



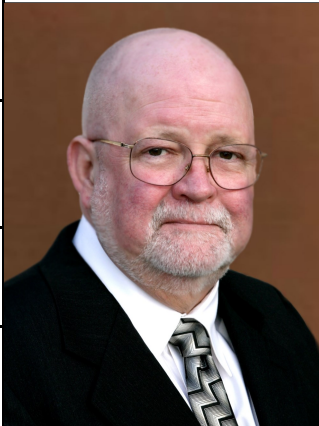
The CA Quarterly Review

Summer 2018

North Tampa Housing Development Corporation

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



I am happy to introduce you to the Summer 2018 edition of the CA Quarterly Newsletter. It is hard to believe we are already going into the second half 2018. Our hope is for a great Summer for all. Take that trip you have been thinking about. Visit family and friends. Maybe finish that home project you have had on your mind? Whatever it may be, we hope it is a Summer to remember.

In the previous CA Quarterly we mentioned the PBCA rebid solicitation being cancelled. Unfortunately, we do not have any further developments to report at this time. We are eagerly anticipating HUD's release of the next solicitation for rebid of the PBCA contracts. Going back to 2004 when NTHDC was awarded the PBCA contract for Florida, it has been a great experience. Then in 2012, PBCA oversight was added for the U.S. Virgin Islands. We are proud of what we have accomplished to date and understand that would not have been possible without the committed Owners and Agents of the Affordable Housing properties we serve. We are looking forward to many more successful years serving as PBCA.

We hope the information in this edition of the CA Quarterly proves useful and we encourage you to reach out to us if we can be of assistance.

REMINDER! Be sure to update NTHDC's address on form HUD-9887. The change of address must be listed on all 9887s going forward or a finding may be issued. New address: 1509 West Swann Ave., Suite 250, Tampa, FL 33606.

Your property may be coming due for a Baseline Utility Allowance submission based on the triennial cycle. You are reminded to reference the **Winter 2017 Edition of the NTHDC Quarterly Newsletter** for an in-depth article on how to prepare and submit a Baseline. You may also reference **[NTHDC's website](#)** for additional guidance regarding Baseline submission requirements. We encourage Owner/Agents to use the 'sample Utility Analysis Workbook' link on NTHDC's website.



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Southeastern Affordable Housing Management Association (SAHMA) Florida State Meeting



NTHDC members from left to right: Dorothy Swayze – Local Services Manager, Cedric Hernandez - State Manager, Carrie Starling – Central Contract Specialist, Safrone Presley – Central Services Manager, Les Pierce - Director, not pictured: Elisha Williams – Local Contract Specialist.

NTHDC representatives attended the Southeastern Affordable Housing Management Association (SAHMA) Florida State Meeting in Jacksonville March 20 & 21, 2018. The Florida meeting was a great opportunity for NTHDC, Owner/Agents and HUD staff to network and attend several training sessions on various affordable housing topics. Two of the training sessions were led by NTHDC members: Dorothy Swayze: MOR Top 10 Findings and Safrone Presley: Renewal of Expiring Contracts.



HUD staff members from left to right: Kerry Salvas, Norman Lachman, and Kim Baker.



HUD staff members from left to right: (front) Belinda Koros, Milo McGriff, Erica Shaw (back) Yvonne Coffman, Kimberly Baker, and Kerry Salvas.



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Lead-based Paint Compliance

If your property was built prior to January 1, 1978, residents may be at risk of exposure to lead-based paint. Children under the age of six are especially at risk of harm due to lead based paint, as they are more likely to ingest the toxin from hand to mouth contact, toy to mouth contact from chipping paint, chewable surfaces or barren soil.

Chances are you have already addressed the potential of lead-based paint at your property and are either certified lead free or have an on-going lead abatement or hazard control plan. During your Management and Occupancy Review (MOR), the reviewer will examine your compliance with the Lead Safe Housing Rule.

This article will review the evaluation and disclosure requirements of the Lead Safe Housing Rule and documentation you are required to have available during your MOR to demonstrate your compliance with the Lead Safe Housing Rule.

Applicability

Properties built before January 1, 1978 must comply with the Lead Safe House Rule. The lead based paint rules do not apply to any housing built on or after January 1, 1978, zero bedroom units or efficiencies, any housing where the leases are less than 100 days, housing for the elderly or disabled (unless a child under 6 resides there), or housing that is certified "lead free".

Evaluation Requirements

First and foremost, your property must be, where applicable, free of lead hazards or has an ongoing plan to mitigate and control the lead with the ultimate goal of abatement. Most property owners who have properties with lead-based paint have already taken steps to begin abatement, if not already certified lead-free altogether, but for those who have not, the first step is to have a certified inspector come and conduct a formal risk assessment and evaluation. Remember, only a certified professional is qualified to consult you on the risk assessment.

Your certified risk assessor, planner or designer should then develop a site specific hazard control plan. The plan should be based on the hazards identified, feasibility of the control measures, occupancy of young children and financing. Measures to mitigate or control lead-based paint must be taken throughout the life of the property. Those measures vary depending upon the amount of housing assistance the project receives and include:

- Visual assessments to identify deteriorated paint or (for assistance over \$5,000 per unit annually) risk assessments to identify lead-based paint hazards;
- Paint stabilization or (for assistance over \$5,000 per unit annually) interim controls with clearance testing when appropriate;
- Ongoing lead-based paint maintenance to identify hazards (Lead Hazard Control Plan);
- Re-evaluation conducted every two years by a certified professional to identify hazards;
- Notification of tenants about the actions above; and
- Special actions when a child under six years old is reported to have high blood lead levels.

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Lead-based Paint Compliance (continued)

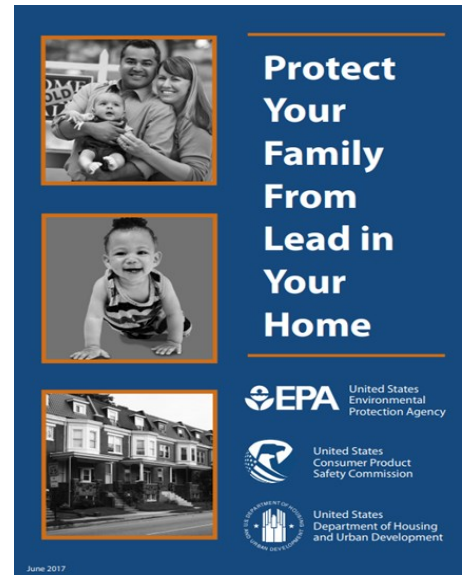
Evaluation Requirements (continued)

If your property has an ongoing Lead Hazard Control Plan, you must maintain documentation of your compliance with the plan (documentation of the interim controls, visual inspections, maintenance, tenant notifications etc.).

Disclosure Requirements

If the lead based paint requirements apply to your property, you will need to disclose any known information concerning lead paint and lead hazards to your residents, which includes, but is not limited to, disclosing the location of known lead-based paint, and the condition of painted surfaces. You will also need to keep your residents informed of any reports or records concerning lead based paint in the units and common areas when the information is available as a result of a building wide evaluation.

Residents must be given an informational pamphlet titled, "Protect Your Family from Lead in Your Home." You must also include an attachment to the lease that includes a lead warning statement and confirms that the owner is in compliance with the lead-based paint notification requirements.



Demonstrating Lead-based Paint Compliance during the MOR

During your MOR, you will be required to provide documentation to demonstrate your compliance with the Lead Safe Housing Rule. Below are examples of documents that you should maintain onsite and have available for review:

Properties Claiming Lead Free Status:

The reviewer will ask you to produce the certified lead-based paint inspector's documentation of the status of lead hazards. In order to be considered "lead free", you must obtain an official certification from a certified lead-based paint inspector (as certified by the state or EPA). An owner's self-certification that the property is lead free is not sufficient proof that the property is free of lead hazards.

HUD provided clarification that not all certified LBP consultants provide a Lead-Based Paint Free "Certificate." HUD does not require a certificate as demonstration of a property being LBP free and exemption from the rules. HUD guide-lines suggest the use of the following language in the report, which would be satisfactory to determine that the property is lead based paint free:

"The results of this inspection indicate that no lead in amounts greater than or equal to 1.0 mg/cm² in paint was found on any building components, using the inspection protocol in chapter 7 of the HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing."

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Lead-based Paint Compliance (continued)

Demonstrating Lead-based Paint Compliance during the MOR (continued)

“Elderly” or “Disabled” Properties:

If your property is “elderly” or “disabled”, the reviewer will ask if you have any children under the age of six in residence. If you have a child under the age of six residing at your “elderly” or “disabled” property, please keep in mind that the regulations apply to the dwelling unit in which the child resides, any common areas servicing such dwelling unit, and exterior painted surfaces associated with such dwelling unit or common areas. HUD expects that, if numerous exceptions are made to allow young children to reside in a property designated for occupancy by the elderly or persons with disabilities, the exemption from the regulation would no longer be available and the regulation would apply to the entire property.

Properties built before January 1, 1978 that were identified as containing lead or lead hazards:

If your property receives an average of more than \$5,000 per unit annually in project-based assistance, the reviewer will ask that you produce:

- The initial risk assessment completed by a certified risk assessor and documentation that the required hazard reduction activities and subsequent clearance examination were completed, if applicable.
- The property’s Lead Hazard Control Plan and documentation that ongoing lead-based paint maintenance activities are being performed in accordance with the plan (interim controls, visual inspections, maintenance, tenant notifications etc.).
- Copies of the lead re-evaluation reports completed by a certified inspector or risk assessor every two years since the initial risk assessment was conducted.
- Notifications provided to tenants regarding the above actions, if applicable.
- Documentation relating to special actions taken when a child under six is reported to have high blood levels, if applicable.

If your property receives an average of \$5,000 or less per unit annually in project-based assistance, the reviewer will ask that you produce:

- The initial visual assessment, the results of the assessment, and paint stabilization activities completed to eliminate lead hazards, if applicable.
- The property’s Lead Hazard Control Plan and documentation that ongoing lead-based paint maintenance activities are being performed in accordance with the plan (interim controls, visual inspections, maintenance, tenant notifications etc.).
- Copies of the lead re-evaluation reports completed by a certified inspector or risk assessor every two years since the initial risk assessment was conducted.
- Notifications provided to tenants regarding the above actions, if applicable.
- Documentation relating to special actions taken when a child under six is reported to have high blood levels, if applicable.

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Lead-based Paint Compliance (continued)

Demonstrating Lead-based Paint Compliance during the MOR (continued)

Disclosure Requirements

If the lead based paint requirements apply to your property, the reviewer will confirm that the tenant file contains:

- An acknowledgement form or copy of the pamphlet signed and dated by the tenant certifying that the “Protect Your Family from Lead in Your Home” pamphlet was given to the household at move-in.
- An attachment to the lease that includes a lead warning statement and confirms that the owner is in compliance with the lead-based paint notification requirements.

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement
Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
 (i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): _____

 (ii) Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check (i) or (ii) below):
 (i) Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below): _____

 (ii) Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)
 (c) Lessee has received copies of all information listed above.
 (d) Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

Agent's Acknowledgment (initial)
 (e) Agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy
 The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Lessor _____ Date _____ Lessor _____ Date _____
 Lessee _____ Date _____ Lessee _____ Date _____
 Agent _____ Date _____ Agent _____ Date _____

Tips to Avoid Lead-based Paint Findings

- Maintain a file or binder on-site that contains all required lead-based paint documents. Locate any documents that you do not have currently.
- Ensure visual inspections are conducted and documentation is maintained and available for review. All activities to eliminate hazards identified by the visual inspections are completed and documentation is maintained and available for review, if applicable.
- Ensure required lead reevaluations are conducted every two years by a certified inspector or risk assessor. If it has been longer than two years since a lead reevaluation has been performed - schedule one now! Be sure that all activities to eliminate hazards identified by the reevaluation is carried out and a subsequent clearance examination is performed, if applicable. Documentation of all activities must be maintained and available for review.
- Know the requirements for when a reevaluation is no longer required. To be exempt from additional reevaluation, at least two consecutive reevaluations conducted at such two-year intervals must be conducted without finding lead-based paint hazards or a failure of an encapsulation or enclosure. If, however, a reevaluation finds lead-based paint hazards or a failure, at least two more consecutive reevaluations conducted at such two year intervals must be conducted without finding lead-based paint hazards or a failure.
- If you are a new owner/agent of a property built prior to 1978, be sure to locate all required lead-based paint documents. Being a new owner/agent will not prevent lead-based paint findings.
- Provide staff training on lead-based paint requirements!

To review the Lead Safe Housing Rule and related information and resources, please visit the [HUD Website](#).



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Updating Contact Information in iREMS

Owner/Agents are required to update their contact information in iREMS. The HUD Account Executive no longer will assist with this activity.

To update your address, phone number, or fax number, please refer to one of the following links:

- [Business Partner Registration](#) website
- [Active Partners Performance System \(APPS\)](#) website:

Directions are provided in the HUD Active Partners Performance System (APPS) Industry [User Guide](#).

Quick Summer Safety Tips

As we enter the warmer months of the year, here are some safety tip reminders:

- Door mats in hallways creates a potential safety hazard.
- Remind tenants that there should be no grilling or fire pits on patios or balconies.
- Install Window Guards - all windows need to be functioning properly and have working screens - think about installing window guards, especially if there are children in the unit.
- There should be no storage in hallways or on balconies.

Celebrating Ten Years

We want to take the opportunity to recognize our members who are celebrating their ten year anniversaries with CGI/NTHDC. It is always a pleasure to work with members whose long tenures have shown their passion and enthusiasm for our organization, our clients, and our work. The growth and success of our organization is largely dependent on having strong and capable members. We recognize these members for the contribution that has been made to help us to maintain client satisfaction and remain leaders in the housing industry. Congratulations and we look forward to many more years to come.

Rebecca Kuntz	7/28/2008
Jennifer Strawser	7/14/2008
Kristen Altvater	5/12/2008
Evelyn Law	1/7/2008
Carly Dutton	10/15/2007



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Best Practices When Responding to an MOR

When an owner/agent receives the Summary Report and there are no deficiencies noted on the report, no additional action is required. When an owner/agent receives the Summary Report and deficiencies are noted, the owner must take action to resolve the deficiencies. Targeted Completion Dates (TCDs) will be noted for all deficiencies identified during the review and will not exceed 30 calendar days. Owner/agents must provide documentation to support the deficiencies have been corrected by the TCD noted on the Summary Report.

The Owner/agent response needs to include all items that had been requested in the corrective action portion for each finding identified in the report. Each finding needs to be addressed and an explanation provided along with the progress on each finding that has not been completed. As required, follow-up will occur every 30 days until each discrepancy as noted on the report has been resolved. A proper response should have three basic components including the cover letter, supporting documentation, and a written certification for each finding.

Cover Letter

The cover letter should provide a response overview and detail the items that are being submitted. If appealing the score, be sure to clearly state at the beginning of the cover letter that the MOR is being appealed and specifically identify what is being appealed. Appealing an MOR does not usurp the requirements to respond to the items listed on the MOR with the target completion date as identified on the MOR report. The cover letter should designate the staff member assigned to close out the MOR and provide his or her contact information. The owner and/or the owner's designee must sign the cover letter.

Supporting Documentation

Include all items requested for each corrective action and clearly label each supporting document(s) with the finding item number for which they coincide. If appealing, be sure to include supporting documents to support the appeal and clearly label the documents accordingly. Basic supporting documentation requested in a corrective action typically includes:

1) Policy and Procedures

Policy and procedures are written instructions to be followed by site staff for a particular item. A corrective action will tend to require either the creation of new procedures or the revision of existing procedures. When responding, be sure to include the updated procedure in the response.

2) Documents

Each corrective action will specifically describe the documents that were missing or erroneously completed at the time of the on-site review. Responding to these corrective actions typically require the following tasks:

- Locate missing document
- Revise an existing document
- Create a document
- Execute a document

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Best Practices when Responding to an MOR (continued)

3) Specific Documentation

Specific Documentation that is required to demonstrate a finding has been cured will be explicitly described in each corrective action as to what to provide. Examples include:

- Completed work order or completed vendor invoice.
- Voucher adjustments:
 - ✓ Clearly identify what the adjustment is for on the voucher.
 - ✓ Reviewer will determine if it is the correct amount and will verify with the Voucher Specialist that the adjustment has been correctly processed.
- Documentation of a tenant refund
- Copy of check to tenant for total amount of refund
- If tenant requested the refund in the form of a rent credit, a copy of the tenant ledger showing the total rent credit.

Due to Privacy Act issues

- **Do not send copies of corrected 50059s to the PBCA as part of a close out. All adjustments to the voucher can be viewed, submitted and reviewed via vouchering software tools.**
- **Do not submit any copies of EIV reports as a response to an MOR finding.**

Corrective Action Plans

Occasionally, a corrective action will require additional time to correct the deficiencies noted in the report. In these situations the PBCA will request a corrective action plan to resolve the noted deficiency. These findings can include a 100% file review to resolve a recurring issue identified in the file review, multiple maintenance issues and/or high cost maintenance issues that need to be addressed or for security issues. When submitting a corrective plan the Owner/agent will be requested to:

- Include each item to be addressed or task to be performed.
- Identify staff that will be responsible for follow up and staff that will assist in resolving each issue.
- Include estimated start and completion times for each item included in the plan.

Appealing an MOR

If an owner/agent receives an overall score of 'Below Average' or 'Unsatisfactory' as indicated on HUD form 9834 Summary Report, the owner/agent may appeal the rating using the following process:

Initial Appeal to the CA

- The Initial appeal must be in writing, forwarded to the PBCA, and postmarked within 30 calendar days from the date of the report.
- The appeal letter must explain the factual basis supporting a change in the rating, with sufficient specific examples provided to warrant further evaluation.

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Best Practices when Responding to an MOR (continued)

Initial Appeal to the CA (continued)

- The PBCA is responsible for evaluating the additional information, including another on-site visit for only those items in dispute, if necessary and if resources are available.
- The initial appeal decision must be in writing and transmitted to the owner/agent by the CA within a 45 calendar day period following receipt of the appeal.

Final Appeal to HUD

- If the owner/agent does not agree with the CA appeal decision, they must submit a final appeal to the Multifamily Hub Director.
- The final appeal must be in writing and postmarked within 15 calendar days of the transmittal date of the initial appeal decision letter from the CA.
- The Multifamily Hub Director will be responsible for obtaining all information from the Contract Administrator performing the original management review and initial appeal determination.
- The owner/agent may request a meeting with the Multifamily Hub Director (or, at the discretion of the Multifamily Hub Director, a representative) to present verbal arguments, however the meeting must be requested and scheduled during the 30 calendar day period following the transmittal date of the initial appeal decision letter.
- The final appeal decision must be in writing and transmitted to the owner/agent by the HUD Multifamily Hub Director within a 45 calendar day period following receipt of the final appeal letter or 45 calendar days upon conclusion of the meeting with the owner/agent.





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Protecting Personally Identifiable Information

Before submitting documents with an MOR Response or Special Claim, please be sure to redact all personally identifiable information (PII).

PII is any information that can be used to distinguish or trace an individual's identity - either by itself or when combined with other information that is linked, or able to be linked, to a specific individual.

For example, a social security number is unique and sufficient by itself to identify an individual. A full name may not distinguish an individual from other people with the same name, but when used in combination with their date of birth, this would be sufficient to identify them.

The following are examples of types of PII that must be redacted before submitting documents:

- Social Security Number
- Date of birth
- Medical information
- Financial institution account numbers
- Credit, debit, or Electronic Benefits Transfer (EBT) Access card account numbers
- Passport numbers
- Criminal history
- Driver's license number or state identification card number

PII must be protected when documents are submitted via email. Loss of PII can lead to identity theft and/or other fraudulent use of the information.

To ensure the protection of PII, we recommend the following:

- **When possible, avoid sending documents containing PII.**
- **If you must send a document that contains PII, remove the PII using a method that prevents the receiver from viewing the PII.**
- **Never send copies of EIV Reports.**





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Special Claims Highlights

The frequency of Special Claim submissions varies by project. For some Owner/Agents, submitting a claim is habitual and easy. For those of you who have not submitted many claims, the process can seem daunting. Here are some things to keep in mind when gathering and reviewing the documentation, prior to submitting to your Contract Administrator.

HUD created a checklist for each type of Special Claims submission: Regular Vacancy, Unpaid Rent and Tenant Damage. HUD requires that each unit being submitted within a claim contain the appropriate checklist. This checklist is meant to streamline the process and assist the Owner/Agent in gathering all required information, in hopes of decreasing the number of denied or incomplete claim submissions. As a Contract Administrator we frequently see repeat findings for items that are marked off on the checklist, however not included, or simply not reviewed. When preparing a claim, utilize the checklist and mark items off, not as they are added to the package, but after you have reviewed the document for completeness and accuracy.

Common findings on **Checklist** items:

- Not submitting a waiting list – or the new MI tenant is not on the waiting list.
 - It is helpful to find the MI tenants and circle them or put a check next to them. Review your comments section of the waitlist and ensure that it tells the story of why people may appear to have been skipped, and be sure to include the comments in your waitlist submitted with the claim.
- Missing Security Deposit transfers when a tenant Transfers to another unit.
 - Proof of the Security Deposit being returned to the tenant is a requirement. If the Security Deposit was not returned due to a Unit Transfer, the Owner/Agent must provide documentation showing the transfer of the Security Deposit to the new unit.
- Incorrect Move Out dates when the tenant transfers out
 - Confirm the Move Out date on all forms with the 'UTO' or 'MO' certification transmitted to TRACS.

Common findings on **Non-Checklist** items:

- Incorrect contract rent operating at move out listed on HUD 52671-A.
 - Confirm that you are using the correct current rent at the time of Move Out by confirming this against the executed Rent Schedule. Be sure to verify the Move Out date against the effective date of the Rent Schedule.
- Verification of new Move In date
 - The Move In date on 52671 does not match up with date on 50059. Confirm the new MI date on all forms against the MI certification submitted to TRACS.
- Confusion on Unit Ready Dates.
 - Verify that the unit ready date on the HUD form agrees with the reconditioning log. Remember that the unit is ready for occupancy once all work is done in the unit. If work or unit inspection is being done on 6/1/18, the unit ready date is 6/2/18.
- Include a reason why the unit took more than 30 days to make ready. If line 2 on the 52671C is greater than 30, provide a brief explanation in your cover letter to your CA.

Do not forget, claims must be submitted to the PBCA within 180 days of the unit ready date. So set a reminder so you don't miss your opportunity!



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Spotlight on the Section 8 Renewal Policy Guide: Rejection of Rent Comparability Studies

As a requirement for renewal under Section 524(a) of MAHRA, most project owners with expiring Section 8 project-based contracts must submit a Rent Comparability Study (RCS) at initial and subsequent renewal to demonstrate that current rents are at or below comparable “market” rents. Beginning with the date of the initial renewal of the expiring Section 8 project-based contract, the RCSs start a maximum five-year “life cycle,” after which a new RCS is required.

This article outlines the identified trends when determining why RCS’s are being rejected and returned to the owner/agent for corrections. While this article will touch on various owner/agent responsibilities, it is not meant to be an all-encompassing resource that outlines each of the owner/agent duties. You are reminded to bookmark and frequently visit the Section 8 Renewal Policy Guide in its entirety when seeking guidance related to the Section 8 HAP contract. Specifically, chapter nine of the Section 8 Renewal Policy Guide provides instructions for conducting and reviewing a rent comparability study (RCS).

INITIAL REVIEW

The initial review of the submitted RCS is done for timeliness and completeness and is typically completed by the Contract Administrator or HUD. Appendix 9-5-1 of the Section 8 Renewal Guide is the checklist that is to be used when conducting the initial review. This initial review must be done within ten calendar days of the date of the receipt of the RCS from the owner. It is required that the initial reviewer follow up with either the owner or the RCS appraiser by email or other written correspondence if:

- The owner’s submission is incomplete. The RCS appraiser or the owner must submit the missing items within seven calendar days of the initial reviewer’s request.
- More than 90 calendar days have elapsed between the RCS appraiser’s transmittal letter and the date the owner submitted the RCS to HUD. If this were the situation, the initial reviewer must return the RCS and ask the owner to have the RCS appraiser update the data to comply with section 9-8 of the Section 8 Renewal Guide.

An analysis of the rejected RCS’s in the areas in which we operate tells us the tops reason that an RCS does not pass the initial review is that it does not pass the compliance check as outlined in Appendix 9-5-1. The most common areas of non-compliance are that the RCS is missing:

- Color photos of the subject property,
- The comparable property profiles,
- The owner’s cover letter, or
- The appraiser’s transmittal letter.

In addition to the above missing items, another common reason for rejection is that RCS was not submitted within the 90-calendar day timeframe as detailed in chapter 9 of the Renewal Guide.

To help mitigate the above issues we highly suggest to perform an internal review of the appraiser provided RCS and compare against the Appendix 9-5-1 checklist prior to submitting to the PBCA. This same screening checklist will be used by the PBCA initial reviewer and ensuring that these items are compliant prior to submission will assist in processing in a timely manner.

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Spotlight on the Section 8 Renewal Policy Guide: Rejection of Rent Comparability Studies (continued)

SUBSTANTIVE REVIEW

After the RCS passes the requirements for the initial review, it is then forwarded to a state-certified general appraiser for a substantive review of the submitted RCS. The purpose of the substantive review is to assess and evaluate whether the RCS appraiser's selection of comparables, adjustments, and rent conclusions are reasonable. The substantive reviewer may not agree with every detail of the RCS, but the substantive reviewer's approval of the RCS means that the substantive reviewer has concluded that the suggested market rents presented in the RCS are reasonably supported by market facts. Ideally, the RCS should contain sufficient information to convince a person unfamiliar with the market areas or properties involved, that the RCS conclusions are reasonable. The substantive reviewer utilizes Appendix 9-5-2 which is a Detailed Screening Checklist. This checklist incorporates key requirements as outlined under Sections 9-9 through 9-11 of the Section 8 Renewal Guide. Substantive reviewers must document any concerns or conclusions in the checklist when reviewing the RCS. The substantive reviewer is also responsible for completing the Rent Grid Analysis Checklist, Appendix 9-5-3 using the guidance provided under Appendix 9-5-4, 'Notes for Rent Grid Analysis and Triggers for Second Review.' The purpose of utilizing these checklists is to ensure that the concluded market rent is appropriate and reasonable.

An analysis of the RCS's that were rejected by our substantive reviewers shows us that the top reasons an RCS does not pass this substantive review point include:

- Not including the 140% of Median Gross Rent Table in the transmittal letter to the owner. Section 9-14 of the Section 8 Renewal Guide outlines the requirements that apply when the owner's RCS concludes that the project's median rent for the assisted units, as derived from the RCS, exceeds 140% of the "Median Gross Rent by Zip Code Tabulation Area."
 - All RCS submissions (other than those for the MTM process) to HUD/CA must include a distribution of RCS Rents and Subject Project's median rent, as defined in 9-14, B, step one.
- Not utilizing the most updated Appraiser Certification, Appendix 9-1-5 of the Section 8 Renewal Guide.
 - The language on this certification was updated with the last update to Chapter 9 in March 2017. This is the version that must be used.
- Not using the comparable projects that are closest to the subject property, but rather selecting comparable projects that may be superior and not making the appropriate adjustments.
 - The RCS appraiser must provide an overall assessment of the availability of comparables and the quality of the comparables selected and state why the comparables used were selected, as required under Sections 9-10 and 9-11 of Chapter 9 of the Section 8 Renewal Guide.
 - If insufficient or dissimilar comparables are utilized, the RCS appraiser must explain why in the narrative and outline what research was performed to determine that more similar comparables were not available.

The owner/agent of a Section 8 property is ultimately responsible for ensuring that the required materials are submitted in a timely manner. The time that is needed to correct issues with the submitted RCS can substantially impact the PBCA's or HUD's ability to renew the property contract or funding in a timely manner. Being proactive and reviewing the submissions thoroughly prior to submitting to the PBCA or HUD is great practice to avoid any delays in funding.

Owners and Agents of Section 8 properties are encouraged to become familiar with the guidance found in the Renewal Policy Guide. HUD occasionally updates the guidance and posts the new Renewal Policy Guide along with a Transmittal of Changes to the [Section 8 Renewal Policy Guide website](#).



The CA Quarterly Review

Summer 2018

What's New on HUDClips

Posted Date	Link to Full Notice	Description
3/1/2018	<u>ML-2018-02</u>	Extension of Disaster Foreclosure Moratoriums for Specified Areas Impacted by Hurricane Maria
2/22/2018	<u>ML 2018-01</u>	Loss Mitigation for borrowers with FHA-insured mortgages who property and/or place of employment is located in Presidentially-Declared Major Disaster Areas, adversely affected by Hurricanes Harvey, Irma, Maria, certain California wildfires that occurred in October 2017 (FEMA-DR-4344) or certain California Wildfires, Flooding, Mudflows, and Debris Flows that occurred in December 2017 (FEMA-DR-4353)
12/20/2017	<u>2017-14</u>	Lump Sum Drawdown Requirements in the Community Development Block Grant (CDBG) Program
12/18/2017	<u>FR-6009-N-05</u>	Privacy Act of 1974; Systems of Records Section 811 Project Rental Assistance Evaluation – Phase II
12/18/2017	<u>FR-5997-N-80</u>	30-Day Notice of Proposed Information Collection: Continuation of Interest Reduction Payments After Refinancing Section 236 Projects



All Residents of HUD Subsidized Properties



North Tampa Housing Development Corporation (NTHDC) is the HUD Contract Administrator and is responsible for responding to resident concerns. NTHDC Call Center has a team of Customer Relation Specialist (CRS) that will receive, investigate and document concerns such as, but not limited to the following:

- ◆ Questions or concerns regarding work order follow-up.
- ◆ Questions regarding the calculation of your rent.
- ◆ Address health & safety and HUD Handbook 4350.3 concerns.

Call Center Purpose:

- ◆ Call Center aids in ensuring HUDs mission of providing Decent, Safe and Sanitary Housing.
- ◆ Serve as a neutral third party to residents, owners and the public.
- ◆ Assist with clarifying HUD Occupancy Handbook 4350.3 requirements.

Call Center Contact Information and Business Hours:

- ◆ Hours of Operation: 8:30 a.m. to 5:30 p.m.
- ◆ Contact Numbers: 800-982-5232 | TTY English: 800- 955-8771 | TTY Español: 877-955-8773
- ◆ Fax Number: 614-985-1502
- ◆ Written Summaries: 2000 Polaris Parkway, Suite 110, Columbus, Ohio 43240
- ◆ Email: PBCAContactCenter@cgifederal.com
- ◆ Website: www.nthdc.org

Concerns can be submitted by the following:

- ◆ Phone
- ◆ Fax
- ◆ Mail
- ◆ Email
- ◆ Voicemail
- ◆ FOIA- Freedom of Information Act request must be submitted directly to HUD

Required Information to open an inquiry:

- ◆ Property name
- ◆ Caller's name (anonymous calls accepted)
- ◆ Caller's telephone number with area code
- ◆ Caller's address including apartment number
- ◆ A brief, detailed description of the caller's concern(s)

EQUAL HOUSING OPPORTUNITY

1509 W. Swann Ave. Suite 250, Tampa, Florida 33606
Tele: (813) 873-8200 | Fax: (813) 877-1412 | TTY English: (800) 955-8771 | TTY Español: (877) 955-8773 |
Contact Center (800) 982-5232