



# The CA Quarterly Review

Fall 2014 Edition

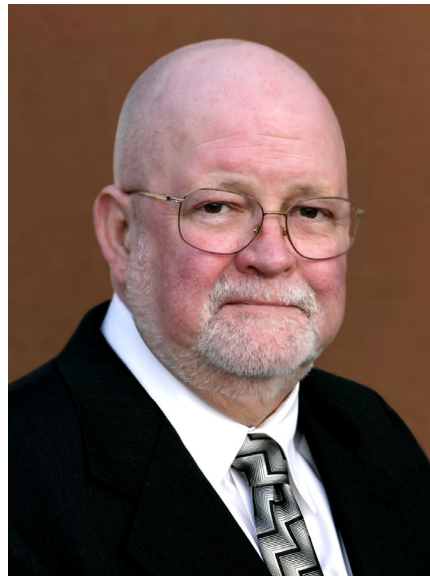
September 22, 2014

North Tampa Housing Development Corporation

From the Desk of Don Shea,  
NTHDC Director and Contract Administrator

## Inside This Issue

What's New on HUD-Clips	2
EIV Updates	2
New Rent Comparability Checklist	3
Revised Reserve for Replacement Processing Procedures	4-5
HUD Secretary Julián Castro Sworn In	5
Section 8 Renewal Guide Waiver Authority	6
Change in Extremely Low Income Definition	7
TRACS 202D Update	7
Public Art of Display at the Trio at ENCORE®	8



I hope you enjoyed the Summer and that you were able to take full advantage of the beautiful weather and sunny beaches. Even though it may still feel like Summer, it's nice to see the leaves change and to experience all the wonderful events Fall has to offer.

As always, It's a pleasure to continue serving as the Performance Based Contract Administrator for Florida and the U.S. Virgin Islands.

We are currently awaiting an extension to our PBCA contract which runs through the end of 2014. In June of 2014, HUD submitted a petition for rehearing to the United States Court of Appeals. On August 8, 2014, the United States Court of Appeals for the Federal Circuit denied HUD's petition for a rehearing. HUD is currently contemplating their next step and may pursue a petition to the Supreme Court. If the Supreme Court agrees to hear the case, it is certain that the process will be further delayed. We will be sure to keep you informed of any future developments.

We at NTHDC are looking forward to the new Fall season and we appreciate the opportunity to partner with you in promoting affordable housing.

Don Shea,  
NTHDC Director and Contract Administrator, Florida & U.S. Virgin Islands

## What's New on HUDClips

### Posted Date

9/5/2014	<a href="#"><u>Housing Notice 2014-12</u></a>	Implementation of Tenant Participation Requirements in Accordance with 24 CFR 245
8/27/2014	<a href="#"><u>FR-5807-C-02</u></a>	Proposed Fair Market Rents for FY 2015
8/21/2014	<a href="#"><u>HUD Form 92006</u></a>	Supplement to Application for Federally Assisted Housing
7/1/2014	<a href="#"><u>FR-5778-N-01</u></a>	New Definitions for Extremely Low Income



## EIV Updates

The following changes have been made to the Enterprise Income Verification (EIV) System:

- ◆ Internet Explorer 10 (IE 10) browser: only IE 10 and the previous version will work with EIV.
- ◆ All reports that had mismatched project and contract names are corrected.
- ◆ Income reports can be viewed for all household members including those members who have names with more than 19 characters.
- ◆ The results from the Reported Annual Wages and Benefits from EIV now show exact cents on the I
- ◆ income Discrepancy Report, and future Dual Entitlement payments will not double tenants income due to a Social Security Administration (SSA) file reload.
- ◆ The drop down menu in any of the HQs Management Reports will select the radio button when HUB, State or Servicing Center/Field Office is selected
- ◆ Identity Verification Report - Pending Verification Report eliminates waste with reformatted page break.
- ◆ Users are able to print full O/A Certification Report without errors.

# New Rent Comparability Checklist May Impact Owners and Agents

HUD recently conducted a nationwide review of Rent Comparability Studies. As a result of their evaluation, HUD determined there were numerous issues related to the initial and substantive review of the RCS. Consequently, HUD created a more comprehensive checklist for use by Project Based Contract Administrators and Appraisers.

Effective September 1, 2014 HUD requires all PBCAs and their appraisers to utilize a new checklist for reviewing Rent Comparability Studies submitted by Owners and Agents.

As part of NTHDC's initial review of the Owner's RCS, we will review for compliance with Chapter 9 of the Section 8 Renewal Guide. Section 9-14 of the Renewal Guide prescribes a specific order in which the documents within the Rent Comparability Study must be arranged.

The order is as follows:

1. Appraiser's Transmittal Letter
2. Scope of Work
3. Description of Subject Property (including color photographs)
4. Identification of the Subject's Market Area
5. Description of Neighborhood
6. Narrative Describing Selection of Comparables
7. Locator Map for Subject and Comparables
8. Rent Comparability Grid for Each Primary Unit Type
9. Narrative Explaining Adjustments and Market Rent Conclusions (one set of explanations for each Rent Grid)
10. Comparable Property Profiles (each including a color photograph)
11. Appraiser's Certification
12. Copy of Appraiser's License (only if relying upon a temporary license)

Comparability Studies submitted to NTHDC that are not in the order described above, will be returned to the owner.

Please make every effort to notify your appraiser of these requirements. A copy of the checklist can be found at: [http://portal.hud.gov/hudportal/documents/huddoc?id=FINAL\\_REVIEW\\_Checklist.xls](http://portal.hud.gov/hudportal/documents/huddoc?id=FINAL_REVIEW_Checklist.xls)

# Revised Reserve for Replacement Processing Procedures for the San Juan Office

The San Juan HUD Office has issued revised procedures for HUD Form 9250– Release of Reserve for Replacement fund releases.

**Correct Request Form to Use** - HUD Form 9250 (revision 1/2008) is the correct form to be sent by mail. Avoid sending us the page 2, instructions page.

**Submission to the Field Office** – The San Juan Office expect requests to be submitted to the Multifamily Program Center every 45 days. The processing time will be 15 working days. Refer to HUD Handbook 4530.1, Chapter 4.

**Incomplete HUD Form 9250** – The HUD Form 9250 is the only document that will be mailed to the local bank depository or mortgagee, with copy to the requesting owner/agent. If the form is submitted incomplete, it will be returned unprocessed. If the most recent version is not submitted, it will be returned also.

**Attachments to HUD Form 9250** – Every HUD Form 9250 shall contain a signed certification that will accompany the request. In accordance with HUD Notice 99-13 and Chapter 6 of HUD Handbook 4381.5, copies of paid invoices, cancelled checks, copies of transmittal for estimates, copies of bids, and the like shall not be attached to the request. The San Juan Office hopes to be paperless. If any attachments will be needed, it will be requested by the assigned HUD Project Manager.

**Time periods** – Reserve fund for replacement requests will be honored when the owner has indicated reimbursement for eligible items purchased within the **current** fiscal year.

**Loans from the Reserve Fund for Replacement Account** - Some multifamily properties with HUD project-based Section 8 Housing Assistance Payment (HAP) contracts rely on the payment of the Section 8 assistance to pay the mortgage and operating expenses of the property.



If you are not already receiving this publication via e-mail or if you have ideas, suggestions or questions for future publications, we'd like to hear from you.

Please visit: [www.nthdc.org](http://www.nthdc.org) OR send an email to: [layla.hayavi@cgifederal.com](mailto:layla.hayavi@cgifederal.com)

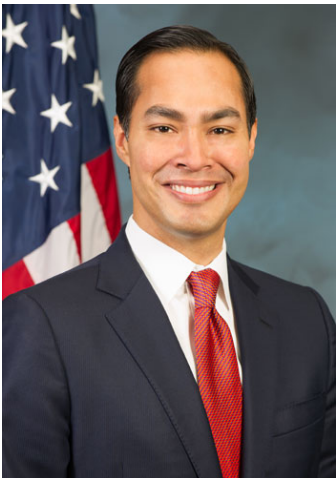


## Revised Reserve for Replacement Processing Procedures for the San Juan Office

When experiencing delays in receiving Section 8 assistance payments from HUD, owners may request HUD approval on a loan basis to use available reserve for replacement funds to meet mortgage and other necessary operating expenses of the property. Since the approval is on a loan basis, repayment must be made back to the reserve escrow upon receipt of HUD payment. In recognition of this situation, the San Juan Office will ensure that priority processing be given to these types of requests to use available funds from the reserve fund for replacement account when Section 8 funds are not available from HUD. Our goal is to process these requests within one business day of receipt. The owner/agent may submit the reserve request, HUD Form 9250, electronically (by e-mail with attachment). Only the HUD Form 9250 will be necessary. Under no other circumstances are owners to submit HUD Forms 9250 electronically.

Please be further advised that the Program Center Director will exercise customary good business judgment when making a decision to permit the mortgagor to "borrow" from the reserve fund. Loans can be approved also for an unexpected increase in taxes, an unanticipated increase in the costs of insurance, or utilities; damage caused by unusually adverse weather conditions, whether or not such damage may be covered by hazard insurance, and if not assisted with FEMA funds; other uses as for the establishment of a Neighborhood Networks Centers (computer library); and for payment of costs associated with refinancing.

## HUD Secretary Julián Castro Sworn In



On July 28, 2014, Julián Castro was sworn in as the 16th Secretary for the U.S. Department of Housing and Urban Development. The ceremony, administered by Chief Judge Richard W. Roberts of the United States District Court, was held at HUD Headquarters in Washington, D.C.

Before HUD, Secretary Castro served as Mayor of the City of San Antonio. During his tenure, he became known as a national leader in urban development. In 2010, the City launched the "Decade of Downtown", an initiative to spark investment in San Antonio's center city and older neighborhoods. The effort attracted \$350 million in private sector investment, which will produce more than 2,400 housing units by the end of 2014.

In March 2010, Castro was named to the World Economic Forum's list of young global leaders. Later that year, Time magazine placed him on its "40 under 40" list of rising stars in American politics.

Secretary Castro will now lead the U.S. Department of Housing and Urban Development in carrying out its mission of creating opportunity for all Americans through strong, sustainable, inclusive communities and quality affordable homes.

# Waiver Authority for Certain Portions of the Section 8 Renewal Guide

On August 28, 2014, Benjamin T. Metcalf, Deputy Assistant Secretary for Multifamily Housing Programs HT, issued a memorandum giving HUB Directors the ability to approve waivers for property owners for five specific circumstances in an effort to help preserve existing affordable housing stock. For the full document, click here:

[http://portal.hud.gov/hudportal/documents/huddoc?id=Waiver\\_Authority\\_Sec8\\_Ren.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=Waiver_Authority_Sec8_Ren.pdf)

The memo allows HUB Directors discretion in applying some of the provisions stated in the Guide. If the appropriate standards and conditions are met by a property, the HUB Director may waive any one of the following provisions of the Section 8 Renewal Guide:

- ◆ Prohibition on a for-profit to participate in Chapter 15, Preservation Efforts.
  - ◆ **HUB Director MAY allow a for-profit to participate IF** there is evidence that the for-profit entity or its principals have experience and are capable of undertaking the rehabilitation and/or long-term management of the project.
- ◆ Section 15-8 of the Guide that requires the project manager/contract administrator (PM/CA) lower the comparable market rents in the Rent Comparability Study (RCS) to reflect any use restriction on the rents that can be charged.
  - ◆ **HUB Director MAY waive this provision IF** evidence exists that the current rents exceed the use restricted rents.
- ◆ Section 15-6.C.1. that post-rehabilitation rents for substantial rehabilitation be effective only after the rehabilitation is complete.
  - ◆ **HUB Director MAY waive this requirement** with evidence that the lender requires full debt service at closing and that the owner has agreed to sign Form HUD-93182.
- ◆ Section 15-5.B.2. that does not allow the early termination of a pre-MAHRA contract.
  - ◆ **HUB Director MAY waive this provision** with evidence that the owner is willing to renew the contract for 20 years under Option 1, 2, 3 or 4 and is also agreeing to the terms of the Preservation Agreement (found in Form HUD Notice 2013-17) whereby the owner agrees to renew the contract for the remaining balance on the contract being terminated. The owner must sign "Rider to Original Section 8 Housing Assistance Payments Contract."
- ◆ Section 3-2.A. that a property score of 60 or above on its REAC physical inspection in order to be eligible for renewal under Mark-Up-to-Market (MUTM).
  - ◆ **HUB Director MAY waive this provision IF** there is evidence that the proposed scope of work will rectify the deficiencies identified in the REAC inspection and your offices' determination that the work will in all likelihood increase any subsequent REAC score above 60.

If owners or agents believe their property meets one of the criteria above and are interested in obtaining a waiver, they should contact their HUD Office for instructions. All waivers are handled by HUD, not NTHDC.



## New Definition for Extremely Low Income Limits

As of July 1, 2014, the definition of Extremely-Low Income (ELI) has changed for the Section 8 program. Section 8 property managers must make sure that the new Extremely Low Income Limits are entered into site software, or ensure that the software vendor has entered the new income limits.

Extremely-Low Income families are now defined as families whose incomes do not exceed the higher of Federal Poverty Level or 30 percent of Area Median Income. This change does not affect eligibility of existing residents. However, this change does affect ELI Income Targeting for multifamily project-based Section 8 programs.

As of July 1, 2014, compliance with the targeting requirements must take into account the new definition of ELI. An owner/agent shall meet its targeting requirements through a combination of ELI admissions prior to the effective date (using the old definition), and ELI admissions after the effective date (using the new statutory definition).

## TRACS 202D Update

Effective 8/1/2014, NTHDC began accepting voucher transmissions in both TRACS 202D and 202C formats. HUD will allow a Parallel Process from 8/1/2014 through 1/31/2015 (September Voucher – February Voucher). TRACS 202D will be incorporated to include changes with the current HUD handbook, revision notices, and other controlling documents, including changes to new forms and formatting requirements for certifications (50059/50059-A).

### **Major HUD Changes**

Some of changes include but not limited to are:

1. DUNS Number Requirement: HUD Notice H 2012-06 instituted a requirement for owners with project based Section 8, PRAC, Rent Supplement, and RAP contracts to obtain a DUNS number and be included with TRACS transmissions.
2. MAT30 Changes: The full electronic voucher with detail will be included in the voucher transmission
3. Voucher Form Changes: The 52670-A Part 6 Repayment Agreement form is a new form dedicated to the reporting of repayment agreement transactions. NOTE: The voucher will detail Repayment Agreement transactions
4. New and Updated Fields- 50059 and 50059-A
5. Miscellaneous Accounting Request Codes (Added)
6. Move Out and Termination Codes (Expanded)
7. Eligibility Requirement Checks
8. Gross Rent changes effective on the 1st of the month can now be processed on the same voucher month Special Claim Forms

The final TRACS 202D specification documents and implementation schedule have been posted to the TRACS webpage.

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/trx/trxsum](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum)

## Public Art on Display at the Tampa Housing Authority's Trio at ENCORE®

The City of Tampa selected Vermont artist, Natalie Blake, to create a series of public art murals that reflect the city's historic African-American business district, Central Avenue. Ms. Blake created a three-paneled ceramic mural titled, "The Gift of Gathering Remembrances", which depicts the history of Central Avenue from 1820 to the present time. Each Panel portrays a separate time period beginning with the Emancipation Proclamation to the Civil Rights Movement and finally looking forward towards the future in celebration of a diverse community. This art is on display at Location: 1101 Ray Charles Boulevard, Tampa FL.



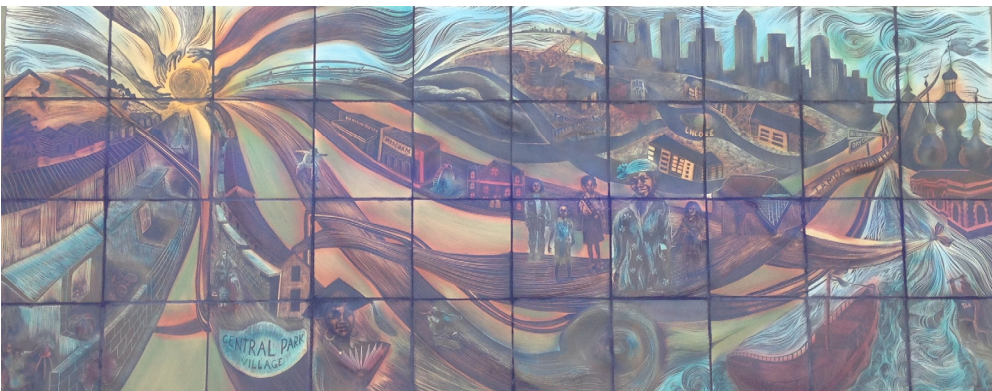
**Dawning Sun Building the Bedrock of the Future Central Avenue**

This mural, which dates through 1917, features the sun peaking up over the horizon, bringing a sense of the beginning during a time that this African American community began to flourish in the Tampa region. Highlights in this panel includes the freedom of slaves, organizations that served as the roots of the community, the first African American Settlement also known as "the scrub", and the formation of black businesses along Central Avenue.

This mural depicts the noon day sun at center left of the mural. Radiating outwards are many of the accomplishments, inspirations, trends created, and people in service of their community. Highlights include the vibrant scene of Central Avenue through the 1960s with imagery of the rich music scene, stylized depiction of the Central Avenue businesses, as well as an African American man casting a ballot.



**Noonday Sun: Central Ave in its Heyday**



**Future Sun: Dissolution into Solution**

This mural depicts the sun rising in the sky. A grouping of hands encircles the sun representing energy transfer to, and among the community. The imagery celebrates the diversity that has made up the community after desegregation and into this century.