



LIHTC & Multifamily Programs

**RIHousing virtual Presentation & Certification
Hosted by IREM**

October 6, 2021



Agenda

- Michael DiChiaro, Assistant Director, Dev/Asset Mgmt & Compliance
- Carol Ventura, Executive Director RIHousing
- Agency Updates
- Funding Sources/Programs
- Section 8 – PBCA Program
- HOME and Ancillary Programs
- LIHTC Program and Compliance
- Reporting requirements



RI Housing information

Carol Ventura, Executive Director

- RentReliefRI
- Agency news



Over \$415M in RI Housing Administered Emergency Housing Assistance Programs

Program	RI Funding	Program Summary	Deadline to spend
Emergency Rental Assistance I	\$200 million	Funds rent and utility arrearages and forward facing rent for up to 12 months (15 in certain circumstances) for tenants earning no more than 80% AMI. Prioritizes households earning less than 50% AMI, at risk of homelessness or in the eviction process	Beginning September 30, 2021 Treasury may begin to reallocate unobligated funds to grantees that have spent at least 65% of their funds. Available until September 30, 2022.
Emergency Rental Assistance II	\$152 million	Same as ERA 1. In combination with ERA 1 can provide assistance for up to 18 months. After October 1, 2022 more flexibility on use of funds if 75% of allocation obligated.	Beginning March 31, 2022 funds not yet disbursed to the state shall be reallocated. Available until September 30, 2025.
Homeowner Assistance Fund	\$50 million	For homeowners who experienced financial hardship earning below 150% of AMI (at least 60% targeted to below 100% AMI). Funds mortgage assistance, utility arrearages, delinquent property taxes and other housing related fees and charges.	September 30, 2026
Homelessness Assistance & Supportive Services Program	\$13,486,659 (Pawtucket, Providence, Woonsocket-\$9.6 million)	For households who are homeless or at risk of homelessness. For rental assistance, supportive services, development of affordable/ permanent supportive housing, acquisition and development of non-congregate shelters.	September 30, 2030
Emergency Housing Vouchers	117 vouchers (Providence 42 vouchers)	Rental assistance for households that are homeless or at risk of homelessness earning less than 30% AMI.	No reissuance of vouchers after September 30, 2023

RentReliefRI: About the Program

- \$352 M in federal assistance available
(through two rounds of funding)
- Can be used to pay rent arrearages, forward facing rent, utility arrearages and certain other housing expenses
- Applicants can receive up to 18 months of rent and utility assistance
- To date, RentReliefRI has assisted over **4,537 households** and **\$34.8 M** has been approved *(as of 10/4/21)*

Accessing RentReliefRI Resources

- Webpage: ***www.RentReliefRI.com***
- Tenants and landlords apply for assistance through one user-friendly website portal
- Additional program support services including:
 - Call Center- 1-855-608-8756
 - In-person assistance for people submitting applications
 - Outreach to difficult to reach populations
 - Targeted assistance for tenants in the eviction process



RentReliefRI: Streamlining Application/Approval Process

- Reduced landlord and tenant documentation requirements
- Allow self-attestation if no documentation available for income and COVID impact
- Residents of Qualified Census Tracts with unavailable/incomplete income documentation will be considered income qualified
- Increased staffing for Call Center and RIHousing staff with approval authority



RentReliefRI: Streamlined Application/ Approval Process for affordable developments

- Further streamlining process for affordable/PHA portfolio
 - Remove ID requirements
 - Allow use of the PHA's/Management Agent's most recent income certifications for documenting income eligibility
 - PHAs/Management Agent can add tenants and/or submit documents on behalf of tenants via portal
 - Assign cases by property to one auditor/supervisor



RentReliefRI: Streamlined Application/ Approval Process for affordable developments

Tenant must provide to Owner/Agent/PHA:

1. Signed terms and conditions
2. Signed self attestation

Owner/Agent/PHA must provide:

- Last income certification within 12 months

OR

- Owner/agent attestation to housing families at or below 80% AMI



New Resources: Housing Bond

- \$65 million Affordable Housing bond approved by voters in March 2021
 - Increase the availability of affordable housing
 - Support community revitalization through the redevelopment of existing structures, new construction and property acquisition
- First RFP round closed September 10, 2021
- 33 Applications received totaling over \$54 million



New Resources: Housing Production Fund

- Funded through conveyance tax
- Capitalized with \$25 million
- Anticipate \$1.9 million in revenue in FY22/ \$4.3m annually thereafter
- HRC Coordinating Committee develops program requirements; Administered by RIHousing
- Eligible uses include:
 - Financial assistance for planning, production or preservation of affordable housing
 - Technical and financial assistance to cities and towns to support increased local housing production, including by reducing regulatory barriers and through housing incentives for municipal programs
 - Priority for households exiting homelessness or earning less than 30% AMI



New Resources: HOME Program



- \$13.5M in one-time funding prioritized for use in housing persons experiencing homelessness
- June 29, 2021: convening and follow-up survey generated some potential strategies and priorities, including Production of Permanent Supportive Housing
- Final program plan must be developed with input from public engagement process



New Resources: State Historic Tax Credit

- FY22 Budget capitalized with \$25 million
- Extends program sunset from June 30, 2021 to December 31, 2022



Potential New Resources:

- ARPA State Fiscal Recovery Fund: \$1.2 billion
 - Governor McKee proposing initial commitment of \$28.5M for housing/homeless investments, including:
 - \$15M for gap financing for affordable housing development
 - \$12M for acquisition of properties for redevelopment as affordable and supportive housing
 - \$1.5M for housing navigation, stabilization, and mental health services for families and individuals in the hotel shelter program
- Building Back Better Act
 - Currently being considered by Congress
 - Currently includes over \$300 billion for affordable housing, including
 - Expansion of the Low Income Housing Tax Credit Program
 - Substantial funding increases for HOME and other existing housing production and preservation programs
 - \$90 billion for rental assistance, including \$75 billion for Housing Choice Vouchers and \$15 billion for Project-Based Rental Assistance (PBRA)



Multi-family Updates

Michael DiChiaro, Assistant Director, Dev/Asset Mgmt & Compliance

- Program updates
- Leased Housing Division news



The Big Picture

- Multi Family = ?
- Why is LIHTC a big deal?
- Compliance requirements
- Consequences of non-compliance
- Legal documents to have on-hand
- For new LIHTC projects, stay informed, timing is everything
- "New" LIHTC projects =
 - New construction
 - Existing
 - Old and new



Funding Programs

Financing/available funding programs:

- PBCA, HCVP and PBVP
- Continuum of Care
- HOME
- LIHTC
- National Housing Trust Fund (HTF)
- Section 811
- Capitol Magnet Funds

And others:

- Construction Loan
- First Mortgage Financing
- Land Bank
- LeadSafe Homes Program
- Predevelopment Loan Program
- Tax Exempt Bond Financing



Funding Programs - Chart

Program	Source	Use	Income Limit Restrictions	Rent Restrictions
NOP	RIHousing/state	operating funds	Yes	Yes
LIHTC	Federal	funds for development in exchange for 10 years of tax credit to owner/developer/investor	Yes	Yes
HOME	Federal	operating funds	Yes	Yes
HTF	Federal	operating funds	Yes	Yes
BHRI	RIHousing/state	operating funds	Yes	Yes
811 Program	Federal	rental subsidy tied to unit	Yes	Yes
HCVP	Federal	rental subsidy tied to tenant	Yes	Yes
PBV	Federal	rental subsidy tied to unit	Yes	Yes
NSP	Federal	operating funds	Yes	Yes



LIHTC: Know your Property

Did You Know?

- PIS year(s)
- 100% LIHTC
- Risk Share Insurance
- Layered with Sec. 8, Vouchers, 811, HOME, HTF NSP, NOP, BHRI, Thresholds, SHP, CMF, etc.
- One Project (all BINs = 1 Project)
- Other compliance - utility benchmarking or non-smoking

Have on hand:

- 8609
- LURA
- Management Plan and TSP
- Other agreements: HOME, HTF, BHRI, NOP, 811 program, section 8 contract, etc.

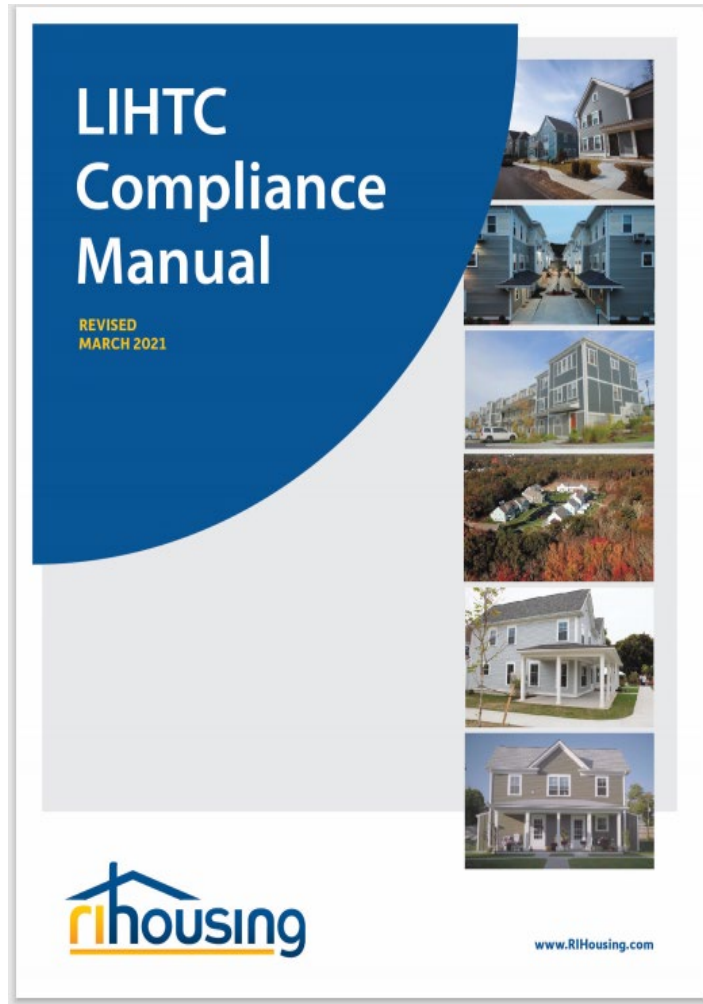


LIHTC Program

- **Years 1 – 10: The Credit Period**
 - First taxable year in which owner claims Housing Credits
 - Lasts for 10 *consecutive* taxable years
- **Years 1 – 15: The Compliance Period**
 - Begins with first year of development's credit period and lasts for 15 *consecutive* years
 - Developments with multiple buildings may have multiple credit periods
- **Years 16 – 30 or longer: The Extended Use Period**
 - Owner signed a LURA (Declaration of Land Use Restrictive Covenants Agreement)
 - Committed to maintain the development as low-income housing for at least 30 years beginning with the 1st day of 15-year compliance period
 - Program Bulletin 07-01 outlines RIHousing's policy



LIHTC Resources



- Updated and revised in 2021 in consultation with Costello Compliance, a nationally recognized industry leader and expert in LIHTC compliance.
- Developed specifically for owners and managers of LIHTC developments in Rhode Island.



Questions?



Section 8 PBCA Program

- Brief overview of changes
 - Moving to remote MORs
 - COVID reporting
 - CSP rounds
 - HUD FAQ changing guidance (ie. utility allowance factors)
 - HUD FAQ different income sources



Section 8 PBCA - MORs

- January 2020: RIHousing roll out of new remote MOR program.
- Everyone has now gotten a remote MOR, and we're starting to perform them for a second time.
- Summary of what a remote MOR looks like:
 - Physical inspections – still performing these onsite. Expect to start being a bit more thorough and going in to market-ready vacant units on 10/1.
 - Interviews – been allowing sites to pre-fill the 9834 ahead of time so staff can have a brief interview to clarify some answers. Can be done over the phone. Sites seem to like this, so we'll be continuing this practice.



Section 8 PBCA - MORs

- Document upload – Done in SharePoint. Should become easier now that most documents are uploaded from previous year. Sites only need to upload things that have changed (including revisions from last year's MOR), EIV binder, etc.
- File upload – List of files provided 2 days prior to MOR so site has time to scan them in.
- Exit interview – Done 2 days later to review file findings. Similar to prior exit interview and provides chance to address any findings you believe to be in error.
- MOR response – to be uploaded in SharePoint. Don't email these as email is not secure and often responses include PII.



Section 8 PBCA Program - MORs

MOR Changes

We are being more thorough with what we look at, including Tenant Selection Plans, Applications, and EIV. To be as transparent and helpful as possible we've uploaded the checklists we use when reviewing these items to our webpage.

<https://www.rihousing.com/section-8-contract-administration/>



Section 8 PBCA - MORs

- Common Findings
 - EIV binder – notes and dates
 - REAC workorders
 - VAWA – TSP, house rules, addendums, rejections
 - Affirmative Fair Housing Marking Plans (AFHMP)
 - TSPs and Applications – *will discuss more*
 - Pet deposits – *will discuss more*
- Concerns
 - SharePoint troubleshooting
 - Concerns or suggestions? Reach out!



Section 8 PBCA Program

Español

Buyers Owners Renters



Partners About Us

Mortgage Login



SECTION 8 CONTRACT ADMINISTRATION

The Project-Based Section 8 program is one of the largest housing resources for low-income individuals and families in Rhode Island. RIHousing serves as the Contract Administrator on behalf of HUD for project-based Section 8 in Rhode Island. Under the program, a Housing Assistance Payment (HAP) contract is entered between HUD and the project's owner for a specific period of time. Eligible tenants generally pay 30% of adjusted income toward rent and HUD provides the HAP subsidy for the remaining portion of the rent to the owner.



As Contract Administrator, RIHousing:

- Processes monthly tenant vouchers
- Processes Housing Assistance Payments
- Processes rent and utility adjustments
- Performs Management and Occupancy Review, that includes a physical inspection

Management and Occupancy Reviews



Annual Rent Adjustments (OCAFs and RCSs)



Contract Renewals



Vouchers and Special Claims



Do you have any questions? I'm happy to help.



Section 8 PBCA Program

Management and Occupancy Reviews

- [HUD-9834](#)

The interview worksheet used to complete the on-site interview the day of the MOR.

- [File review worksheet](#)

The worksheets used by your reviewer to audit your tenant files.

- [Addendum C](#)
- [Addendum D](#)
- [EIV Checklist](#)
- [Tenant Selection Plan Checklist](#)
- [Guide to using Sharepoint](#)
- [Application Checklist](#)

You can find sample documents for MORs on [MassHousing's website](#) that may fit your needs. Please make sure they still meet all requirements prescribed by HUD regulations and the checklists above.

Annual Rent Adjustments (OCAFs and RCSs)

Contract Renewals

Vouchers and Special Claims



Section 8 PBCA - Pet Deposits

Effective July 1, 2021: RI Housing no longer allowing sites to collect pet deposits from tenants. Property owners/managers: stop collection of pet deposits and return any previously collected deposits to tenants.

3. LANDLORD RESPONSIBILITIES

A. Security Deposits and Other Prepayments

A landlord can take a security deposit from a tenant at the beginning of a new rental term but it cannot exceed one month's rent. Taking a greater sum subjects the landlord to a possible suit under section 56f of the "Act". The deposit must be returned within twenty days after the tenant gives proper notice, moves out, returns the key, and provides a forwarding address. When returning the deposit, the landlord must send the tenant an itemized notice listing any legal deductions withheld from the money being returned. Such deductions can only be for unpaid rent (not future rent that might be legally owed), and physical damages other than ordinary wear and tear.

-excerpt from The Rhode Island Landlord-Tenant Handbook.

As Section 8 security deposits are equal to one month's rent, a pet deposit would exceed this amount and fail to be in compliance with state law.



Section 8 PBCA – Pet Deposits

Please note, sites must:

- Stop collecting pet deposits;
- Update any house/pet rules to match this change;
- Return any deposits to tenants immediately;
- Offer return of pet deposits as cash; only apply deposits to a tenant's rent or rental arrearage if tenant first given option to receive it as cash and resident has opted to have it applied to rent.
 - *Note:* retain any communication w/residents on this issue, including amount of deposit refunded (or applied toward rental/rental arrearage) and the recipient. You may be asked to furnish this information during an audit.
- Sites which continue to collect pet deposits or have not returned deposits will be written up during management and occupancy reviews



Questions?



HOME & Ancillary Programs

- Annual Rent Review in process; please ensure WTC is up to date.
- Effective September 30, 2021: All HUD HOME COVID-19 waivers expired.
 - Must conduct FULL certifications for all HOME assisted units at MI and Annual.
- Always refer to your Legal Documents (Agreements and Deed Restrictions) for project specific restrictions.
 - *Unsure about program restrictions?* Contact Marina Rollins or Brittany Toomey for copy of Deed Restriction specific to your project.



HOME & Ancillary Programs

- Initial HOME and Ancillary Monitoring reviews conducted upon close-out of new Project w/Program Specialists:
 - Heidy Alba, Brenda Cianciolo or Brittany Toomey, Program Manager.
- WTC must be updated as soon as units are occupied.
 - Kathleen Millerick for WTC Access.
- Ongoing compliance monitoring and physical inspections will be conducted by Asset Management.



HOME & Ancillary Programs

- Building Homes Rhode Island (BHRI)
 - Program developed through the State Housing Resources Commission
 - Minimum affordability period of 30 years
 - Income Restrictions at or below 80% Area Median Income (AMI)
 - The maximum rent is a rent that does not exceed 30% of the gross monthly income



HOME & Ancillary Programs

- Housing Trust Fund (HTF)

- Minimum affordability period of 30 years
- Rents published annually by HUD
- Rents reviewed and approved annually by RIHousing

Income targeting: Rented to extremely low-income tenants whose gross annual household income, adjusted for family size, does not exceed 30% of AMI as established and published by HUD from time to time.

Rent limitations:

- *Extremely low-income tenants:* HTF rent plus utilities shall not exceed greater of 30% of federal poverty line.
- *Very low-income tenants:* HTF rent plus utilities shall not exceed 30% of income of a family whose annual income equals 50% of AMI
 - ****Project Specific: MUST reference HTF Agreement and Deed Restriction



Questions?



Let's Meet Back Here in 10 Minutes



LIHTC Updates

IRS Waiver History

April 10, 2020

- Notice 2020-23
- Time-sensitive actions due between 4/1/20 and 7/15/20 must be completed by 7/15/20
- AR's waived; still need to certify student status

July 1, 2020

- Revenue Procedure 2020-53
- Time-sensitive actions due between 4/1/20 and 12/31/2020 must be completed by 12/31/2020
- AR's waived; still need to certify student status

January 15, 2021

- Notice 2021-12
- Time-sensitive actions due between 4/1/20 and 10/1/21 must be completed by 10/1/21
- AR's waived; still need to certify student status

RIHousing has not been required to continue compliance monitoring but we chose to continue to provide that level of customer service to you, our external partners.



LIHTC Updates (*cont.*)

What Did the Waiver Really Mean?

- LIHTC sites not required to perform annual income certifications from April 1, 2020 through September 30, 2021
 - Student status must have been certified/verified
 - Not all sites eligible to take advantage of waiver, especially if there are other programs involved such as Section 8
 - Some sites preferred to continue with annual recerts (*and we commend you for that*)
 - An entry into WTC is mandatory for HUD reporting requirements
 - In the absence of an annual income recertification, the previous year's household income may be carried over into the waived recertification

What If I Didn't Ask My Tenants About Their Student Status?

- *Do it now!*
 - Make sure you have a record for each certification event during the waiver period.



LIHTC Updates (*cont.*)

What We've Been Up To

- LIHTC File Reviews are conducted remotely
- Reduced sample size
- No physical inspection
- 8823's for failure to certify/verify student status

What We're Planning

- Resumed full LIHTC Inspections beginning October 1, 2021
- Going back to the full sample size required
- Physical inspections resume on the scheduled inspection date
- The option will remain for remote file reviews
 - Your Asset Manager will provide you with choice of how you'd like your files reviewed
- 8823's for Health & Safety findings, over-income at MI, failure to certify/verify student status, etc.



LIHTC Updates (*cont.*)

2/25/2016 Temporary Regulations

- Sample size is the lesser of
 - 1.) 20% of LIHTC units in the project
 - 2.) Minimum Unit Sample Size set in REAC Chart
- 30 Day Notice

02/26/2019 Final Regulations

- REAC Chart to be used for sample size
- Reasonable notice reduced to 15 days

07/07/2020 Proposed Regulations

- Sample size is the lesser of
 - 1.) 20% of LIHTC units in the project
 - 2.) Minimum Unit Sample Size set in REAC Chart
- *15 Day Notice*

Note: timeline details the recent changes in LIHTC monitoring.



LIHTC Updates (*cont.*)

Resuming Physical Inspections

- Asset Management Team will self-screen using series of questions prior to reporting to a property for physical inspection
- Inform your Asset Manager if any residents or staff are currently infected with COVID-19
- Tenants will be screened at the door
 - *Do you currently have a fever, a cough, shortness of breath, or other symptoms related to COVID-19?*
 - *Have you travelled outside the state within the last 10 days?*
 - *Have you had any contact with anyone who has tested positive for COVID-19 in the last 10 days?*
 - *Do you have any concerns or reservations about us entering your units to perform a brief physical inspection?*
- Personal Protective Equipment (PPE) will be used during physical inspections
 - Limit personnel in apartments/tight spaces
 - Masks required
 - Gloves will be changed between units



LIHTC Updates (*cont.*)

REAC

- Inspections resumed June 1, 2021
- You may be notified of an inspection
- Tell your inspector of any COVID cases on site
- The inspector will contact you more often in preparation for the visit
 - At scheduling and two days before the inspection, be prepared to offer information on any known cases of COVID at your site
- Inspectors will be required to be masked and exercise caution while using PPE for the best interest of all involved



Questions?



QUIZ Review

1. **Student status does not have to be verified after the 15-year compliance period. *F***
2. **COVID-19 Stimulus payments are considered income for the purpose of determining rent. *F***
3. **When an existing LIHTC project receives a new allocation of credits, a new lease must be executed. *T***
4. **The Average Income test is a method to determine the household annual income. *F***
5. **It is acceptable for an applicant to leave sections of the rental application blank. *F***



QUIZ Answers (cont)

6. If your tenant has a rental subsidy from the local housing authority, you can accept a copy of the HUD 50058 as 3rd party verification of income, assets and student status. **F**
7. If your 100-unit LIHTC property has 8 HOME units, 8 HTF units and 4 NOP units, you only qualify households to meet the LIHTC requirements. **F**
8. HUD, not Section 42 of the Internal Revenue Code, regulates the LIHTC Program. **F**
9. If your section 8 PBCA property receives an allocation of tax credits, the tenants do not have to be income qualified if they already live in the property. **F**
10. If your 100 unit property is only 90% LIHTC, you can consider all of the units as LIHTC units. **F**



Reporting requirements

- Financial Asset Management
- Tenant files
- Physical inspections
- LIHTC tenant data
- LIHTC non-compliance
- HOME
- WTC
- MORs
- Casualty loss
- Fire, flood, natural disasters, crime, etc.
- Change in staffing/ contact information



Reporting Due Dates

Task/Report name	Funding program	Date due to RIH	Contact Person
Voucher and related cert submission	811 Program, State RAP	before the 10th of each month	Hope Lanphear
NOP requests	All properties with NOP funding	Within the quarter following the quarter of the requisition	Susan Halloran
Audited Financial Statements	All RIHousing Financed	within 90 days of the fiscal year end	Susan Halloran
Budgets	All RIHousing Financed	30 days prior to the beginning of the fiscal year	Susan Halloran
Interim Operating Statements	All RIHousing Financed	25 days after each quarter end	Susan Halloran
Surplus cash payments	All RIHousing Financed	within 30 days of audit approval letter date	Susan Halloran
Escrow deficit letter responses/payments	All RIHousing Financed	within 10 days of date of letter	Susan Halloran
Real Estate tax bills from the City/Town	All RIHousing Financed	upon receipt	Ann Brown
Mortgage payments	All RIHousing Financed	by the 10th of each month	Kathy Stewart
Insurance premium invoices	All RIHousing Financed	Upon Receipt	Leeann Platt
Evidence of insurance Certs	All RIHousing Financed	Upon Receipt	Leeann Platt
<u>HOME Owners</u> Certification	HOME	1st business day of each April	Lenore Coughlin
Upload to WTC	HOME	10th of every month	Lenore Coughlin
Compliance Monitoring fees	LIHTC	last business day of each March	RIHousing accounting department
<u>LIHTC Owners</u> Certification	LIHTC	last business day of each January	Asset Manager assigned to your property
Quarterly Waitlist report	LIHTC	within 10 days following the quarter end	Asset Manager assigned to your property
Upload to WTC	LIHTC	10th of every month	Asset Manager assigned to your property
Upload to WTC	NOP	10th of every month	Susan Halloran
Annual rent increase including Utility Analysis	PBCA	initiates 150 days before contract anniversary	Asset Manager assigned to your property
Voucher and related cert submission	PBCA	before the 10th of each month	Asset Manager assigned to your property
			updated 9.8.21

Questions?



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