Project-Based Rental Assistance (PBRA) in the RAD Program

Day 1

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Experience – Leadership - Collaboration

Rental Assistance Demonstration Program (RAD)

- **About $26 billion needed to repair PH, but budget for fell by over 6% between 2010-2012**
- **In 2012 HUD launched RAD to assess effectiveness of converting**
  - **Public housing, moderate rehabilitation properties, and units under rent supplement and rental assistance payments programs to long-term project-based Section 8**

Rental Assistance Demonstration Program (RAD)

- **From November 2011 to October 2018:**
  - **$12.6 Billion in capital has been added to Public Housing properties through RAD**
  - **An average of $121,747 per unit**
  - **956 deals have been closed**

Rental Assistance Demonstration Program (RAD)

- There are only 10 closers and 13 underwriters at HUD doing the entirety of the RAD deals
- There are still around 100,000 units on the wait list
  - In addition to the 225,000 that are closed or in process

Rental Assistance Demonstration Program (RAD)

- PHA may select
  - Project-based rental assistance (PBRA)
    - HUD's Office of Multifamily Housing Programs
  - Project-based vouchers (PBV)
    - Office of Public and Indian Housing (PIH)

Rental Assistance Demonstration Program (RAD)

- To convert to RAD PBRA, PHA must first issue a RAD Information Notice (RIN)
  - Informs residents of their rights regarding proposed conversion; and
  - A General Information Notice (GIN) if it is required
    - See RAD Relocation Notice for more detail
      - Link at NMAReferences.com

Rental Assistance Demonstration Program (RAD)

- **In order to convert to RAD PBRA, prior to application, PHA must**
  - **Notify residents and resident organizations of proposed conversion;**
  - **Conduct at least 2 meetings with residents regarding conversion plans including**
    - **PHAs intentions regarding conversion**
    - **If conversion will include transfer of assistance**

Rental Assistance Demonstration Program (RAD)

- **Meetings must include discussion of**
  - **Plans to partner with entity other than affiliate of the PHA, if partner will have general partner or managing member interest**
  - **Any change that may impact families ability to re-occupy property following repairs/rehab or construction; and**
  - **Reduction of units vacant for more than 24 months at RAD application, and the scope of work**

What is PBRA?

- **Authorized by Congress in 1974**
- **HUD's Office of Multifamily Housing**
  - **Section 8 New Construction**
  - **Section 8 Substantial Rehabilitation**
  - **Rural Housing Section 515 Properties with Section 8 Contracts (RHS 515/8)**
  - **Loan Management Set-Aside (LMSA) Contracts**
  - **Property Disposition Set Aside (PDSA) Contracts**

What is PBRA?

- **Provides rental subsidies for newly constructed, rehabilitated and existing rental and cooperative apartment projects**
- **Repealed in 1983 so no new projects**
  - **Existing projects continue to be funded**

What is PBRA?

- **Except under RAD which allows public housing to convert to PBRA**
  - **The 2012 Appropriations Act authorized up to 60,000 units to convert assistance**
  - **The 2015 Appropriations Act authorized up to 185,000 units**
  - **The 2017 Appropriations Act raised that cap to 225,000 units**
  - **The 2018 Appropriations Act raised it again, to 455,000 units to convert assistance**

What is PBRA?

- **The 2018 Appropriations Act also added a new class of properties to be eligible for conversion under RAD**
  - **Section 202 Project Rental Assistance Contracts (PRACS)**
  - **202 PRACS cover over 120,000 units across 2,800 properties serving the very low income elderly**

What is PBRA?

- **Rental assistance is project-based and stays with the unit, not the tenant**
  - **Unlike tenant-based programs such as housing choice vouchers (HCV) which tie subsidy to the assisted household**
  - **Rental assistance is fixed to the unit and cannot be 'moved' to another unit or property**

What is PBRA?

- **Under regular PBRA, rental assistance provided to owners through Housing Assistance Payment (HAP) contracts**
  - **HAP contracts were generally for 20-40 years**
  - **After the initial term of the HAP contract, owners can renew or "opt out"**
  - **Renewal is typically in 5 year increments**
  - **Older housing stock**

What is RAD PBRA?

- **Under RAD PBRA, rental assistance provided to PHAs through Housing Assistance Payment (HAP) contracts**
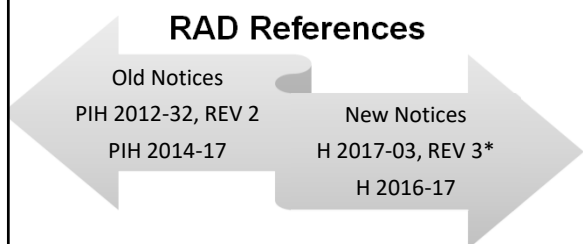 - **Initial term of 20 years**
  - **Mandatory contract renewals**

What is RAD PBRA?

- **Some rules for "regular" PBRA are different or do not apply to RAD PBRA**
  - **Existing in-place tenants at time of conversion vs. new admissions**
    - **Should develop a way to identify existing households**

RAD References

Old Notices
PIH 2012-32, REV 2
PIH 2014-17

New Notices
H 2017-03, REV 3*
H 2016-17

- **REV-3 effective 1/19/17 *as amended by H 2018-05***
  - **Projects closing prior to 1/19/17 are subject to REV-2**
- **2016-17 effective 11/10/16 to anyone that's applied for conversion but not yet converted**

RAD PBRA

- **HUD has released two new RAD notices**
  - **FRN 6105-N-01**
  - **H 2018-05, PIH 2018-11**
    - **Available at NMAReferences.com**

RAD PBRA

- The Rental Assistance Demonstration: Implementation of Certain Fiscal Year (FY) 2018 Appropriations Act Provisions (FRN 6105-N-01) **establishes:**
  - **Which FY rent levels are used**
  - **Deadlines for submission of completed RAD applications**
  - **Changes in multi-phase deadlines**

RAD PBRA

- **The ability to withdraw and reapply for RAD to receive more current rent levels; and**
- **RAD Second Component changes**
- **The FRN Notice also notes that the RAD application has been significantly simplified**

RAD PBRA

- **The Rental Assistance Demonstration (RAD) – Supplemental Guidance HUD Housing Notice (H 2018-05, PIH 2018-11)**
  - **Revises certain portions of the RAD notices H 2017-03 REV-3, PIH 2012-32 REV-3**

RAD PBRA

- Section 1: Provides instructions to PHAs and their development partners, who can convert the assistance of public housing projects under the 1st Component
- Section II: Provides instructions to owners of Mod Rehab projects, including SROs, who can convert the assistance of these projects under the 2nd Component
- Section III: Provides instructions to owners of Rent Supp and RAP projects, who can convert the assistance of these projects under the 2nd Component

RAD PBRA

- The Notice also announced:
- A new streamlined conversion option for small PHAs with a public housing portfolio of 50 units or less
  - Eliminating several lengthy requirements
- A higher developer fee limit for owners with a homeless preference
  - To incentivize more development of properties that serve or partially serve this population
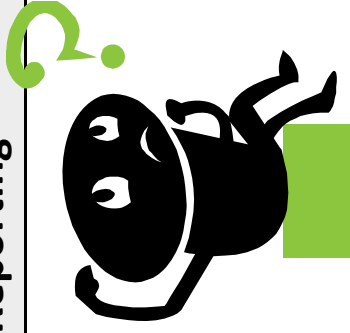
RAD PBRA

- Projects that have not yet closed may request HUD approval to convert under the terms of this revised Notice!
- There is also a link at NMAReferences.com to the RAD Notice REV-3 Amended 7-2018, in which HUD
  - Revised H 2017-03 REV-3/PIH 2012-32 REV-3 with all of the changes contained in the new notices

What is RAD PBRA?

	HCV	Public Housing	PBRA
Department	PIH	PIH	Multifamily
Subsidy Type	Tenant-Based	Project-Based	Project-Based
Operated by	PHA	PHA	PHA
HAP Contract	PHA/Owner for one unit	None	HUD/PHA for multiple units
HAP Payments	PHA → Owner	None	HUD → PHA/Owner
Regulations	24 CFR 982	24 CFR 960	HUD 4350.3
Key Document	Admin plan	ACOP	TSP
Reporting	50058	50058	50059

Further Comparison Chart

- See the chart at the end of the handout for a more thorough program comparison, between regular PBV and RAD PBV (FYI) and between regular PBRA and RAD PBRA

Role of Congress

- Pass authorizing legislation for programs
- Pass appropriations bills to fund contractual obligations

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What is HUD's role in PBRA?

HUD

- **Contracts with entities that actually build, manage, and maintain the buildings and administer rent subsidy programs**
  - **Public housing agencies (PHAs) in the public sector**
    - **Public housing, HCV, PBV, PBRA**
  - **Owners in the private sector**
    - **PBRA**

HUD

Multifamily (MF)

Public and Indian Housing (PIH)
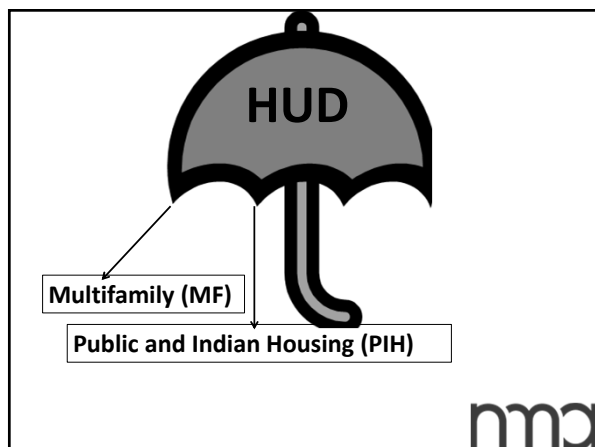
HUD

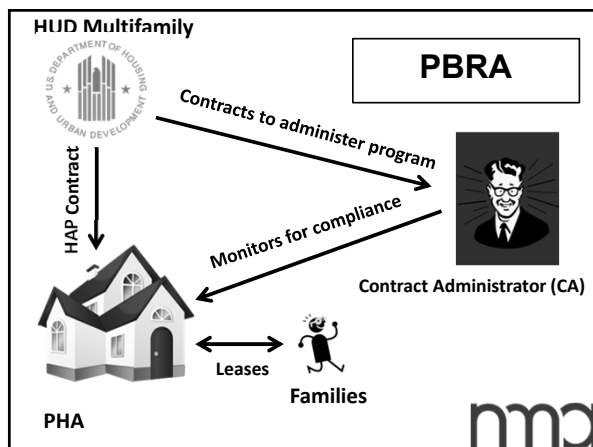**Office of Multifamily Housing programs include:**

- **Financing subsidies**
  - **Mortgage insurance and mortgage interest rate subsidies**
- **Direct loans and capital advances**
- **Project-based rental subsidies**
  - **Paid to owners on behalf of tenants**

HUD

- **HUD Headquarters: Primary role is writing and establishing program regulations**
- **Program offices: Oversee the various assisted housing programs. Each Multifamily property has a HUD Account Executive (AE) assigned for oversight**

HUD Multifamily

PBRA

Contracts to administer program

HAP Contract

Monitors for compliance

Contract Administrator (CA)

Leases

Families

PHA

Contract Administrators (CAs)

- **Generally housing agencies that contract with HUD to oversee the program**
  - **State housing finance agencies**
  - **Local housing authorities**
  - **Some partner with companies specializing in this type of work**

Contract Administrators (CAs)

- **Program compliance function**
  - Ensures HUD-subsidized properties are serving eligible families at the correct level of assistance
  - Manages contract renewals and annual utility allowance analysis/rent increases
  - Processes monthly TRACS submissions for majority of Multifamily properties
- **Asset management function**
  - Ensures the physical and financial health of HUD properties

Management Agents

- **Owner must select a management agent, subject to HUD approval**
  - Owner/Manger
  - Identity of Interest Management Agent
  - Independent Fee Management Agent

Contract Renewal

- **After the initial term of the HAP contract and each contract renewal, HUD must offer the PHA, and the PHA must accept a contract renewal**
  - Subject to appropriations

Initial Rent Setting

- HUD calculates initial rents
  - Based on each project's public housing subsidy
  - No additional funding
  - Referred to as "RAD rent base year"
  - Capped at 120% of the FMR – UA
    - PHA may request an exception up to 150%

Annual Rent Adjustment

- Annually at HAP contract anniversary, rents are adjusted by HUD's Operating Cost Adjustment Factor (OCAF)
- Adjustments are subject to:
  - Availability of appropriations; and
  - The Maximum Rent

Annual Rent Adjustment

- The Maximum Rent is the higher of:
  - 140% of FMR – UA
  - The market rent
    - As established by a rent comparability study (RCS) paid for by the PHA
    - Used to justify rent that exceeds 140% of FMR

Annual Rent Adjustment

- If rent established in RCS is used (i.e. rents exceeds 140% of FMR), RCS remains in effect 5 years
  - Maximum Rent does not apply for next 4 rent adjustments
  - Rents only adjusted by the OCAF

Annual Rent Adjustments

- At least 120 days before the contract anniversary date, owner submits an OCAF Rent Adjustment Worksheet (HUD-9625)
- Once HUD approves, new rents are provided
  - Effective date is contract anniversary date
  - Owner then completes a gross rent change in TRACS

Annual Utility Allowance Analysis

- UA analysis must be submitted with annual rent adjustment every 3 years, in the intervening years, the Utility Allowance Factor (UAF) is used
- Determines if the property's current UA needs to be adjusted and if so, by how much
- Check with HUD /CA for processing guide and applicable worksheets for your state
  - Notice H 2015-04 issued June 22, 2015 provides methodology for completing a utility allowance analysis

Management and Occupancy Review (MOR)

Management & Occupancy Reviews (MORs)

- **Conducted by Contract Administrators (CAs) for most Multifamily property types**
  - **HUD re-bid of oversight work and contracts pending**
- **Conducted by HUD AE's for certain property types such as an 811 PRAC**
- **Real Estate Assessment Center (MF-REAC) conducts property inspections**
  - **REAC inspections are now contracted to outside agencies (scoring)**

REAC Inspections

- **Real Estate Assessment Center (MF-REAC) conducts property inspections**
  - **REAC inspections are now contracted to outside agencies (scoring)**
- **In an email from the HUD mailing list on 2/20/19, HUD announced that O/As and PHAs will now get a 14 day notice of REAC inspection**
  - **To avoid O/As doing quick fixes instead of maintaining the property year-round**

MORs under RAD

- A full MOR should be conducted within 6 months of the effective date of the RAD contract
  - Subject to funding availability
  - If not, a limited MOR (desk review) should be conducted
- Physical inspections take place as soon as possible after closing

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Noncompliance

- Could result in default of HAP contract
- Additional measures by HUD
  - Monthly voucher reduction until errors are corrected. For example non-compliance with EIV requirements results in a 5% reduction until errors are corrected.
  - Suspending HAP
  - Terminating HAP
  - Taking possession of project

MOR

- Consists of two parts
- Part I: Desk Review
  - Completed prior to the on-site review using project files and HUD databases
- Part II: On-Site Review
  - Completed on-site with the property representative

On-Site Review

A. General Appearance and Security
B. Follow-up Monitoring of Project Inspections
C. Maintenance and Standard Operating Procedures
D. Financial Management/Procurement
E. Leasing and Occupancy ✔
F. Tenant/Management Relations
G. General Management Practices

MOR Scoring

- After on-site review, the CA issues a score
  - Superior
  - Above Average
  - Satisfactory
  - Below Average
  - Unsatisfactory

MOR Scoring

- HUD suspended MORs in October 2011
- The most recent NOFA issued by HUD in 2012 requires a "risk-based" MOR system
- MOR suspension over, began doing MORs again May 2016
- Stay tuned for more information from HUD

MOR File Review

Reference for MOR

- **Form HUD 9834, questionnaire, 48 pages (updated form must be used, new exp. date is 4/30/18)**
- **Form HUD 9834 Addendum A, file review worksheet, 5 pages**

Tenant Files and Records

- **Must be organized, properly maintained, and easily audited**
- **Must contain all required documentation**
- **Must be kept physically secure**
- **Be ready for questions such as:**
  - **Who has access to the files?**
  - **Who maintains the files?**
  - **Who approves move in files?**
  - **Who reviews terminations and evictions?**

Application/Tenant Selection

- **Items checked during an MOR:**
  - **Applications retained, signed and dated by applicant**
  - **Has sufficient information to determine eligibility**
  - **HUD form 92006 attached to application (updated form required as of 6/1/16, new exp. date is 2/28/19)**
  - **Owner must have evidence that screening was conducted in accordance with TSP**
  - **Advertising completed that is consistent with AFHMP**

Gender Identity, Sexual Orientation, and Marital Status

Equal Access Final Rule

- **The *Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule*, passed in 2012**
- **Requires that all HUD-assisted housing be made available without regard to:**
  - **Actual or perceived;**
    - **Sexual orientation; or**
    - **Gender identity; or**
    - **Marital status**
      - **24 CFR 5.105**

Equal Access Final Rule

- **Assisted housing must be made available without regard to actual or perceived sexual orientation, gender identity, or marital status**
- **Final Rule published in 2012**

  - **Newest Notice H 2015-06**

Equal Access Final Rule

- **The Rule also changed the definition of** *Family* **to the following:**
  - **Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:**
    - **Any single person;**
    - **A group of persons residing together**

Equal Access Final Rule

- **Disclosure of gender is no longer required on 50059/50059A**
- **Owners may not inquire about sexual orientation or gender identity of applicants or residents for purposes of determining eligibility**
- **Owners may remove questions about gender identity from all forms including the application, or make responses optional**

Equal Access Final Rule

- **A group of persons residing together, can be:**
  - **A family with or without children;**
  - **An elderly, near-elderly, or disabled family; and**
  - **The remaining member of a tenant family**

    - **24 CFR 5.403**

Equal Access Final Rule

- **HUD/CA may review an O/A'a TSP, or any other policies and procedures to determine if they are in compliance during an MOR;**
  - **Including the civil rights review**
  - **Including allegations of noncompliance**
    - **Including state and local laws**
      - **Notice H 2015-06**

Equal Access Final Rule - Enforcement

- **Owners, management agents, principals, or affiliates of projects that are under an insured mortgage or are assisted, who violate any provision of the Equal Access Rule may be liable for one or more of the following sanctions:**
  - **A. Debarment - an exclusion of an individual, organization and its affiliates from conducting business with any Federal Agency government-wide - typically imposed for a 3-year period.**
    - **Notice 2015-06**

Equal Access Final Rule - Enforcement

- B. Suspension - a temporary action with the same effect as debarment.
- C. Limited Denial of Participation (LDP) - an action that excludes a party from further participation in a certain HUD program area.
- D. Civil Money Penalties - fines which may be imposed on owners, principals of owners, and management agents who knowingly and materially fail to comply with any provision of the Equal Access Rule
  - Notice 2015-06

Executive Order 13988

- Executive Order 13088, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation
  - Issued January 20, 2021
  - States that federal laws prohibiting discrimination on the basis of sex, including the Fair Housing Act, also cover sexual orientation and gender identity under the same category

Occupancy Standards

Occupancy Standards

- **If a family qualifies for more than one unit size, family must be allowed to choose unit size they prefer**

Occupancy Standards

- **Households must be assigned to appropriately sized units according to property's occupancy standards**
- **Purpose is to ensure:**
  - **Residents are not over or under-housed**
  - **All residents are treated fairly and consistently**

Occupancy Standards

- **Must not violate**
  - **Fair housing laws**
  - **State or local landlord-tenant laws**
  - **Zoning restrictions**
  - **HUD requirements**

Occupancy Standards

- **HUD does not prescribe specific policies**
  - **Owners must develop occupancy standards**
  - **HUD provides guidelines in Handbook 4350.3**
  - **In general, minimum one, maximum two persons per bedroom**
  - **May establish different standards at different properties**

Persons Per Bedroom

Unit Size	Minimum	Maximum
One Bedroom	1	2
Two Bedroom	2	4
Three Bedroom	3	6

Occupancy Standards

- **Policies may not exclude children or prohibit families with children**
  - **May not exclude otherwise eligible elderly families with children from elderly or elderly/disabled properties**

Occupancy Standards

- **Must not dictate family's sleeping arrangements**
- **Must allow for family preferences to be considered**

Occupancy Standards

- **Must take into consideration:**
  - **Number of persons in the family**
  - **Reasonable accommodation**
  - **Ensuring the family is neither over or under-housed**
- **Must not take into consideration:**
  - **Age, sex, and relationship of family members**
  - **That is for the family to decide**

Occupancy Standards

- **When determining unit size, must count:**
  - **All full-time members of the family**
  - **Unborn children of pregnant women**
  - **Children in the process of being adopted**
  - **Children whose custody is being obtained by an adult family member**
  - **Foster children and adults**

Occupancy Standards

- **When determining unit size, must count:**
  - Children who are temporarily absent due to placement in foster care
  - Children who are in joint custody arrangements who will live in the unit for 50 percent or more of the time
  - Live-in aides

Occupancy Standards

- **May count children who are away at school but will live in the unit during breaks and vacations**
- **May establish reasonable policies for family members who are temporarily in a correctional facility**

Occupancy Standards

- **Smaller unit may be assigned if:**
  - Family requests; and
  - Family is eligible based on your occupancy standards; and
  - Occupancy of smaller unit would not cause overcrowding;and
  - Would not conflict with state/local laws

Occupancy Standards

- **Larger unit may be assigned:**
  - **If no eligible family needs a larger unit and family can move within 60 days**
    - **If property has appropriate unit but it's unavailable**
    - **If family agrees in writing to move at own expense when appropriately sized unit available**
  - **As a reasonable accommodation**

Occupancy Standards

- **Single person may not live in 2 or more bedroom unit unless:**
  - **Needed as a reasonable accommodation**
  - **Displaced and appropriately sized unit unavailable**
  - **Elderly and has verifiable need for larger unit**
  - **Remaining family member and no appropriately sized unit available to transfer to**

Occupancy Standards

- **Family size and occupancy standards should be reviewed before household is screened**
  - **To ensure property has appropriately sized unit**

Unit Transfers

- **Review occupancy standards when family composition changes**
  - **Does family need to transfer?**
  - **May require to avoid over or under-housing**
  - **If a unit of appropriate size unavailable, may not evict household or increase rent**

Unit Transfers

- **Owner decides whether a change in family size or composition requires a transfer**
  - **Based occupancy standards in TSP**

Unit Transfers

- **Transfer policies in TSP address:**
  - **Transfer waitlist**
  - **Acceptable reasons for transfers**
  - **Procedures for filling vacancies**
  - **Filling vacant units with transfers or applicants**
  - **When a transfer is required**

Unit Transfers

- **Policies in TSP for resident-requested transfers such as:**
  - **Changes in family size**
  - **Medical reasons**
  - **Reasonable accommodations**
  - **Desire to live in a larger unit**
  - **Desire for a unit in a different location in the property**
  - **Any other reason the O/A will approve a resident-requested transfer**

Unit Transfers

- **If owner determines transfer is required:**
  - **Resident may remain in unit and pay market rent, or**
  - **Resident must move within 30 days of owner notice**

UT Over/Under Housed

- **If tenant refuses to move, owner may not reduce/terminate assistance associated with original unit until household:**
  - **Has been offered a transfer to unit of appropriate size**
  - **Has been given 30 days to move**

Unit Transfers

- **Resident may be obligated to pay all moving costs**
- **Exception for reasonable accommodation transfers**
  - **Owner must pay all moving costs**
    - **Unless undue financial and administrative burden**

Effective Dates

- **When a household transfers:**
  - **Changes in rent/HAP effective on day household actually occupies new unit**
    - **Unit transfer uses a 50059-A**
  - **New lease must be signed for new unit**
  - **Annual recertification anniversary date remains the same**

Unit Transfers

- **If household currently lives in accessible unit but no longer requires accessible features**
  - **Owner may ask household to move**
    - **Provided provision was made in the household's lease; or**
    - **Via signed agreement;**
      - **And a clause written into the TSP in the Unit Transfer Policies**

RAD PBRA: Under-Occupied Units

- **At conversion, eligible family occupies unit that's too large**
  - **Family may continue to occupy unit until a unit of appropriate size is available in project**
    - **Family must move within 30 days of being notified that a unit of the required size is available**

Important Documents

- **Tenant file must contain:**
  - **Original Lease, certification documentation, and application**
  - **Race/Ethnicity Form**
  - **HUD Form 92006**
  - **Acknowledgment that applicant/tenant received:**
  - **HUD-9887 Fact Sheet**
  - **Lead Based Paint Disclosure (if applicable)**
  - **Resident Rights and Responsibilities Brochure**
  - **_EIV & You_ Brochure * New one available, can use old or new until new one finalized**
  - **Fact Sheet How Your Rent is Determined**

Eviction/Termination of Assistance

- **As part of MOR, owner must show:**
  - **Number of evictions completed in last 12 months**
  - **Average cost per eviction**
  - **Who handled the eviction**

Important Documents and Terminology

Affirmative Fair Housing Marketing Plan (AFHMP)

- **Determines the population that is least likely to apply**
- **Describes how property will be marketed to those least likely to apply**
- **Must be approved by HUD (FHEO)**
- **Reviewed during MOR for accuracy, consistency, and follow-through**

Affirmative Fair Housing Marketing Plan (AFHMP)

- **Must be reviewed every 5 years**
  - **Changes needed: HUD must approve revisions**
  - **No changes needed: Owner must keep records documenting what was reviewed, review results, and why no change is necessary**

Affirmative Fair Housing Marketing Plan (AFHMP)

- **Must market to those least likely to apply**
- **Must be able to show evidence that marketing and advertising have been consistent with the property's AFHMP**
- **Do Not put anything on the AFHMP that you cannot, will not, or may not actually do!**

HUD Form 9887&9887-A

- **Consent to release of information**
  - **Income information with government agencies (SSA, HHS)**
  - **New hire employment (W4), and**
  - **Unemployment information**

9886 vs 9887&9887-A

HUD Form 9886

- Used for PH, HCV, and PBV programs

- Only used by PHAs

- Must be signed by all household members 18 years of age and older

- Failure to sign results in denial /termination

- Expires 15 months from date signed

- Does not replace individual verification

HUD Form 9887&9887-A

- Used for Multifamily programs

- Used by PHAs and private owners

- Must be signed by all household members 18 years of age and older

- Failure to sign results in denial/termination

- Expires 15 months from date signed

- Does not replace individual verification

HUD Form 9887&9887-A

- HUD/CA and PHA/owner information must be present before applicant/tenant signs
- 9887-A must be signed by owner
- Signed copy of both 9887&9887-A must be provided to applicant/tenant
- EIV reports may not be used without a current, signed 9887 & 9887-A on file

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HUD Form 50059

- Certification form showing household information, income, assets, rent, utility allowance, etc
- Provides information to HUD/CA for voucher billing
- Shows correct tenant rent and monthly HAP for each tenant
- Enable HUD/CA to monitor owner/PHA performance

HUD Form 50059

- Owners must begin submitting 50059s and 50059-As starting on the HAP contract effective date
  - HUD recommends starting to create 59s and 59-As in the time between the RCC and HAP contract effective date to work through discrepancies early

HUD Form 50059

- **Must be signed by all household members 18 and older**
- **Must be signed by the owner**
- **Information contained on the 50059 is the information submitted to TRACS**
  - **If there are errors on the 50059 there will be errors in TRACS and on voucher**
  - **Each field on the 50059 directly relates to information being submitted to TRACS**

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Signatures on 50059

- **All 50059s must be signed by the owner/agent and all members of the household who are 18 or older.**
- **Signatures must be completed before the data can be submitted to TRACS**
  - **Signatures do not have to all be on the same date**

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Signatures on 50059

- **If signatures are not on the 50059, the household is not eligible for subsidy**
- **System generated signature dates are not acceptable**
  - **There are a few exceptions to this rule outlined in the MAT Guide Chapter 4-Extenuating Circumstances**

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Extenuating Circumstances

- **Example of things HUD would consider:**
  - Hospitalization
  - Deployment
  - Nursing care
  - Students away at college
  - Other reasonable accommodation

Extenuating Circumstances

- **If you do have someone that has not signed the 50059, HUD requires the O/A to code the reason and submit to TRACS**
  - See MAT Guide Chapter 5 for the specific codes
- **When the resident is able to sign, a corrected 50059 must be submitted with the signature dates**

HUD Form 50059

- A 50059 certification form is created for all full certifications.
  - Move in certification (MI), Initial Certification (IC), Annual Recertification (AR), and Interim Certification (IR).
- Owner certification that tenant eligibility, rent, and assistance have been determined in accordance with HUD regulations
- Tenant certification that the information contained on the form is true and correct to the best of their knowledge

HUD Form 50059

- **Full certifications: Move in (MI), Initial (IC), Annual (AR) Interim (IR) are MAT 10 records in TRACS**
  - **Most important data files submitted to TRACS**
- **When trying to correct errors, you start with the last "MAT 10" file accepted by TRACS and work from there**

HUD Form 50059

- **If TRACS is missing data, correction is generally a resubmission of the last full certification (MAT 10) file which acts as the baseline to move forward**
  - **It acts as the new starting point for the resident**

HUD Form 50059-A

- **A 50059-A certification form is created for all partial certifications**
  - **Only consists of one page.**
  - **Gross rent change (GR), Unit Transfer (UT), Move Out (MO), and Terminations (TM)**
  - **Must be signed by all household members 18 and older**
    - **Except in the case of a (GR) where tenant rent does not change and at move out (MO)**
  - **Must be signed by the owner/agent**

Moving to RAD

- **When converting existing household to RAD an Initial Certification (IC) must be created and submitted to TRACS**
  - **Total Tenant Payment (TTP) that was in place on the last 50058 before conversion must match the TTP on the IC 50059**
  - **Residents retain their recertification date listed on the last 58 as well**

Information Missing from 50059

- **Some information that is required to be submitted on the 50059 is not collected on the 50058**
  - **O/A is required to complete these fields to create the initial certifications (IC)**

Information Missing from 50059

Subsidy type	Previous subsidy type
Imax ID	Unit transfer code
Previous household code	Security Deposit
Displacement status code	TTP at RAD conversion
Effective date	Family has mobility disability
Anticipated voucher date	Family has a hearing disability
Project move in date	Family has a visual disability
Certification type	Number of non members
EIV indicator	Expected family addition
Household citizenship	TTP Override
TTP	Rent Override
Extenuating circumstances code	Eligibility check not required

50058 vs 50059

	50058	50059
PIH Programs	X	
Multifamily Programs		X
Must be signed by residents 18 and older		X
Owner and tenant certification of eligibility		X
Submitted through PIC	X	
Submitted through TRACS		X
Must be signed by owner/agent		X
Must be kept in the tenant file	X	X
Created for every certification	X	X

Pop Quiz!

- **Is a 50059 or 50059A created for full certifications?**

- **How many pages is a 50059A?**

- **Who all has to sign the 50059?**

- **What information does the 50059 confirm?**

- **Does the information on the 50059 directly effect anything?**

Contract Rent

- **Contract rent amount is the amount of rent as approved by HUD or the CA on the HAP contract**
- **Contract rent set based on local Fair Market Rents (FMRs) or rent comparability study to determine local market rents**
- **Must be comparable to unsubsidized projects in the area**

Rent Terminology

- **Contract Rent:**
  - **The rent HUD/CA has approved for each unit type covered under an assistance contract.**
  - **Refer to the project's rental schedule (form HUD-92458) or Rental Assistance contract for exact amounts.**

HUD Rent Schedule

Rent Terminology

- **Gross Rent:**
  - **The gross rent for a unit equals the contract rent plus the utility allowance**
  - **Gross Rent = Contract Rent + UA**

Rent Terminology

- **Tenant rent: Based on adjusted income calculation**
- **Tenant rent = TTP – UA**
  - **TTP is calculated similarly to PH**
  - **Minimum rent (TTP) = $25**

Rent Terminology

- **Market Rent:**
  - **The rent HUD authorizes the owner to collect from families ineligible for assistance.**
    - **Rent Supplement, Section 202, and Section 8: Same as the contract rent**
    - **Section 236: Shown on the project's HUD-approved rent schedule**
    - **BMIR units: Market rent varies by whether the project is a rental or cooperative**

Rent Terminology

- **Housing Assistance Payment (HAP):**
  - **Amount HUD pays the owner for a unit occupied by an eligible household**
  - **Includes HUD's share of the contract rent and any utility allowance due the tenant**
  - **HAP = Gross Rent – TTP**
  - **Owner/agent submits HUD-52670 (the voucher) monthly to HUD/CA for HAP for each unit**

Example

- Happy Valley Apartments
  - 2 bedroom contract rent $800.00
  - 2 bedroom utility allowance $74.00

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Example

- What is the gross rent for each 2 bedroom unit at Happy Valley?

- The Lloyds live in a 2 bedroom and their TTP is $350. How much is the monthly HAP?

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HUD Handbook and Resources

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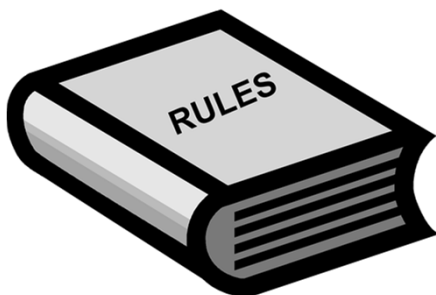
Links to Reference Material

- **All of the handbooks, notices, and memorandums discussed in this section can be found at NMAReferences.com**
- **No user ID or password needed**
- **Click on Multifamily link**
  - **And for RAD references scroll down until you see RAD**

HUD 4350.3

- **HUD Handbook 4350.3 REV-1, Change 4** *Occupancy Requirements of Multifamily Housing Programs*
  - **Describes eligibility and occupancy requirements for multifamily programs**
  - **Contains many exhibits, appendices, examples, and sample forms that can be used by PHAs or owners**
- **Change 4 published in August 2013**

HUD 4350.3

- **Applicability of requirements can vary depending on:**
  - **Program type**
  - **Type of Section 8 assistance**
  - **Date contracts took effect or were executed**
  - **Date a tenant moved in or first received subsidy**
  - **Date tenant was converted to Section 8 assistance**
- **Remember RAD PBRA also has special requirements**

PBRA RAD Resources

- **Notice H 2016-17 RAD Civil Rights and Relocation**
- **RAD Quick Reference Guide to Multifamily Housing Requirements**
  - **Updated version published 10/9/15**
- **PIH 2012-32 (HA) REV-2**
  - **Published 6/15/15**
- **H 2017-03, REV-3**
  - **Effective 1/19/17**

Code of Federal Regulations

- **New construction**
  - **24 CFR Part 880**
- **Substantial rehabilitation**
  - **24 CFR Part 881**
- **State housing finance agencies**
  - **24 CFR Part 883**
- **Rural Housing Services (Farmer's Home)**
  - **24 CFR Part 884**

Other Handbooks

- **HUD Handbook 4350.1, *Multifamily Asset Management and Project Servicing***
- **HUD Handbook 4381.5, *The Management Agent Handbook***
- **HUD Handbook 8025.1, *Implementing Affirmative Fair Housing Marketing Requirements for Multifamily Housing***

FR Notice 11/16/16
VAWA Final Rule

- Effective 12/16/16, O/As were be required to implement new notices and documents, with specific timelines for distribution.
- Effective 5/14/17, O/As were required to have a VAWA Emergency Transfer Plan in place.
- The new notices and documents, along with a sample VAWA Emergency Transfer Plan, are available at hud.gov.

FR Notice 12/20/16
PBRA, PBV, PH, CDBG and HOME

- Effective 1/19/17, new construction or substantial rehab of HUD-funded housing with more than 4 units must install broadband infrastructure
  - Some exceptions for cost and location
  - Must be "accessible" in each unit
  - O/A chooses form of infrastructure that is most appropriate for their circumstances
  - O/A not required to provide internet service, just infrastructure

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Housing Notices (H)

- Mandatory while current
- Discretionary guidance when expired
  - As long as nothing new has been issued to supersede
- Similar to PIH Notices for public housing and HCV

Regulatory Documents

- **Other mandatory references:**
  - **Statutes written by Congress**
  - **Forms required by HUD**
  - **Opinions and rulings by the Office of General Counsel (OGC)**

All Handbooks and References

- **All available at NMAReferences.com**
  - **Click on Multifamily**
  - **Also a RAD tab under Multifamily**

Multifamily Housing Systems

Multifamily Housing Systems

- **In 2002 HUD issued the *Automation Rule***
  - **All owners of subsidized multifamily projects must submit data for HAP through Tenant Rental Assistance Certification System (TRACS)**
    - **All data and forms submitted electronically via software or service provider who submits on behalf of owner/PHA**

WASS ID

- **Web Access Secure System ID needed**
  - **HUD developed multiple online systems to collect/process data and manage/track assistance contracts and housing assistance payments**
  - **Umbrella system was created to bring all systems into one environment**

Multifamily Systems

WASS
(Web Access
Security System)

APPS
(Active Partners
Performance System)

EIV
(Enterprise Income
Verification)

SAVE
(Systematic Alien
Verification for
Entitlements)

LOCCS
(Line of Credit
Control System)

TRACS
(Tenant Rental
Assistance
Certification System)

MAT
(Monthly Activity
Transmissions)

iMAX
(integrated
Multifamily Access
eXchange System)
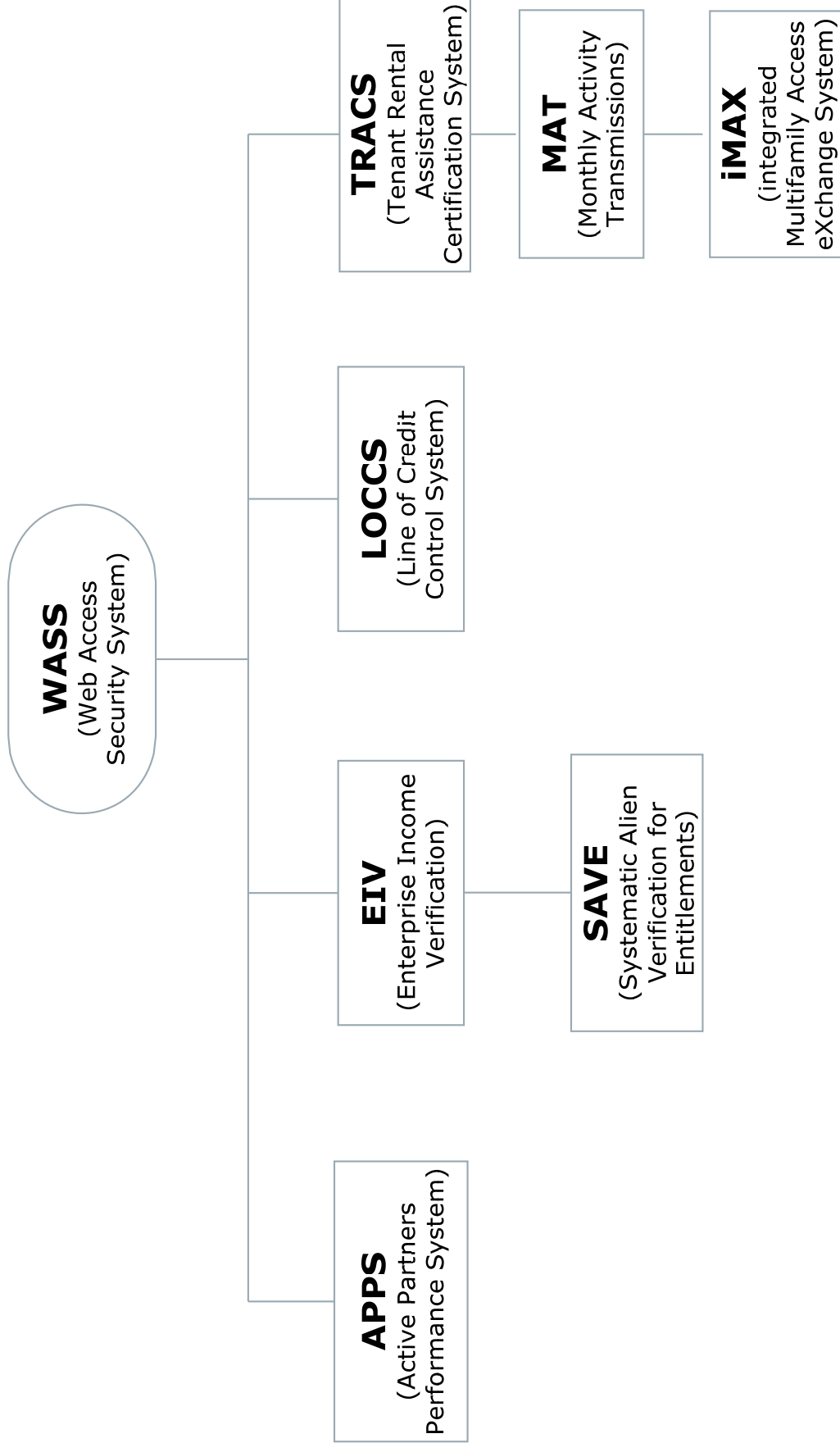
Two types of users in WASS

- **Coordinators: Act as the system administrator for the owner/agent**
  - **Mid-level to senior property management staff positions**
- **Users: Individuals who may be submitting and/or retrieving required program information**
  - **Typically front-line staff positions**

Active Partners Performance System (APPS)

- **Individuals or corporate entities wishing to participate in a multifamily housing property must first obtain HUD approval**
  - **Automate the submission and review of the HUD Previous Participation Certification Process (form HUD-2530)**
  - **Ex: Management agent approved through this system**

Active Partners Performance System

- **Form must be submitted for participation changes:**
  - **Refinancing or rehabilitating property**
  - **Changes in organizational structure**
  - **A current entity assumes additional roles**
  - **An entity that does not have a current role adds one**

Active Partners Performance System

- **Two types of HUD-2530 submissions:**
  - **Property submissions**
  - **Organization change submissions**

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Financial Assessment Subsystems (FASS)

- **Owner must comply with HUD's Uniform Financial Reporting Standards**
- **Must submit financial info to HUD on an annual basis through the Financial Assessment Subsystem-Multifamily Housing (FASSMF)**
  - **FASSMF User Guide available online with detailed financial submission requirements**

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TRACS Access

- **Must have a WASS username and password to access TRACS**
- **You must access TRACS at least every 90 days or your access will be terminated**
  - **If this happens call 1-888-245-4860 to reinstate**
    - **This number is for access only**

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TRACSMail

- **Each owner must have a TRACSMail ID**
- **Submit the TRACSMail ID Request and Registration Form @ https://www.hud.gov/sites/documents/DOC_25275.PDF**

NEW TRACS Version

- **HUD will release TRACS version 2.0.3.A when it's ready**
- **There will be a 5-month implementation period where both 2.0.2.D and 2.0.3.A will be active**
- **TRACS will no longer accept files in TRACS 2.0.2.D format after the implementation period**

TRACS 203A

- **TRACS 203A Industry Specifications was updated 3/29/17, which is the most recent update. The link to this version is available at nmareferences.com**
- **Includes all of the TRACS information and instructions for RAD PBRA conversions**

Tenant Rental Assistance Certification System (TRACS)

- TRACS is used to submit:
  - Form HUD-50059 and 50059-A's
    (MI, IC, AR, IR, UT, GR, MO)
    - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures and
  - Form HUD-52670s (Voucher)
    - Housing Owner's Certification & Application for Housing Assistance Payments

Tenant Rental Assistance Certification System (TRACS)

- HUD requires properties to have an active DUNS number, and include it on every voucher submitted, or it will not be paid.
- Link to establish/renew DUNS number at NMAReferences.com

TRACS Submissions

- For every 50059 and 50059-A created, a corresponding TRACS file is also created to be sent to HUD
- Tenant data MUST be submitted before the HAP voucher request monthly
  - Data should be submitted throughout the month as certifications are completed

TRACS Submissions

- TRACS data and voucher requests must be sent no later than the 10th of the month before the voucher month
  - Example: Request for April voucher payments are sent no later than March 10
- Voucher requests can not be sent earlier than the first of the month

TRACS Submissions

- RAD properties send their data and voucher request directly into TRACS
  - It is best if each property has their own unique TRACSMail box
    - Keeps TRACS responses clear

iMAX

- Integrated Multifamily Access Exchange System
  - Web interface and a system-to-system interface to incorporate site software communications

iMAX

- **Your software will have options for sending information to TRACS**
  - **Creating TRACS files**
  - **Sending TRACS files**
  - **Receiving messages from TRACS**
    - **This will be done using TRACSMail ID and password that was created during your setup phase**

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iMAX

- **If you do not have your TRACSMail ID and password, check in your software or with your software provider**
- **As you submit data, your software will ask for your WASS username and password**
  - **System-to-system: Send/receive is done automatically**
  - **Web: Instructions will be given by the software provider**

Enterprise Income Verification (EIV)

EIV Access

- **Owners of properties converting under RAD must:**
- **Remove PIH EIV access effective at the contract execution date**
  - **Contact EIV Coordinator at HUD Regional Center/Program Center**
- **Obtain access to Multifamily EIV within 90 days from when HAP contract is signed**

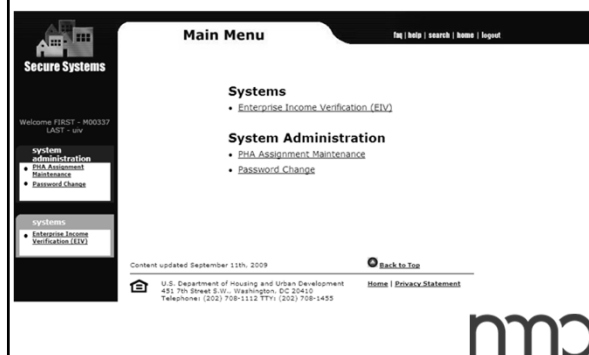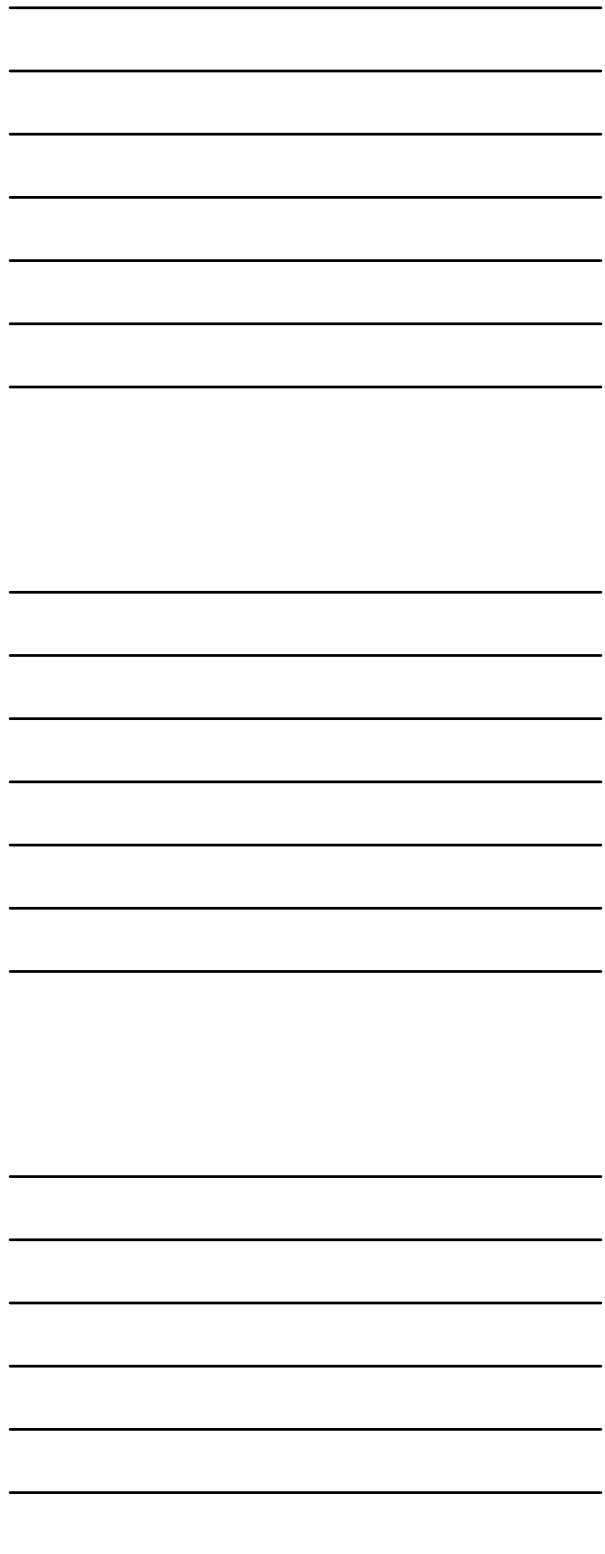
Basic EIV Requirements

- **Use of EIV is mandatory**
- **EIV Coordinator must have an owner approval letter**
- **Applicable contracts must be assigned by HUD to the coordinator before coordinator can assign contract access to users**
- **Must use all EIV reports, take appropriate action when there are discrepancies, and reduce improper payments**

EIV Entry Page

EIV Home Page

Mandatory EIV Report Schedule

Report	Frequency
Existing Tenant Search	Before MI/After 9887/9887A has been signed
Failed Pre-screening/Failed Verification Report	Monthly
Deceased Tenant's report	Quarterly
New Hires Report	Quarterly
Multiple Subsidy Report	Quarterly
Income Report	90 days after MI
Income Report/Income Discrepancy Report	At annual and interim certifications
No Income Report	Per EIV Policy

- Quarterly report months determined by the PHA in their EIV policy

EIV Income Reports

Income Information >> By Head of Household >> Summary Report

Print All

| Summary Report | Certification Page | Income Report | Income Discrepancy Report |

Head of Household Identifiers

Name:	MIKILA
Social Security Number:	***-**-
Date of Birth (mm/dd/yyyy):	XX/XX/1989
Program Type:	Sec 8 Vouchers
Project:	
Unit Address:	
Participant Code:	
Annual Reexamination Date:	05/01/2010
Tenant Data from Form 50058 as of:	10/20/2009
Most Recent Type of Action:	3-Interim Reexamination
Effective Date:	10/01/2009

Household Members

Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
***-**-	MIKILA		XX/XX/1989	20	Head	Verified
***-**-	MALAYA		XX/XX/2009		Other youth under 18	Verified

The month and day values in the Date of Birth field have been masked for security reasons.

Provide ICN

Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.

Report Generated By - H18XXX NICOLE X FAISON

EIV Forms

- **Coordinator Access Authorization Form (CAAF)**
  - **Coordinator: Annually within 30 days of expiration**
- **User Access Authorization (UAAF)**
  - **Users: Semi-annually within 30 days of expiration**
- **EIV Rules of Behavior**
  - **Anyone who does not have access to the EIV system, but may have access to retrieved data/reports obtained through EIV, only once**
  - **Must be signed annually by all users**

MF Requirements

- **EIV requirements for MF properties are more thorough and in-depth than PIH requirements**
  - **EIV Use and Security Policy**
  - **Record retention: EIV Master File: book/binder for each property**
  - **Use of reports more frequently and on a permanent schedule**
  - **Reporting requirements for income discrepancies**
- **Full description of requirements can be found in HUD Handbook 4350.3, Ch. 9**

EIV Files

- **Each property should keep 2 EIV Master files, binders, or books**
  - **Binder 1: Permanent Records**
  - **Binder 2: Master Reports**
- **Ensures EIV information is kept in one place, is easily secured, and is easily audited**

Permanent Records

- **Suggested permanent records in EIV file:**
  - **EIV Use and Security Policy**
  - **Original EIV authorization forms for users and coordinator**
  - **Security awareness questionnaire**
  - **Annual security awareness training certificate**
  - **Signed Rules of Behavior for non-users**
  - **Expired or terminated EIV coordinator and user documents**
  - **Any other training or EIV use information**

Master Documents

- **Reports in EIV Master file:**
  - **Log of when each monthly and quarterly report was pulled**
  - **Log of income discrepancies**
  - **New Hires summary report**
  - **Multiple Subsidy report**
  - **Failed Pre-Screening report**
  - **Failed Verification report**
  - **Deceased Tenant report**
  - **EIV destruction logs**

Master Files Must Show…

- **Annual security awareness training for all users**
- **Reports are being pulled according to schedule, stored properly, and discrepancies are investigated and corrected**

Master Files Must Show…

- **Owner/PHA's EIV policy must include:**
  - **Security measures in place to limit access**
  - **Procedures to review all EIV User IDs periodically**
  - **Access is terminated within 30 days for users who no longer need access**
  - **Procedures for improper disclosure and to report unauthorized access or security breaches**
  - **Use of employment and income information**
  - **EIV report use schedule**

Master Files Must Show…

- **No passwords are shared**
- **No EIV data is improperly shared with staff members who are not 'need to know'**
- **No EIV data is improperly shared with other funding agencies (ex: LIHTC, RD, or HOME)**
- **Failure to use EIV in it's entirety will result in a 5% reduction in total HAP for the property**
- **Could get flagged in APPS… all business stops**

EIV Retention and Destruction

- **Income report, summary report showing identity as "verified", income discrepancy report, and supporting documentation**
  - **Must be retained in resident file for the term of tenancy plus 3 years**
- **Any resident provided documentation, or other third-party verification of income received to supplement the SSA or NDNH data**
  - **Must be retained in resident file for the term of tenancy plus 3 years**

EIV Retention and Destruction

- **Results of the existing tenant search must be retained with the application:**
  - **If applicant is not admitted: For 3 years**
  - **If applicant is admitted: For the term of tenancy plus 3 years**

EIV Retention and Destruction

- **Master files for New Hires report, Identity Verification reports, Multiple Subsidy report, and Deceased Tenants report**
  - **Must be retained for 3 years from date printed**
- **Once retention period has expired, must dispose of the data in a way that prevents unauthorized access to personal info**
  - **Burn, pulverize, shred, etc.**

Applications and the Waiting List

RAD PBRA: Establishment of the Waiting List

- O/A may not market or lease any unit not occupied by a household exercising it's right to remain or return to the covered project prior to approval of the AFHMP.
  - Marketing or leasing includes the solicitation, distribution or acceptance of applications or development of a waiting list.
    ➢ Notice PIH 2012-32, REV-2 or H 2016-17, REV-3

RAD PBRA: Relocation Notices

- HUD has established a series of notices that are specific and mandatory regarding RAD relocations
- These notices must be delivered either in person or by certified mail with return receipt requested
- There are specific times these notices must be delivered
  ➢ Notice PIH 2012-32, REV-2 or H 2016-17, REV-3

RAD PBRA: Relocation Notices

- **A resident log for tracking all relocations is also required**
- **The notices and log will be subject to a compliance review.**
- **Refer to Notice PIH 2012-32, REV-2 or H 2016-17, REV-3 Sections 6.6.A thru 6.6.F and Section 6.9. for details**
  - **Footnotes in these sections provide a lot of information and examples!!!**

Waiting List

- **PHA may use site-based or community wide waiting lists for PBRA projects**
- **Once list is established, follow MF rules**

Waiting List

- **PH site-based → PBRA site-based**
  - **If moving to a new neighborhood**
    - **Must notify applicants and inform them how to apply at new project or other sites**
    - **Existing applicants have priority according to date and time of original application**
    - **Must maintain list in accordance with applicable civil right and fair housing regs**

Waiting List

- PH site-based → PBRA community-wide
  - Inform applicants how to apply for community wide list

Waiting List

- PH community wide → PBRA site base
  - Must establish list in accordance with all civil rights and fair housing requirements
  - PHA decides on procedures for informing applicants
  - Must offer applicants placement on converted project's initial waiting list
    - If applicants want to be on new list, placed according to date/time of original application

Waiting List

- PH community wide → PBRA community wide
  - PHA decides on procedures for informing applicants

Waiting List

- Must use the waiting list in place at the time of conversion
  - Remember existing residents have a right to return
- Owner selects the next available applicant from the waiting list to fill the available unit
  - Based on unit size available
  - Preference status (if any)
  - Income targeting
  - Owner screening policies

Waiting List

- Must maintain a written/electronic waiting list, including:
  - Date and time of application
  - Name of head of household
  - Annual income level (LI, VLI, ELI)
  - If an accessible unit is needed
  - Preference status (if any)
  - Unit size
    - Contact/Comments log

Updating the Waiting List

- Should be updated annually/semiannually
  - Ensures information is current
- Must update anytime household composition changes
  - TSP determines if applicant maintains original date/time

Waiting List Maintenance

- **Notation must be made on waiting list:**
  - **Anytime any action is taken**
  - **For any activity specific to an applicant**
- **All contact with applicant must be noted on the wait list**
  - **Important when filing special claims**

Waiting List Maintenance

- **Note actions such as:**
  - **Move-ins or rejections**
  - **Address changes**
  - **Household composition changes**

Remember!

Opening & Closing the Waitlist

- **May close the waiting list for one or more unit size when wait time is excessive**
  - **One year or more**
- **When opening or closing the waiting list, the owner must publish a public announcement**
  - **Closing- notice should include when the waitlist will close and reasons for the closure.**
  - **Opening- notice should include when and where to apply, rules for applying, and the order in which applications will be processed.**

Preferences

- **State and local: HUD approval is required**
  - **Example: Mandatory Veterans preference**
- **Owner-adopted: HUD approval is required for some, all must be included in TSP**
  - **Residency: Must be HUD-approved and included in AFHMP**
  - **Homeless: Add to TSP, get HUD approval for TSP**
  - **Working**
  - **Domestic Violence**
  - **Specific groups of single persons**

Preferences

- **For owner-adopted preferences, owner may rank, rate or combine preferences**
  - **Criteria must be identified in TSP**

RAD PBRA: Preferences

- **RHIIP Listserv Posting #410:**
  - **Unlike in public housing, owners of RAD PBRA properties may not establish an elderly designation (i.e., a set-aside of units for the elderly)**
    - **Owners may adopt a preference for elderly individuals and/or elderly families, which permits those applicants to be selected from the waiting list and housed before other eligible families.**

RAD PBRA: Preferences

- **Any preference adopted as part of the conversion that will alter the occupancy of the property is subject to an upfront civil rights review during the RAD conversion process**

RAD PBRA: Preferences

- **Preferences that require HUD Multifamily approval include but are not limited to:**
  - **Elderly families**
  - **Near-elderly single persons**
  - **Near-elderly families**

RAD PBRA: Preferences

- **Preferences that may be adopted without HUD approval include:**
  - **Single persons 62 or older over other single persons**
  - **Displaced single persons over other single persons**
  - **Homeless single persons over other single persons**
  - **Single persons with disabilities over other single persons**

Application Guidance

- **Must have a written application**
- **May use pre-application or full application;**
  - **Pre-application: Collect enough information to determine eligibility for placement on waitlist**
  - **Full application: Completed at the time a unit is available**

Accepting Applications

- **Once application is submitted, must indicate date and time received**

Application Guidance

- **Must contain sufficient information to determine initial eligibility such as:**
  - **Name, age, SSN**
  - **General contact information**
  - **Identification of preferences (if applicable)**
  - **Type and estimate of annual income**
  - **Citizenship**

Content of Application

- **No HUD model – developed by owner**
- **Application must include:**
  - **Applicant signature certifying accuracy and completeness**
  - **Inquiry whether any household member subject to lifetime sex offender registration**
  - **List of all states in which all household members have resided**
    - ➢ **Dru Sjodin website – nsopw.gov**

Content of Application

- **A place to disclose complete and accurate SSNs for all household members except:**
  - **Noncontending individuals**
  - **Individuals 62 or older as of 1/31/2010 and already receiving assistance**

Content of Application

- **Race and Ethnic Data Reporting Form (HUD-27061-H)**
  - **Applicant self-certifies race and ethnicity**
  - **Owner must provide, completion is optional**

Application Requirements

Whether pre-application or full application is used initially, form must contain:

- **Inquiry into whether any member of the household is subject to a State lifetime sex offender registration in any state**
- **Listing of states where applicant(s) have resided**

Application Attachments

- **Must include HUD-92006 Supplement to application for Federally Assisted Housing**
- **Best Practice:**
  - *EIV and You* **brochure**
  - **VAWA forms 5380 Notice of Occupancy Rights and 5382 Certification**

Initial Application

- **Must retain application and 92006 as long as status is active on the waiting list**
- **Once admitted, must be retained for duration of tenancy and 3 years after tenancy**
- **All required elements listed in HUD 4350.3 Chapter 4**

Household Size/Income Limits

- **In general, minimum one, maximum two persons per bedroom**
- **May establish different standards at different properties**
- **If a family could qualify for more than one unit size, owner must allow them to choose which unit size they prefer**

Household Size/Income Limits

- **Must include:**
  - **Children temporarily absent due to placement in foster care**
  - **Children present 50% or more of the time are considered when determining household size**
    - **Tenant benefit from more than one subsidy. Policies address when children in joint custody arrangements are claimed by both parents**

Household Size/Income Limits

- **Must include:**
  - **Children in the process of being adopted**
  - **Children who are away at school but who will live with the family during school recesses**
  - **Unborn children of a pregnant woman**
    - **Self-certified by the applicant/tenant**
    - **Must not ask for medical verification or proof**

Household Size/Income Limits

- **Must include:**
  - Temporarily absent family members
  - Family members in the hospital or rehabilitation facility for periods of limited or fixed duration
  - Persons permanently confined to a hospital or nursing home
    - The family decides if such a person is included

Tenant Selection Plan (TSP)

- Must develop written policies and procedures on applicant selection and screening criteria
- Must be consistently applied to all applicants
- Similar to an Admin Plan or ACOP in PH

Tenant Selection Plan

- HUD/CA does not approve a project's TSP
- Modifications may be required if plan fails to comply with requirements
  - Reviewed during an MOR
- Required elements listed in Chapter 4 of Handbook 4350.3

TSP Requirements

- Project eligibility requirements
  - Project specific
  - Citizenship
  - SSNs
- Income Limits
- Procedures for accepting applications and waiting list selection
- Applications/pre-apps
- Preferences

TSP Requirements

- Screening criteria
  - Required drug/criminal
  - Sex offender
  - Existing tenant search
- Procedures for rejection
- Occupancy standards
- Unit transfer policies
- 504/Fair Housing policies
- Open/close wait list
- Student eligibility
- VAWA policies

Matching Family Characteristics with Available Units

- **Accessible units must first be offered to families that include persons with disabilities who require features**

**Matching Family Characteristics
with Available Units**

- **If applicant requests accessible unit, verify applicant:**
  - **Is qualified for the unit**
  - **Needs features as accommodation for disability**
  - **Is qualified to receive priority on the list**
- **Unless disability is obvious or otherwise known and need for features is apparent**

**Matching Family Characteristics
with Available Units**

- **Families with disabled members that need accessible features must be offered a unit when they reach top of the list**
  - **Regardless of whether accessible unit is available**
  - **Must be offered next available unit**
    - **Family decides if unit meets their needs and may reject unit if it does not**

**Matching Family Characteristics
with Available Units**

- **When units meeting household member's disability-related needs are in short supply**
  - **May not prohibit eligible household from accepting non-accessible unit**
  - **Must make physical alterations/modifications as reasonable accommodation if requested**
    - **Unless it would result in an undue financial burden**

Applicant Interviews

- When an appropriate unit will be available in the near future, the owner/PHA must interview applicants in person
- HUD Handbook 4350.3 Exhibit 4-1 includes list of documents applicant must bring to interview

Required Interview Topics

- Confirm and update all info on application
  - If pre-app was used, a full application must be completed
- Explanation of program and screening requirements
- Obtain family income and composition information
- Obtain signatures on forms such as 9887 & 9887-A
- Provide household with required documents
- See HUD Handbook 4350.3 chapter 4 for full list of topics

Applicant Interviews

Asking the right questions is the only way to get ALL of the right information

Eligibility

Screening for Eligibility & Suitability

Screening for Eligibility

- **Eligibility**
  - **Determination applicant is qualified for the program or subsidy type at the property**
    - **Income limits**
    - **Documentation of SSNs**
    - **Citizenship status**

Screening for Suitability

- **Suitability**
  - **Determination an eligible applicant has the ability to:**
    - **Pay rent on time**
    - **Abide by the lease**
    - **Care for the property and unit**

Screening for Suitability

- **Effective screening ensures owner is treating applicants fairly and consistently**
- **Standards must be described in TSP**
  - **Must be nondiscriminatory and compliant with fair housing/civil rights laws**

Screening for Suitability

- **Applicants may not be charged for screening costs**
- **Owner may charge costs to property's operating account**

Mandatory Screening Requirements

- **Must establish standards in the TSP that prohibit admission in certain circumstances**

Mandatory Screening Requirements

- **Must establish policies and procedures in the TSP for using EIV Existing Tenant Search**
  - **Determine if any member of the household is being assisted under a HUD rental assistance program in another location**

Application Rejection

- **Owners may reject an applicant for a variety of reasons including:**
  - **Determined ineligible for particular unit or property**
  - **Failure to properly disclose SSN's**
  - **Failure to sign consent and verification forms**

Application Rejection

- Has household characteristics or size that is not appropriate for the size of units on the property
- Includes household members that did not declare citizenship or non-citizenship status
- Household does not meet the owner's screening criteria

Applicant Rejection

- Any household member
  - Subject to a state lifetime sex offender registry
  - Currently using illegal substance
  - Evicted from federally assisted housing for drug-related criminal activity in last 3 years
  - Cause to believe behavior from alcohol or illegal use of drugs will interfere with health, safety or peaceful enjoyment of other residents

Permitted Screening Criteria

- May establish additional screening standards that are not mandated by HUD regulations

Permitted Screening Criteria

- HUD says you may adopt a policy in your TSP to require criminal background checks at MI and every AR
- HUD *recommends* you adopt a policy in your TSP to do state lifetime sex offender screening on all household members at MI and every AR

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Permitted Screening Criteria

- Must define reasonable length of time in which applicant must not have engaged in activity before applicant would be eligible

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Permitted Screening Criteria

- May require household exclude member who does not meet screening requirements

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Permitted Screening Criteria

- **May reconsider an appeal of a previously denied applicant**
  - **Must submit documentation**
    - **Certification from applicant and/or**
    - **Supporting information from sources like probation officer, landlord, neighbor, etc.,**

Permitted Screening Criteria

- **Credit history**
  - **May deny based on poor credit**
  - **May determine how far back to consider**
  - **May not deny for lack of credit history**
  - **Must distinguish between acceptable and unacceptable credit ratings**

Permitted Screening Criteria

- **Rental history**
  - **May reject for poor rental history**
  - **May not deny for lack of rental history**
  - **Must distinguish between acceptable and unacceptable rental history**

Permitted Screening Criteria

- **Housekeeping habits**
  - **Establish what level of bad housekeeping would lead to a denial**
  - **Will home visits will be required in certain cases?**

Permitted Screening Criteria

- **For all discretionary denial criteria**
  - **May adopt policy in TSP to consider extenuating circumstances**
    - **Applicants would normally be rejected but other factors indicate they might be an acceptable future tenant**
    - **Must consider mitigating circumstances related to disability**

Permitted Screening Criteria

- **"One strike" policy not recommended**
- **Arrest records may not be the basis for denying admission**
  - **May make adverse decision based on conduct underlying arrest if:**
    - **Conduct indicates individual not suitable**
    - **Sufficient evidence other than arrest that individual engaged in conduct**

Screening for Suitability

- **Effective screening ensures owner is treating applicants fairly and consistently**
- **Standards must be described in TSP**
  - **Must be nondiscriminatory and compliant with fair housing/civil rights laws**

Live-In Aides

- **Must screen for drug abuse and other criminal activity**
  - **Including lifetime sex offender registration**
- **May screen with the same criteria as other applicants**
  - **Except creditworthiness**

Live-In Aide

- **Must approve a live-in aide if necessary as a reasonable accommodation for a person with disabilities**
- **Defined as:**
  - **Person who lives with 1 or more elderly, near-elderly, or disabled persons, who is…**

Live-In Aide

- **Live-in aide is**
  - **Essential to care/well being of person; and**
  - **Not obligated for support of person(s); and**
  - **Wouldn't be living in unit except to provide necessary supportive services**

Live-In Aide

- **Owners should have a live-in aide lease addendum that clearly states**
  - **Live-in aide is subject to the house rules**
  - **Live-in aide is not a party to the lease**
  - **Live-in aide has no right to remain in the unit once the person they are caring for no longer lives there**
    - **How long they have to move out**

Law Enforcement & Security Personnel

- **Police officers and other security personnel subject to same screening criteria as any other applicant**

Additions to the Household

- All additional household members subject to same screening criteria as applicants selected from waiting list

Application Rejection

- Must promptly notify rejected applicants
  - In writing
  - State the reason for the rejection
  - Include right to reasonable accommodation
  - Attach VAWA Notice 5380 and Cert 5382

Application Rejection

- Applicant has 14 days to dispute the rejection in writing and request a meeting
  - Similar to informal settlement in PH, however, owner only has 5 days to respond to the applicant about the meeting outcome
- A member of owner's staff who was not involved in decision must conduct this meeting

Application Rejection

- More extensive appeal rights for families denied due to citizenship status
- Once rejected, must retain relevant information for 3 years.
- Relevant information includes rejection meeting documents and outcome
- May be reviewed during an MOR

In-Place Tenants

- All in-place tenants at the time of conversion are eligible to remain in the unit and receive assistance
- Do not have their program eligibility re-determined at conversion

In-Place Tenants

- At conversion current households are not subject to:
  - Rescreening
  - Income eligibility
  - Income targeting
- Ex: Over-income household at the time of conversion continues to be treated as an assisted unit

In-Place Tenants

- **New occupancy standards may apply**
  - **Tenants may have to transfer if over/under housed**
- **Owners may rescreen tenants at annual or interim recertification**

In-Place Tenants

- **In other words…**
- **Current households are grandfathered in for conditions that occurred prior to conversion but are subject to any ongoing eligibility requirements for actions that occur after conversion**

Initial Certification

- **When creating the IC for each household, you must set the "do not check eligibility" code**

Removing from PIH

- **In order to remove residents from PIH and PIC the O/A must:**
  - **Send an EOP for each household to PIC**
  - **Create a new IC and send to TRACS**
  - **Move documents from PIH file to Multifamily (MF) file**

Right to Return

- **Residents who are temporarily relocated have a right to return to the assisted unit at the development**
  - **May offer assistance in another assisted unit if warranted and approved**

Income Limits

- **New tenants must initially be under the applicable Section 8 income limit**
- **Low-income limit of 80% of AMI**
- **Does not apply to in-place tenants**
 - **Over-income households at time of conversion still eligible**

Income Targeting

- **40% of Section 8-assisted units that become available for occupancy in a fiscal year to extremely low-income (ELI) families**
  - **Higher of 30% of AMI or Federal poverty level**
- **Must document that marketing steps have been taken to attract ELI families**
- **In-place families not subject to income targeting**

Income Targeting

- **Move-in certifications and initial certifications completed during the fiscal year are counted**
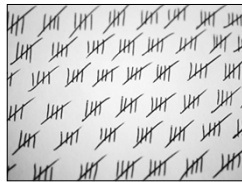
Social Security Numbers

- **Same rules as for PH**
- **No need to re-verify for in-place tenants**

Overview

- All applicants must disclose and document a complete and accurate SSN for each household member, including foster children, foster adults and live-in aides

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Exempt Individuals

- Noncontending family members
- Current residents who had not previously disclosed an SSN, and who were at least 62 years old on January 31, 2010
- Household members who already provided a valid SSN prior to January 31, 2010

Timeframe for Disclosure

- Applicants: SSNs must be disclosed and documented at time of eligibility determination
  - Family cannot be admitted to program until the requirement is met
    - If otherwise eligible, may stay on wait list 90 days from date of unit offer

Timeframe for Disclosure

- **Current tenants: When adding new members to a family, time frames depend on**
  - **The age of the new member**
  - **Whether they have been assigned a SSN**

Timeframe for Disclosure

- **New HH member who is 6 or over OR is under 6 but already has SSN**
  - **Must disclose & document SSN at time of request or time of recert to add member**

Timeframe for Disclosure

- **New HH member under 6 & has no SSN**
  - **Must disclose & document SSN within 90 days of addition to HH**
  - **Must allow 90-day extension if failure to comply outside of the control of tenant**
  - **Must add child to HH and provide deductions during this period**
    - **(See Notice H 2016-09 for TRACS submission, i.e. 999999999 or 999990000)**

Verification of SSNs

- **Applicants who are otherwise eligible but do not provide documentation of SSNs for each household member (2 exceptions)**
  - **May retain their place on the waiting list**
  - **May not be admitted until requirements are met**

New! Verification of SSNs

- **If a child under 6 was added within the 6 months prior to the date of admission, applicant may be offered a unit/admitted as long as documentation is provided within 90 calendar days of the date of admission**

New! Verification of SSNs

- **Must grant one 90-day extension if O/A determines failure to comply is due to circumstances that could not reasonably have been foreseen and are outside of tenant's control**
- **If tenant fails to produce documentation within required time period, must terminate TENANCY of the entire household, per Notice H 2016-09**

Timeframe for Disclosure

- **Applicants: Must reject application if SSN requirements are not met**
  - **Disclosure & documentation of SSNs for all HH members (2 exceptions) is a condition of eligibility for the program**
- **Residents: Must terminate TENANCY of entire family if SSN requirements are not met, per Notice H 2016-09**

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Documentation

- **Must accept any of the following:**
  - **An original SS card**
  - **An original SSA-issued document**
    - **Containing name and SSN**
  - **Original document issued by federal, state, or local government agency**
    - **Containing name and SSN**
      - **4350.3, Appendix 3, pg. 19**

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Documentation

- **May reject documents if:**
  - **They are not original**
  - **They appear to be forged**
  - **They appear to be altered or not legible**
- **All SSNs will be verified through EIV**

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Citizenship Status

- **No family may receive assistance prior to the affirmative establishment and verification of eligibility of at least one family member**
- **No need to re-verify for in-place tenants**

Citizenship Status

- **All applicants must be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time of application**
- **All family members, regardless of age, must declare**

Citizenship Status

- **Each member will be:**
  - **Eligible citizen or national**
  - **Eligible non-citizen**
  - **Ineligible noncitizen (noncontending)**

Family Categories

- **Households will fall into one of the following:**
  - **All members citizens or eligible immigrants**
  - **Some members eligible and some ineligible (mixed family)**
    - **Receive prorated assistance**
  - **All members are ineligible noncitizens**
    - **Not eligible for assistance**

Family Verification

- **Do not use 214 declaration!**
- **For all families:**
- **Owner's Notice**
  - **4350.3 Exhibit 3-3**
- **Owner's Summary of Family**
  - **4350.3 Exhibit 3-7**

And

- **Family Summary Sheet**
  - **4350.3 Exhibit 3-4**

Verification

- **Noncitizens (age 62 and older) must**
  - **Sign a declaration of eligible immigration status**
  - **Provide proof of age**
- **U.S. citizens must sign a declaration of citizenship status**
  - **Sample Citizenship/Eligible Immigrant Status Declaration 4350.3, Exhibit 3-5**

Verification

- **Noncitizens (under age 62) must**
  - Sign a declaration of eligible immigration status
  - Sign a verification consent form
    4350.3, Exhibit 3-6 Sample Verification Consent
  - Submit documentation of their status
    4350.3, pg. 3-29 Chart of DHS Documents

Verification

- **Family members who are not citizens, nationals, or eligible immigrants**
  - Certify "noncontending" status

Timeframe for Submission

- Applicants
  - Documents presented at final eligibility stage
    - If documentation is temporarily unavailable, may grant 30 day or less extension
- New family members
  - First interim or regular recertification after occupancy

Student Status

- **Section 8 Student Rule applies to all applicants after RAD conversion**
- **Does not apply to in-place tenants at time of conversion**

Student Status

- **Congress imposed restrictions on housing assistance to students**
- **HUD has determined that neither the law nor the final rule apply to students residing with their parents and receiving or applying for S8 assistance**

Student Status

- **Assistance cannot be provided to any individual who is…**
  - **Enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential**

Ineligible Students

- Under 24, and
- Not a U.S. veteran, and
- Unmarried, and
- Does not have a dependent child, UNLESS . . .

Student Status

- UNLESS...
  - The student is eligible and the student's parents (individually or jointly) are income eligible for the program

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Student Status

- This is an ongoing eligibility requirement and could effect a family's assistance during tenancy

Student Status

- **Some students in this category may qualify without a determination of parental income**
  - Definition of "independent student" updated in FR Notice 9-21-16
    - Conforms with Dept. of ED's updated definition
    - More expansive

Student Status

- **If a student is a "vulnerable youth," no other verification they are an "independent student" is necessary**
  - Unaccompanied homeless youth
  - At risk of being homeless youth
  - Youth who have aged out of foster system

Student Status

- **O/A will need to verify independence by:**
  1. Reviewing and verifying previous address info to determine evidence of a separate household OR verifying they meet Dept. of Ed. definition of independent student
  2. Reviewing student's prior year's tax return OR Verifying they meet Dept. of Ed. definition of independent student
  - No requirement for parents' tax returns

Student Status

- O/A will need to verify independence by:
  3. Verifying income provided by parent through a written certification
     - Even if no support is provided

Restrictions on Assistance

- O/A must determine income eligibility of:
  - Each student family member
    - Low income limit (80% AMI)
  - Parent (in cases where student is not independent)
    - Low income limit (80% AMI)
  - Student family household as a unit
    - Applicable income limit (usually 50% AMI)

Restrictions on Assistance

- O/A must deny or terminate assistance if any family member fails to meet the eligibility criteria

Student Rule Example

- Glenn and Melissa are applying to live at a PBRA property
- Melissa is over 23, rule doesn't apply to her
- Let's say Glenn doesn't meet any exceptions
- Family would have to establish:
  - Household income eligible (2 person income limit)
  - Glenn is individually income eligible for the program (1 person income limit)
  - Glenn's parent's (individually or jointly) are eligible in area in which they live (or that Glenn is independent)

Student Rule Example

- If Glenn is not independent and his parents aren't income eligible OR if Glenn cannot income qualify on his own, then…
- The entire household is ineligible
  - Even though Melissa meets one of the exceptions
  - Everyone has to establish eligibility on their own

Student Status- Ineligibility

- *Ineligible* means…

  MUST deny application or terminate assistance

HUD Student Status Rule at a Glance
Part-time & full-time students
One student family member may trigger the rule
Institutions of higher education
Not applicable to students who reside with their parent(s)
If one family member is not exempt, the entire household is ineligible
If any student in the household does not meet exception criteria, must perform parental income test
Initial and ongoing eligibility consideration

Family Self Sufficiency (FSS)

- **Current FSS participants continue to be eligible for FSS after conversion**
- **Must provide service coordinators and payments to escrow until the end of the Contract of Participation**
  - **Owner gets escrow amount by creating a miscellaneous adjustment to voucher**
- **After conversion, residents not enrolled in FSS are not eligible unless Owner adopts MF FSS**

Multifamily FSS Info and Links

- *Family Self-Sufficiency Program Guidebook for Owners of Project-Based Section 8 Developments.* **This guidebook provides an overview of the FSS program for owners of HUD-assisted multifamily housing and outlines the steps owners need to take to establish and operate an FSS program.**
- *Multifamily FSS Page on HUD Exchange.* **This new website provides owners with comprehensive information on the Multifamily FSS program, including recorded webinars and applicable guidance materials.**

Questions