



HUD Occupancy Update & Change 4 Impacts

2015 MSHDA Asset Management Conference
September 9, 2015, 9:45 am to 11:15 am

About Atkins Consulting Professionals LLC

- Atkins Consulting Professionals LLC was created in 2009, owned and managed by Amanda K. Atkins.
- Areas of specialties include resident file audits for tax credit and HUD subsidized properties, leasing & occupancy compliance work, policy compliance, procedural support, and environmental consulting.
- We also provide keynote speaking, HUD trainings, and presentation in many areas: compliance-based trainings, fair housing, environmental initiatives, senior sensitivity and other housing related topics.

Atkins Consulting Professionals LLC
1430 Willamette Street #496, Eugene, OR 97401
(541) 654-2509
atkinsconsultingprofessionals.com
info@atkinsconsultingprofessionals.com



Purpose of this Training

- ▶ To provide a quick overview of recent changes in the HUD Multifamily Housing industry, focusing on leasing & occupancy;
- ▶ Specifically items that affect programs & properties covered by Change 4 to the 4350.3 HUD Handbook, as well as notices and new additions;
- ▶ To view Change 4, visit www.hudclips.org for the available PDF download.



Restructuring & Office Closings

- ▶ Continually changing and modifying the plan.
- ▶ Consolidating Multifamily hubs nationwide and closing 16 smaller offices.
- ▶ Multifamily estimates that the plan will generate up to \$40-45 million in annual savings once implementation is complete.
- ▶ The office's restructuring plan will be fully implemented by 2016.
- ▶ Visit www.HUD.gov for the most recent listing of city closures.



Contract Administrator News

On April 20, 2015, the U.S. Supreme Court refused to hear the case. That denial came as part of a series of newly released orders; the Court did not grant review of any new cases.

HUD anticipates that the competitive bidding process won't be finalized until the summer of 2016.

In the meantime, current contractors in the 42 contested states continue to have their contracts renewed and they are expected to be extended in 6 month renewal increments thru June of 2017.

For the 11 uncontested states and territories, it's business as usual.



Impacts of Change 4, 4350.3 Handbook

Inclusion of EIV as a primary source for information & verification

Importance of the 9887 packet & usage

VAWA Protections (Section 8 and beyond)

Inclusion of screening for Sexual Offenders

Third Party Verification from Source

SSN Requirements, now includes Live-In-Aides

Repayment Agreements

Updated Glossary



9/2014 Clarification Memo - AFHMP

HUD form 935.2A – Affirmative Fair Housing & Marketing Plan

- ▶ Provided clarification regarding when and how to update the AFHMP.
- ▶ All applicable worksheets must be completed before the approval of a plan by HUD.
- ▶ The owner should review an existing AFHMP:
 - ▶ At least once every five (5) years; or
 - ▶ The local jurisdiction's Consolidated Plan has been updated; or
 - ▶ Significant demographic changes have occurred in the housing market area.



HUD Housing Notice 2014-15

New HUD Passbook Rate

0.06% for 2015

Took effect 2/1/15

Will be annually updated, and will replace the previously used 2%



HUD Housing Notice 2014-16

- ▶ **Waiting List Administration:** provides guidance to owners and agents on the topics of opening the waiting list, placing applicants on the waiting list, and outreach.
- ▶ Most of the Notice contains reminders of what is already in the HUD Handbook 4350.3, Revision I, Change 4.
- ▶ If your property uses a lottery system, or opens/closes the waiting list frequently, ensure someone on staff reads over this Notice.



Use of Marijuana in HUD Multi-Family Housing

- ▶ December 28, 2014 Memo to the industry.
- ▶ Details how owners enforce the requirements found in the Controlled Substance Act and the Quality Housing and Work Responsibility Act of 1998.
- ▶ Owners *must* deny admission to assisted housing for any household with a member determined to be illegally using a controlled substance (such as marijuana).



Use of Marijuana in HUD Multi-Family Housing Cont.

- ▶ Owners *may not* establish lease provisions or policies that affirmatively permit occupancy by any member of a household who uses marijuana.
- ▶ Owners *must* establish policies which allow the termination of tenancy of any household with a member who is illegally using marijuana or whose use interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- ▶ Owners *have the discretion* to evict or not evict current tenants for their use of marijuana.



EIV System 9.8 Release

Any questions related to Multifamily Housing in EIV should be directed to the Multifamily Helpdesk at [1-800-767-7588](tel:1-800-767-7588) or by email at atmf_eiv@hud.gov.

Function	Description
EIV — HQs Management Reports	
No HSC or HSU Role Assigned	<ul style="list-style-type: none">• Report provided duplicative data in Certified Contracts/Projects Report and thus was <u>removed</u>.
EIV - Verification Reports	
New Hires Report	<ul style="list-style-type: none">• Additional EIV report access has been granted to users with HFC user roles
Income Discrepancy Report	<ul style="list-style-type: none">• Additional EIV report access has been granted to users with OIG, HFC, HSC and HSU user roles
Identity Verification Report	<ul style="list-style-type: none">• Results for Percentage of household members who have failed on the statistics screen have been corrected to show results instead of a zero percent.



Occupancy Protections for TC Properties

The 1/2015 memo provides owners of HUD-assisted properties with layered Low Income Tax Credits important clarification as to when they can terminate the tenancy of current HUD-assisted tenants who do not meet LIHTC eligibility guidelines.

Eviction of HUD-assisted households is limited to those reasons permitted by HUD and state and local law, and detailed in the lease agreement.

Reiterates the owner's rights to terminate tenancy due to criminal activity.



TRACS Update

HUD and the Industry TRACS Working Group have finalized specification documents for the latest TRACS release – 202D.

- All properties should be using TRACS 202D
- 3/2/15 - TRACS 202C transactions were rejected
- Updated/new forms including 50059s, vouchers, Special Claims, Repayment Agreements
- Elimination of faxed/paper/emailed vouchers to CAs & HUD's FOD (after transition)
- New Error MAT Guide online
- CAs will be required to transmit certs to TRACS daily instead of monthly.



TRACS Update Continued

TRACS
202D
Update

- DUNS/TIN/BIN # Requirements
 - The property's DUNS number (if Section 8, Rent Supp, RAP, or PRAC) and the TIN (Taxpayer Identification #), as well as the DUNS number and TIN for any parent company, will be added to ALL Cert and Voucher MAT File Header Records



TRACS Update Continued

TRACS 202D Update

- New type of certification: Full Certification UT-An AR or IR can be completed with the Unit Transfer flag set to (Y)es
- A household may have a Unit Transfer on the same date as the Annual. Beginning with TRACS 202.D, management will submit an AR/UT.
- This cert, effective on the AR date (which is also the UT date) will include all changes to household composition and/or income, and the new rent will be effective on the date of the AR/UT.



TRACS Update Continued

TRACS
202D
Update

- Live-In Aide Requirements
- 4350.3 Rev-1 Change 4 reminder:
 - Live-in aide needs SSN documentation in tenant file
 - Live-in aide needs Existing Tenant Search done in ELV before moving into unit



TRACS Update Continued

TRACS 202D Update

- Changes in household composition and/or income coupled with a UT.
- Beginning with TRACS 202.D, there is an exception to this rule. When there's a change in household composition or income that would require an IR AND the household is having a unit transfer AND the change(s) occur on or before the UT date, an IR/UT will be done.
- IR/UT is effective on the exact date of the unit transfer - which may be in the middle of the month. The new rent will be prorated and effective on the date of the UT.



TRACS Update Continued

TRACS
202D
Update

- Sex
 - The Final Rule on Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity prohibits asking about sexual orientation or gender identity unless there's a specific need to know (i.e. to determine bedroom size)
 - To comply with this rule, the Sex Code can be (M)ale, (F)emale or blank
 - Applicants can voluntarily disclose this information. It can appear on applications, as long as there is also a “do not wish to respond” choice



TRACS Update Continued

TRACS
202D
Update

- New Special Status Codes
- U.S. (M)ilitary veteran
- (P)residential Disaster for those needing temporary housing for this reason



TRACS Update Continued

TRACS 202D Update

- When a tenant does not have a Social Security number because s/he is an exception (for valid, legal reason) use one of these new codes:
 - C = Individual does not contend eligible immigration status; ineligible non-citizen
 - E = Someone age 62 or older as of January 31, 2010, whose initial determination of eligibility started before January 31, 2010
 - M = New household member under age 6 (being added to an existing household), when obtaining the SSN is delayed for 90 days



TRACS Update Continued

**TRACS
202D
Update**

- New Extenuating Circumstances Codes
- New Move-Out Codes
- New Subsidy Termination Codes
- Full Voucher Detail will be transmitted via TRACS



TRACS Update Continued

TRACS 202D Update

- Introduction of Repayment Agreements
 - Every repayment agreement will have a unique 12-digit alphanumeric ID number
 - Separate agreements must be done for each instance the household requires



TRACS Update Continued

TRACS 202D Update

- Think about changes you may need to make to application or recertification questionnaires
 - The gender question
 - Designating a household for temporary housing due to a presidentially-declared disaster
 - Compiling information on tenants who are U.S. military veterans
 - Obtaining Social Security claim numbers



Updated Forms

- ▶ HUD-27061-H: Race & Ethnic Data Reporting Form (new expiration date of 06/30/2017).
- ▶ Review the listing of newly updated forms within your software system or online at www.HUDUser.org.
- ▶ Print directly via your software or online through www.HUDUser.org.



2015 Income Limits

- ▶ On March 6, 2015, HUD released the 2015 Income Limits.
- ▶ For those owners with properties participating in the Low Income Housing Tax Credit (LIHTC) Program, please note, a separate table of income limits is utilized for income eligibility determinations. This table is called the Multifamily Tax Subsidy Project Income Limits. The income limits listed on these tables must be implemented by April 19, 2015.
- ▶ New definition of Extremely Low Income limit.
 - ▶ Effective July 1, 2014 Extremely Low Income limits are defined as “very low-income families whose incomes do not exceed the higher of the Federal poverty level or 30 percent of Area Median Income.”



HUD Housing Notice 2015-01

Through this final rule, HUD implements policy to ensure that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status.

The rule does not create any additional protected classes under the Fair Housing Act or any other civil rights law.

Cannot ask about gender identity for eligibility purposes.



HUD Housing Notice 2015-02

Required Actions for Multifamily Housing Projects Receiving Failing Scores from HUD's Real Estate Assessment Center (REAC).

Outlines what happens if a property has a low REAC score, falling below the acceptable threshold.

Be prepared for many HUD visits and follow up.



HUD Housing Notice 2015-04

On June 18, 2015 and June 22, 2015, HUD issued a memo and Notice H-2015-04 detailing new sampling methodologies owners/agents must use.

Determine baseline utility allowances for each of their bedroom sizes, once every third year.



HUD Housing Notice 2015-04 Cont.

Once a baseline analysis is performed via the new methodology, subsequent adjustments, in years two and three, can be determined using the HUD Utility Allowance Factors (UAF) to adjust the utility allowances.

If your residents receive a utility allowance, these new procedures will impact your contract renewal or rent adjustment submission.



HUD Housing Notice 2015-06

Provides detailed guidance to owners on how the Equal Access Rule applies to MF insured and assisted housing and the implications for owners that do not comply.

Discusses the prohibition of inquiries on sexual orientation or gender identity when determining housing eligibility, unless such inquiries are lawfully permitted when temporary shelter is being provided and when determining the number of bedrooms a household may be entitled to.



Fair Housing Funding Availability

\$39.2 million through HUD's
Fair Housing Initiatives
Program (FHIP)

Creates (6) new types of
grants that support fair
housing capacity building,
education and outreach
activities, and testing in
rental and sales transactions

Equal Access ruling, impacts

Disparate Impact Liability is
here to stay



Notable Mentions

HUD Locator Application

Mayors Challenge to End Homelessness

Residual Receipt Usage Memo, impact to PRACs

New Section 8 Renewal Guide

VAWA Renewal



Tips & Resources

Section 8 Renewal Website

- ▶ http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8

EIV Website

- ▶ http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rhiip/eiv/eivapps

HUD's TRACS Website

- ▶ http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum

Register for an E-Newsletter

- ▶ Leading Aging - <http://leadingage.org/>
- ▶ RHIP Listserv - <http://nhl.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>
- ▶ HUD Blast - www.rbdnow.com
- ▶ Affordable Housing Update - <http://www.us-hc.com/newsletters.html>
- ▶ AHTCS Blog - <http://www.ahtconline.com/wordpress>



Tips & Resources Cont.

Section 8 Contract Administration

- ▶ http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rfp/sec8rfp

Obtain a DUNS number

- ▶ <http://fedgov.dnb.com/webform>

HUD Housing Notices

- ▶ http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg/

Dru Sjodin National Sex Offender Database

- ▶ <http://www.nsopw.gov>



Tips & Resources Cont.

- ▶ TRACS Home Page:

www.hud.gov/offices/hsg/mfh/trx/trxsum.cfm

- ▶ From this page, you can do many things, including:

- ▶ Documents: Find...

- ▶ iMAX and MAT User Guides

- ▶ 202D Specifications

- ▶ TRACS Rules of Behavior (ROB)

- ▶ Announcements: Industry Meeting information and other TRACS Information

- ▶ TRACS Industry Meetings: Copies of the handouts from the meetings



A Few Quotes

One key to successful leadership is continuous personal change.
Personal change is a reflection of our inner growth and
empowerment.

~ *Robert E. Quinn*

It is not the strongest or the most intelligent who will survive
but those who can best manage change.

~ *Charles Darwin*

The universe is change; our life is what our thoughts make it.

~ *Marcus Aurelius Antoninus*



Atkins Consulting Professionals

Open the floor for questions and comment

Amanda K. Atkins

Atkins Consulting Professionals

1430 Willamette Street #496

Eugene, OR 97401

541-654-2509

