north tampa housing development corporation

The CA Quarterly Review

Summer 2009 June 22, 2009

North Tampa Housing Development Corporation

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HUD Posts New Guidance For Management and Occupancy Reviews

On June 2 HUD posted new guidance for HUD staff and PBCA's governing how Management and Occupancy Reviews are conducted. This update, published in HUD Handbook 4350.1, REV1, CHG-2, Chapter 6 addresses areas related to the changes implemented with HUD Form 9834. The discussion that follows below includes ***only those provisions applicable to properties reviewed by Performance-based Contract Administrators and only those changes that impact Owners and Agents. Projects reviewed by HUD or Traditional CA's may have other changes that impact their reviews. Please review Chapter 6 in its entirety for more information on these types of properties.*** The following changes will impact Owners and Agents when a Performance-based Contract Administrator performs the on-site Management and Occupancy Review.

In some cases, the findings recorded on the report will now incorporate regulatory and statutory requirements as well as references to HAP contracts and Handbooks. Statutory references include citations from the Code of Federal Regulations. The Code of Federal Regulations, Part 24 addresses Housing requirements. General requirements for HUD programs as well as project-specific regulations are explained here. Handbook references may still be cited, but they are guides only. Thus, the findings written on reports will include additional information related to compliance which may have been missing before.

Another important change is how category and overall ratings on the report are determined. Going forward, specific, numerical calculations will be used to determine ratings. HUD calls these "performance indicators". Below is the overall breakdown of these indicators:

- Superior (90-100)
- Above Average (80-89)
- Satisfactory (70-79)
- Below Average (60-69)
- Unsatisfactory (59 and Below)

Guidance on how to determine these ratings is explained in detail in Chapter 6, which now includes a discussion on the "Above Average" rating. Prior to the release of this chapter, HUD had no guidance related to this rating. Going forward, the following will be applied to determine this rating category:

Above Average Rating.

Performance should be rated above average if:

Owner/agent has established policies and procedures which are successful in carrying out the objectives of HUD housing programs (i.e., provisions of well-maintained housing at the lowest possible rents and proper use and concern for Federal subsidy and insurance funds);

Owner/agent strictly adheres to procedures, with very few exceptions, resulting in compliance with the regulatory agreement, subsidy and mortgage contracts, and management certifications; and

Incidences of errors disclosed in the review are minimal and there are no major

HUD Posts New Guidance For Management and Occupancy Reviews Continued…

adverse findings are made.

From HUD 4350.1, REV-1, CHG-2, Chapter 6, 11-B

In addition, the "Unsatisfactory" rating category has undergone several important updates. Some of the new updates include the following:

Unsatisfactory Ratings. Performance should be rated Unsatisfactory if:

- ***There are repeat major adverse findings;***
- ***There are open findings from prior year's management reviews;***

It is important to note that the list above only reflects some of the new indicators. For a complete list of indicators for Unsatisfactory Ratings, please refer to Chapter 6, Section 6-11 B.

Examples of major adverse findings include, but are not limited to, willful failure to maintain the property in an acceptable physical condition; unauthorized distributions; willful failure to remit payments to the note holder; implementation of unauthorized rent increases; failure to recertify tenants; fraudulent recertifications by the owner/agent; and failure to comply with fair housing laws. As a part of this evaluation the reviewing official should consider whether the owner/agent has the capabilities and/or desire to implement the necessary changes to cure the deficiencies.

Further discussions of ratings include instructions for determining category ratings. New to the chapter is a formal system of weighted values for the review categories listed on HUD Form 9834. The maximum numerical weight value is based on the level of risk for the deficiencies in that category. ***Please note: Section D, Financial Management/Procurement is not reviewed or rated by Performance-based Contract Administrators.*** They are as follows:

Category	Rated Questions	Maximum Numerical Weight
A.General Appearance and Security	1 and 2(c) and 2(d)	10
B.Follow-up and Monitoring of Project Inspections	3(a) and 3(b) and 4(a) and 4(b)	20
C.Maintenance and Standard Operating Procedures	5(b), 5(c), 5(e), 5(g), 5(h), 5(i), 5(j), 5(k), and 5(m) 6(b) and 6(d) and 7(a) and 7(b)	10
D.Financial Management/Procurement	8(a), 8(b), 8(c), and 8(d) 9(a), 9(b), 9(c), 9(d), 9(e), 9(f), and 9(g) 10(a) and 10(b) and 11(b), 11(c), 11(d), 11(g), 11(h), and 11(i) 12(a), 12(b), 12(c), and 12(d) 13(a), 13(b), 13(c), 13(d), 13(e), 13(f), 13(g), 13(h), 13(i), and 13(j)	20
E.Leasing and Occupancy	14(a), 14(c), 14(d), 14(e), 14(g), 14(h), 14(i), 14(j), 14(k), and 14(l) 15(a), 15(c), 15(d), 15(e), and 15(f) 16(a), 16(b), 16(c), and 16(d) 17(a) and 17(b) 18(a), 18(b), 18(d), and 18(e) All questions for item 19.	20
F.Tenant/Management Relations	20(a), 20(b), and 20(d) 21(c), 21 (d), 21(i), and 21(j)	10
G.General Management Practices	22(a), 22(b), 22(e), 22(f), 22(g), and 22(h) 23(a), 23(b), and 23(c) 24(a) and 24(c)	10

HUD Posts New Guidance For Management and Occupancy Reviews Continued...

After calculating the numerical weight for each category, reviewers determine the Overall rating by determining the average of all rated category weights and rounding up to the nearest whole number. The chart below, from ***Chapter 6, Section 11-D*** illustrates this calculation.

Example A: Calculation method when rating all categories.

Rated Category	Rating	Maximum Numerical Weight	Category Weight Based on Rating	Calculation
A. General Appearance and Security	Satisfactory	10	10-3=7	7/10=0.7 0.7 x 100 = **70**
B. Follow-up and Monitoring of Project Inspections	Satisfactory	20	20-6=14	14/20=0.7 0.7 x 100 = **70**
C. Maintenance and Standard Operating Procedures	Below Average	10	10-4=6	6/10=0.6 0.6 x 100 = **60**
D. Financial Management/Procurement	Below Average	20	20-8=12	12/20=0.6 0.6 x 100 = **60**
E. Leasing and Occupancy	Below Average	20	20-8=12	12/20=0.6 0.6 x 100 = **60**
F. Tenant/Management Relations	Satisfactory	10	10-3=7	7/10=0.7 0.7 x 100 = **70**
G. General Management Practices	Satisfactory	10	10-3=7	7/10=0.7 0.7 x 100 = **70**
Total (add numerical values all rated categories)				**460**
Divide by the number of categories rated				460/7=**66**
Overall Rating Based on Numerical Score of 66 =				**Below Average**

In the chapter HUD notes one exception to the Overall rating scale. When a project receives an “Unsatisfactory” rating based on follow-up and monitoring of physical inspections (Category B) or if the last physical inspection falls below the minimum acceptable threshold, the ***on-site review must receive and Overall rating of “Unsatisfactory”*** regardless of ratings assigned to the remaining categories.

When Owners and Agents of properties reviewed by a Performance-based Contract Administrator receive their report, Targeted Completion Dates (TCDs) may not exceed 30 calendar days. HUD has clarified that the Government Accountability Office “considers the monitoring process to be completed only after identified deficiencies have been corrected, the corrective action produces improvements, and it is determined that no further action is required.” ***Chapter 6, Section 13.*** Other items discussed in detail in the chapter include frequency of management reviews and the responsibility of the reviewer to complete HUD Form 9834. (***HUD specifically prohibits providing the form to the Owner or Agent in advance of the on-site review for the Owner/Agent to complete).***

More information regarding the impact of these changes on NTHDC policies and procedures related to conducting Management and Occupancy Reviews will be included in future newsletters and presentations to Owners and Agents.

For the complete text of the Chapter please go to the following website:

http://www.hud.gov/offices/adm/hudclips/handbooks/hsgh/4350.1/index.cfm

Tips for a Successful Voucher Submission

Owners/Agents and Service Bureaus can take several steps to ensure that electronic voucher submissions and tenant records pass through the edit checks of your contract administrator's software without error. The simple vouchering tips presented below will help ensure that the best possible voucher is transmitted for payment. These tips are designed to offer some assistance and clarification with a few key concepts related to the vouchering process.

Annuals (AR), Terminations (TM), and Move Outs (MO)
The Annual Recertification (AR) process should occur the month/year following the tenant's Move In (MI) or Initial Certification (IC) unless special permission has been granted by HUD to use a universal annual recertification date at the property. If the tenant has not been recertified by the 12th month, the tenant should be terminated based on the guidelines in HUD Handbook 4350.3, Change 2 Chapter 7, Section 1. PBCA's are required to stop payment to the tenant/unit in the 15th month if the AR has not been received.

The tenant ***should not*** be terminated during the 13th and 14th month. If the tenant fails to recertify, the Termination (TM) should be retroactive to the last day of the month preceding the AR effective date. For example, if the AR effective date is 6/1/09 and the tenant does not recertify, the TM date would be 5/31/09. In this situation, **the order records are sent are important.**
If the tenant moves out and ***did not*** recertify, the TM cert should still be transmitted (retroactive to the last day of the month preceding the AR) and then followed by the Move Out (MO). ***Remember: In order to be eligible for a Special Claim for that unit/tenant, the MO must be transmitted to TRACS.***
If the tenant moves out and ***did*** recertify (AR effective date is prior to the MO date), the AR should be transmitted followed by the MO. For example, if the tenant's AR is effective 5/1/09 and the tenant moves out 5/15/09, the AR will still need to be transmitted.

Tenant Repayment Agreements

If a tenant has unreported/underreported income and cannot pay back the entire overpaid subsidy at once, the tenant should be placed on a Tenant Repayment Agreement. This is another vouchering area where many errors can avoided if Owners/Agents and Service Bureaus remember the following when dealing with them. **The best approach in this situation is to allow the vouchering software to recalculate the subsidy on each cert once the additional income/household composition changes.** Attempting to calculate the subsidy manually may cause a discrepancy in the certifications transmitted versus the amount listed on the agreement itself.

The tenant must sign the agreement and the certifications related to the agreement.

Certifications should always be signed by the tenant prior to transmitting the certifications through TRACS to the CA. The change in subsidy based on the certifications transmitted by the site should match the repayment agreement. If the certification(s) and/or the agreement are not signed, the tenant is ***not*** on a repayment agreement. If the amount generated by the certifications processed does not match the total amount on the repayment agreement, the agreement may need to be modified and a new signature acquired.

- The Owner/Agent is eligible to keep 20% of any money collected from the tenant as a result of a repayment agreement. The Owner/Agent is to deduct the 20% at the time the tenant makes a scheduled payment.
- Any re-payments made on the voucher should show up as a negative adjustment and should be listed under the miscellaneous adjustment section.

Tips for a Successful Voucher Submission Continued...

Consistency with Tenant Names

Finally, even simple fixes can help your voucher and tenant records sail through processing. Spelling tenant names consistently on each certification processed helps reduce errors dramatically. Typical errors consist of spelling surnames such as Junior and Senior incorrectly. This would include any commas, periods, spaces and/or spelling out Junior or Senior.

Paying attention to these details on your voucher and tenant records before sending them to your CA can reduce errors dramatically. For further information regarding the processing and preparation of vouchers and tenant records, see the MAT User Guide at the following link: http://www.hud.gov/offices/hsg/mfh/trx/trxngde.cfm.

Understanding Tenant Selection Plans

Owners and Agents should do their utmost to develop effective Tenant Selection Plans governing how they draw applicants from the waiting list, screen for suitability for tenancy, implement income targeting requirements, and offer housing assistance and/or assisted housing units. A well-written, compliant Tenant Selection Plan that is consistently applied is an Owner and Agent's best tool to prevent any perception of discrimination or violation of Fair Housing Act provisions.

Tenant Selection Plans, when well written, are the source for information to understand the eligibility and occupancy requirements for a specific property. Being property specific is one of the most important aspects of a well written Tenant Selection Plan. Another is 'ease of understanding' by the reader. The Tenant Selection Plan should be easy to understand and relate to the specific property and program for that property.

"When composing a Tenant Selection Plan, the management must understand and communicate all program eligibility requirements."

Program Eligibility

Program eligibility is the criteria by which the owner must determine whether a family is eligible to receive Section 8 assistance. When composing a Tenant Selection Plan, the management must understand and communicate all program eligibility requirements. Part of the eligibility process includes Owner/Agent defined screening criteria.

As an example, when writing the section of the Tenant Selection Plan containing applicant screening elements, management should explain in detail the criteria that would trigger the possible denial of admission. Below is a sample screening standard for credit ratings.

Instead of writing;

- An applicant may be denied admission if determined to have bad credit.

Write in detail what 'bad credit' is;

Applicants may be rejected for the following reasons:

1. Total unmet credit problems (including governmental tax liens in excess of $2,500).
2. A bankruptcy (within the last three years).
3. A total of five (5) unmet credit obligations of any value.

An exception for extraordinary medical and/or student loan expenses may be permitted.

Understanding Tenant Selection Plans Continued…

The first example allows for wide interpretation of what "bad credit" is. As such, wide discretion can be applied to the term "bad credit" based on who at the property is conducting the screening. The second example details exactly what the definition of "bad credit" is for screening purposes.
By including this level of specificity, the plan incorporates standards that can be more equitably and consistently applied to all who apply for housing.

Another important concept for Owners and Agents to carefully write into their Tenant Selection Plans are the requirements for project eligibility. Project Eligibility includes the criteria by which the owner must determine whether a family is eligible to reside in a specific property (e.g., project eligibility limited to a specific population, unit size, and occupancy standards).

Two things may affect the match between an applicant and the applicant's eligibility for occupancy in a particular project:

- The extent to which all or some of the units in a project are designated for specific family types, such as those who are elderly or disabled.
- The project-specific occupancy standards established by the owner, the family size, and the unit sizes available in the project.

Although HUD does not approve Tenant Selection Plans, if a HUD Contract Administrator becomes aware that a plan fails to comply with applicable requirements, the owner must modify the plan according to PBCA guidance.
Further detail on HUD's requirements for Tenant Selection Plans are found in HUD Handbook 4350.3. REV1. Chapter 4 provides a list of the required topics, recommended topics and also provides, in detail, what should be included in those topics. Those detailed sections when utilized by management, will provide the applicant with an informed choice when deciding on a place to call home.

Required Content

Tenant Selection Plans are required by statute to have the following topics (HUD Handbook 4350.3 REV1):

1. Project eligibility requirements:
    - Project-specific requirements (see Chapter 3, Section 2);
    - Citizenship requirements (see Chapter 3, Section 1); and
    - Social security number requirements (see Chapter 3, Section 1).
2. Income limits (including economic mix requirements for Section 8 properties) (see Chapter 3, Section 1).
3. Procedures for accepting applications and selecting from the waiting list:
    - Procedures for accepting applications and pre-applications (see Chapter 4, Section 3);
    - Procedures for applying preferences (including income-targeting in Section 8 properties) (see Chapter 4, Sections 1 and 4);
    - Applicant screening criteria (see Chapter 4, Sections 1 and 4);
        - Required drug-related or criminal activity criteria;
        - Other allowable screening criteria; and
    - Procedures for rejecting ineligible applicants (see Chapter 4, Section 1).
4. Occupancy standards (see Chapter 3, Section 2).
5. Unit transfer policies, including selection of in-place residents versus applicants from the waiting list when vacancies occur (see Chapter 7, Section 3).
6. Policies to comply with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and other relevant civil rights laws and statutes (see Chapter 2, Section 3).
7. Policy for opening and closing the waiting list for the property (see Chapter 4, Section 3).
8. Eligibility of students to receive Section 8 assistance (see Chapter 3, Sections 2 and 3).

In addition, recent HUD guidance requires updates related to the Violence Against Women Act provisions. **Also important to note:** given recent requirements to implement usage of the Enterprise Income Verification System (EIV), Owners and Agents are encouraged to include a discussion of how this system is used in their Tenant Selection Plan.

Understanding Tenant Selection Plans Continued…

Recommended Topics

Tenant Selection Plans are recommended to have the following topics (HUD Handbook 4350.3 REV1):

1. Applicant notification and opportunity to supplement information already provided (see Chapter 4, Sections 1 and 4).
2. Procedures for identifying applicant needs for the features of accessible units or reasonable accommodations (see Chapter 2, Section 3).
3. Updating the waiting list (see Chapter 4, Section 3).
4. Policy for notifying applicants and potential applicants of changes in the tenant selection plan (see Chapter 4, Section 1).
5. Procedures for assigning units with originally constructed design features for persons with physical disabilities (see Chapter 2, Section 3).
6. Charges for facilities and services (see Chapter 6, Section 3).
7. Security deposit requirements (see Chapter 6, Section 2).
8. Unit inspections (see Chapter 6, Section 4).
9. Annual recertification requirements (see Chapter 7, Section 1).
10. Interim recertification reporting policies (see Chapter 7, Section 2).
11. Implementation of house rule changes (see Chapter 6, Section 1).

Policies

The Tenant Selection Plan is a document that provides management an opportunity to detail policies and procedures related to Fair Housing, Tenant Relations, Security measures, housing standards, and any others that will impact the applicant and tenant.

Examples of possible content are:

1. Name and contact information for the management representative relative to Fair Housing issues on-site.
2. Name and contact information for the Service Coordinator.
3. Management policies connected to the Council and Board of the property.
4. Procedures for emergency services when needed on the property.
5. Guidelines for dispute resolution between tenants.
6. Housekeeping standards for common areas.
7. Maintenance procedures for repairs requests.

Tenant Selection Plans, when well written, are the source for information where applicants can find and understand the eligibility and occupancy requirements for a specific property.

PBCA's review the content of the Tenant Selection Plan while conducting the on-site Management and Occupancy Review and may request a copy of the plan. Owners and Agents should take special note of when HUD issues new guidance that requires that the plan be updated. As soon as possible after HUD issues new guidance requiring updates to Tenant Selection Plans, Owners and Agents should start the update process. Being able to show your PBCA reviewer that your Tenant Selection Plan is in the process of being updated with new, required content allows the PBCA to note your attempts to remain compliant with HUD directives when preparing the final Management and Occupancy Review Report.

HUD Handbook 4350.3, REV1 can be accessed at HUDCLIPS at the following address: http://www.hud.gov/offices/adm/hudclips/handbooks/hsgh/ .

Disaster Recovery Guidance for Multifamily Housing After a Presidentially-Declared Disaster

When the President declares a disaster (severe storm, flooding, tornado, fire, hurricane, mudslide etc.), HUD participants must check with the Federal Emergency Management Agency (FEMA) to learn which counties have been designated for disaster recovery and the corresponding declaration dates. This information can be found on the Internet at http://www.fema.gov/disasters or by calling the local FEMA office.

In the event of a presidentially declared disaster, HUD will rely upon FEMA eligibility determinations to establish who needs assistance and in what location. Those impacted by the disaster must make an application with FEMA, receive an application number, and obtain a letter of eligibility from FEMA, which specifically describes the type of eligibility. To obtain temporary rental housing, an applicant must have the FEMA letter, which will specify the applicant as displaced from their housing and as eligible for housing assistance.

It is very important that you notify your HUD Project Manager immediately in the event your property has sustained physical damage as a result of fire, flood, wind, or any other natural disaster. The owner must submit a damage report to the HUD Project Manager via fax or owners can email reports to **hurricane.mailbox@hud.gov.** It is important that you bear in mind all HUD policies required during a disaster. These policies can be found at http://www.hud.gov/offices/hsg/mfh/disasterguide.cfm.

“It is very important that you notify your HUD Project Manager immediately in the event your property has sustained physical damage as a result of fire, flood, wind, or any other natural disaster.”

Tenants Right to Return

Residents displaced by a presidentially declared disaster have the right to return to the unit with which they were displaced, however if a tenant signs a lease at an alternative location during the displacement they are no longer considered displaced and is no longer eligible to return . The owner has no further obligation to the resident and may therefore proceed to re-rent the unit. Owners and agents are encouraged to allow residents to return, even in cases where the owner has no obligation to allow the resident to return.

Once a disaster-displaced resident has chosen alternative means of permanent housing, the resident is required to give the landlord notice of termination as outlined by their lease. The resident may need additional time to arrange for their belongings to be moved, and owners are encouraged to be flexible.

When disaster-displaced residents have been placed in mass shelters, hotels and other non- permanent housing, owners should make every effort feasible in order to locate the disaster-displaced residents as soon as possible. Owners should also encourage the residents to keep them informed regarding their whereabouts.

Owners are required to inform residents in writing at least 60 days prior to the expected date their unit will be ready for re-occupancy. Residents must respond within 30 days to inform the owner of their intention to return or not. In the event the tenant wishes to return to the unit upon readiness, the owner must give the resident a minimum of 60 days from the date the unit was ready for re-occupancy to re-occupy the unit.

Providing Temporary Housing to Disaster-Displaced Residents

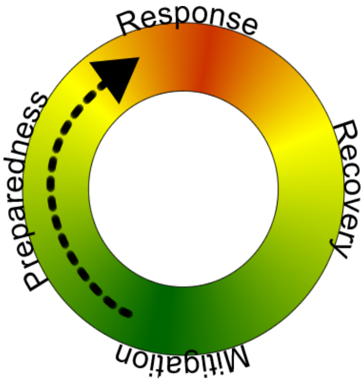
Owners are required to give a waiting list priority to applicants who are victims of presidentially declared disasters for either temporary or permanent multifamily housing financed under 221(d)(3), 221(d)(3)BMIR, 221(d)(4) and 236 programs.

Owners are encouraged to lease units to people displaced by a disaster. HUD recommends a 30-day renewable lease.

Disaster Recovery Guidance for Multifamily Housing After a Presidentially-Declared Disaster Continued...

Disaster-displaced residents must pay market rent for a unit being leased as temporary housing. Since the resident is to pay market rent, there is no need to process income certifications.

If a disaster-displaced resident leases a project-based unit permanently, FEMA and other disaster related assistance is excluded from income. The only exception to this rule is in the case where funds are deposited into an account or investment.



Remember, disasters can happen at any time. That's why it is of the utmost importance that you have a comprehensive disaster recovery plan. If you already have a plan, you should be updating it at least on an annual basis. All components of your plan should be exercised to the fullest scale, which includes exercising during non-business and weekend hours. Your local emergency management agency, among others, may be able to help you develop, improve and test your disaster recovery plans.

For more information regarding disaster recovery please visit:

www.fema.gov
http://www.hud.gov/offices/hsg/sfh/nsc/disaster.cfm
http://www.floridadisaster.org/

Member Profile: Melissa Rodriguez

Melissa Rodriguez was born and raised in Miami, FL. She graduated Magna Cum Laude in 2006 from Florida International University with a Bachelors of Arts in History.

Melissa began work at NTHDC in August 2006. She is a huge asset to the team as she is bilingual speaking both English and Spanish. Melissa loves her role as a Local Contract Specialist saying, "I'm blessed with having a job in which when I wake up in the morning I don't hate or dread going to work…many days I look forward to it. I love the independence of it. I'm also blessed with working with a terrific group of people, who have a high level of professionalism. I intend to stay in the industry and have worked in the Healthcare, Insurance, and Retail industries…by far, I prefer this one."

Melissa has also conducted numerous training sessions for FAHSA, SAHMA and she most recently conducted a class titled, "The 9834 and You" at the NTHDC Owner Agent Conference in Deerfield Beach, FL.

NTHDC Owner Agent Conference Update

NTHDC held the first of five Owner Agent Conferences at B'Nai B'Rith in Deerfield Beach, FL on May 19, 2009. Turnout at the conference was huge, there was over 80 Owner/Agents in attendance. Training topics included: Responding to the MOR, The 9834 and You, Contract Renewal and Rent Adjustments, and Special Claims and Vouchering. NTHDC would like to thank the staff at B'Nai B'Rith for being such wonderful hosts. Please RSVP any of the upcoming conferences by logging on to www.NTHDC.org. The next conference will be held at Casa Calderon in Tallahassee, FL on June 25, 2009. Seats are still available.

NTHDC will also be hosting the Owner/Agent State conference on September 29, 2009 in Tampa, FL. The location is still to be determined, however if you plan to attend, you should still RSVP on the website. If you have any topics you would like to discuss at any of the conferences you can send a request through the website. We hope that you will be able to make it to one of the conferences as they are free of charge.

Green Retrofit Program For Multifamily Housing

The Green Retrofit Program was created by the American Recovery and Reinvestment Act of 2009, and implemented by Housing Notice H-09-02 published May 13, 2009. The program includes $250 Million in loans and grants to for energy and green retrofits in the multifamily assisted housing stock, and serves to improve property operations by reducing utility expenses.
The program offers up to $15,000 per residential unit (with an expected average of $10,000/unit) to reduce energy costs (e.g., more efficient heating and cooling systems), reduce water use (e.g., low-flow faucets and toilets), improve indoor environmental quality, and provide other environmental benefits
HUD will accept applications starting June 15, 2009, begin obligating funds by September 2009, and owners begin making improvements immediately thereafter (and owners must complete work within two years).
Must receive HUD project-based assistance:
o Section 8
o 202-811 Elderly/Disabled Housing

Initial applications will be allocated to project categories for Section 202, Section 811, USDA Section 515, and other Section 8 projects based on a pro rata representation of each property type among the universe of eligible properties. Further, limitations will be placed on projects under common ownership or control and projects within any one of the ten HUD regions.
Applications must pass an initial feasibility based on underwriting criteria consistent with origination of each project type, that uses the last three years' financials, applies a vacancy/ rent loss factor, applies a common reserve deposit requirement, and requires a minimum debt service coverage and operating expense cushion. After passing initial feasibility, HUD will underwrite each project to determine feasibility.

HUD expects most Green Retrofit transactions to close within 120 days of being assigned for processing.

- Pre-Development Incentive: 1% of Green Retrofits not to exceed $10,000
- Energy Efficiency Incentive: 3% of Green Retrofits not to exceed $30,000
- Targeted Job Creation Incentive: (optional) up to $25,000
- Incentive Performance Fee: 3% of collected revenue annually

For More Information regarding the Green Retrofit Program, please visit HUD.gov/Recovery