

# PREPARING TO TRANSFER FROM PUBLIC HOUSING TO PROJECT-BASED RENTAL ASSISTANCE (PBRA)

MARK H. VOGELER, INSTRUCTOR

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## SESSION OBJECTIVES

- Enable the start of a compliant and profitable PBRA program
- Feel confident that you know what it takes to reposition from Public Housing to Project-Based Rental Assistance (PBRA)

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## SESSION TOPICS

- PBRA Resource library
- What is HUD Multifamily PBRA and why use it
- Required policies
- Using TRACs
- Role of Contract Administrator
- Overview of Management and Operations Review (MOR)
- Preparing property and property managers

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## WHO IS IN CLASS?

- Who is:
  - ✓ Implementing HUD Multifamily New Construction?
  - ✓ Implementing PBRA?
  - ✓ Considering PBRA Non-RAD?
  - ✓ Thinking about RAD PBV?
  - ✓ Implementing RAD PBV?

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## **TRAINERS PBV BACKGROUND**

- 18 years implementing PBRA
- Train PHA Staff and Property Managers
- Write policies, procedures, and forms
- Audits for HUD, PHA's, and Non-Profit Entities

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## **PBRA RESOURCE LIBRARY**

- HUD Handbook 4350.3 – Occupancy Requirements of Subsidized Multifamily Housing Programs
  - ✓ Follow only requirements for PBRA and Section 8 New Construction
- Title 24 of Code of Federal Regulations (CFR), Part 880, Section 8 New Construction
- PIH Notice 2012-32, Rev. 3 – RAD Implementation Final Guidance
- Rental Assistance Demonstration (RAD) Quick Reference Guide to Multifamily Housing Requirements, October 2015

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## WHAT IS SECTION 8 PROJECT-BASED RENTAL ASSISTANCE & WHY ARE PHA'S USING IT?

- Old Multi-Year Program attaching HAP assistance to buildings
- Private Owner signs HAP Contract with HUD
- Work with HUD Multifamily Office, not the Office of Public and Indian Housing (PIH)
- Governed by 24 CFR, Part 880 for New Construction
- HUD Occupancy Handbook 4350.3 New Construction Reference
- PIH Notice 2012-32, Rev. 3, RAD Implementation Final Guidance

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## WHAT IS SECTION 8 PROJECT-BASED RENTAL ASSISTANCE & WHY ARE PHA'S USING IT?

- Use Form HUD-50059... **NOT** Form HUD-50058
- Use Tenant Rental Assistance Certification System (TRACS)... **NOT** PIC
- The Contract Administrator (CA) monitors performance and performs audits
- Submit monthly HAP Roll to CA
- Agencies sometimes select PBRA instead of PBV when RADicalizing

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## REQUIRED PBRA POLICIES

1. Tenant Selection Plan (TSP)
2. EIV Security and Procedures Policy
3. VAWA
4. Pet Policy and Pet Rules
5. Assistance Animal Policy
6. Affordable Fair Housing Marketing Plan

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## WHAT IS TRACS?

- System used by O/As to submit tenant certification information and monthly voucher billing to HUD/CA
- Takes one full day for files to be seen in TRACS
  - ✓ TRACS is used to submit:
    - Form HUD-50059 and 50059-A's (MI, IC, AR, IR, UT, FR, MO)
    - Form HUD-52670s (Voucher)

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## **TRACS**

- O/A must use TRACS queries to review and monitor transmissions
- Must follow up with HUD or CA to correct errors identified in TRACS
- "Rules of Behavior for TRACS" within last 12 months on file
- Annual TRACS "Security Training Certificate" current, on file, dated within 30 days of above

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## **WHAT IS THE TENANT SELECTION PLAN (TSP)**

- TSP is like PBRA's ACOP..do not try to adapt your ACOP
- Collection of required and recommended policies and procedures
- No Board or HUD approval required
- HUD must approve local Preferences, especially Resident Requirement
- The Contract Administrator will review

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## **BEST APPROACH TO CRAFTING TSP**

- Closely follow 4350.3, Chapter 4-4
- Use 4350.3 Figure 4-2, Written TSP Topics
- User friendly
- Simple, but with adequate detail
- Keep handy for all staff
- Use as Procedures Manual

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## **TENANT SELECTION PLAN (TSP)** **REQUIRED TOPICS**

- Project Eligibility Requirements
- Citizenship/Immigration Status Requirements
- Provisions for Applicant's Disclosure and/or Documentation of Social Security Numbers (SSN)
- Income Limits
- Procedures for Accepting Applications, Selecting from the Waiting List, Applicant Screening, and EIV Compliance
- Occupancy Standards

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## **TENANT SELECTION PLAN (TSP)**

### **REQUIRED TOPICS**

- Unit Transfer Policies/Selection of In-Place Residents vs Applicants/Choice Mobility
- Policies to Comply with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, Other Relevant Civil Rights Laws and Statutes, and Grievance Process
- Policy for Closing and Opening the Waiting List
- Eligibility of Students
- Policies for Applying Violence Against Women Act (VAWA) Protections

SHOW AND EXPLAIN CHECKLIST

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## **TSP FOR RAD-PBRA**

### **TENANT ELIGIBILITY AT RAD CONVERSION**

- Current Households not subject to:
  - ✓ Rescreening
  - ✓ Income eligibility
  - ✓ Income targeting for 40% of Tenants being Extremely Low-income
- Income eligibility requirements for post-conversion action do apply
- May remain in place

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## **REQUIRED USE OF ENTERPRISE INCOME VERIFICATION (EIV) SYSTEM**

- What is the Enterprise Income Verification (EIV) System
  - ✓ Independent Third-Party Verification source
  - ✓ HUD sponsored website combining data from several Federal sources
  - ✓ Helps ensure that the right benefits go to the right person

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## **EIV SOURCE DOCUMENTS**

- 24 CFR 5.233 – Mandatory use of HUD's EIV System
- HUD Handbook 4350.3
- Notice H 2011-21 – Enterprise Income Verification (EIV) System
- EIV System Users Manual for Multifamily Housing Program Users

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## **EIV PENALTIES**

- No access/not using EIV in its entirety:
  - ✓ If discovered during EIV Compliance Review or Management and Occupancy Review (MOR) finding
  - ✓ 5% decrease in Voucher funds for month following date violation found and each subsequent month until violation is cured

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## **EIV SYSTEM USE & SECURITY POLICY**

- Must develop EIV policies and procedures to describe:
  - ✓ Who has access to EIV
  - ✓ How EIV data is secured
  - ✓ When each report is reviewed
  - ✓ How staff use data in EIV reports
- Refer to HUD Handbook 4350.3, Rev. 1, Change 4 and HUD Notice H 2013-06 for additional details

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## EIV POLICY CONTENTS

- EIV Operations Administration
  - ✓ Maintain documents to verify approval of EIV Coordinator and EIV Users
  - ✓ Maintain signed Rules of Behavior for staff who do not use but see EIV Reports
  - ✓ Maintain EIV documents in each tenant file
  - ✓ Give tenant copy of EIV and You Brochure

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## POLICIES FOR APPLYING VIOLENCE AGAINST WOMEN ACT (VAWA) | **HB CHAPTERS 4 & 6**

- Finale Rule on VAWA 2013 released November 16, 2016
  - Protections concerning denial, eviction, or termination
  - Notice requirements and procedures to implement
  - VAWA Lease Addendum
- Applies to victims of:
    - ✓ Domestic Violence
    - ✓ Sexual Assault
    - ✓ Dating Violence
    - ✓ Stalking

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## PET POLICY & PET RULES

- Section 227 of Housing and Urban Recovery Act of 1983
  - ✓ Pet Ownership option required for Elderly and Persons with Disabilities
  - ✓ Optional for Family developments
  - ✓ Cannot restrict Admission or Continued Occupancy for Elderly or Disabled families with pets

**NOTE:** Assistance Animals are **NOT** pets

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## SOURCE DOCUMENTS

- 24 CFR, Part 5: Pet Ownership for the Elderly or Persons with Disabilities
- Pet Ownership Final Rule
- HUD Handbook 4350.3, Rev. 1, Section 6-10, Pet Rules

**NOTE:** Develop short Pet Policy in Tenant Selection Plan and separate required Pet Rules

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## PET RULE APPLICABILITY

- Housing for Elderly and Persons with Disabilities
- Family Housing covered by State and Local requirements, not HUD
- Applies to household pets only

**BEST PRACTICE:** Include Pet Rules in House Rules for Family Developments

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## PET RULE DEVELOPMENT REQUIRED PROCEDURES | 24 CFR 5.353

1. Develop draft rules
2. Serve Notice to each Tenant
  - ✓ Proposed text
  - ✓ Accept comments no later than 30 days from date of notice
  - ✓ May announce meeting

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## **PET RULE DEVELOPMENT REQUIRED PROCEDURES | 24 CFR 5.353**

### 3. Hold Resident Meeting (optional)

- ✓ Accept oral comments

### 4. Consider comments if:

- ✓ Summarized in writing
- ✓ Submitted before deadline

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## **PET RULE DEVELOPMENT REQUIRED PROCEDURES | 24 CFR 5.353**

### 5. Develop Final Pet Rules

- ✓ Content is sole decision of Owner

### 6. Serve Notice to Tenant of Final Pet Rule and effective date

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## PET RULE - MANDATORY ITEMS

### → Inoculation

- ✓ Per State and Local laws
- ✓ Can require proof

### → Sanitary Standards

- ✓ Specified exercise and waste areas
- ✓ Waste removal
- ✓ If no specified area, require off-premise exercise and waste

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## PET RULE - MANDATORY ITEMS

### → Pet Restraint

- ✓ Appropriate and effective cat and dog restraints
- ✓ Under control of responsible individual

### → Registration

- ✓ Register with Property Manager
- ✓ Update annually

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## ASSISTANCE ANIMAL POLICY

- What is an Assistance Animal
  - ✓ Assistance Animals are **NOT** pets
  - ✓ Animals that work, provide assistance, or perform tasks, or emotional support
  - ✓ **CANNOT** require formal training in order to be considered an Assistance Animal
  - ✓ Must be a relationship between the person's disability and the need for the animal

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## ASSISTANCE ANIMAL **CANNOTS**

- Cannot require a fee or deposit for Assistance Animals
  - ✓ May charge tenant for the cost of repairing damages to unit or common area if Assistance Animal causes damages
- Cannot specify type of animal
- Cannot restrict number of required Assistance Animals
  - ✓ Unless restricted by local ordinances – tenant would have to get waiver from city

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## **ASSISTANCE ANIMAL REASONABLE ACCOMMODATION**

- Include Reasonable Accommodation Policy in Tenant Selection Plan
- See FHEO Notice 2013-01
- Can obtain verification of need without asking specific nature of disability
- Does tenant have a physical or mental impairment
- Is there a disability related need

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## **ASSISTANCE ANIMAL REASONABLE ACCOMMODATION**

- Must provide Reasonable Accommodation to permit Assistance Animal unless:
  - ✓ Animal poses a direct threat to the health or safety of others
  - ✓ Animal would cause substantial physical damage to property of others
  - ✓ Presence of the animal would pose undue financial and administrative burden to provider
  - ✓ Presence of the animal would fundamentally alter the nature of the services

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## **AFFORDABLE FAIR HOUSING MARKETING PLAN (AFHMP)**

**PURPOSE:** Show HUD that the PM is marketing to the least likely to apply

- ✓ HUD Form provide stats for race, ethnicity, disabled, elderly, families with children, for:
  - Tenants
  - Waiting List
  - Jurisdiction
  - Next (2) larger areas

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## **AFFORDABLE FAIR HOUSING MARKETING PLAN (AFHMP)**

- Compare stats to identify least likely to apply
- Describe marketing efforts
- Provide list of EO & FH trainings attended
- Pictures of property signs
- Send to HUD and Contract Administrator

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## **WHAT IS THE MANAGEMENT & OCCUPANCY REVIEW (MOR)**

- Comprehensive Review scoring the Property Management on 27 items using a 43-page form
- Checks for Fraud, Waste, and Mismanagement
- Documents problems used to justify enforcement actions

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## **WHAT IS THE MANAGEMENT & OCCUPANCY REVIEW (MOR)**

- Mandatory
- May be annual
- Performed by third-party Project-based Contract Administrators
  - ✓ HUD may be Contract Administrator for Rental Assistance Demonstration (RAD)

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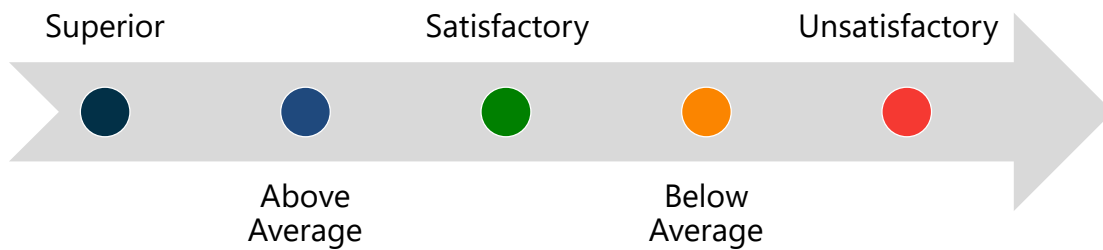
## (4) STAGES OF MOR

1. HUD Desk Review
2. On-Site Review
3. Tenant File Review
4. Civil Rights Front End Limited Monitoring and Section 504 Review

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## MOR RATINGS



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## FREQUENCY OF MORs

- Based on risk analysis of:
  - ✓ Financial Management
  - ✓ Physical Condition
  - ✓ Property Management

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## HUD DESK REVIEW TOPICS PHYSICAL

- Physical Assessment Subsystem (PASS) Score
- Exigent Health and Safety
- Lead-Based Paint Compliance

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## **HUD DESK REVIEW TOPICS**

### **FINANCIAL**

- Annual Statement
- Financial Assessment Subsystem (FASS) Score
- Timely submission of 5 reports to HUD
- Were audit corrections made
- Correct Accounts Payable and Receivable
- Rent increase requests

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## **HUD DESK REVIEW TOPICS**

### **MANAGEMENT**

- Management Certification form to HUD to certify compliance with several items
- Signed Management Agreement between Owner and Property Manager
- Description of clear relationships and responsibilities
- Vacancy history

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## **HUD DESK REVIEW TOPICS**

### **POLICIES**

- Tenant Selection Plan
- Enterprise Income Verification (EIV) System Policies
- Pet Policy
- Affirmative Fair Housing Marketing Plan

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## **ON-SITE REVIEW**

### **GENERAL APPEARANCE & SECURITY**

- Exterior
- Common Areas
- Reviews (7) types of crimes common for Multifamily
- Documents types of security measures

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## **ON-SITE REVIEW**

### **MONITORING PROJECT INSPECTIONS & OBSERVATIONS**

- Based on Rental Estate Assessment Center (REAC) Inspection Reports
- Review Emergency repairs
- Review other Corrective Actions
- Lead-Based Paint Certification

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## **ON-SITE REVIEW**

### **MAINTENANCE**

- Review Schedule of Preventative Maintenance and Servicing
- Check Inventory system
- Written Inspection procedures
- Make-Ready time
- Work Order written procedures
- Work Order progress

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## **ON-SITE REVIEW** **VACANCY & TURNOVER**

- Number of vacancies
- Assess unit make-ready quality
- Identify causes for vacancies
- Review lease-up process

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## **ON-SITE REVIEW**

- Energy Conservation
- Budget Management
- Cash Controls
- Cost Controls
- Procurement Controls
- Accounts Receivable/Payable
- Accounting and Bookkeeping
- EIV System Access and Security
- TRACS Monitoring and Compliance

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## **TENANT FILE REVIEW**

- Tenant File Security
- Tenant File Organization
- Documentation Compliance
- Application for Housing
- Screening Records
- Proper Signed Lease

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## **TENANT FILE REVIEW CERTIFICATION & RECERTIFICATION**

- Required notices
- Income verifications
- Correct Income and Rent Calculations
- Repayment Agreements
- Utility Reimbursements

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## **TENANT FILE REVIEW** **CONCERNS/COMPLAINTS**

- Written procedures to resolve complaints
- Active tenant organization
- Encourage tenant input
- Tenant surveys
- Section 3 employment

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## **CIVIL RIGHTS FRONT END LIMITED** **MONITORING & SECTION 504 REVIEW**

We will explain (4) parts:

1. Occupancy/Accessible Units/Program Accessibility
2. Limited On-Site Monitoring
3. Section 504 Review
4. Document Review

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## **CIVIL RIGHTS – OCCUPANCY/ACCESSIBLE UNITS/PROGRAM ACCESSIBILITY**

### Checking Compliance With:

- ✓ Section 504 of the Rehabilitation Act of 1973
- ✓ Fair Housing Act/Title III Regs
- ✓ Uniform Federal Accessibility Standards (UFAS)
- ✓ Regulatory Agreement

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## **CIVIL RIGHTS - OCCUPANCY**

- Check for correct number of Mobility and Visual/Hearing Accessible Units
- Reviews need and presence of Section 504 Coordinator
- Are Non-Housing buildings accessible to persons with disabilities

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## **CIVIL RIGHTS - OCCUPANCY**

→ Are proper communication methods used:

- ✓ Sign Language
- ✓ Use of Tapes
- ✓ Readers
- ✓ Braille

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## **PREPARING PROPERTY MANAGEMENT STAFF**

→ Develop profit mindset

→ Identify and correct bad property management habits:

- ✓ Thorough screening
- ✓ Security deposits
- ✓ Timely rent payments
- ✓ Unit turnover
- ✓ Lease enforcement

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## PREPARING PROPERTY MANAGEMENT STAFF

→ Develop Procedures Manual:

- ✓ Waiting List
- ✓ Screening
- ✓ Vacant Unit Turn Around
- ✓ Tenant Selection
- ✓ UPCS/NSPIRE Inspections
- ✓ Annual Contract Rent Adjustments
- ✓ Termination of Tenancy & Evictions
- ✓ VAWA
- ✓ Vacancy Loss

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# THANK YOU!



**MARK VOGELER** | [MARK@NELROD.COM](mailto:MARK@NELROD.COM)

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