • Secured Environment of EIV Data
ADDENDUM B
Addendum B

• Addendum B must be completed (all questions answered fully and all boxes filled in) and signed by the Owner. It is to be provided to the reviewer at the time of the MOR.

• If the Addendum B is not provided, or it is incorrect/incomplete, the Owner/Agent will receive a 10-day letter and will be required to submit the form directly to HUD.
Addendum B continued…

• Does the project maintain Project Profile Data which shows the composition of the occupants by the following categories (24 CFR 121): Race, National Origin/Ethnicity, Sex, Disability, Familial status?

• Provide documentation regarding any discrimination or fair housing complaints in the past 12-months.

• When necessary, are auxiliary aides used to communicate with persons with disabilities? Describe.
ADDENDUM C

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Addendum C

• The Addendum C lists the documents to be provided by the Owner/Agent at the time of the MOR.

• This list is not all inclusive. As you can see from this presentation, there are several areas of review that require information to be available to properly complete the MOR.

• Copies of specific documents are required on a regular basis.
Addendum C continued…

• Waiting lists

• Last advertisement and/or copies of apartment brochures

• HUD-approved Rent Schedule (HUD-92458)-Approved schedule must be posted/available at all times. Schedule will be reviewed to ensure the correct number of Section 8 units are being made available and that 50059s are being processed with correct contract rents and utility allowances, if any.
Addendum C continued…

• Work Order Journals/Logs

• Copies of the HUD-52670 Vouchers must be available on-site during the MOR for at least the past 12 months. These will be reviewed and matched against the 50059s for the files being reviewed and any other potentially problematic issues. Copies are not necessary, unless there is an issue and the reviewer needs a specific page for documentation.

• The reviewer will be checking to ensure 50059 dates are correct and that the correct amount of subsidy was requested for all certifications reviewed.
Addendum C continued...

• Copy of Rent Roll- Current rent roll must be available at the time of the MOR and reflect current tenants and tenant information. This should be printed the day before or on the date of the MOR.

• Copy of Application

• Copy of lease, lease addendums, and house rules

• Copy of Pet Policy (rules)
Addendum C continued…

• Copy of Applicant Rejection Letter- will be reviewed to ensure it has all of the required elements as listed in the HUD Handbook 4350.3.

• Annual Unit Inspections

• The HUD Fact Sheet “How your rent is determined”, HUD 9887 “Fact Sheet”, “Resident Rights & Responsibility”, and EIV & You brochures must be given to every applicant/resident at MI and for every AR. Reviewer will be looking for a written resident acknowledgement in the file.

• Lead Based Paint Certifications

• EH&S Certifications
Addendum C continued…

• All Operating Procedure Manuals

• Documentation for Elderly Preferences Under Sections 651 or 658

• Income Targeting Tracking Log

• Affirmative Fair Housing Marketing Plan

• Tenant Selection Plan
Addendum C continued…

• List of all security incidents/police calls/arrests for the past 12-months. Documentation of follow-up with tenants involved or whose guests were involved.

• List of all vacancies for the past 12-months including move-out dates, date ready for occupancy, and move-in date for each vacated unit. All vacant unit preparation logs for the past 12-months.

• Preventative Maintenance Schedules/Procedures

• Inventory listing for tools, supplies, and keys. Inventory listing for appliances by unit number.

• List of employees including hire dates, annual salaries, and if they live on-site, bedroom size, and whether or not they receive subsidy or are in a non-income producing space.
Addendum C continued…

- Utility reimbursement log/documentation- Utility Reimbursement checks are to be distributed within 5 business days of receiving the HAP funds. Site should be documenting, tracking, and logging the date the HAP was received and when the check was distributed/made available to the tenant.

- HUD approval letter for any owner initiated lease modifications.

- List of all additional fees/charges above rent and security deposit and documentation of HUD approval or actual cost.
Addendum C continued…

• EIV authorization/documentation:

• Coordinator Access Authorization forms (CAAF) must be available on site for the coordinator. User Access Authorization forms (UAAF) must be made available on-site for all users.

• Current Security Awareness certificate must be available on-site for coordinator and all users.

• Owner approval letter designating the Coordinator must be available on site.

• Written policies and procedures must be in place and available to the reviewer. They must address all access, security, and document maintenance/retention policies/procedures in accordance with EIV guidelines.

• The Master binder with required project reports and documentation/notes regarding resolutions of any errors that were discovered.
Addendum C continued…

• VAWA Lease addendum HUD-91067 with proper notification letter to residents about lease change.

• VAWA Certification Form, HUD-91066

• List of all evictions during the last 12-months and reason for eviction.

• Copies of Termination of Tenancy notices & Termination of Assistance letters
Addendum C continued…

• Grievance procedures with appeal information (both for standard grievances and Section 504)

• List of Fair Housing complaints

• Project Profile Data

• LEP Assessment and/or LAP Plan
Questions???