

Indiana Housing Conference

Indiana's must-attend conference for affordable housing professionals.

Compliance & Management Issues

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Useful Compliance Resources and Tools

IHCDA Website www.in.gov/myihcda

In addition to updated compliance manuals, forms and RED notices, you can find:

- **a Tenants' Guide to Section 42 and a FAQ sheet for tenants and applicants**
- **a Physical inspection guide and forms which includes form 'K' for casualty loss**

Novogradac Website www.novoco.com

Maintains a comprehensive resource center for affordable housing, HUD, historic tax credits, new markets tax credit. Topics vary from basic terminology and applications to recent and historic legislations and rulings.

Link to most recent IRS 8823 guide.

Novogradac Website – continued

Rent and Income calculator

www.novoco.com/products/rentincome.php

- **Provides income and rent limits based on placed in service dates and rent floor election**

HUD Datasets

www.huduser.gov/portal/datasets

- **Historic income limits**
- **Fair market rents**
- **HUD utility schedule model**

Affordable Housing Association of Indiana

www.inaha.org

- **Government links**
- **USDA Rural Development links**
- **IRS links**



Tenant Selection Criteria

A comprehensive tenant selection policy should address (but not be limited to):

- **Preferences (examples: homeless individuals, persons with disabilities, older persons, etc.**
- **Procedure for adding/selecting/removing applications from a wait list**
- **Income targeting, if applicable**
- **Occupancy standards set by Owner/manager**
- **Screening criteria [credit, criminal, landlord verifications]**
- **Rent to income guidelines if required by Owner/manager**
- **Citizenship policy if required by Owner/manager**
- **Unit transfer policy**
- **Other eligibility factors, such as student status, income limits, etc.**

**Be attentive to fair housing rules for federal, state and local jurisdictions;
explain in detail what may disqualify a households' application**

Good resources for creating a TSC would include:

- **State agency handbooks/guidance**
- **HUD handbook, Chapter 4: Waiting List and Tenant Selection**
- **RD 3560 handbook (for projects with USDA financing)**
- **Fair housing law - federal, state and local**



Utility Allowance Discussion

Options 5, 6 and 7 from the IHADA Compliance Manual

ENERGY CONSUMPTION MODEL:

- Based on actual tenant usage
- Must include information for 30% (rounded up) of the units for each unit type and bedroom size
- To be included in the estimate, a unit must have at least 44 weeks of CONTINUOUS consumption data; consumption data can not be older than 60 days
- Must submit verification of the tax rate for the county where development is located
- Must use the “IHADA Tenant Usage Data Form” located on the IHADA website

HUD UTILITY MODEL:

- www.huduser.org/resources/utilmodel.html.
- Detailed instructions for completing the model; includes an excel-enabled format for input
- Three sections in the excel spreadsheet: location, tariffs and building characteristics. The fourth section is the HUD-52667 Form which is generated as a result of the data entered

Easy information you supply:

- *PHA area or zip code – this is from a lookup feature in the first section*
- *Unit type, number of bedrooms, energy savings features*

Other information required:

- *Tariff and fee documentation from your local utility website*
- *Stepped rates from the local utility company to identify seasons (summer, winter), if applicable*
- *Extra charges often referred to as fuel cost adjustment*
- *Taxes*

QUALIFIED ENGINEER ESTIMATE:

- **Must be an approved IHCDA vendor; listing available on IHCDA website**
- **Fees vary by vendor; first year fee is typically higher than annual updates**
- **Maintain a schedule to contact vendor, annually, for updates prior to expiration of existing utility allowance [*factor in the 60 days required by IHCDA to approve allowance*]**

Summary for options 5, 6 and 7

- Each method requires IHCDA final approval
- Submit to IHCDA sixty days prior to the expiration date of the current utility allowance
- IHCDA website has forms that must accompany each request
- A fee must accompany each submission to IHCDA – currently \$75 per development
- Approved allowances are effective for one year from the date referenced on the IHCDA APPROVAL letter
- Normally an allowable project cost
- Any non-corrected 8823's must be cleared to be eligible to use options 5, 6 or 7



EARLY TERMINATION OF EXTENDED USE PERIOD

***For a complete reference guide on the Extended Use Termination,
refer to IHADA Compliance Manual, Section 8***

Who can apply:

- **Developments that have completed the initial fifteen year compliance period on all BINs**

Who cannot apply:

- **Developments that received ranking points for delaying or waiving early termination**

Criteria for qualifying:

- **Must use “IHCDA Extended Use Policy Request Form available on IHCDA website, appendix “D”**
- **Development must be free of non-compliance [meaning no 8823’s issued by IHCDA] for three consecutive years leading up to year 16 (years 13-15) or any three consecutive years thereafter**
 - **Exception to this rule - if the 8823 was filed to show physical inspection issues marked ‘corrected’ at time of issuance, or the correction of previously reported non-compliance and only if non-compliance was reported prior to the three year qualifying period referenced above**

Benefits of 'opting out'

- Annual monitoring fee will be reduced to \$10 per unit – minimum fee of \$110 and maximum fee of \$2,730**
- No charge for units that have USDA-Rural Development or Project Based Section 8 funding; documentation must be provided to IHCDA for these units**
- Annual recertifications require only the completion of IHCDA “Extended Use Annual Household and Rent Update Form” available in Appendix D**
- 140% Next Available Unit Rule will not apply**

(continued)

- **Vacant Unit Rule will not apply**
- **Full-time Student Rule will not apply**
- **File monitoring extended to once every five years**
- **Projects that did not elect “Multiple Building Projects” on form 8609 will automatically be treated as multiple building projects *[this would allow transfers between BINs without being treated as new move-ins]***

MISSION:
ACCOMPLISHED