



John A. Kitzhaber, MD, Governor

HUD Contract Administration Section

www.ohcs.oregon.gov

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SECTION 8 PROGRAM UPDATES

OCCUPANCY PROTECTIONS FOR HUD-ASSISTED HOUSEHOLDS IN TAX CREDIT PROPERTIES

Benjamin T. Metcalf, Deputy Assistant Secretary for Multifamily Housing Programs, issued a clarification memo on January 12, 2015 regarding HUD-assisted tenants residing in Low Income Tax Credit properties. This memo was issued in response to reports that some owners are attempting to evict current HUD-assisted tenants (usually project-based Section 8) who do not meet LIHTC eligibility guidelines. Some of the reasons could be that a tenant has income that exceeds the LIHTC eligibility income, they are not in compliance with the LIHTC student rule, etc. Terminations for reasons other than those permitted in the HUD leases are prohibited.

Owners may conduct criminal background checks on existing tenants if there is a provision in the house rules. If an owner updates the house rules to include this, owners must notify tenants who are in the initial term of their lease of the changes at least 60 days before the end of their lease term. They must notify tenants who have completed the initial term of their lease at least 30 days before implementation of the new house rules.

If a certification (IR or AR) shows that a tenant will no longer receive the HUD-subsidy, the owner will terminate the HUD assistance. However, the tenant retains all their rights under the lease, including possession of the unit. The owner may offer incentives in writing for tenants who do not meet one or more of the LIHTC eligibility criteria; however, the tenant must voluntarily choose to move. Incentives must not be paid from Section 8 or FHA project funds.

Access the memo at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=occupprotectionshudassths g.pdf>

HUD PROPOSES NEW MANAGEMENT AND OCCUPANCY SCHEDULE AND AMENDING VACANCY PAYMENTS

HUD posted for comment in the *Federal Register* on January 14, 2015 a proposal to streamline Management and Occupancy Reviews (MOR) for Section 8 Housing Assistance Programs. There are two Docket numbers to review – FR-5654-P-01 RIN 2502-AJ22 and FR-5654-N-02. HUD has proposed a review schedule based on their risk-based asset management model (Troubled, Potentially Troubled, or Not Troubled) and the current MOR score (Unsatisfactory, Below Average, Satisfactory, Above Average, or Superior). Comments are due to HUD on March 16, 2015.

HUD also proposed amending the Vacancy Payments for Section 8 and Section 162 (PRAC) Housing Assistance Programs. Currently an owner can claim 60 days of vacancy loss; and the proposal is to lower this to 30 days. Comments are due to HUD on March 16, 2015.

Access the *Federal Registers* at:

<http://www.gpo.gov/fdsys/pkg/FR-2015-01-14/pdf/2015-00353.pdf>

<http://www.gpo.gov/fdsys/pkg/FR-2015-01-14/pdf/2015-00357.pdf>

HUD PROPOSES STREAMLINING ADMINISTRATIVE REGULATIONS

The *Federal Register* released January 6, 2015 includes a proposed rule to streamline some administrative regulations. Section A. includes the proposed changes that would affect the Multifamily Housing programs. Comments are due to HUD on March 9, 2015.

Verification of Social Security Numbers – HUD is proposing that when a child is added to an applicant household within the 6 months prior to move-in, and the child does not have a SSN, the household may be admitted to the subsidy program. The household would have 90 days to obtain the SSN, and would be allowed one 90-day extension under certain circumstances.

Definition of Extremely Low-Income Family – revise the definition to mean a family whose income does not exceed 30% of the area median income or the poverty level.

Use of Actual Past Income – the proposal is to allow a MFH owner to choose whether to define annual income as the actual past 12 months or to define it as projected income. Once an owner chooses the definition they will use, it will apply

across all households in the property. There will be no changing the definition to fit differing circumstances.

Streamlined Annual Reexamination for Families on Fixed Incomes – The owner may choose to streamline the annual reexamination of income for families when 100% of the family's income is from a fixed source. However, the owner may choose this option only when the definition of income for the property is projected income. The owner would recalculate the annual income by applying the published cost-of-living adjustment (COLA). Verifying and calculating the adjustments to the annual income would still be required.

Exclusion of Mandatory Education Fees From Income – Currently annual income for students who receive education assistance is based on the amount in excess of the tuition. HUD proposes that this be changed to include tuition and fees.

Federal Register is accessed at <http://www.gpo.gov/fdsys/pkg/FR-2015-01-06/pdf/2014-30504.pdf> .

FAIR HOUSING CHOICE IN OREGON

Please see the informational website at http://www.oregon.gov/ohcs/pages/fair_housing_rights_in_oregon.aspx.

HUD REGION X WEBSITES

The HUD Region X website has lots of good information that pertains to Oregon affordable housing owners. There have been many updates since the last OHCS memo was sent. To keep up on the latest information, click the links below:

<http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r10/mf/whatsnew>

<http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r10/mf/xmfhsgmanageinfo>

INDUSTRY TRAINING OPPORTUNITIES

- Many training opportunities can be found online by using one of the search engines. Examples include, but are not limited to, Oregon AHMA Boot Camps and Conference, Quadel Consulting, and NCHM.
- The following link will take you to a Calendar of Events on the HUD RHIIP website (go to RHIIP Support and Training at the bottom of the page):
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/rhiip/mfhrhiip

If you have problems with any of the links in this memo, try the following:

- 1. First, hold down the Ctrl key and click on the link, or***
- 2. If #1 did not work, highlight the link and copy/paste it into the browser address bar.***
- 3. OHCS Section 8 memos are posted to the OHCS website at***
http://www.oregon.gov/ohcs/pages/hca_communication_memos.aspx
(There is a delay in posting the new memos.)