RENTAL ASSISTANCE DEMONSTRATION (RAD)

Preparing for the Conversion

National Housing Compliance
In Partnership With
Macon-Bibb County Housing Authority
May 4, 2015
TYPICAL RAD PROFORMA CONSIDERATIONS WHEN CONVERTING TO RAD

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RAD: What is it? (Notice 2012-32-REV 1)

- A Demonstration (started with 60K units, now capped at 185K)
- A Housing preservation program
- A very flexible tool to allow HAs to monetize PBRA/PBV contracts
- With new capital, immediate repairs can be made
- RADOMETER: $539 Mil in construction leveraged activity
- A tool to allow residents choice (through HCV in two years) on limited yearly basis
- It can be expensive! In developing your conversion, budget for:
  - Legal Fees, Surveys, PCNA, environmental, financing, consulting, architectural, etc.
MHA RAD Overview

• Among first in the Nation (2013)
  o Closed 5 RAD Deals, consisting of:
    • 1 Senior High Rise with 199 units, RAD PBRA
    • 1 Existing TC with 8 ACC units, RAD PBV (ARRA)
    • 1 Existing TC with 100 ACC units, RAD PBRA (ARRA)
    • 2 Existing multi-family sites (3 sites combined into 2) with 625 units
    • Utilized 223 (f) loans for $7+mil in new capital
    • Helped close a RAD CII RAP expiration conversion (Section III of the Notice with a 90-unit RAD PBV contract
    • In process of closing a 104 units PBRA HOPE VI TC
REVENUE

PRE-RAD:
• Based on HUD determined formula (recently 82-85% of eligibility)
• AMPS’ “portion” of capital fund is applied as physical issues demand/5-year planning tool
• Tenant portion of rent

POST-RAD:
• RAD/”CHAP” rents represent a combination of revenue (based on the 2012 public housing subsidy @ 95%, if 2013 application deadline met), the property’s portion of capital fund and tenant rents
• In the RAD deals MHA has closed and are pending closing, the GPR represents a substantial increase
SALARIES

PRE-RAD Example of a Typical Property:

- Property Manager
- Assistant Property Manager
- Maintenance Supervisor
- Maintenance Assistant

• Typically, salary expenses are paid by the AMP, often consisting of multiple properties, which means that several projects could contribute – economies of scale.
SALARIES

POST RAD:

Same management personnel requirements, but:

- Manager/Assistant Manager: New skill expectations (Section 8 multi-family, 50059s, possible TC rules, waiting list administration, HUD 4350.3, etc.)
- Consider having the property contracting with site staff (cost benefit analysis/contract employee)
- Maintenance: No new skills needed, unless major upgrades occur with new equipment, green requirements, etc.
MAINTENANCE

PRE-RAD:
• Sometimes, maintenance salaries may tend to get out of proportion with true stand-alone market properties since they are typically tied with the PHA benefit packages (time-value of money problem if “merits” are given each year vs. performance bonus)

POST-RAD:
• Property Manager can contract for services based on best price and services (public housing procurement does not apply, but be responsible)
• Consider paying maintenance personnel with an employee contract (no longer an employee of PHA, but now an employee of the property)
• Bottom Line: Ask yourself, “how will RAD change my current apparatus?”
TENANT SERVICES

PRE-RAD:
• Sky is the limit with social/tenant services
• Public housing tenant governance structure
  o Tenant committees/tenant council/resident associations, etc.

POST-RAD:
• $25 PUPY = regulatory minimum for expense level
• No additional space is required (may be desired, but not required)
• Property can contract with various providers as needed, based on best service, price, and needs
• Requirements for tenant services tend to fluctuate from year to year with tax credit applications (tax credit requirements can represent a considerable expense, based on promises made in TC application)
INSURANCE

**PRE-RAD:**
- General property liability insurance

**POST-RAD:**
- General property liability insurance
- Depending on financing and tax credits, could have more expensive criteria as required by investor/underwriter
- Major renovations could increase premium due to solar panels, untested technologies, equipment, etc.
- Check with your insurance provider to see the cost differences, first since some insurers rate Section 8 properties differently than PH
PILOT

PRE-RAD:
• As calculated using the HUD-52267 form and agreed upon with local jurisdiction

POST-RAD:
• Start early with local assessor/mayor/county commissioner
  o PILOT preferred
  o Granted in our case in writing (HUD will want this)
  o The argument being that a RAD conversion does not change the purpose/demographic being served
• Represents substantial savings as compared to local property tax
VACANCY LOSS/ALLOWANCES

PRE-RAD:
• Budget typically based on AMP’s vacancy history from year to year

POST-RAD:
• RAD proforma requires the greater of the last 3-year property historical average OR 3%. If FHA loan is considered, typically 7% is budgeted for pro-forma and underwriting purposes
• With improvements, property may be less than 5-7% with a nice renovated product – that is the hope!
MANAGEMENT FEE

PRE-RAD:
• Property management fees allowed by HUD:
  o Property Management Fee (PUPOM)
  o +Bookkeeping Fee (PUPOM)
  o +Asset Management Fee (PUPM)
  o =Substantial fee for PHA

POST-RAD:
• Fee based on multi-family’s allowable local/regional level (use HUD 9839-B Form Owner/Management Agreement and call your FO in advance)
• $43.00 for typical Macon, GA market right now
• Significant drop! But, this is where retaining cash flow could make up the difference and it becomes unrestricted, so do the analysis
RESERVES

PRE-RAD:
• As generated by the AMP from year to year

POST-RAD:
• Calculation of Replacement Reserve derived from HUD’s required RPCA
• Designed to act as “capital fund” moving forward (for that property) since Capital Fund goes away for the RAD property
• Able to bring pre-RAD property reserves with the property under a RAD conversion as part of the sources
• Budget for Replacement Reserves based on an established amount per month
MORTGAGE PAYMENT

PRE-RAD:
• Typically no existing debt on public housing
• May have CFFP or other debt – talk to your lender about early pay-off or re-fi as part of conversion

POST-RAD:
• With repairs, financing likely to be involved with a resulting mortgage payment
  o 223(f) FHA loan (light rehab)
  o 221(d)(4) FHA loan (heavy rehab) or new construction
  o FHA loan = due diligence
  o Tax credits
  o Private loan, etc.
CASH FLOW

PRE-RAD:
• Classified as “residual receipts” and considered “project or program funds”
• Restricted

POST-RAD:
• Distributions are unrestricted
• Property could distribute cash flow 60 – 90 days after FYE, after:
  o All operating expenses
  o Insurance premiums
  o Reserve for Replacement, PILOT, etc.
  o Mortgage payment, if any
  o Audit report
SUMMARY

- Make sure the property can sustain the reserve requirement and debt service long term (of course, FHA, private underwriting will require this)

- Once a property converts, the majority of public housing rules/way of doing things goes away, but not all requirements

- General Reminders:
  - Get Board, local Government and Residents on board early
  - Dedicate appropriate staff time – it will take a lot of time
  - Hire a reputable PNA Consultant who has completed RAD PCAs
  - Look at possible rebates with local utility providers if upgrading envelope, HV/HWH
  - Don’t forget! If repairs are made, HUD allows a 10% Dev. Fee (non-federal)
  - A RAD closing is a recordable real estate transaction – secure an experienced attorney early! By now, there are several who have RAD experience
THINGS TO REMEMBER AS YOU TRANSITION FROM PH – PBRA

- Must Develop A New Mind Set
- Must Learn RAD/PBRA Rules and Possibly Section 42/TC Rules
- Must Learn New Terms And Acronyms
- Some Section 8 Rules Are Waived, many public housing rules go away, but not all
- Ensure Employees Receive Training (4350.3 now rules!)
HUD OFFICES/CONTACTS

PUBLIC HOUSING

- HUD Office of Public and Indian Housing (PIH)
- HUD Program Analyst
- PIC/EIV Coach
- REAC
- HUD Office of Fair Housing

PBRA (RAD)

- HUD Office of Multifamily Housing (Housing)
- HUD Project Manager/Asset Manager
- TRACS Help Desk
- REAC
- HUD Office of Fair Housing
- RAD Coach (Transaction Manager)
# PRIMARY RESOURCE DOCUMENTS

## PUBLIC HOUSING
- ACC Contract
- Public Housing Guidebook
- 50058 Instruction Guide
- HUD PIH Notices

## PBRA (RAD)
- HAP Contract - New Construction
- HUD 4350.3 (Occupancy)
- HUD 4350.1 (Management)
- HUD 4370.1 (Financial)
- Special Claims Guidebook
- 202D MAT Guide (50059/50059A)
- HUD Housing Notices
- RAD Final Rule (PIH 2012-32 REV -1)
- Notice H2014-9 – Relocation Requirements Under RAD
REQUIRED POLICIES

PUBLIC HOUSING

• PHA Agency Plan
• ACOP
• Pet Policy
• EIV Security/Use Policy (PIH Rules)
• Grievance Procedures

PBRA (RAD)

• Tenant Selection Plan
• House Rules
• Pet Policy (If applicable)
• EIV Security/Use Policy (Multifamily Rules)
• Affirmative Fair Housing Marketing Plan (AFHMP)
• Management Agreement
• Management Policies and Procedures Manual (Recommended)
PROGRAM COMPARISONS

PUBLIC HOUSING
- AMPs
- Performance Based Funding
- IMS-PIC Database
- Max Tenant Rent = Flat Rent or 30% (Flat rents are changing)
- Security Deposit = $50
- Minimum Rent (TTP) = $50 (max)
- PH Lease (public comment)
- Interim Re-Cert Policy
- No Special Claims

PBRA (RAD)
- Stand Alone Properties
- Monthly Vouchers
- TRACS Database
- Max Tenant Rent = Contract Rent
- Security Deposit >TTP/$50
- Minimum Rent (TTP) = $25
- HUD Model Lease/VAWA
- Interim Re-Cert Policy
  - HUD Rules
- Special Claims
  - Rent Loss (lots of paperwork)
  - Tenant Damages (parameters)
PROGRAM COMPARISONS

PUBLIC HOUSING

• PIH Forms/Notices
• Flat Rent Updates
• Utility Allowances
  – Utility Rate Method
• No Late Charges (optional)
• Resident Organizations
• Waiting List – Global
• Unit Inspections
  – Move-In
  – Annual
  – Move-Out

PBRA (RAD)

• Multifamily Forms/Notices
• Annual OCAF (get it!)
• Utility Allowances
  – Average Usage Method
• Late Charges - $1/Day
• Resident Organizations
  – Property Must Contribute $25 PUA ($15 of which to RA, if it exists)
• Waiting List – Site Based
• Unit Inspections
  – Move-In
  – Annual
  – Move-Out
## PROGRAM COMPARISONS

<table>
<thead>
<tr>
<th>PUBLIC HOUSING</th>
<th>PBRA (RAD)</th>
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</thead>
<tbody>
<tr>
<td>• Earned Income Disregard (EID)</td>
<td>• No EID for New Tenants</td>
</tr>
<tr>
<td>• FSS Program</td>
<td>• No FSS for New Tenants</td>
</tr>
<tr>
<td>• Community Service Requirement</td>
<td>• No Community Service</td>
</tr>
<tr>
<td></td>
<td>▶ EID and FSS Continue for Initial RAD tenants who were tenants at the time of conversion</td>
</tr>
</tbody>
</table>
PROGRAM COMPARISONS

PUBLIC HOUSING

• Pets Must be Allowed
• PHA Policy

• Pet Deposit – PHA Set

• Must Accept Service Animals
  – Sanitation Rules Apply
  – Reasonable Accommodation

PBRA (RAD)

• Pets Discretionary for New Tenants – Existing Pets Must Be Accepted.
• Pet Deposit = Max $300
  – Payment Agreement
  – $50 Down Payment
  – $10/Month

• Must Accept Service Animals
  – Sanitation Rules Apply
  – Reasonable Accommodation
ELIGIBILITY CRITERIA – NEW TENANTS

PUBLIC HOUSING
• Low Income Limit
• Criminal Screening
• Sex Offender Screening
• PHA Required Screening
• Citizenship Status
• No Dual Subsidy
• No Debts Owed Federal Housing Programs
• Verification of SS #s
• No Section 8 Student Rule

PBRA (RAD)
• Low Income Limit
• Criminal Screening
• Sex Offender Screening
• PHA/Property Required Screening
• Citizenship Status
• No Dual Subsidy
• No Debts Owed Federal Housing Programs
• Verification of SS #s
• Section 8 Student Rule
  – See 4350.3 3-37
TTP/RENT CALCULATIONS

PUBLIC HOUSING
- HUD 50058
- TTP = 30% of AI or 10% GI
- Elderly Deduction = $400
- Medical/HC Expenses
  - Elderly/Disabled Family
  - Expenses over 3% of AI
- Dependent Allowance
  - $480 X # Dependents
  - Adult Students
  - Disabled Adults

PBRA (RAD)
- HUD 50059/50059A (short)
- TTP = 30% of AI or 10% GI
  - Unless phase-in applies
- Elderly Deduction - $400
- Medical/HC Expenses
  - Elderly/Disabled Family
  - Expenses over 3% of AI
- Dependent Allowance
  - $480 X #Dependents
  - Adult Students
  - Disabled Adults
RESIDENT PROTECTIONS
AT RAD CONVERSION

• No Rescreening of Current Tenants for Eligibility Factors;
• Earned Income Disallowance Continues;
• FSS Participants Continue Program;
• Rent Increase Phase-In – IF
  o Tenant rent increases $25 or 10% per month due to RAD
  o If so, go to Phase-In Section of the Notice for instructions
• Tenants Have A Right to Return After Temporary Relocation;
• PH Tenant Rights Preserved In Grievance Process.
RAD TRANSITION TEAM

• Include All Stakeholders In Your Team;
• Have Regular Meetings;
• Develop A Transition Matrix;
• Assign Tasks To Team Members;
• Make Policy Decisions;
• Set Tentative Target Dates;
• Develop A Model For Future RAD Conversions.
MAJOR TOPICS TO INCLUDE IN MATRIX

**ACTIONS PRIOR TO CLOSING –**

- Submit Affirmative Fair Housing Marketing Plan (AFHMP)
- Implement TRACS Compliant Software/convert/migrate data
- Create Site-Based Waiting List
- Develop Tenant Selection Plan
- Develop House Rules/Pet Rules/List of Charges
- Develop PBRA Compliant Application Form/Notices/Letters
- Calculate Phase-In Rents
- Meet With Tenants
- Provide Tenants With Notice of Termination of Lease
- Provide Training To Staff - Occupancy/Software
MAJOR TOPICS TO INCLUDE IN MATRIX

ACTIONS @ or POST CLOSING:

- Submit EOPs to PIC
- Submit RAD Disposition Application to PIC
- Obtain WASS Numbers for Security Systems Coordinator and Users
- Obtain TRACS Mail ID Number
- Obtain DUNS Number
- Execute 50059’s/Leases/Required Forms With Residents
- Submit Baseline Submission
- Submit First HAP Voucher
- Assemble Files – Flag As RAD Initial File
- Run EIV’s Within 90 Days of HAP Contract Execution Date
HUD SYSTEMS BASICS

Julie Fawcett, PHM, COS, SHCM
Senior Compliance Manager
National Housing Compliance
HUD Multi-Family Systems

- APPS = Active Partners Performance System
- EIV = Enterprise Income Verification
- TRACS = Tenant Rental Assistance Certification System
- iMAX = Integrated Multifamily Access Exchange
- SAM = System for Award Management
- FASS = Financial Assessment Subsystem
- PASS = Physical Assessment Subsystem

Multi-Family Systems:
Multifamily Online Systems

Multifamily Online systems are for authorized users only. Before an authorized user can Login to any of Multifamily’s online systems they will first have to Apply for a user ID and Password for general access to HUD’s Web Access Security Subsystem (WASS). Registration Instructions are available from HUD’s Office of Real Estate Management (REAC). All users must access WASS and Reset their Passwords at least once in 90 days to maintain active status. The user is presented with the required Rules of Behavior (ROB), which must be accepted during initial login and then annually thereafter.

- **Active Partners Performance System (APPS)**
  - Beginning December 2010 all new Coordinators are automatically granted access to APPS.

- **Enterprise Income Verification System (EIV)**
  - Coordinators must undergo recertification once a year by submitting CAAF online
  - Users must be re-certified by Coordinators twice a year
  - There are separate required EIV ROB for individuals who may not have access to the EIV system but do need access to EIV information.

- **Integrated Real Estate Management System (iREMS)**
  - iREMS is only available for Contract Administrators and HUD staff

- **Tenant Rental Assistance Certification System (TRACS)**
  - The integrated Multifamily Access eXchange (IMAX) system provides a replacement for the previous TRACS system
  - In addition to WASS ROB all TRACS / IMAX users must accept TRACS ROB annually which includes completing annual security training as specified in the ROB.

- **Mark to Market System (M2M)**
  - M2M is only available to Participating Administrative Entities (PAEs) and HUD staff

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HUD Resources

- For Multifamily Systems, Email the [Multifamily Help Desk](mailto:MultifamilyHelpDesk@hud.gov) or call (800)767-7588
- For WASS, FASS or PASS problems contact the [PIH-REAC Technical Assistance Center](mailto:PIH-REACTechnicalAssistanceCenter@hud.gov) or call 1-888-845-4860

Related Information

For each obligation of funds, the recipient is required to have a [DUNS number](https://www.dnb.com/) and a valid registration in the [Central Contractor Registration (CCR)](https://www.sam.gov). **NOTE**: After obtaining a DUNS number allow 24 to 48 hours for the record to become activated before registering with the CCR.

The [Financial Assessment (FASS)](https://www.hud.gov) system is used for submitting Multifamily Annual Financial Statements to the Real Estate Assessment Center (REAC). System access is through WASS.

The [Physical Assessment Subsystem, (PASS)](https://www.hud.gov) ensures that families living in rental housing that is owned, insured or subsidized by HUD, have housing that is decent, safe, affordable, and in good repair.
APPS System

Allows New Agents and Owners to complete on-line Business Partner Registration.

Allows New Agents and Owners to Complete an on-line Previous Participation Certification, form HUD 2530 – as required by the RAD Program – see chart.

Is a pre-requisite to obtaining WASS access to HUD systems.

For RAD participants, the first HUD 2530 will be completed and submitted in hard copy to the RAD Transaction Manager. All principals must sign.

SPECIAL NOTE: The Ownership Entity in APPS will be matched against information on Rent Schedules and HAP renewals.
Active Partners Performance System (APPS)

The Active Partners Performance System (APPS) allows HUD’s business partners to manage their company and individual participation information and submit their APPS Previous Participation Certification (APPC) (formerly known as form 2530) requests directly to HUD for processing via the Internet.

Certain investors in HUD Multifamily Housing Programs, known collectively as "Passive Investors" may benefit from recent changes. Read "Active Partner Performance System (APPS) - Passive Investor Previous Participation and Certification" to find out more.

Certain other investors may qualify as Limited Liability Corporate Investors (LLCI) pursuant to the Preservation Approval Process Improvement Act of 2007. To learn more about qualification and certification requirements, visit or call your local HUD office.

PLEASE NOTE: Effective on July 1, 2006, the Active Partner Performance System (APPS) was fully implemented. The use of this system by all participants is strongly recommended. The system provides a method for participants to store and manage all data pertaining to their participation in HUD Multifamily Programs and then to submit future APPS Previous Participation Certificates (APPC) online, in HUD’s secure web based environment. At this time, participants may opt to file paper form HUD 2530 with the local field office.

Important: APPS requires Coordinators/Users to request access authorizations for each individual within an organization structure if they are to enter or edit any information for that individual. Adding individuals to an organization structure does not require authorization, but without proper authorization the coordinator/user will be unable to certify for or edit the individual’s information in any fashion.

- Secure System Login
- Business Partner Registration
  HUD Multifamily
  Business Partner Registration HUD Multifamily
  for registering your company if it is not listed in HUD’s data base.
<table>
<thead>
<tr>
<th>Type of Financing</th>
<th>Conversion Type</th>
<th>Tax Credits</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FHA</td>
<td>PBV or PBRA</td>
<td>No</td>
<td>No 2530 is required if owned by the PHA or affiliate. However, 2530 required of any partner (limited or general) with more than 25% ownership.</td>
</tr>
<tr>
<td>2. FHA</td>
<td>PBV or PBRA</td>
<td>Yes</td>
<td>No 2530 is required if owned by the PHA or affiliate. However, 2530 required of any general partner with more than 25% ownership (no requirement for limited partners).</td>
</tr>
<tr>
<td>3. Non-FHA</td>
<td>PBV</td>
<td>Either</td>
<td>No 2530 required in case of PBVs (only required where there is FHA insurance)</td>
</tr>
<tr>
<td>4. Non-FHA</td>
<td>PBRA</td>
<td>Either</td>
<td>No 2530 is required if owned by the PHA or affiliate. However, 2530 required of any partner (limited or general) with more than 25% ownership.</td>
</tr>
</tbody>
</table>
Obtaining Multi-family System Access – Current System User

• Current WASS System User – “Manual Activation”
  o System Coordinator: May request a relationship in HUD Systems with the Business Entity by entering the TIN or contact the PIH-REAC Technical Assistance Center (TAC) Helpdesk.

  o TAC will send the Owner on-record a letter containing Activation Key Code to use to activate the Business Partnership relationship with the new entity. Therefore, the Business Entity (TIN) must already be in the system for this to occur.

  o NOTE: Keep both the HUD letter as well an Owner Authorization letter (on Owner Letterhead) or memo for future audit purposes.
Obtaining Multifamily System Access – New System User

• New WASS System User
  - Register for either a Coordinator or User role on HUD’s PIH-REAC Online Systems:
Obtaining Multifamily System Access – New System User

• New WASS System User
  o Select the Multifamily Housing Entity site:

Need a User ID?

Complete registration instructions are available, or go directly to the appropriate secure connection registration form.

- Multifamily Housing Entity
- Public Housing Agency
- Independent User
- Reverse Auction Program (RAP) User

NOTE: If you are in the process of becoming a UFCS certified inspector, you should not apply for this user ID.
Obtaining Multi-family System Access – New System User

- New WASS System User
  - Complete the on-line registration for either a User or Coordinator.
  
    - You are registering under an **Organization**, not as an Individual. Therefore you will need the TIN of the organization.
  
    - Submit the on-line application and provide a copy of the Registration confirmation page to your System Coordinator.
  
    - If you apply to become a System Coordinator, the assigned M-ID number will be sent to the Owner/Organization on record.
System Coordinator Role

- **System Coordinator:** has responsibility for assigning roles and associated contracts to all System Users. But first, the System Coordinator must assign all necessary roles and actions to him/herself. The System Coordinator is also responsible for protecting access to the HUD system, ensuring sensitive information is protected or properly disposed of, and for terminating access for Users who no longer need access to HUD systems.
System User Role

- **System User**: is assigned roles that are necessary to perform his/her job, such as an EIV HSC or HSU. Upon assignment, the User can access property-specific information in one or several of HUD sub-menus: APPS, EIV, iMAX, TRACS, REAC/PASS.
Changes to your WASS ID Status

• Anytime changes to your WASS ID are needed, such as an upgrade from a User to a Coordinator Role, fax a letter to the attention of WASS REAC/TAC Administrator and request a change: include in the fax the User’s ID, Owner Entity tax ID, and the action requested. The fax or letter must be on the property or company’s letterhead and signed by the Owner/Principal/CEO.
System Administration

- Assistance Contract Assignment Maintenance
- Business Partners Maintenance
- PHA Assignment Maintenance
- Participant Assignment Maintenance
- Password Change
- RAP Organization Assignment Maintenance
- User Maintenance

Systems

- Active Partners Performance System (APPS)
- Enterprise Income Verification (EIV)
- Financial Assessment Subsystem - Multifamily Housing (FASSUB)
- integrated Multifamily Access eXchange (iMAX)
- Line of Credit Control System (eLOCCS)
- Mark-to-Market (M2M)
- Physical Assessment Subsystem (PASS)
- Integrated Real Estate Management System (iRENS)
- Tenant Rental Assistance Certification System (TRACS)
Becoming an EIV Multi-Family System Coordinator

• Complete the Coordinator Access Authorization Form (CAAF) and fax to the Multi-family Helpdesk.

• HUD will approve the CAAF and fax back to you.

• All paperwork necessary to gain access to the EIV system must be kept of file.
Becoming an EIV Multi-Family System User

• Complete the User Access Authorization Form (UAAF) and provide a signed copy to your System Coordinator.

• The System Coordinator will establish your role and assign contracts/properties.

• All paperwork necessary to gain access to the EIV system must be kept of file.

NOTE: Future CAAF and UAAF requests are completed on-line.
TRACS System

- HUD’s Multi-family system allows the User to obtain property specific information, to include unit specific data, which should be used to track and monitor the property operations. Examples

<table>
<thead>
<tr>
<th>Queries/Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voucher</strong></td>
</tr>
<tr>
<td>• Contract/Project Based Voucher Summary Query</td>
</tr>
<tr>
<td>• Voucher Detail/Summary Reports</td>
</tr>
<tr>
<td>• Voucher Query</td>
</tr>
<tr>
<td>• Voucher Tenant Compliance Query</td>
</tr>
<tr>
<td><strong>Tenant</strong></td>
</tr>
<tr>
<td>• Assistance Payment Query</td>
</tr>
<tr>
<td>• Certification Query</td>
</tr>
<tr>
<td>• Certifications with Discrepancies Query</td>
</tr>
<tr>
<td>• Late Recertification Query</td>
</tr>
<tr>
<td>• Move-In/Move-Out Query</td>
</tr>
<tr>
<td>• Multiple Occupancy Query</td>
</tr>
<tr>
<td>• Project Evaluation Query</td>
</tr>
<tr>
<td>• Tenant Unit Address Query</td>
</tr>
<tr>
<td>• Verification Query</td>
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</tbody>
</table>
EIV System View:

Enterprise Income Verification

Welcome JEFF K WIRICK

EIV Announcements

Announcement Date: 03/03/2014

PHI SUMMARIZATION: PHI Summarization completed successfully. All PHI EIV reports are up to date.

MF HOUSING SUMMARIZATION: MF Summarization completed successfully. All MF reports are up to date.

Attention!!
The Next User re-certification is due annually on the anniversary of the assignment.
System Access and Security Training
Requirements for TRACS & EIV

• Complete a Rules of Behavior (ROB) form and Security Awareness training – each are required annually.

• Security Training can be completed on-line by viewing a video, *Cyber Awareness Challenge*, provided by the federal government. Print out the course certification when completed.

**NOTE:** Security Awareness Training must be completed no later than 30 days after Rules of Behavior are accepted. The Security Awareness Training certification is good for one year and is also valid for all HUD programs.
As an Owner of a Project-Based Section 8 property, you must obtain a Dun And Bradstreet System (DUNS) number. The DUNS number will allow you to register in the SAM and is a required component of the TRACS Voucher submission.

Registration in SAMS must remain active and is free of charge. SAM will send reminder notifications to the registered user via email 60, 30 and 15 days prior to expiration.
Other Multi-Family Systems

• **iMAX**: TRACS files are sent to HUD using the iMAX system and requires not only the WASS System User ID and password but also a TRACSMail ID and TRACSMail password. Consult with your software vendor to assist with this interface between the HUD systems and site TRACS software, as there are different ways to send and receive TRACS files based on the software you use.
Other Multi-Family Systems

- **FASS**: Owners may be required to submit financial information to HUD on an annual basis through the internet to the Financial Assessment Subsystem – Multifamily Housing (FASS). This will apply to owners of properties converting to PBRA which have different tax identification numbers from the PHA, in which case, the Owner will submit an audited or owner-certified financial statement pursuant to HUD’s Uniform Financial Reporting Standard.
# HUD System Recap

<table>
<thead>
<tr>
<th>Prior to Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete on-line Registration and form HUD-2530 Clearance – if required</td>
</tr>
<tr>
<td>Obtain a DUNS number and register in SAM</td>
</tr>
<tr>
<td>Obtain WASS ID and/or access to Multifamily HUD Systems</td>
</tr>
<tr>
<td>Complete and submit application for Inventory Removal (at CHAP assignment)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post-Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete EOP (End of Participation) for each unit in PIC</td>
</tr>
<tr>
<td>Establish 50059 Baselines in TRACS software</td>
</tr>
<tr>
<td>Obtain EIV System Coordinator and User Access Requests (within 90 days of closing)</td>
</tr>
</tbody>
</table>


AFTER CONVERSION –

WHAT TO EXPECT

Julie Fawcett, PHM, COS, SHCM
Senior Compliance Manager
National Housing Compliance
Management And Occupancy Review (MOR)

- FIRST MOR – Six Months From HAP Contract Effective Date
- HUD Will Be Contract Administrator for RAD Properties
- MOR Assesses Management and Oversight of Property
- HUD Reviewer Examines:
  - General Appearance & Security
  - Follow Up & Monitoring of Project Inspections (REAC)
  - Maintenance & Standard Operating Procedures
  - Financial Management & Procurement
  - Leasing & Occupancy
  - Tenant Management Relations
  - Overall Management Practices
Management And Occupancy Review (MOR)

• **MOR RATINGS -**
  • Superior 90-100
  • Above Average 80-89
  • Satisfactory 70-79
  • Below Average 60-69
  • Unsatisfactory Under 60

• **FREQUENCY OF MORs BASED ON RISK ANALYSIS OF -**
  • Financial Management
  • Physical Condition
  • Property Management
Management And Occupancy Review (MOR)

- HUD 9834 (Exp. 2/28/2015)
  - Part I Desk Review –
    - Tenant Selection Plan (Owner Provided)
    - Application (Owner Provided)
    - Lease/House Rules (Owner Provided)
    - Pet Rules (Owner Provided)
    - AFHMP (Owner Provided)
    - REAC Inspection (iREMS)
    - FASS (iREMS)
    - Vacancies/MI/MO (TRACS)
### DOCUMENTS TO BE MADE AVAILABLE BY OWNER/AGENT

<table>
<thead>
<tr>
<th>Project Name</th>
<th>FHEO Project#</th>
<th>Section 8/PAC/PRAC#</th>
</tr>
</thead>
</table>

**Instructions:** Reviewers should place a check mark next to those items that must be available for review. Included in this list are FHEO staff instructions to provide MPH staff a list of requests for documents and special observations each year.

**General Documents:**

- All Tenant Files and records, including rejected, transfer and move-out files
- Current waiting list
- Latest advertisement and/or copies of apartment brochures
- HUD-approved Rent Schedule form HU-52458
- Purchase Agreement
- Work Order Journals and Logs
- Cash Disbursement Journal
- Fidelity Bond
- Property and Liability Insurance
- Copies of the form HU-52607 for the last twelve months, for each subsidy contract
- Current annual budget
- Quarterly budget variance reports
- Reserve for Replacement component analysis
- Copy of Rent Roll
- Copy of Application form
- Copy of lease, lease addenda and house rules
- Copy of Policy
- Copy of Applicant Acceptance Letter
- Annual Unit Inspections
- Fact Sheet "How Your Rent Is Determined"
- Copy of the "Resident Rights & Responsibilities"
- Lead Based Paint Certifications
- EH&I Certifications
- All Operating Procedure Manuals
- Documentation for Elderly Preferences Under Sections 651 or 658
- Income Targeting and Tracking Log
- List of all current Principals and Board Members
- IIIV Coordinator Access Authorization form(s) (CAAFs) – approved initial and current
- IIIV User Access Authorization form(s) (UAAFs) – approved initial and current
- IIIV Owner Access Authorization form(s)
- IIIV Policies and Procedures
- Rules of Behavior for individuals without access to the IIIV system
- Copy of TRACS Rules of Behavior, signed and dated
- Copy of TRACS and IIIV requested Security Awareness Training Certificate, signed and dated
- Other

**Civil Rights, Front End Limited Monitoring and Section 504 Review Document:**

- Affirmative Fair Housing Marketing Plan
- Tenant Selection Plan, including any approved residency preference
- Recent advertising
- Fair Housing logo and Fair Housing poster
Management And Occupancy Review (MOR)

• Part II – On-Site Review
  • Items Listed On Addendum C (As Applicable)
  • Inspection of Vacant Units
  • Addendum B Part A I, II, III – Accessibility
    • Executed Copy Must Be Available At Review
    • Signed by Owner or Designee
    • No Items Should Be Left Blank

• Bulletin Board Postings
  • Tenant Selection Plan
  • AFHMP
  • HUD 1141 - Is Fraud Worth It?
  • Rent Schedule
  • Emergency Numbers
  • Fair Housing Poster
  • Renter’s Insurance
  • Rent Collection Policy
  • Grievance Procedures
  • HUD Rights & Responsibilities
  • HUD Fact Sheet
  • Eviction Policy
  • Right to Organize
**ADDENDUM B**

### PART A

**OCCUPANCY/ACCESSIBLE UNITS/PROGRAM ACCESSIBILITY**

Authority:
- Section 504 of the Rehabilitation Act of 1973 (28 CFR Part 50)
- Fair Housing Act & Title VIII Regulations (24 CFR Part 100-109)
- Uniform Federal Accessibility Standards (UFAAS) (24 CFR Part 328)
- Regulatory Agreement

For this section, the reviewer must forward the form along with the instructions for completion to the owner/agent prior to the on-site review. For uncontrolled projects, the owner/agent must complete the project information shown and the information in Sections 1, 2, and 3 below. (See attached instructions.) For uncontrolled projects, the owner/agent must complete the project information shown and Sections 1 and 2 only. Section 3 consists of Section 504 compliance, which does not apply to projects that do not receive federal financial assistance. The reviewer will obtain the completed form from the owner/agent during the on-site review.

#### SECTION 1 – OCCUPANCY

<table>
<thead>
<tr>
<th>Description</th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>This property was designed primarily for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exclusively Elderly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exclusively Disabled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elderly and Disabled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Indicate the number of units currently occupied by client groups below:
   - Exclusively Elderly: 9
   - Exclusively Disabled: 10
   - Elderly-Disabled: 15
   - Non-Elderly Disabled: 6
   - Family: 9

3. A change in the agreement or any other document that indicates that this project must serve only elderly tenants?
   - Yes
   - No
   - Unsure

   (If yes, specify type of document affected:)

4. Effective Date

5. If this project is a "covered Section 8 housing program" (see instructions), is there an occupancy preference for the elderly in accordance with Section 853 of Title VI, Subtitle D of the Housing and Community Development Act of 1992? (Refer to HUD Handbook 4305.2, Rev. 1.)
   - Yes
   - No

   (Note: If yes is checked, items a, b and c below must be filled in.)

6. If yes, please indicate:
   a. the date of the occupancy preference;
   b. the number of units that must be occupied by non-elderly persons with disabilities ________ and;
   c. the date used to determine the number of units reserved for non-elderly persons with disabilities ________

7. Total Number of Units Exclusively for the Elderly

8. Total Number of Units Exclusively for Persons with Disabilities

9. Total Number of Units that must be occupied only by Non-Elderly Persons with Disabilities

10. I certify that this information is true and accurate.

   **Warning:** HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties. (11 U.S.C.
   1001, 1515, 1519, 31 U.S.C. 1341, 1382)

   **Signatures of Owner:**
   - The "Owner's" signature is required.
   - (HUD will accept authorized agents or POA)

   **Date:**
   - This "Date" must be date here.

   **Page 5 of 13**

   **Ref:** HUD Handbook 4305.2, Rev. 1
   and HUD Handbook 4306.2
### SECTION II - ACCESSIBLE UNITS

Distribution of all wheelchair and other accessible units in the project:

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Total units with project-based rental assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Mobility accessible units</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Vision and/or Hearing accessible units</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total (Total Accessible Units)</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Number of persons on waiting list who have requested accessible units</td>
<td>0</td>
<td>32</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Number of accessible units occupied by elderly or family</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Number of accessible units occupied by non-elderly tenants with disabilities who require the features of the unit</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Number of accessible units occupied by elderly tenants with disabilities who require the features of the unit</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

10. Percentage of Total Units with Project-Based Rental Assistance
   (Total line 2 divided by Total line 1 x 100) **100.0%**

11. Percentage of Total Units that are mobility accessible
   (Total line 3 divided by Total line 1 x 100) **20.0%**

12. Percentage of Total Units that are vision and/or hearing accessible
   (Total line 4 divided by Total line 1 x 100) **20.0%**

*If a unit is both mobility accessible and vision or hearing accessible, count the unit only once in line 8.*

Certify that this information is true and accurate.

We certify: HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties. (42 U.S.C. 3531, 3536, 3538, 3539, 3550)

<table>
<thead>
<tr>
<th>Signature of Person</th>
<th>The &quot;owner's&quot; signature is required.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(HUD will accept authorized agents or POA)</td>
</tr>
<tr>
<td></td>
<td>Note: The &quot;date&quot; must be entered here</td>
</tr>
</tbody>
</table>

Page 4 of 15
SECTION III - PROGRAM ACCESSIBILITY
SECTION 504 OF THE REHABILITATION ACT OF 1973
Section 504 Coordinator (34 CFR 1153 (a))

1. Does the recipient (as defined in 34 CFR 1.3) employ at least 15 employees?
   - Yes [ ]
   - No [ ]

   (Note: If yes, #2 must be filled in along with the name and telephone number).

   If “Yes”, answer Question 2. If “No”, skip to Question 3.

2. Is at least one person designated to coordinate its Section 504 responsibilities?
   - Yes [ ]
   - No [ ]
   - N/A [ ]

   If YES, provide the person’s name and telephone number below:

   Name: ______________
   Telephone Number: ______________

Program Accessibility: Under Section 504, a federally assisted Housing Development is required to ensure that its
program is usable by and accessible to persons with disabilities. This includes, but is not limited to, maintaining
housing and non-housing facilities that are structurally accessible for persons with disabilities. The extent to which
facilities must be structurally accessible depends in part, on whether they are new, altered, or existing. In addition,
owners/agents are required to ensure that effective communication methods are used while communicating with persons
with disabilities.

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Has the owner/agent taken steps to ensure effective communication using:
   a. Qualified sign language and oral interpreters?
      - Yes [ ]
      - No [ ]

   b. Readers?
      - Yes [ ]
      - No [ ]

   c. Use of tapes?
      - Yes [ ]
      - No [ ]

   d. Braille materials?
      - Yes [ ]
      - No [ ]

   Other (Describe): ______________

   TTY number is available for the hearing impaired.

I certify that this information is true and accurate.

Warning: HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties (18

Signature of Owner: ______________
Date: ______________

The “owner’s” signature is required.
(HUD will accept authorized agents or POA)

The “date” must be entered here

Page 5 of 13
Management And Occupancy Review (MOR)

- **File Review** – Current, Move-Out & Applicant Denials
  - **Household Information** – Application, EIV, Unit Size, Forms
  - **Verification** – SSNs, Citizenship, Screening, Age, Disability, Student
  - **Lease** – Correct Lease Used, Attachments, Security Deposit, Pet Deposit
  - **Certification/Recertification Procedures** – Timely, Signatures, Notices, Income, Asset & Expense, Repayment Agreements
  - **Billing** – Do HUD 50059s match HUD 52670 (voucher) Schedule A?
  - **Move-Out Documentation** – MO Inspection, Itemized Damages, Refund of Security Deposit or Letter of Why Deposit Not Returned
  - **Applicant Rejection Review** – Right to Appeal, Denial Letter
RAD File Contents

Certification – Initial
- Lease Amendment Letter
- RAD Phase In Worksheet
- HUD 50059, Privacy Act & EZ Worksheet
- Notice of Initial Annual Recertification
- Acknowledgement of Receipt
  - Resident Rights & Responsibilities
  - HUD Fact Sheet
  - EIV & You Brochure
  - Protect Your Home From Lead*
  - Fair Housing Equal Opportunity
- HUD Consent Forms 9887 & 9887A
- Race & Ethnic Data Form 27061-H
- Supplement to Application HUD 92006
- Income/Asset/Expense Verification
- EIV Run within 90 days of conversion
- Student Status/Verification

Lease & Attachments
- HUD Model Lease
- VAWA Lease Addendum HUD 90167
- House Rules
- Pet Addendum
- Live-In Aide (if applicable)
- Other HUD Approved Addenda (if applicable)

Public Housing File
- HUD 50058 (last prior to RAD)
- Last PH Unit Inspection Form
- Verification of SSNs, Ages, Criminal Screening, Income/Assets & Expenses
Management And Occupancy Review (MOR)

Items Reviewed On Site

Reviewer Completes HUD Form 9834 -

- Annual Inspections & Maintenance Inventory
- Vacancy Rate
- Financial Review – Bookkeeping, AR, AP
- EIV Binder
- Tenant Concerns/Police Reports
- AFHMP File
- Exit Interview
Management And Occupancy Review (MOR) Close Out Process

- MOR Report Issued by HUD –
  - 9834 Summary Form – MOR Rating
  - Summary Report – Listing Findings
  - Deadline to Submit Response to HUD
- MOR Closed When All Deficiencies Are Completed
- Office of Fair Housing Will Contact you If There Are Questions Related to Addendum B.
Contact Information

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