



Inside This Issue		Common MOR Findings
Common MOR Findings	1	<p>CAHI resumed Management and Occupancy Reviews (MOR's) in early 2016. As the PBCA, it is our goal to work with Owner/Agents to ensure continued compliance with HUD regulations. Since resuming MOR's, some common deficiencies are noted below:</p> <p>EIV Reports (Chapter 9, Section 3, Paragraphs 9-8, 9-9, Exhibit 9-5):</p> <ul style="list-style-type: none"> EIV Income Report as a third party source to verify a tenant's employment and income during mandatory recertifications (Annual and interim) of family composition and income (Paragraph 9-8 A1) Other EIV Income Reports (Income Discrepancy Report, New Hires Report, No Income Reported on 50059, and No Income Reported by HHS or SSA) to identify issues or discrepancies which may impact a family's assistance (Paragraph 9-8 A2) EIV Certification Reports (Existing Tenant Search, Multiple Subsidy Report, Identity Verification Reports, Deceased Tenants Report) that further assists in reducing subsidy payment errors (Paragraph 9-8 A3) EIV Income Report and third party verification from the source for disputed information (See Paragraphs 9-9 B Disputed EIV Information, 9-11 C3 and Exhibit 9-5) EIV Reports not being properly run, used, maintained and retained (Exhibit 9-5). Examples are: <ul style="list-style-type: none"> Income Report not run with 90 days after MI information transmitted to TRACS (Paragraph 9-12B) Income Discrepancy Report not run per requirement (Paragraph 9-12C)
HUD Secretary	3	
VAWA: Emergency Transfer Plans	4	
Section 8 Renewal Guide: Chapter 9	7	
TRACS 2.0.3.A	8	
Spring Cleaning	9	
What's New on HUDClips	10	

Security of EIV Data (Chapter 9, Section 4, Paragraphs 9-18 and 9-20):

- Rules of Behavior were not completed annually for EIV/TRACS users
- Cyber Security Awareness Training was not completed and/or Certificate was not printed and put in the EIV file for review
- Initial and/or current CAAF or UAAF's were not available for all coordinators and/or all users with EIV access

Continued on Page 2



Common MOR Findings (cont.)

Penalties for Failure to Have Access to or Failure to Use EIV (Chapter 9, Section 5, Paragraphs 9-19:

- Owners who do not have access to or are not using the EIV system in its entirety: Will incur a penalty of a five percent decrease in the voucher payment for the month following the date the violation was found and each subsequent voucher payment until the violation is cured. **(Paragraph 9-19 A 2)**

Owner/Agent EIV Policies:

- EIV Reports are not being run as in accordance to established Owner's Policies and Procedures
- O/A policies do not describe how to address problems identified on EIV Reports
- O/A policies do not include for when a household member turns 18 years old in between certifications

Applications are not updated with the required questions ("All States Lived In" and "Sex Offender").

- Because the Sex Offender Screening must be conducted in all states where an applicant has resided, it is imperative that the application asks the household, regardless of age, to disclose any and all states where they have ever lived.

Lease addendums or unauthorized charges without documented HUD approval.

- HUD 4350.3 Chapter 6, 6-4 D. states that lease modifications by owners using a lease addendum must be approved by HUD. Therefore any owner or management created lease addendum must be approved prior to implementation.
- HUD 4350.3 Chapter 6, 6-25 F. states that owners may require tenants to pay additional charges if they are approved by HUD and the schedule of charges is listed either in the lease agreement or has been distributed to all tenants in accordance with the modification of the lease requirements and procedures listed in paragraph 6-12. D.

Income and Expense calculations errors

- The income and expense figures input on the 50059 do not match the third party verified information.
- The owner/agent uses medical expenses that are not third party verified.
- The owner/agent uses wage and asset information without third party verification.



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Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Common MOR Findings (cont.)

Incomplete required forms

- Race and Ethnicity form
- Declaration of Citizenship
- HUD 92006 Supplemental and Optional Contact Information from HUD

Unit inspections

- Unit inspections are not being completed on an annual basis.
- Inspection forms are incomplete (missing signature or date or not marking the appropriate boxes)
- Move-in unit inspections do not contain the required “Decent, Safe, and Sanitary” language.

Should you have any questions about your upcoming or past Management and Occupancy Review, you can contact your [Local Contract Specialist](#).

Dr. Ben Carson Sworn in as HUD Secretary

Dr. Ben Carson was sworn in on March 3, 2017 as the 17th Secretary of the U.S. Department of Housing and Urban Development (HUD). Secretary Carson is now responsible for a cabinet agency with approximately 8,000 employees with an annual budget nearing \$50 billion, including management of approximately 1.2 million housing units nationwide. He is leading a charge to assist millions of low-income renters fight Urban affliction and help struggling homeowners stave off foreclosures.

Secretary Carson, 65, retired in 2013 after three decades as Director of Pediatric Neurosurgery at the Johns Hopkins Children’s Center in Baltimore. He has worked as an author, and a philanthropist supporting scholarships for young, impoverished students. After his medical career, Carson turned to a career in politics.

As part of his first actions in his new role, Secretary Carson plans a listening tour of select communities and HUD field offices around the country. “I am immensely grateful and deeply humbled to take on such an important role in service to the American people,” Carson said after being sworn in. “Working directly with patients and their families for many years taught me that there is a deep relationship between health and housing. I learned that it’s difficult for a child to realize their dreams if he or she doesn’t have a proper place to live, and I’ve seen firsthand how poor housing conditions can rob a person of their potential. I am excited to roll up my sleeves and get to work.”



California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Violence Against Women Reauthorization Act: Emergency Transfer Plans

In the winter edition of the CA Quarterly we provided an overview of the VAWA reauthorization act of 2013. This article explains the portion of the regulations that will need to be enacted prior to June 14 of 2017. Be reminded that the other VAWA provisions went into effect on 12/16/2016. Although VAWA regulations encompass all HUD housing programs, this article focuses on the requirements of Multi-Family Housing owners.

Owners will need to adopt an emergency transfer plan, no later than June 14, 2017 based on HUD's model emergency transfer plan. The model transfer plan has been published as [VAWA Appendix B: Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, form HUD-5381](#)

Owners need to understand the following definitions:

- *Internal emergency transfer* refers to an emergency relocation of a tenant to another unit where the tenant would not be categorized as a new applicant; that is, the tenant may reside in the new unit without having to undergo an application process.
- *External emergency transfer* refers to an emergency relocation of a tenant to another unit where the tenant would be categorized as a new applicant; that is the tenant must undergo an application process in order to reside in the new unit.
- *Safe unit* refers to a unit that the victim of domestic violence, dating violence, sexual assault, or stalking believes is safe.

The emergency transfer plan must provide that a tenant receiving rental assistance, or residing in a subsidized unit, who is a victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer if:

- The tenant expressly requests the transfer; **and**
 - A. The tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying; **or**
 - B. In the case of a tenant who is a victim of sexual assault, either the tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying, or the sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer.

The emergency transfer plan must detail the measure of any priority given to tenants who qualify for an emergency transfer under VAWA in relation to other categories of tenants seeking transfers and individuals seeking placement on waiting lists.

Continued on Page 5



California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Violence Against Women Reauthorization Act : Emergency Transfer Plans (cont.)

The emergency transfer plan must incorporate strict confidentiality measures to ensure that the O/A does not disclose the location of the dwelling unit of the tenant to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the tenant.

The emergency transfer plan must allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available.

The emergency transfer plan must describe policies for assisting a tenant in making an internal emergency transfer under VAWA when a safe unit is not immediately available, and these policies must ensure that requests for internal emergency transfers under VAWA receive, at a minimum, any applicable additional priority that housing providers may already provide to other types of emergency transfer requests.

The emergency transfer plan must describe reasonable efforts that will be taken to assist a tenant who wishes to make an external emergency transfer when a safe unit is not immediately available.

The plan must include policies for assisting a tenant who is seeking an external emergency transfer under VAWA out of the O/A's program or project, and a tenant who is seeking an external emergency transfer under VAWA into the O/A's program or project. These policies may include:

- Arrangements, including memoranda of understanding, with other covered housing providers to facilitate moves; and
- Outreach activities to organizations that assist or provide resources to victims of domestic violence, dating violence, sexual assault, or stalking.

The plan must not limit a tenant from seeking an internal emergency transfer and an external emergency transfer concurrently if a safe unit is not immediately available.

The emergency transfer plan must be made available upon request and, when feasible, the plan must be made publicly available.

Owner/Agents must keep a record of all emergency transfers requested under the emergency transfer plan, and the outcomes of such requests, and retain these records for a period of three years, or for a period of time as specified in program regulations. Requests and outcomes of such requests must be reported to HUD annually.

Continued on Page 6



California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Violence Against Women Reauthorization Act : Emergency Transfer Plans (cont.)

The emergency transfer plan may require documentation from a tenant seeking an emergency transfer, provided that:

- The tenant's submission of a written request to the O/A, where the tenant certifies that they meet the criteria, shall be sufficient
- The O/A may, at its discretion, ask an individual seeking an emergency transfer to document the occurrence of domestic violence, dating violence, sexual assault, or stalking for which the individual is seeking the emergency transfer, if the individual has not already provided documentation of that occurrence; and
- No other documentation is required to qualify the tenant for an emergency transfer.

Updating Policies and Procedures for Transfer Plans

Owner/Agents are encouraged to undertake whatever actions permissible and feasible to assist tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to remain in their units or other units under the covered housing program or other covered housing providers.

Owner/Agents are encouraged to bear the costs of any transfer, unless prohibited by local or state ordinance.

FAMILY, 515/8 and 202/8 PROPERTIES:

In order to facilitate emergency transfers for victims of domestic violence, dating violence, sexual assault, and stalking, the O/A has discretion to adopt new, and modify any existing, admission preferences or transfer waitlist priorities.

When a safe unit is not immediately available for a victim of domestic violence, dating violence, sexual assault, or stalking who qualifies for an emergency transfer, the O/A must:

- Review the covered housing provider's existing inventory of units (Waitlist) and determine when the next vacant unit may be available; and
- Provide a listing of nearby HUD subsidized rental properties, with or without preference for persons of domestic violence, dating violence, sexual assault, or stalking, and
- Provide contact information for the local HUD field office.

202/8 Properties only:

The O/A is responsible for determining whether applicants are eligible for admission and for selection of families. To be eligible for admission, an applicant must be an elderly or handicapped family; meet any project occupancy requirements approved by HUD; meet the disclosure and verification requirement for Social Security numbers and sign and submit consent forms for obtaining wage and claim information from State Wage Information Collection Agencies.



California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Revised Chapter 9 of the Section 8 Renewal Policy Guide Reminder

The Winter 2016 Newsletter highlighted the changes which occurred with HUD’s release of the revised Chapter 9 regarding Rent Comparability Studies signed by the appraiser on or after March 1, 2017. HUD has posted a short informational video regarding these changes which can be found at:

[Training on Rent Comparability Studies](#)

Owner/Agents are encouraged to review their Rent Comparability Studies utilizing this HUD provided checklist found in the revised Chapter 9 Appendix 9-2-1:

Appendix 9-2-1

Owner’s Checklist for RCS Submission

Owner’s Materials

- Signed Cover Letter
- Signed Owner’s Checklist
- Scope of Repair

RCS Materials

- RCS Appraiser’s Transmittal Letter
- Scope of Work
- Description of Subject Project (including color photographs)
- Identification of the Subject’s Market Area
- Description of Neighborhood
- Narrative Describing Selection of Comparables
- Locator Map for Subject and Comparables
- Rent Comparability Grid for Each Primary Unit type
- Narrative Explaining Adjustments and Market Rent Conclusions (one set of explanations for each Rent Grid)
- Comparable Project Profiles (each including a color photo)
- RCS Appraiser’s Certification
- Copy of RCS Appraiser’s License (only if relying upon a temporary license)

Mandatory Market Rent Threshold Materials

- Distribution of RCS Rents and Subject Project’s median rent
- Comparison of Project’s median rent to the Median Gross Rent

Owner’s Signature & Date

For a complete transmittal of changes and the revised Chapter Nine, see the [Revised Chapter 9 Rent Comparability Studies](#) of the Section 8 Renewal Policy Guide.



California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Wait, WHAT? TRACS 2.0.3.A!?

That's correct, HUD will be releasing an updated TRACS version 2.0.3.A to encompass 4350.3 new rules and changes to the MAT User Guide. A quick summary of the updates:

- Updates to incorporate The Rental Assistance Demonstration (RAD) program.
- MAT 30 updated to include additional information items for Repayment Agreements.
- MAT 30 updated to include transactions related to deposits and withdrawals for FSS Escrow Accounts.
- Additional Status Fields for repayment agreements FSS escrows to include active, inactive, suspended, reversed, terminated, transferred, moved out active, moved out inactive.
- First voucher that is submitted in 203A must contain all "active" repayment agreement(s) for the property. HUD encourages OA to work with CA prior to 203A implementation to reduce the number of potential errors.
- TRACS has/will be updated to include additional fatal errors in this section so that incorrect entry line items will not be accepted (exception is difference in status codes).
- The Instructional Guide for Forms HUD-50059 and HUD-50059-A will be updated.
- Proposed go live date is 8/1/2017 with final date to submit 2.0.2.D files at 10/31/2017. These dates are subject to change.

For a detailed look at the proposed document and changes please visit the TRACS page:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum

DUNS Number Requirements

In order to comply with new HUD requirements, CAHI will request Owner/Agents to write their DUNS# on the top of the first page of their rent schedule. In the cases of contract renewals, CAHI will, additionally, ask Owner/Agents to write their DUNS# next to their signature on the contract signature page.

If CAHI receives rent schedules and/or HAP contracts that are missing this information, the package will be considered incomplete. CAHI will request the owner to send a copy that contains the information in order to continue the process.

If you have any questions, please contact your [Central Contract Specialist](#).



California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

Spring Cleaning Reminders/Checklist

On average, more tenants move in the spring and summer months. This gives property managers and landlords the perfect opportunity to conduct a thorough spring-cleaning. We have compiled a short list of friendly reminders:

- Install Window Guards - all windows need to be functioning properly and have working screens - think about installing window guards, especially if there are children in the unit
- No plants/items on the fire escape
- Check/change batteries in smoke detectors/carbon monoxide sensors
- Uncover/clean filters in air conditioners
- Change HVAC filters
- Power wash driveways, walls and walkways
- Take a good look at the exterior of the unit/building - the building may need to be repainted as it may have peeled or chipped
- The freezing weather also leads to heaved/buckled steps, sidewalks, driveways and front stoops- they will need repair to prevent tripping hazards
- Check the outside for clogged driveway drains and loose or missing downspouts
- Gutters likely need a check for debris and may have become loose or need repair from winter damage
- Conduct a visual inspection of the roof(s) and schedule needed repair
- Retaining walls may have become cracked or damaged





California Affordable
Housing Initiatives, Inc.

The CA Quarterly Review

Spring 2017

What's New on HUDClips

1/11/2017	<u>H-2017-01</u>	Guidance for Multi-Family Property Assessed Clean Energy (PACE)
1/12/2017	<u>24 CFR Part 891</u>	Narrowing the Digital Divide Through Installation of Broadband Infrastructure; CORRECTION . Being corrected is on Page 92638 – 3 rd Column – Section 891.20 – Paragraph (f)(a) through (c). Re-designated to P (f)(1) through (3)
1/13/2017	<u>HUD NO. 17-007</u>	HUD Announces \$15 Million to Test A New Approach to Help Low-Income Seniors Age in Place
2/8/2017	<u>HUD NO. 17-017</u>	HUD Offers Grants to Clean-Up Lead-Based Paint Hazards
2/13/2017	<u>HUD Form 91066</u>	Certification of Domestic Violence, Dating Violence or Stalking
2/27/2017	<u>HUD Form 93104</u>	Monthly Report of Excess Income – New Expiration Date of 2/29/2020

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