



Oregon

John A. Kitzhaber, MD, Governor



Housing and Community Services

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www.ohcs.oregon.gov

November 5, 2012

To: Partners of Oregon Housing and Community Services

From: Jennifer Marchand, LIHTC Technical Advisor jennifer.marchand@hcs.state.or.us

Re: LIHTC Monitoring Fees and Compliance Monitoring

Monitoring Fee Invoice:

Attached to this email please find the 2011/2012 annual LIHTC Monitoring Fee invoice. If you have specific questions regarding the invoice or monitoring fees, please contact James Wilson at 503-986-2022 or by email at james.wilson@hcs.state.or.us

Note: All monitoring fees are due by January 3, 2013. A late payment fee of \$5.00 per unit will be charged if not received by the due date.

Compliance Updates:

The IRS has extended relief measures for households in federally-declared disaster areas related to Hurricane Sandy. In addition to relief measures provided by Rev. Proc. 2007-54 low-income housing outside the disaster area may be made available for any displaced household, regardless of income, on a temporary basis. Owners of LIHTC properties wishing to participate need to coordinate their efforts with OHCS and should contact the properties assigned Compliance Officer. If the Compliance Officer cannot be reached you can contact me at the above email address or by phone at 503-986-2031. http://www.irs.gov/irb/2007-31_IRB/ar09.html

- BOLI announced the minimum wage increase for 2013. Effective January 1, employers must pay at least \$8.95 per hour. http://www.oregon.gov/boli/WHD/docs/2013_minimumwage_press_release.pdf
- Social Security announced the 2013 COLA. The 1.7 percent cost-of-living adjustment (COLA) will begin with benefits received in January 2013. <http://www.ssa.gov/pressoffice/pr/2013cola-pr.html>

Note: All tenant income certification forms with an effective date after the Minimum Wage or COLA announcement must reflect this additional income. For instance, if a tenant is moving in on 11/01/2012 you would count 2 months at the current rate and 10 months at the higher rate. If a person was receiving \$1,000 monthly SS income here's how your math should look:

$$\$1,000 \times 2 = \$2,000$$

$$\$1,000 \times 1.017 \times 10 = \$10,170$$

$$\$2,000 + \$10,170 = \$12,170$$

This income is required to be included and calculated even though the award or verification letters obtained do not show the increased amount. All new Move-in TICS and Recertification's must reflect this increased income.



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- **Utility Allowance Information**

LIHTC properties are considered in compliance when the appropriate utility allowance is used, the UA is properly calculated, rents are reduced for a UA when utilities are paid directly by the tenant and the maximum gross rent is not exceeded.

Owners and Agents must demonstrate that the basis on which the UA has been established (actual consumption and rates) have been reviewed at least once during each calendar year. The Owner/Agent must also be able to demonstrate that the tenants and the state/local housing credit agency have been timely notified of any changes, and that the new utility allowance was used to compute gross rents for LIHTC units within a 90-day period following the date the PHA makes revised utility allowances available.

If rents are at or close to maximum, the rent must be reduced if the revised UA raises the rent calculation to above the maximum. Owners who wish to change the method of UA calculation must receive prior approval from OHCS before implementing the change.

- **Rent Increase Request**

All LIHTC properties with mixed funding such as HOME, RiskShare, or Elderly Bond funding, must request and receive approval for a rent increase. When requesting a rent increase it is required that proof of current utility calculations are sent with the request.

If the property has OAHTC funding, documentation of pass-through must also be provided. Rent requests should be sent to OHCS in writing no later than 60 days prior to the requested implementation date.

- **Post 15 and Ownership Changes**

All questions or notifications regarding Ownership or Entity changes should be sent to Dolores Vance. Dolores can be reached at 503-986-0966 or by email at dolores.vance@hcs.state.or.us

- **Management Agent Plan and Qualifications**

All properties that have new or changing management must submit an OHCS Management Agent plan and qualification packet. The packet should be submitted to OHCS for approval at least 60 days prior to implementation of management.