

# PracticalPoints

Celebrating 25 Years of Services and Solutions



May 2014

## BREAKING NEWS

### Section 8 Renewals – Submit Comments by May 14

HUD has extended the comment period for the Revised Section 8 Renewal Policy Guide – you now have until May 14, 2014 to submit your ideas.

Send your input to: [Section8RenewalGuide@hud.gov](mailto:Section8RenewalGuide@hud.gov) or by mail to HUD, Attention: Section 8 Renewal Guide, 451 7th Street, SW., Room 6134, Washington, DC 20410-0500. Be sure to specifically identify the section number, page, and paragraph number that you're commenting about.

At the end of February, HUD posted the draft of the Guide for public comment. You can find more information on the HUD website under Section 8 Contracts.

### TRACS Errors for Mixed Households with Prorated Assistance

ICAP Assistant Director, Linda Guyder, reported a TRACS programming error related to mixed households (those with both citizenship-eligible members and ineligible non-citizens).

TRACS is miscalculating the proration. If you receive any TRACS errors for certs like this, check the tenant certification in HUD's Secure System / TRACS / Tenant / Tenant Certification Query. The Assistance Payment (AP) plus the Total Tenant Payment (TTP)

should equal the Gross Rent. If it does not, then TRACS has miscalculated the 50059 and you can safely ignore the TRACS error message you have received.

The TRACS programming team has located the problem and submitted a request for approval to make the required code change. The fix should be in the next scheduled TRACS release in May 2014.

### PMCS - Celebrating 25 Years with Free Phone Class Giveaways

In honor of celebrating our 25<sup>th</sup> Anniversary, we are giving away a FREE PHONE CLASS to every 25<sup>th</sup> phone class registrant all year long.

*Congratulations to our April Winner:*

**Marcella S.**, Leisure Park Towers, Bristol, VA



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### QUESTION

When doing an IR I know that we have to run the EIV Income Report. But do we have to change the income amount if the income increase is not more than \$200?

*~ Gail in Georgia*

**Answer on page 3**

### Where we will be in May:

**JAHMA Spring Management Event**  
Atlantic City, NJ  
May 8-9, 2014

**PHFA 2014 Housing Services Conf.**  
Scranton, PA  
May 19, 2014

**BREAKING NEWS**

## HUD Transformation Update

HUD Secretary Shaun Donovan released the following memorandum on April 4, 2014:

Today, we are moving forward with the transformation of HUD's Multifamily Housing Office. In the wake of express direction from Congress, Multifamily will proceed with its existing plan for the transformation, with one key modification.

For now, Asset Management employees will continue to operate in existing offices around the country. But the plan will remain otherwise unchanged. The transformation will still incorporate the four components we originally announced:

- Workload Sharing;
- The Underwriter Model in Production;
- The Account Executive Model in Asset Management;
- And, streamlining operations by moving to a five region model, with each region having one hub office and one or two core satellite offices.

These changes help us to work more efficiently and consistently. In places where we've begun implementing them, you have told us that you have been able to direct your talents to the work that matters most, and your morale has improved.

There are a lot of details to be worked out before the changes will take place, but I want to be clear about what this does and does not mean for Asset Management staff in the field. While employees in consolidating offices who are not part of Asset Management will receive a reassignment to a hub or core satellite office, Asset Management employees will have the choice to remain in place.

We expect that eligible staff in consolidating offices will still be able to receive buyouts and we expect that Asset Management employees in consolidating offices who wish to voluntarily relocate to their preferred hub or core satellite location will still have the opportunity to do so.

## AFHMP (Affirmative Fair Housing Marketing Plan) Issues

On March 10, 2014 industry representatives talked with Bryan Green in the FHEO (Fair Housing/Equal Opportunity) office of HUD. The discussion revealed that there is a great deal of discrepancy in the way that Affirmative Fair Housing Marketing Plans are being approved by various HUD offices.

Some properties have waited as long as 14 months to receive approval. Many properties are having problems with HUD offices that each have differing requirements. A request was made to bring some consistency across the board in the interpretation of the form, and to the possibility of establishing an industry stakeholder task force. Mr. Green has begun an investigation into the inconsistencies and will keep the industry apprised of the situation.

## Multifamily Update from DAS Ben Metcalf

On March 10, 2014, Ben Metcalf, Deputy Assistant Secretary for Multifamily Housing Programs, talked to NAHMA (National Affordable Housing Management Association) about his memorandum dated March 5, 2014 concerning the newly organized Program Administration Office.

This office was designed to make Multifamily programs and services more responsive to industry feedback, and to approach policy development in a more strategic and transparent way. HUD has established a list of its highest priorities for development during 2014, along with 25 policy priorities.

Metcalf stated, "These priorities reflect my commitment to achieving five broad and overarching goals:"

- Producing and preserving affordable housing for those most in need and in locations where it's most needed
- Preserving affordable housing by improving risk management practices and expanding or enhancing preservation programs;
- Strategically controlling program costs by taking innovative approaches to managing our portfolio;
- Making the business case for increased investments in our programs to provide the tools we need to do our work; and
- Continuing to provide quality customer service while transforming the way we work to 21st - Century best practices.

**BREAKING NEWS**

# PBCA Update: HUD Will Fight Appeals Loss

We recently shared the news that, on March 25, 2014, HUD lost in the U.S. Court of Appeals for the Federal Circuit. The Court of Appeals ruled that a NOFA was not an appropriate way for HUD to solicit bids for the task of contract administration – rather, HUD needed to make these awards under an RFP, used to procure services for HUD.

On April 04, 2014 HUD Secretary Shaun Donovan announced that HUD is not conceding defeat. In his testimony before the House Appropriations Subcommittee for Transportation and Housing and Urban Development, he said that he believes the NOFA is legal and appropriate, as the Court of Federal Claims upheld prior to HUD's loss on appeal.

Secretary Donovan noted that HUD has been working toward more efficient contracting in past years. He pointed out that HUD ran the PBCA competition twice (using both an RFP and a NOFA) and the lawsuits brought by PBCAs have delayed the awards. Donovan stated that HUD's budget contains language allowing the agency to award PBCA contracts through the NOFA process, which would save \$100 million in the project-based Section 8 program next year.

HUD plans to seek Congressional authority to give grants directly to state housing agencies instead of running formal contract competitions.

Giles Perkins of Adams & Reese, co-counsel for the PBCAs, commented, "... Secretary Donovan appears to be suggesting that taxpayers will save more money under a non-competitive cooperative agreement... in fact the opposite is true. Taxpayers get a far better deal under a competitive procurement process, which ensures the best quality at the best price."

In 2012, the GAO (General Administration Office) stated that the line between contracts and cooperative agreements is not always easy to draw, but that using a cooperative agreement such as a NOFA could have the effect of evading competition and other legal requirements for procurement contracts.

The next step? Wait and see if Congress will give HUD approval to give contract administration grants directly to State Housing Agencies instead of beginning a third competitive process.

**QUESTION AND ANSWER**

## Answer:

*from page 1*

No, you don't. The Handbook (4350.3, 7-11 B) says that, if the IR is done because of a change other than income, and the tenant also has an income increase of less than \$200/month, "the owner should not include the increase in income in processing the interim recertification." There are a couple of helpful examples shown as well.

## Question:

Our owner has just been issued two EIV non-compliance letters for properties that have MOR's coming up next month. Our CA had requested information in advance of the MOR. We sent her our TRACS ROBs and Security Awareness Training certificates as requested, but there was a clerical error in the advance documents – some had dates that were expired. We have the correct items and will submit them. I am confused as to how we can be out of compliance when the MORs have not even occurred yet.

*~ Rita in NH*

## Answer:

Change 4 (4350.3, 9-19 A 1) says that an EIV violation can be identified at times other than during an MOR. The reason for that addition was that HUD Headquarters can now see properties whose contract/project numbers have never been assigned EIV access, and Policy wanted to be able to issue violations to those sites. However, the way it's written, this section also allows HUD Field Offices and Contract Administrators to issue violations outside of MORs as well. After you submit the corrected documents the violations will be cured – and sending them in advance will avoid MOR findings.

**PMCS PHONE TRAINING**

PMCS offers a variety of live phone classes that are designed to meet the demanding needs of the Affordable Housing Industry. Our experienced trainers provide resources and information that will help you successfully manage your properties. Our 90-minute phone training is a cost effective, convenient solution for you and your staff. The interactive format is an excellent opportunity for questions and answers and our trainers will stay on the line until all questions are answered.

Visit our website to view all our different classes and their descriptions: [pmcs-icap.com/training/phone-training](http://pmcs-icap.com/training/phone-training)