



# The CA Quarterly Review

Summer 2011

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North Tampa Housing Development Corporation

## A Message From the NTHDC Team

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NTHDC State Conference 2010 ~ [www.NTHDC.org](http://www.NTHDC.org)

*The only way to make sense out of change is to plunge into it, move with it, and join the dance. Alan Watts*

Many of the articles in this quarterly newsletter pertain to changes and policy clarifications HUD has recently made. Many of the changes issued affect to the Rent Adjustment Process.

Those Owners and Agents who have become accustomed to compiling and submitting an OCAF rent adjustment package 120 days prior to their contract anniversary date will rejoice. However, those Owners and Agents who have sought to have their rents renewed at the current rate (Funding Only) will be disappointed to learn that this is no longer an option.

The NTHDC staff is always available to answer any of your concerns regarding the numerous changes affecting the Amends Rents process.

Regards,

The North Tampa Housing Development Corporation

## Florida Becomes Pilot State for New Automatic OCAF Rent Adjustment Process

The Department of Housing and Urban Development (HUD) has streamlined the amend rents process for multi-year contracts that have been renewed under the Multifamily Assisted Housing Reform and Affordability Act (MAHRA) and are eligible to receive an Operating Cost Adjustment Factor (OCAF) rent increase. The new process is called the Automatic (Auto) OCAF Rent Increase process and is being launched on a pilot basis in a few areas of the country to test the features of the process before it is launched nationwide. The HUD Florida Portfolio has been selected to take part in this pilot study and processing began Thursday, May 26th.

The Auto OCAF Rent Increase process eliminates the requirement for the Owner to calculate the OCAF rent increase and submit an OCAF Worksheet and a cover letter to the Contract Administrator (CA) during amend rents years to obtain an OCAF rent increase. Contract renewals and certain contracts that are not eligible to receive an automatic OCAF annually will not be a part of this automated process. Renewal and rent increase pack-ages for those projects should be submitted to us as in the past.

If your project is eligible for an Auto OCAF rent increase, at approximately 150 days prior to the contract anniversary date, NTHDC will send you a letter advising you of your project's new OCAF increased rents, a new Exhibit A, and a request that you certify the accuracy of the debt service and non-section 8 rent potential amounts used. Once you have accepted the Auto OCAF rent increase, you will need to complete Part G and execute three (3) Forms HUD-92458 Rent Schedules and return those to us with your signed certification within ten (10) days. Once we receive these items, the HUD-92458 Rent Schedules will be executed and one will be returned to you immediately, at which time you will complete your Gross Rent Change through TRACS.

We and the Department of Housing and Urban Development are excited about bringing this streamlined process to you and welcome your feedback during the pilot phase of this process. Please submit any comments you may have to us so that we may pass them along to HUD. To find out if your project is eligible for the Auto OCAF process, or If you have any questions relating to the Auto OCAF process, please contact your Central Contract Specialist.



## **Policy Change Regarding Budget Based Rent Adjustment Submissions**

NTHDC has recently been informed by HUD Florida of a modification in policy regarding budget-based rent adjustments. As of June 1, 2011, NTHDC will now require Owner/Agents to supply supporting documentation for any and all budget line items increasing by 5% or \$500.

### **How does this impact the Owner/Agent?**

Prior to this shift in policy, NTHDC only required supporting documentation for line items increasing by more than 5% and \$500. As a result of this modification in policy, Owner/Agents may be required to supply more supporting documentation than in previous year's budget submissions.

### **What constitutes supporting documentation?**

Supporting documentation varies according to the line item in question. For line items such as Contracts (#6520), NTHDC requires copies of the contracts along with the supporting billing invoices. Other line items such as Supplies (# 6515), Office Expenses (# 6311), Audit Expenses (# 6350), Conventions and Meetings (# 6203), Advertising and Marketing (# 6210), Legal Expenses (# 6340), and Bookkeeping/Accounting Fees (# 6351) may only require a statement from the Owner/Agent. This statement should include a reason for the increase and a detailed outline of the expenses included in the line item account.

For increases in Utilities, (#6420, #6450, #6451, #6452, and #6453) NTHDC will require bills or invoices and/or a statement from the utility provider detailing the expenditure increase and the reason for it.

NTHDC encourages Owner/Agents submitting a budget based rent adjustment to utilize the budget worksheet tool found on our [website](#). This tool will assist Owners and Agents in deciphering which particular line items are increasing by 5% or \$500, and will therefore provide greater clarity as to what items need to be included in the budget submission package.

NTHDC takes great strides in working with the Owners and Agents throughout Florida to help navigate the intricacies of the budget based rent adjustment process. Staff is always available to help owners.

If you have any questions regarding this change, please [contact us](#).

## HUD HQ Issues Memorandum on the Cost of LIHTC Compliance



Per RHIP Listserv posting #255, HUD released a memorandum from Willie Spearmon for all Multifamily Hub Directors, Multifamily Program Center Directors, PBCAs, and Multifamily Project Managers.

The memorandum provides further information regarding Tax Credit compliance fees in Section 9 projects.

The memorandum states that an owner preparing a budget-based request in connection with certain MAHRA renewal options and rent adjustments who also have low income tax credits “may include in their budget the cost of annual compliance reports (a.k.a state allocating agency’s compliance and asset monitoring fees) that must be submitted to the tax credit allocation entity.”

### What’s New on HUDClips

HUD-90105-A Model Lease for Subsidized Programs ([PDF](#)) ([Word](#)) (Expires 3/31/2014)

HUD-90105-B Model Lease for Section 202 PRAC ([PDF](#)) ([Word](#)) (Expires 3/31/2014)

HUD-27061-H Race and Ethnic Data Reporting Form- Housing ([PDF](#)) ([Word](#)) (Expires 3/31/2014)

HUD-90102 [Verification of Disability](#) (Expires 3/31/2014)

HUD – 90011 [Enterprise Income Verification \(EIV\) System Multifamily Housing Coordinator Access Authorization Form](#) (Expires 3/31/2014)

HUD - 90012 [Enterprise Income Verification \(EIV\) System User Access Authorization Form](#) (Expires 3/31/2014)

[50059/50059A](#) (3/31/2014) The new versions provide updated language regarding information disclosure and Social Security Number disclosure requirements. The new language is included at the top of the first page. The form approval date is now 3/2011 (lower right corner).

90106- [Move In/Move Out Inspection Form](#) (3/31/2014)

91066- [Certification of Domestic Violence](#) (3/31/2014)

90105 B- [202/8 Lease](#) (3/31/2014)

## HHS toolkit of Public Health Emergency Text Messages Now Available



A new toolkit of prepared cell phone text messages advising people how to protect their health after a disaster is available now through the U.S. Department of Health and Human Services. These messages support state and local emergency managers in disaster response and are available online at <http://emergency.cdc.gov/disasters/psa>.

Cell phone usage and texting is widespread in the United States and many communities have text alert systems for emergency notification. During a disaster, the state or local agency can download and distribute the new public health messages using their existing cell-phone emergency message distribution systems. Community residents should contact their local emergency management agency to learn whether text message alerts are available in their community and to register if available.

To develop the public health emergency text message content, HHS experts worked with state and local agencies. The content, approved by subject matter experts, complements 30-second public service announcements for radio and television available through the Centers for Disease Control and Prevention. The text messages cover a wide range of actions people can take to protect their health.

Messages are limited to 115 characters or fewer including spaces. Emergency responders can use the messages as they are or tailor the messages based on specific local needs. The toolkit currently features text messages relevant to hurricanes, floods and earthquakes.

Local and state agencies register their interest in using the toolkit by providing contact information to HHS, so they can receive alerts and updates as the content expands to include health tips for additional types of disasters. More than 400 agencies have registered so far.

Agencies register by email: [publichealthemergency@hhs.gov](mailto:publichealthemergency@hhs.gov).



## HUD Issues Clarification of MAHRA and Funding Only

HUD has recently provided a clarification of the statute which affects the practice of offering a “Funding Only” rent adjustment option. The exact guidance of MAHRA is:

### Sec. 524 of MAHRA language in 8(c)(1)

“c) Rent Adjustments After Renewal of Contract.--

(1) Required.--After the initial renewal of a contract for assistance under section 8 of the United States Housing Act of 1937 pursuant to subsection (a), (b)(1), or (e)(2), the Secretary **shall annually adjust the rents** using an operating cost adjustment factor established by the Secretary (which shall not result in a negative adjustment) or, upon the request of the owner and subject to approval of the Secretary, on a budget basis.”

Effective immediately Owners can no longer request a “funding only” rent increase and will be required to either accept the OCAF rent increase or submit a budget based rent increase which supports a 0 per cent in-crease. This guidance does not necessarily apply to preservation contracts as those rent increase methods are governed by the Contract Language. If you have any questions please contact the Central Contract Specialist with whom you normally work.

## Fiscal Year 2011 Income Limits Published



HUD has posted income limits for 2011. These income limits are effective immediately. In some cases, income limits have gone down so it is important that you check these as quickly as you can.

### FY 2011 Income Limits

The effective date is May 31, 2011.  
Income Limits for New York, NY HMFA were updated on June 1, 2011 to correct an error.

[Access Individual Income Limits Areas](#)

• [FY 2011 Income Limits Documentation](#)

[Access Individual Median Family Income Areas](#)

• [FY 2011 Median Family Documentation](#)

[Frequently Asked Questions](#)

Income limits are posted on the datasets page of HUDClips at the address: <http://www.huduser.org/portal/datasets/il/il11/index.html>

For new move-in transactions, be sure that the household meets the new income limit requirements effective 5/31/2011. These were posted around 5:00 PM EST.

## What's New in EIV

Multifamily EIV System 9.2 was released in early May 2011. The new system includes several enhancements and functionalities as described in the table below:

Function	Description
<b>EIV — Management Reports</b>	
For Headquarters and Field Office Staff	EIV Usage Summary now includes 180-day statistics.
<b>EIV — User Certification Process</b>	
For Helpdesk, Tier 2 staff and Owners/Agents	Added Property Names to User Certification Report to assist users referencing properties for HSC and CAC roles.
<b>EIV — ServiceDesk</b>	
For Internal Users (HDQ)	Upgraded HDQ role to access other internal roles.
<b>EIV — Income Information Reports</b>	
Income Report	Contract Number and Project Number fields are no longer case sensitive. Contact/Project radio buttons now populate automatically once the Contract Number and Project Number are entered. Created a Certification Page to be used as an option by the owners/agents.
Income Discrepancy Report	Last name with masked SSN will appear on report pop-up when there is no income discrepancy condition for the household. When printing the Report, the current date will be printed at the bottom of the page.
<b>EIV — Verification Reports</b>	
All Verification Reports	Provided a drop down list for contracts and projects for HUD Field Office and External users. Contract Number and Project Number fields are no longer case sensitive. Contact/Project radio buttons now populate automatically once the Contract Number and Project Number are entered.
Deceased Tenants Report	Developed recognition of TRACS Move Outs to eliminate those tenants from this report. Next recertification date has been removed from report.
<b>Multiple Subsidy Report</b>	Combined reporting of individuals receiving multiple subsidies from both the Search within MF only and the Search within MF and PIH reports. System now differentiates between Active tenants and Inactive tenants in TRACS to eliminate false reporting. Lists contracts and projects with households receiving multiple subsidies for selected HUD Offices (HFU role) for month or calendar year in alphabetic order.