



The Latest from LOMOD Summer 2015

Repayments Agreements

With the conversion to TRACS 202D, changes have occurred to the administration of repayment agreement for assistance paid in error.

Under 202D, all vendor software is now required to assign a repayment agreement number. This number is **unique** to the individual agreement. If a resident incurs multiple repayment agreements, each agreement must receive an individual unique number with the agreement date. Multiple agreements may run simultaneously with each other.

If a resident has a current repayment agreement and experiences a change in income (increase or decrease), the original repayment agreement will need to be renegotiated (change in payment terms) and transmitted with the **original agreement number and date**. In the event that a resident has previously

signed a certification correcting the error, but **refuses to enter into a repayment agreement, moves out or skips**, the Owner/Agent is not required to return the assistance paid in error.

Per the MAT User Guide, Chapter 4

Certifications are transmitted and the total adjustments caused by the certifications are reversed with a Section 7 record of type N (None.)

[TRACS Documents](#)



HUD Glossary of Terms

M2M, OCAF, IRP, RAP, PRAC, oh my!

Like most industry's, HUD has a language all it's own. For new employees or even those seasoned professionals, remembering all of the Terms and Acronyms can be quite a task.



Here is a [Glossary of Multifamily Affordable Housing Terms](#) to help you decipher the Multifamily Housing Program.

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Unauthorized Distributions & Advances

HUD recently sent out an e-mail to remind all project owners of their responsibility to know HUD's restrictions concerning the distribution of project assets. It is being sent at the request of the Office of the Inspector General based on the results of a recently conducted audit of Multifamily Housing projects.

This knowledge is critically important because Owners who make or take distributions from project funds in violation of their business agreements with HUD may be subject to both civil and criminal penalties, as well as administrative sanctions, such as debarment from participating in federal programs.

HUD defines a distribution as any withdrawal or taking of cash or any assets of a project other than for the payment of reasonable expenses necessary to the operation and maintenance of the project. Examples of distributions include, but are not limited to, the disbursement of project assets as payments to the project's owning entity or its members, partners, or shareholders; the disbursement of project cash in payment of non-project (entity) expenses; the taking of project property (supplies or fixed assets) from the project for non-project purposes; the disbursement of project assets as loans to other entities; and the disbursement of project assets as repayments on outstanding owner advances.

The specific restrictions regarding distributions from your project are identified in your business agreements with HUD. Additional requirements may also be found in HUD's Multifamily Housing Handbooks and Notices, which are updated periodically and are available on-line at www.hud.gov. Please take this opportunity to familiarize yourself with those restrictions, if any, and ensure that they are fully incorporated into your system of internal controls. Your auditor, if you have one, should be able to assist you in this regard.

If you should have any questions about your particular business agreements, please contact the assigned Project Manager for your property. All project assignments may be found in the Region IX Multifamily website at the following link: [Information of Interest to Owners and Management Agents](#).

Multifamily Housing Utility Allowance Analysis

A new housing notice (H2015-04) was issued on June 22, 2015 regarding the new method for completing a Multifamily Housing Utility Allowance Analysis. Here are the highlights.

THE GIST.

Owner's will now baseline the Utility Allowance (UA) according to the housing notice every 3 years, then apply the HUD established Utility Allowance Factor (UAF) for the subsequent two years.

WHAT YOU NEED TO KNOW, RIGHT NOW.

When to Implement

The notice outlines in Section IV(A)(1) and (2), when the change is to be implemented.

- Properties with contract anniversary dates *within 180 days of the notice (current **thru** December 18, 2015)*, can choose to use the existing method or choose to baseline the UA this year.
- Properties with anniversary dates *180 days after the publication of the notice (December 19, 2015)*, the owner must perform the baseline for their UA per the guidelines established in the notice.

Easing the Burden

HUD is encouraging owners to buy software to help with the UA Analysis. To ease the burden, HUD is allowing the owner to request funds from the Reserve for Replacement account up to \$1,000. These requests should be brought to the attention of the Project Manager and LOMOD. For details, please see the attached HUD memo.

WHAT'S CHANGED?

Among other changes, the required sampling size has changed and there is now a "phase-in" process for UAs that decrease significantly. For more details, please see the copy of the notice attached.

QUESTIONS.

LOMOD is scheduled to be a part of a HUD conference call on July 1, 2015. After this date, we will notify you on *how* this policy will affect the UA submission requirements.

If you have questions or concerns you would like to have addressed during this call, please email them to contractdept@hacla.org.

[Housing Notice](#)

[Methodology](#)

Recent HUD Notices

HUD has recently issued several notices:

- H 15-07 [Funding Availability for Tenant-Protection Vouchers for Certain At-Risk Households in Low-Vacancy Areas—Fiscal Year 2015](#)
- H 15-06 [Program Eligibility in Multifamily Assisted and Insured Housing Programs in Accordance with HUD’s Equal Access Rule](#)
- H 15-05 [Guidance for Home Equity conversion Mortgage \(HECM\) Program counselors providing counseling to prospective HECM mortgagors, and their Non-Borrowing Spouses](#)
- H 15-04 [Methodology for completing a Multifamily Utility Analysis](#)
- H 15-03 [Transferring Budget Authority of a Project-Based Section 8 Housing Assistance Payments Contract under Section 8\(bb\)\(1\) of the United States Housing Act of 1937](#)
- H 15-02 [Required Actions for Multifamily Housing Projects Receiving Failing Scores from HUD’s Real Estate Assessment Center \(REAC\)](#)
- H 15-01 [Notice of Program Eligibility for HUD Assisted and Insured Housing Programs for All People Regardless of Sexual Orientation, Gender Identity or Marital Status as Required by HUD’s Equal Access Rule](#)

All HUD notices can be found at [HUDCLIPS](#).

Occupancy Protections for HUD-Assisted Households in Properties with LIHTC

In January, 2015 HUD issued a memo discussing **Occupancy Protections for HUD-Assisted Households living in properties with Low Income Housing Tax Credits**.

This memo stressed the importance to Owners and Management Agents that a family's tenancy **cannot be terminated** based upon their inability to meet LIHTC eligibility requirements.

The Owner and Management Agent may only terminate tenancy in accordance with the HUD Model Lease and state/local procedures.

Please remember that if a resident is determined to be over-income and no longer is eligible to receive HUD assistance, the Owner / Management Agent should submit a Termination of Assistance and the tenant may continue to live in their unit and pay market rent. In these cases, the tenant retains all rights under their existing lease.

In the event that you have residents who are over-income or do not meet other LIHTC requirements, the Owner may offer incentives for the resident to move voluntarily.

Any incentives paid **MUST** not be paid from Section 8 or FHA project funds.

In order to determine that a resident is moving voluntarily, the resident should be informed in writing of their rights to remain in their unit and continue to pay market rent.

Even if only one resident threatens to jeopardize the entire LIHTC project, **HUD rules and regulations always prevail** over LIHTC.

[HUD MEMO](#)

HUD Discussion Group

Did you know that HUD / TRACS had a Discussion Group where you can ask questions and get advice from other Multifamily professionals?

To register for the group: [Registration Form](#)

Homes & Communities
HUD home page | Search | Privacy statement

U.S. Department of Housing and Urban Development

HUD's Discussion Groups

TRACS

Create new topic...
Refresh
Search...
Options...
Logout

new	topic	posts	last post
	deceased_tenant	1	6-02-2015 3:23 PM
	CA_refusing_to_send_copy_of_Voucher	5	6-02-2015 12:43 PM
	Applicant_is_reting	3	6-02-2015 12:15 PM
	TRACS_ROB_Prompt	1	6-01-2015 10:46 AM
	Utility_Allowance_Checks	2	5-29-2015 2:18 PM
	TRACS_Industry_Meeting	3	5-28-2015 1:13 PM
	Unit_Transfers_Between_Properties	2	5-28-2015 10:31 AM
	HUD_Repayment_at_move-out	6	5-26-2015 1:33 PM
	Security_Awareness_Training_Questionnaire	4	5-22-2015 8:21 AM

California Drought—Is Brown the new Green?

As we are all aware, California is in the midst of a 4th year of it's worst drought in history. This has resulted in 26 counties issuing Emergency Proclamations, including:

- Kern
- San Luis Obispo
- San Bernardino
- Santa Barbara

On May 5, the State Water Resources Control Board adopted a regulation requiring an immediate **25% reduction** in overall potable urban water use statewide. To see any restrictions placed on your community, [the Association of California Water Agencies has a detailed list by Water District/Agency.](#) (*find your water agency*)

As Owners and Management Agents, you may see the effects of this by **higher water bills** for your properties. The best method to save money and encourage conservation is...

EDUCATION!

To help better educate the public, several websites are available to provide information on the best ways to conserve. [Save Our Water website](#) [100+ Ways to Conserve](#)

These sites give tips for conservation both inside units and outside on the property grounds. There is even a toolkit with **posters, door hangers, and handouts** that you can print out to give to residents.

[Save Our Water toolkit](#)



AHMA-PSW Annual Conference

Once again, LOMOD had a distinct presence at the 2015 AHMA-PSW Annual Conference. Assistant Director, Erin Ferguson was a panelist at the National Update session and Annaliza Bascom, Contract Supervisor, taught a great session on Back to Basics Contract Submission Requirements.

If you were unable to attend this class, here are the handouts: [Back to Basics](#)

The LOMOD trade show booth was a great time and LOMOD staff got to put faces with all of your names and voices! This is the event that our staff looks forward to all year.



(Earl Hearvey, Steve Flores, Michelle Haynes)



(Annaliza Bascom, Erin Ferguson,
Frank Castro HUD)

HOMES FOR HEROES

RENT TO A HOMELESS VETERAN AND TOGETHER WE CAN
END VETERAN HOMELESSNESS IN L.A. COUNTY

THE PROBLEM: Los Angeles County is home to 4,344 homeless veterans. The good news is that there are now enough rental subsidies and supportive services to house all of L.A.'s homeless veterans by the end of 2015. All that is missing are landlords willing to rent to them.

THE SOLUTION: "Homes for Heroes." Landlords rent vacant units to a homeless veteran and receive fair market rent and the support of a network of service providers.



BENEFITS OF PARTICIPATING IN THIS EFFORT

GUARANTEED RENT: Paid through direct deposit (tenants are responsible for a small portion of the rent).

CONTROL OF TENANT SELECTION: Landlords can screen and select tenants to confirm compatibility.

SINGLE POINT OF CONTACT: With a case manager for timely response to tenant and landlord concerns.

PARTNERSHIP: Program provides support to both landlord and tenants to ensure a successful placement.



4,344

HOMELESS VETERANS IN
LOS ANGELES COUNTY

4,344+

RENTAL SUBSIDIES TO
HOUSE HOMELESS VETERANS

???

NUMBER OF RENTAL HOUSING UNITS
DEDICATED TO HOMELESS VETS



HOUSING AUTHORITY
COUNTY OF LOS ANGELES



HOUSING AUTHORITY
CITY OF LOS ANGELES



Los Angeles Area
Chamber of Commerce

HOME  GOOD



WHO IS ELIGIBLE TO PARTICIPATE:

Any landlord or property management company operating rental housing anywhere within L.A. County, including the City of Los Angeles and other cities.

RENTAL PROCESS

- 1 **Landlord** notifies Home For Heroes when vacant unit is available by visiting www.unitedwayla.org/homes-for-heroes.
- 2 **Staff** accompanies potential tenant for apartment showing and to complete the proper paper work.
- 3 **Landlord** fills out the request for tenancy approval form (**staff** to assist).
- 4 **Housing** authority schedules inspection of vacant unit.
- 5 **Staff** coordinates lease signing, security deposit, rent payment and move-in.
- 6 **Tenant** moves in and receives on-going staff support.
- 7 **Landlord** receives rent.

WHO WE ARE

"Homes For Heroes" is a project of Home For Good, which is a collective effort to end veteran homelessness by 2015. It is an initiative powered by the United Way of Greater Los Angeles, the L.A. Area Chamber of Commerce, and driven by the combined forces of 200+ cross-sector leaders and private and public agencies.

FOR MORE INFO PLEASE CONTACT:

HOMES FOR HEROES

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homesforheroes@unitedwayla.org

DOWNLOAD A *REQUEST FOR TENANCY APPROVAL FORM* AT:
HOMEFORGOODLA.ORG/RFTA

