



Fall 2012

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North Tampa Housing Development Corporation

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From the Desk of Shawn Steen, State Program Manager

Autumn is quickly approaching and the status of the Performance Based Contract Administrator (PBCA) program remains uncertain. The most current process to re-bid the PBCA contracts has taken several twists and turns. I have provided a short summary of the current HUD re-bid efforts for the PBCA program. Hopefully, we will have clarity on what the future holds for the HUD Section 8 Multi-Family program.

HUD issued a NOFA for the re-bid initiative in the spring of 2012 and grant application submission packages were due to HUD on June 11th. Several protests were filed with the Government Accountability Office (GAO) regarding the use of a NOFA as the vehicle for the re-bid process and some of the restrictions contained within the NOFA (e.g. provisions favoring in-state entities). NTHDC was one of eight PBCA groups that filed a protest with GAO. The GAO issued their decision on August 15, 2012 stating in the final recommendation, "we recommend that HUD cancel the NOFA, and solicit the contract administration services for the Project-Based Section 8 rental assistance program through a procurement instrument that will result in the award of contracts."

HUD notified all PBCA entities (currently under a short-term ACC) on August 23, 2012, that the third short-term renewal option would be exercised; thus extending the current PBCA term from October 1, 2012 through December 31, 2012. This extension includes NTHDC, so we will remain your PBCA through the end of the calendar year.

The last HUD notification concerning the PBCA re-bid was sent via email from HUD Headquarters on August 31, 2012, stating the following, "On August 15, 2012, the Government Accountability Office (GAO) sustained the protests filed against HUD under the PBCA NOFA. Although HUD had planned on announcing awards on August 31, in light of GAO's decision, we are not prepared to make announcements at this time. HUD is in the process of reviewing GAO's recommendations and assessing possible next steps. We will provide further information when it becomes available."

We are now anxiously awaiting further information from HUD Headquarters. I am hopeful HUD will determine their next steps quickly and allow NTHDC to continue to be your PBCA for the foreseeable future.

Luckily, the fall brings the start of football season and playoffs for baseball. This is a good time to grab a seat and some popcorn to watch your sport of choice (football, baseball or HUD re-bid) and see what happens.

Regards,
Shawn D. Steen

NTHDC Loses a Dear Member of Our Family



NTHDC lost a very dear member of our team recently. Jeannette Watkins, Contact Center Supervisor, passed away unexpectedly on August 28, 2012. Jeannette started working with our PBCA group in Ohio in early 2001 and had been a valued team member ever since. I worked closely with Jeannette in Ohio for six years before relocating to Tampa, but luckily I continued to interact with her regularly. Jeannette was one of the kindest and most generous people I have been lucky to know. Jeannette leaves behind a large family and many colleagues and friends who will miss her and remember her fondly.

Sincerely,

Shawn D. Steen
NTHDC State Manager, Florida & U.S. Virgin Islands

What's New on HUDClips

Posted Date

7/24/2012	<u>Federally Mandated Exclusions from Income</u>	Revised list of Federally Mandated Exclusions from Income when calculating income when determining rent.
7/26/2012	<u>RAD Final Program Notice</u>	Final Program Notice for the Rental Assistance Demonstration Program.
8/7/2012	<u>HUD Form -9624</u>	Contract Renewal Request Form – Correction to Expiration Date.
8/8/2012	<u>HUD Notice 2012-14</u>	Use of “New Regulation” Section 8 Housing Assistance Payments (HAP) Contracts Residual Receipts to Offset Project-Based Section 8 Housing Assistance Payments
8/8/2012	<u>FR-5526-N-02</u>	Notice of Proposed Information Collection: Comment Request, Section 8 Renewal Policy Guide.
9/6/2012	<u>HUD Form-92006</u>	Supplement to Application for Federally Assisted Housing. HUD has posted a new form with the expiration date 09/30/2012

New Residual Receipts Offset Requirements May Affect You

On August 3, 2012, HUD issued Notice 2012-14 "Use of New Regulation Section 8 Housing Assistance Payments Contracts Residual Receipts Offset Project-Based Section 8 Housing Assistance Payments". This notice outlines regulations that oblige owners to utilize Residual Receipts monies by offsetting their monthly HAP payment for all new regulation Project-Based Section 8 contracts whose Residual Receipt balance is greater than \$250 per unit.

Is my project subject to this regulation?

- Did your property enter into an AHAP on or after November 5, 1979?
- Do you have a Residual Receipts balance of \$250 per unit or more **and** the funds **have not** been earmarked by HUD for a Service Coordinator or any other HUD approved expense?

If you answered yes to **both** of the above questions, than your property **is** subject to the regulations outlined in HUD Notice 2012-14.

My project is subject to Notice 2012-14: Now What?

1. You must submit HUD form-9250, *Funds Authorization for Use of Reserve for Replacement or Residual receipts* to your HUD Project Manager documenting the amount of the offset.
2. Once the HUD Project Manager approves your HUD-9250, you must place a miscellaneous payment request, FORQ, on the next available HAP voucher. You must include the amount of the HUD approved offset expressed as a negative figure and add a text comment of "RR Offset".
3. Ensure that you submit Annual Financial Statements, which include surplus cash computation sheets, within 90 days of the end of the annual fiscal period.
4. Deposit all surplus cash into the project's Residual Receipts account at the end of the fiscal year.

What is HUD's responsibility?

HUD/Program Center staff will be responsible for correct and timely processing of the HUD 9250.

HUD will:

- Process form HUD-9250 within 10 business days.
- Return incomplete submissions to Owners immediately with a formal letter listing the deficiencies in the submission.
- Notify the PBCA at least 45 days in advance of the proposed effective date of the first offset and all subsequent offsets.
- Sign the HUD-9250
- Submit approved HUD-9250 to the PBCA and mortgagor.
- Keep track of the remaining balance in the Residual Receipts account.
- Review owner's Annual Financial Statement (AFS) to assure proper accounting withdrawals from the RR account.

The implementation of the requirements outlined in Notice 2012-14 shall become effective with vouchers submitted after October 2, 2012. NTHDC expects that HUD will provide additional processing information in the coming days, which we will be sure to pass along to all of you.

Federally Mandated Exclusions from Income

On July 24, 2012, HUD published a notice in the Federal Register that outlined a final list of federally mandated exclusions from Income when calculating income for the determination of TTP.

The following is a list of income exclusions that were **ADDED**:

- Assistance from the School Lunch Act and the Child Nutrition Act of 1966.
- Payments from the Seneca Nation Settlement Act of 1990.
- Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts. (See Also: Notice 09-03)
- Compensation received by or on behalf of a veteran for service-connected disability, death, dependency or indemnity compensation in programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 and administered by the Office of Native American Programs.
- A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*

The following is a list of income exclusions that were **REMOVED**:

- Payments received under programs funded in whole or in part under the Job Training Partnership Act. Because the Job Training Partnership Act was made obsolete by the passing of the Workforce Investment Act of 1998, the exclusion still applies only the title of the act has changed.
 - Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 are still excluded.
- Any allowance paid to a child suffering from spina bifida who is the child of a Vietnam veteran.

Comprehensive list of Exclusions from Income:

- The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
- Payments to Volunteers under the Domestic Volunteer Services Act of 1973.
- Payments received under the Alaska Native Claims Settlement Act.
- Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes.
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians.
- The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.

Federally Mandated Exclusions from Income *continued*

- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance. For Section 8 programs, the exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E).
- Payments received from programs funded under Title V of the Older Americans Act of 1965.
- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the *In Re Agent Orange* liability litigation.
- Payments received under the Maine Indian Claims Settlement Act of 1980.
- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- Earned income tax credit (EITC) refund payments received on or after January 1, 1991.
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.
- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.
- Any amount received under the School Lunch Act and the Child Nutrition Act of 1966, including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC).
- Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990.
- Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 by Section 2608 of the Housing and Economic Recovery Act of 2008.
- Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 and administered by the Office of Native American Programs.
- A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010.

HUD Issues Rental Assistance Demonstration (RAD) Final Rule

HUD achieved a major milestone recently with the publication of the [Rental Assistance Demonstration \(RAD\) final rules](#) in the Federal Register—officially implementing the Obama Administration’s groundbreaking strategy to preserve tens of thousands of units of public and assisted housing.

The Rental Assistance Demonstration ([RAD](#)) allows public housing agencies and owners of certain at-risk, federally-assisted properties to convert their current assistance to long-term contracts. Such contracts will better allow owners to leverage millions of dollars in debt and equity to address immediate capital needs and preserve these affordable housing units. The publication updates initial rules published for public comment in March. Along with the publication of the final rules, HUD has published a [document](#) detailing its response to public comments. Last year, HUD released [Capital Needs in the Public Housing Program](#), a Congressionally-funded study of capital needs in public housing. The study found that the nation’s 1.2 million public housing units need nearly \$26 billion to keep these homes in safe and decent condition for families, a figure well in excess of the roughly \$2 billion annually that the Congress appropriates for capital repairs. Beyond the public housing stock, the Moderate Rehabilitation (Mod Rehab), Rent Supplement (Rent Supp), and Rental Assistance Payment (RAP) programs either offer no option to renew and risk being lost from the affordable housing stock or cannot renew on terms that attract sufficient capital to preserve long-term affordability.

In November 2011, Congress authorized HUD to implement RAD as a budget-neutral demonstration program with two components, allowing for the conversion of assistance for public housing, Mod Rehab, Rent Supp, and RAP properties to long-term contracts with stable funding. HUD estimates that the authority under RAD will enable owners to leverage financing to help reduce the severe backlog of capital repair needs. In the process, RAD will help create and support local construction jobs in communities across the country. HUD set an August 7th deadline to apply for funds under the Project Rental Assistance Demonstration Project. For more detail on the application process click [here](#).

Suspension of Changes to Section 8 Renewal Policy

On May 18, 2012, HUD issued page changes to the Section 9 Renewal Policy Guidebook. Section 9-23, 9-24, and 9-25 of the page changes provided new procedures for appraisers should the market rents in the owner's rent comparability study (RCS) exceed 110% of the SAFMR in metropolitan areas or the FMR in non-metropolitan areas.

A number of operational issues have arisen from the implementation of these page changes and the Department is considering further revisions of the guidance.

Effectively immediately, the requirements in these section are suspended. Appraisers do not have to follow these guidelines nor can Field staff or PBCA enforce these provisions.

NTHDC Members Attend Annual Housing for Heroes Luncheon



Members of NTHDC staff attended the 2013 Housing for Heroes Luncheon held on August 17, 2012. The Luncheon benefitted a scholarship program for students who reside in public housing or whose parents are the recipients of federal assistance under the Section 8 program.

This scholarship program is sponsored by the Tampa Housing Authority and to date, has helped 45 young adults achieve their dream of higher education by giving away over \$90,000 in total scholarships.

From left, Elvin Maldonado, Shawn Steen, Christy Shipman Not pictured: Jacqueline Reynolds, Don Shea, Layla Hayavi

HUD Issues Proposed Fair Market Rents (FMR) for FY 2013



The Proposed Fair Market Rents for Fiscal Year 2013 were published in the Federal Register on August 3, 2012. The Proposed FMRs reflect 40th and 50th percentile rent levels for local markets.

You can find the Proposed FMR data [here](#).



Don't Forget to sign up for RSS Feeds, so that you can stay up to date on all the latest HUD and NTHDC announcements.