



STATE OF MICHIGAN

RICK SNYDER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

SCOTT WOOSLEY, CFA  
EXECUTIVE DIRECTOR

## NOTICE TO OWNERS WITH HUD/PIH SECTION 8 PROJECT-BASED VOUCHER PROGRAM - HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

### Annual PBV HAP Contract Audit

MSHDA Rental Assistance and Homeless Solutions (RAHS) Division assigned staff will conduct annual internal audits of all Section 8 Project Based Voucher (PBV) Housing Assistance Payment (HAP) contracts. Audits will be conducted approximately 90 days prior to the HAP contract anniversary date of the development. Areas of review will include but are not limited to: Exhibit A and B of the HAP Contract to ensure correct rents and utilities are applied to PBV participants; contract rent review and possible adjustment where FMRs have decreased by 5% or more per HUD regulations; and a review of the approved Memorandum of Understanding (MOU) to ensure partners have not changed. A partner change within the approved MOU will require MSHDA approval.

### Annual PBV Contract Rent Adjustment Request

If the owner/management company seeks a contract rent adjustment for the PBV units within the HAP contract a request must be submitted to the assigned RAHS staff for review and approval. Please note that the MSHDA's Asset Management (AM) Division's annual approval of the rent schedule is not an approval process for the Section 8 PBV units within the developments. RAHS staff will copy AM staff on all Section 8 PBV approval letters.

If the owner chooses to submit a request for a contract rent adjustment, the following information must be submitted at least **90 days prior to the HAP contract anniversary date of the development**. Send requests to: MSHDA, P.O. Box 30044, Lansing, MI 48909 ATTN: Kathy French or Lisa Kemmis.

- Owner/Management Company's written request for a rent adjustment.
- A list of the current contract rents for each PBV unit size within the HAP contract.
- The requested rents for each PBV unit size, with a copy of comparable rents to support the request.

Please note the outcome of contract rent adjustment review may result in an increase or a decrease, based on comparable market rate units within the area. Rent reasonableness must always be conducted; therefore, it is strongly recommended that the owner/management conduct a review prior to the submission to support an increase vs. a decrease of contract rents.

This notice will be posted to the MSHDA website. [http://www.michigan.gov/mshda/0,4641,7-141-5555\\_60730---,00.html](http://www.michigan.gov/mshda/0,4641,7-141-5555_60730---,00.html) . If you have any questions regarding this process, please contact Kathy French at 517-241-0505, [frenchk@michigan.gov](mailto:frenchk@michigan.gov) or Lisa Kemmis at 517.241.2427, [kemmisl@michigan.gov](mailto:kemmisl@michigan.gov) .

(04/02/13)

735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909  
michigan.gov/mshda • 517.373.8370 • FAX 517.335.4797 • TTY 800.382.4568