Managing A Property With Multiple Funding Sources

Workshop Description

It takes a village (of funders) to create affordable housing and it isn’t easy keeping all of their different regulations straight. Property owners and managers can learn more about how LIHTC, HOME, CDBG, Vouchers (tenant based and project based), RD, and State rules overlap and about strategies for staying in compliance. Learn differences and similarities of compliance requirements between funding sources. Understand how to remain in compliance with your sources and gain tips from others on best practices for remaining in compliance.
Agenda

- Introductions
- Alphabet Soup
- What are the regs?
- Tips
- What can we do to help YOU?

Who Are Your Presenters?

- Sue Streck
  — Owner, Sue Streck Enterprises
- Priscilla Fox
  • Colorado Housing and Finance Authority (CHFA)
- Kim Snetzinger
  • Colorado Division of Housing (DOH)
Participant Introductions

• Participants
  – Name
  – Title
  – Organization Name and Type
  – Experience with compliance
  – What you hope to learn today

Alphabet Soup

• What are they?
  – LIHTC
  – HUD
  – HOME
  – CDBG
  – CDOH
  – HTF
  – RD
  – All the others
RULE NUMBER 1

Always go with the most restrictive compliance requirements

Tips

• Have a binder with the information ON SITE
• Know what regulations (federal, state, syndicator) apply
• Copy of all use restrictions
• Use tools (spreadsheets)
• Know where to find rent and income limits
• *Know who to ask for questions*
• Attend training!
• Hire a consultant to help set up compliance program
• Ask someone else to review files
What are the Regs?

Know the regulations around your funding source
• HUD sources - primarily 24 CFR, various parts
• State sources - State statutes
• RD - 7 CFR Part 3560

Know the specific ongoing requirements
• CDOH - Beneficiary and Rent Use Covenant (BRUC)
• LIHTC - Land Use Restriction Agreement (LURA)
  - IRS Form 8609(s)
• Vouchers - Housing Assistance Payment contract (HAP)
• Rural Development - Management Plan
• Syndicators - various, depending on Syndicator

Rules and Regulations

• Know the rules and regulations of each program:
  — Occupancy restrictions
  — Affordability period
  — Qualifying a household
  — Special Rules
# Eligibility/Qaulifications

- All programs require a household to meet certain restrictions and income qualify for the program
- All programs require that income is calculated based on HUD Guidebook 4350.3 Chapter 5
- CDOH also utilizes 24 CFR Part 5, Subparts E and F, and DOH Administrative Plan
- Syndicators have their own rules!
- Property management may also have rules!
- The differences
  - Verification requirements
  - Student rules

# Income and Rent Limits

- Residents must income qualify at or below the program Income Limits.
  - CHFA Income Tables
  - CDOH Income Levels
  - HERA limits do not apply to CDOH units
  - RD tables
- Residents must pay rents at or below program rent limits.
  - CHFA Rent Tables
  - DOH Rent Levels
  - HCV and other voucher programs have payment standards rather than rent limits.
Income and Rent Limits

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Rent Table</th>
<th>Income Table</th>
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<tbody>
<tr>
<td>LIHTC</td>
<td>CHFA</td>
<td>CHFA</td>
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<tr>
<td>CDBG (HUD)</td>
<td>CHFA</td>
<td>CDOH HOME</td>
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<td>HOME (HUD)</td>
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<td>NHTF (HUD)</td>
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<td>CDBG-DR (HUD)</td>
<td>CHFA</td>
<td>CDOH HOME</td>
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<td>NSP (HUD)</td>
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<td>HSP (State)</td>
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<td>HDLF (State)</td>
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<td>CHIF (State)</td>
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<td>RD (Federal)</td>
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Rent Limit Differences

- **LIHTC**
  - LIHTC max rent minus the utility allowance and any non-optional charges
  - LIHTC with any federal or state subsidy, can charge over CHFA rent limit as long as household receives at least $1 in subsidy

- **CDOH**
  - Maximum rent is set based on funding source. Total rents can exceed maximum limits only if there is a Property Based Rental Assistance subsidy.
Rent Limit Differences

• Tenant based voucher programs
  – Maximum rent is the rent limit set by the program.
  – Maximum payment amounts are set based on issuing PHA payment standards, rent reasonableness comparison standards, AND rent limits for the property.

• Project based voucher programs
  – Maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.
  – Tenant must pay no more than 30% of adjusted income.

Recertifications

• Recertifications are required for all programs, however, there are differences:
  – 100% LIHTC - First annual must be 3rd-party sourced documents; self-certifications thereafter
  – Mixed Income LIHTC - Every annual recertification requires 3rd-party sourced documents
  – PY15 - Any LIHTC - Self-certification every annual
  – RD - Annual but annual can change if a mid-year interim is done
  – CDOH - Source documents, self-certification, or statement by administrator of government agency
Cannot Discriminate

- No program can deny a resident solely because they have a tenant based voucher

- LIHTC properties with DOH funds are required to follow the Fair Housing requirements and laws including Section 504 of the Rehabilitation Act of 1973

REMEMBER...

- Always go with the most restrictive compliance requirement
Resources/References

- Colorado Housing and Finance Authority (CHFA)
  - www.chfainfo.com
- Colorado Division of Housing (DOH)
  - www.chfainfo.com
- U.S. Rural Development (RDA)
  - www.chfainfo.com
- Housing and Urban Development (HUD)
  - www.HUD.gov

Resources/References

- CHFA Rent and Income Limits
  - www.chfainfo.com/arh/asset/Pages/rent-income-limits.aspx
    (multifamily loan and low income housing tax credits rent and income limits)
- DOH HOME Rent and Income Limits
  - www.Colorado.gov/pacific/dola/publications-reporting
- RDA Rent and Income Limits
- HUD Fair Market Rents (FMR)
  - www.huduser.org/portal/datasets/fmr.html
- Electronic Code of Federal Regulations
  - www.ecfr.gov
Resources

• **Technical Guide for Determining Income and Allowances for the HOME Program:**

• **HUD Income calculator**
  www.hudexchange.info/incomecalculator/

• **Compliance in HOME Rental Projects: A Guide for Property Owners**

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Questions?

• How can we help you succeed?
• Any challenges you’ve encountered?
• What if.... ?
• I have this one situation....
• Anything YOU do that might be helpful for anyone else?

Contact Us

Priscilla Fox
Multifamily Program Compliance Officer
CHFA
1981 Blake Street
Denver, CO 80202
303-297-7455
Pfox@chfainfo.com

Kim Snetzinger
Lead Asset Manager
Colorado Division of Housing
1313 Sherman Street, Room 320
Denver, CO 80203
303-864-7826
Kim.Snetzinger@state.co.us

Sue Streck
Sue Streck Enterprises
9601 Rhythm Road
Midwest City, OK 73130
816-200-8375
Sue@SueStreck.com
Thank you!