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NEAHMA
Rhode Island Agency Forum

February 15, 2024

Agenda

- Agency Updates
- Introductions
- NSPIRE Overview
- HOTMA Overview
- MOR Tips & Tricks
- Procorem

Staffing Updates

Brittany Toomey, *MF Housing Compliance Manager*
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Richelle FitzGerald, *Senior Program Representative, MF Compliance*
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Charlie Chhum, *Program Representative, MF Compliance*
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Kristi Richardson, *Compliance Support Specialist, MF Compliance*
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RIHousing Agency Updates

- **On-Site MORs: Effective January 1, 2024**
  - New guidance for Required and Alternative Management Occupancy Review (MOR) procedures for Performance Based Contract Administrators (PBCAs).
  - The **Office of Asset Management and Portfolio Oversight** published a memo on October 20, 2023, that takes the place of prior guidance regarding remote MORs conducted by PBCAs during the COVID-19 pandemic and **reinstitutes the practice of on-site MORs**. This updated guidance is **effective with MORs scheduled on or after January 1, 2024**

- **Waitlist Policy**
  - Program Bulletin 2024-01
    - This Program Bulletin provides guidance and establishes RIHousing's formal policy for requiring wait lists in in LIHTC and RIHousing funded affordable rental developments.
    - Anyone who wishes to be admitted to an assisted property or placed on a property's waiting list must complete an application which identifies the specific property name of where they are applying to.

NSPIRE

- **National Standards for the Physical Inspection (NSPIRE)**
  - Sunsetting Uniform Physical Condition Standard (UPCS) and replacing Real Estate Assessment Center (REAC)
- **On May 11, 2023, HUD published the final NSPIRE rule that introduced changes to inspections for the Public Housing and Multifamily Housing programs. The rule and standards seek to:**
  - Require the same health and safety standards for all HUD housing portfolios
  - Specify the manner and timeframe for the remediation of health and safety deficiencies for three categories of health and safety defects with specific remediation timelines
  - Includes conforming changes in the HOME and HTF regulations
  - Effective for projects with new HOME or HTF commitments made on or after October 1, 2023
    - Compliance date established for CPD programs is October 1, 2024

NSPIRE

- **Standards Notice Published June 22, 2023** (Federal Register)
  - Includes the H&S classifications of Life-threatening, Severe, Moderate, and Low
  - Designates the three inspectable areas: Unit, Inside, and Outside.
  - Eight critical focus areas:

- **Effective January 2, 2024, RIHousing will begin using the NSPIRE inspection protocols for all LIHTC inspections.**
- To learn more about NSPIRE, please visit the HUD site: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire

8823's will be issued on any Life-threatening or Severe finding

(Multiple Units)
Health and Safety Report
NSPIRE

Scheduled: 01/30/2024 Closed: ID:
Score:

Inspection Results - Health/Safety Only

Outside

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	HUD Pts	Adj Pts	Fix By
Side of Building	Sharp Edges	Any item or component has a sharp edge that can puncture or cut	Broken window	1	01/30/24 09:43 BT		Severe	0.64	1.74	24H

Inside

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	HUD Pts	Adj Pts	Fix By
Hallways & Corridors (Bldg)	Conductors, Outlets, Switches	Outlet or switch is damaged		2	01/30/24 09:48 BT		LT	2.87	7.79	24H

- Three inspectable areas: Unit, Inside, and Outside.

Inspection Results

Outside

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	HUD Pts	Adj Pts	Fix By
Rear of Building	Roof Drain/Ponding	Gutter component is missing		1	01/30/24 09:45 BT		Mod	0.24	0.64	30D
Side of Building	Sharp Edges	Any item or component has a sharp edge that can puncture or cut	Broken window	2	01/30/24 09:43 BT		Severe	0.64	1.74	24H

Outside NSPIRE Totals

Life Threatening: 0/0 Severe: 1/1.74 Moderate: 1/0.64 Low: 0/0

Inside

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	HUD Pts	Adj Pts	Fix By
Basement (Bldg)	Foundation	Foundation is infiltrated by water		3	01/30/24 10:12 BT		Mod	0.26	0.71	30D
Hallways & Corridors (Bldg)	Conductors, Outlets, Switches	Outlet or switch is damaged		4	01/30/24 09:48 BT		LT	2.87	7.79	24H

Inside NSPIRE Totals

Life Threatening: 1/7.79 Severe: 0/0 Moderate: 1/0.71 Low: 0/0

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	HUD Pts	Adj Pts	Fix By
Laundry Room (Bldg)	Fire Extinguisher	The date on the fire extinguisher service tag has exceeded one year (Expired)		5	01/30/24 11:40 BT		LT	2.87	7.79	24H

Inside NSPIRE Totals

Life Threatening: 1/7.79 Severe: 0/0 Moderate: 0/0 Low: 0/0

Unit

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	HUD Pts	Adj Pts	Fix By

NSPIRE - Things to Think About

- Get trained!
  - focusing on safety and avoiding normal wear and tear issues
  - Provide staff with uniform training on NSPIRE standards
  - focus on new standards
- Integrate NSPIRE standards with Standard Operating Procedures
  - Update your annual inspections
- Keep an eye out for HUD updates and resources
- Keep and eye out for bulletins from RI Housing

Questions and Feedback

NSPIRE@hud.gov or search for "HUD NSPIRE" found on HUD.gov

HOTMA

Housing Opportunity Through Modernization Act of 2016 (HOTMA)

THIS IS NOT A TRAINING

Effected Programs

- Public Housing
- Section 8: HCV
- Section 8: PBV
- Section 8: Multifamily
- HOME
- HOPWA
- Housing Trust Fund
- Section 811
- LIHTC

HOTMA - Changes

- Income definition
  - Now only lists exclusions
  - Is now amount received, not entitled to
- Student financial assistance calculations
  - Calculation has changed
- Foster rules
  - All income excluded
- Interim Recert Rules
- Eligibility for those who own homes or have over $100,000 in assets
- Changes to deductions
  - Some will change annually
- Asset exclusions
  - Retirement accounts
- Passbook savings rate cap changes
- EIV report changes

HOTMA - Forms!

O/A's Responsibility

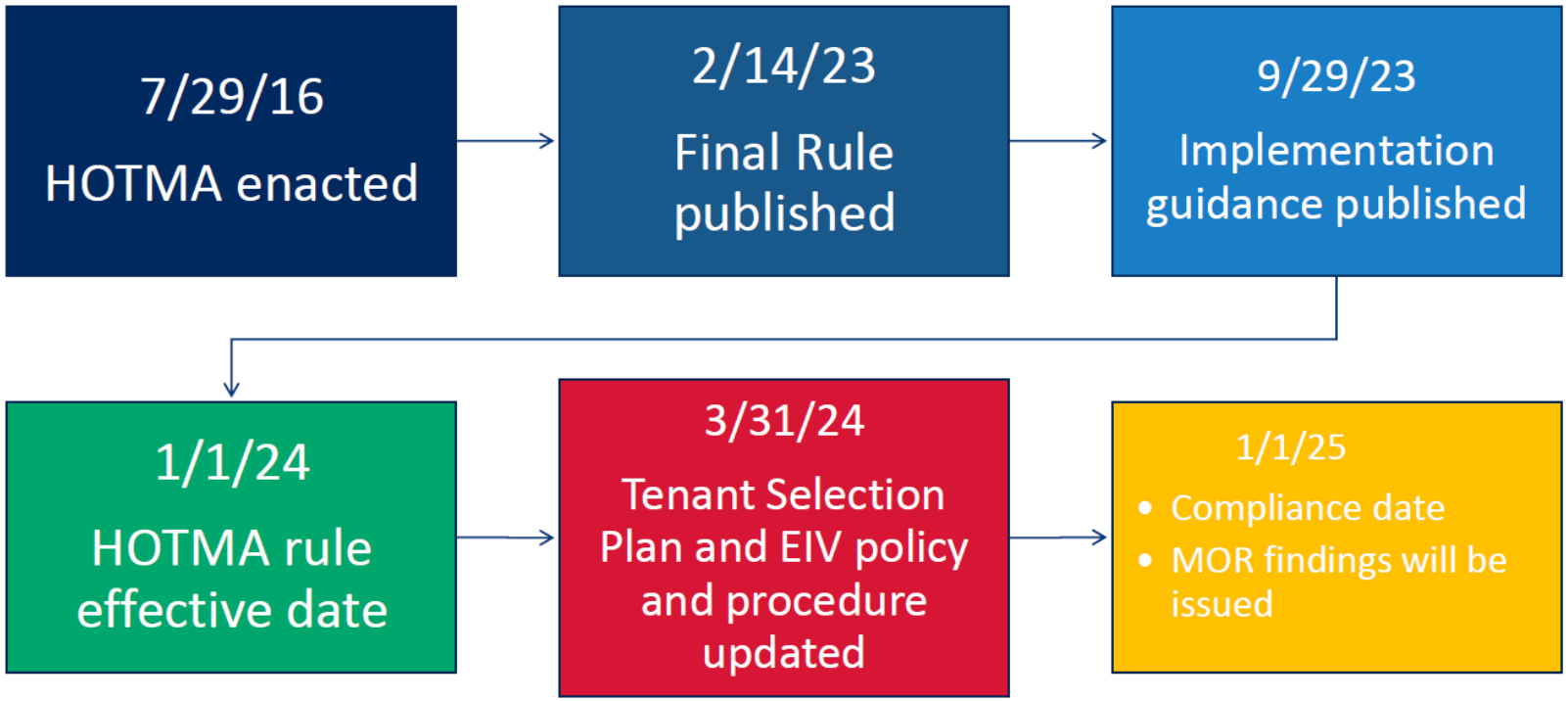
- Policies on assets and real estate
- Update Tenant Selection Plan
- Update EIV Policy (IRs)
- Update rejection letter
- Update Application/ Pre-Application
- Potentially update House Rules

HUD's Responsibility

HUD will be releasing

- updated Lease
- updated 9887
- Updated 50059/50059a
- Updated 9834
- updated HUD Fact Sheet
- updated VAWA Addendum

MF Implementation Timeline



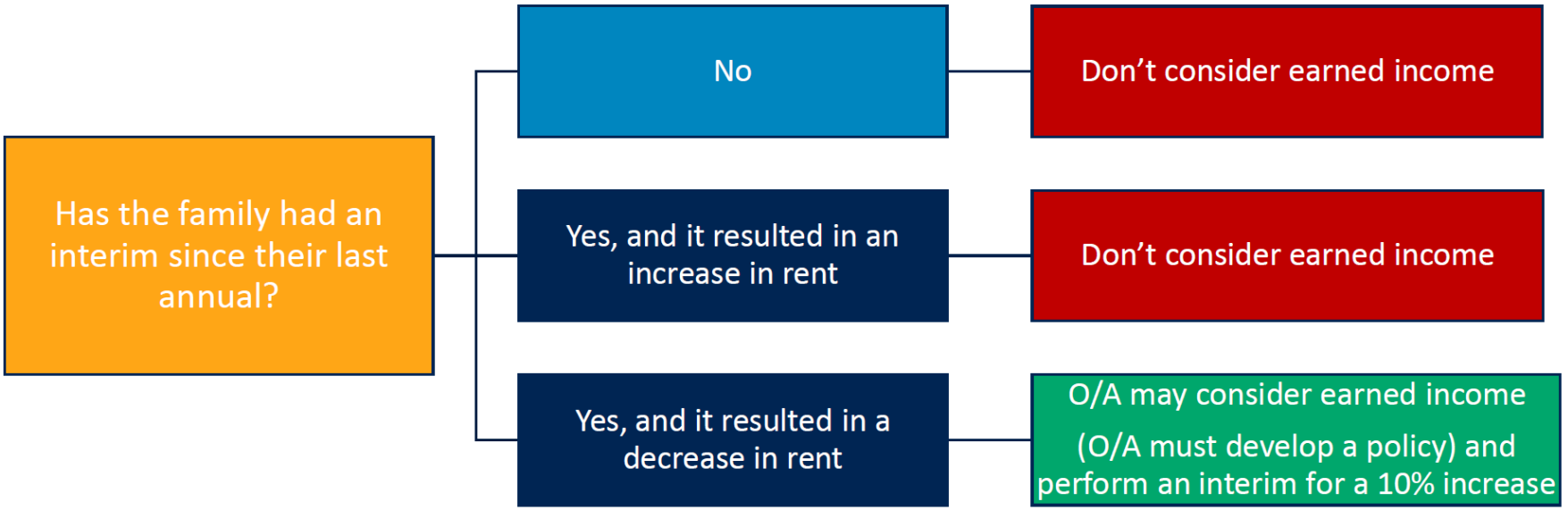
Tenant Selection Plan

Corrections by 3/31/2024

- De minimis errors
- Self-certification of net family assets
- Hardship exemptions for health and medical care/disability assistance expenses and child care
- IRs: increases, decreases, and reporting
- Revocation of consent
- Determination of family income using Safe Harbor verifications

Interim Recertifications

A family reports an increase in earned income between annuals.



EIV Policies and Procedures

Corrections by 3/31/2024

Use during IRs

- Earned income increases
- Income Reports when using Safe Harbor verifications

- Note: MFH Owners must continue to follow their existing Tenant Selection Plans and EIV policies & procedures until the MFH Owner's software is compliant with TRACS 203A.

After Your Software Update

- Passbook Savings Rate – Do not change
- Provide tenants 60 days' notice that their lease will be modified at the end of the lease term after the expiration of the 60 days' notice.
- Use the revised Tenant Consent form (form HUD–9887/9887A) and Fact Sheets ("How Your Rent is Determined").
- Begin using the revised Model Leases at the expiration of a family's lease term.
- Implement your revised Tenant Selection Plan and EIV policies and procedures.
- All tenant data submissions must comply with the HOTMA regulations.

HOTMA - MORs

- Prior to January 1, 2025, MFH Owners will not be penalized for HOTMA-related tenant file errors during Management and Occupancy Reviews (MORs). Instead, the Contract Administrator will issue observations with corrective actions.

- After January 1, 2025 Owners must correct all HOTMA-related observations that were issued by Contract Administrators during 2024.

HOTMA – The Word from HUD

- There are still many items HUD needs to clarify or update
  - Updated forms
  - Tracs is not ready yet
- Asset limitations guide is coming for HOTMA
- Guide for management reviews is also coming
- FAQs are coming out
- Webinars for Tenants (!) coming soon
- Webinars for O/As coming soon
- Tracs is not ready yet

Asset limitations can't be enforced until new lease is issued and signed, and software and TSP updated. HUD said: don't tell tenants they'll need to move out

HUD resources
https://www.hud.gov/program_offices/housing/mfh/hotma

Dedicated HOTMA email address: MFH_HOTMA@hud.gov

HOTMA - Things to Think About

- Get trained!
- Update your software
- Update your policies and forms
- Keep an eye out for HUD updates and resources
- Keep and eye out for bulletins from RI Housing

HOTMA and LIHTC

- IRS has verbally confirmed its their intention to follow the HOTMA final rule in regard to determining income and assets and will allow for self-certification of assets when the cash value does not exceed $50,000
- Our tax credit policies will continue to mirror Section 8 as far as income and asset verification is concerned
  - If you can use a verification for section 8 we will accept it for tax credit
  - We will not be making the tax credit program more restrictive in terms of eligibility.
  - **This is not yet in effect! We will post a program bulletin when we make any changes to our TC policies**

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MORs – Tips and Tricks

Management and Occupancy Reviews for PBCA

Management and Occupancy Review (MOR) Process

Notification
- Typically, 30 days ahead of time
- Upload to SharePoint
- Access SharePoint to start early

Closer to the date
Check in to schedule day-of appointments

Day of the MOR
- Physical
- Interview
-File Review
- Exit Interview

MOR Report
- To you within 30 days

Management Response
- Due within 30 days

Resources On Our Website

www.rihousing.com/section-8-contract-administration/

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

MOR Streamlining

- Previously we have been performing MORs in waves, at a rate of about once every 18 months.
- In July of 2022 HUD issued a final rule on risk-based Management and occupancy reviews
- Any MOR performed after 9/26/2022 will have it's next MOR determined by a combination of it's score and risk-rating
- It looks like we'll be finishing this up this summer.
- Most MORs are falling under the 3-year schedule.
- You can now ask your AM when your next MOR needs to happen by (no promises)

Previous MOR:	Unsatisfactory	Below Average	Satisfactory	Above Average	Superior
	Next MOR must be conducted within...				
Risk Classification: Troubled	12 months of previous MOR	12 months of previous MOR	12 months of previous MOR	12 months of previous MOR	12 months of previous MOR
Risk Classification: Potentially Troubled	12 months of previous MOR	12 months of previous MOR	12 months of previous MOR	12 months of previous MOR	12 months of previous MOR
Risk Classification: Not Troubled	12 months of previous MOR	12 months of previous MOR	24 months of previous MOR	36 months of previous MOR	36 months of previous MOR

Streamlining *(cont.)*

- An MOR must be conducted within six months of a management or ownership change
- CA staff must review all documentation in the tenant file going back to the date of the last MOR.
  - This means if you had an above average and your last MOR was 3 years ago, we will be looking at 3 years of certifications in your files.
- The Final Rule also clarifies that even though HUD is publishing this schedule, HUD or a CA retains the right to schedule a MOR at any time if:
  - HUD publishes a new MOR schedule after public comment;
  - Documented concerns at the project warrant an assessment; or
  - The project's condition or risk rating worsens.

procorem

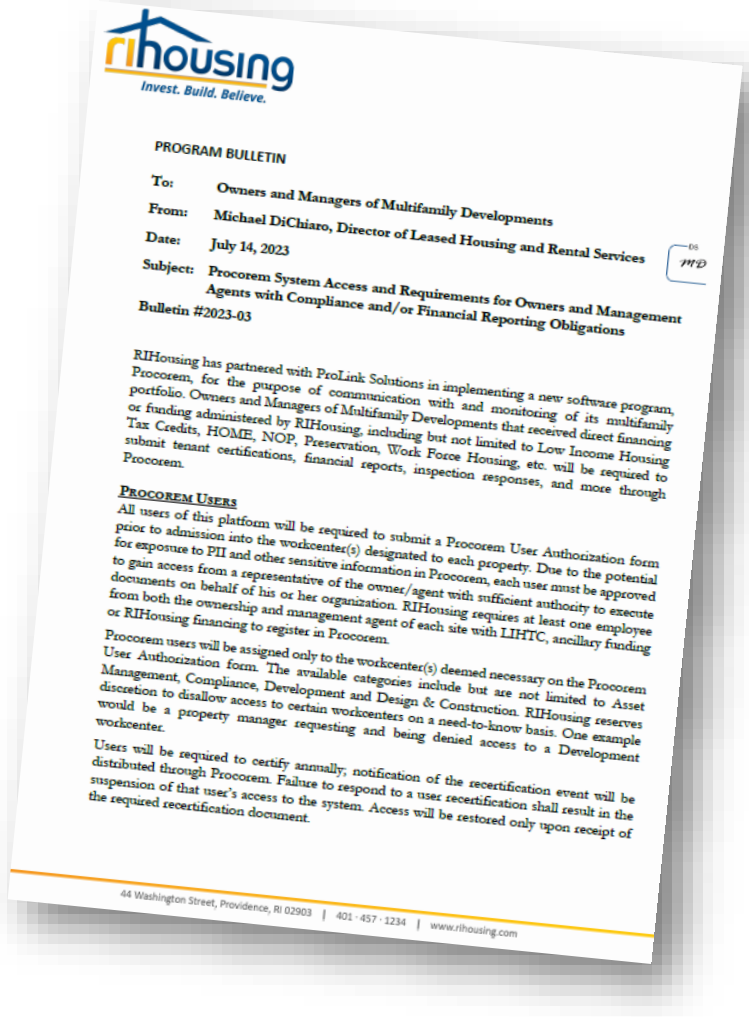
PROLINK™ SOLUTIONS

ProLink recommends Google Chrome for best results, but Microsoft Edge will work too.

procorem

Program Bulletin #2023-03 circulated on July 14, 2023

- Procorem Users
- Procorem Workcenters
- Tenant Events
- Data Integrity
- Market Units
- Asset Management
- Multifamily Inspections & File Reviews
- Owner's Certifications
- Navigating the Workcenters



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PROGRAM BULLETIN

To: Owners and Managers of Multifamily Developments

From: Michael DiChiaro, Director of Leased Housing and Rental Services

Date: July 14, 2023

Subject: Procorem System Access and Requirements for Owners and Management Agents with Compliance and/or Financial Reporting Obligations

Bulletin #2023-03

RIHousing has partnered with ProLink Solutions in implementing a new software program, Procorem, for the purpose of communication with and monitoring of its multifamily portfolio. Owners and Managers of Multifamily Developments that received direct financing or funding administered by RIHousing, including but not limited to Low Income Housing Tax Credits, HOME, NOP, Preservation, Work Force Housing, etc. will be required to submit tenant certifications, financial reports, inspection responses, and more through Procorem.

PROCOREM USERS

All users of this platform will be required to submit a Procorem User Authorization form prior to admission into the workcenter(s) designated to each property. Due to the potential for exposure to PII and other sensitive information in Procorem, each user must be approved to gain access from a representative of the owner/agent with sufficient authority to execute documents on behalf of his or her organization. RIHousing requires at least one employee from both the ownership and management agent of each site with LIHTC, ancillary funding or RIHousing financing to register in Procorem.

Procorem users will be assigned only to the workcenter(s) deemed necessary on the Procorem User Authorization form. The available categories include but are not limited to Asset Management, Compliance, Development and Design & Construction. RIHousing reserves discretion to disallow access to certain workcenters on a need-to-know basis. One example would be a property manager requesting and being denied access to a Development workcenter.

Users will be required to certify annually; notification of the recertification event will be distributed through Procorem. Failure to respond to a user recertification shall result in the suspension of that user's access to the system. Access will be restored only upon receipt of the required recertification document.

44 Washington Street, Providence, RI 02903 | 401 · 457 · 1234 | www.rihousing.com

Data Integrity

- HUD Data Reporting required annually
  - RIHousing submits LIHTC tenant data via XML
- Certain fields must match between your property management software and Procorem
  - Property Name
  - BIN
  - Building Name (Address)
  - Unit #
- Excel report in Compliance workcenter

Market Units

MARKET UNITS

Developments with less than 100% affordable units are hereby required to report on market units in Procorem. In LIHTC properties, a market unit is a non-LIHTC unit. Similarly, sites with ancillary programs may have an affordable unit percentage less than 100%, resulting in units with no affordable programs associated to them; for the purpose of data collection, those are also market units.

Reporting requirements on market unit households is limited to the apartment number, tenant paid rent, utility allowance (if applicable), and gross rent. Household names are not required as part of the tenant event submission. Owners and management agents may opt to report household names as "Market" and "Unit" as the first and last names, respectively.

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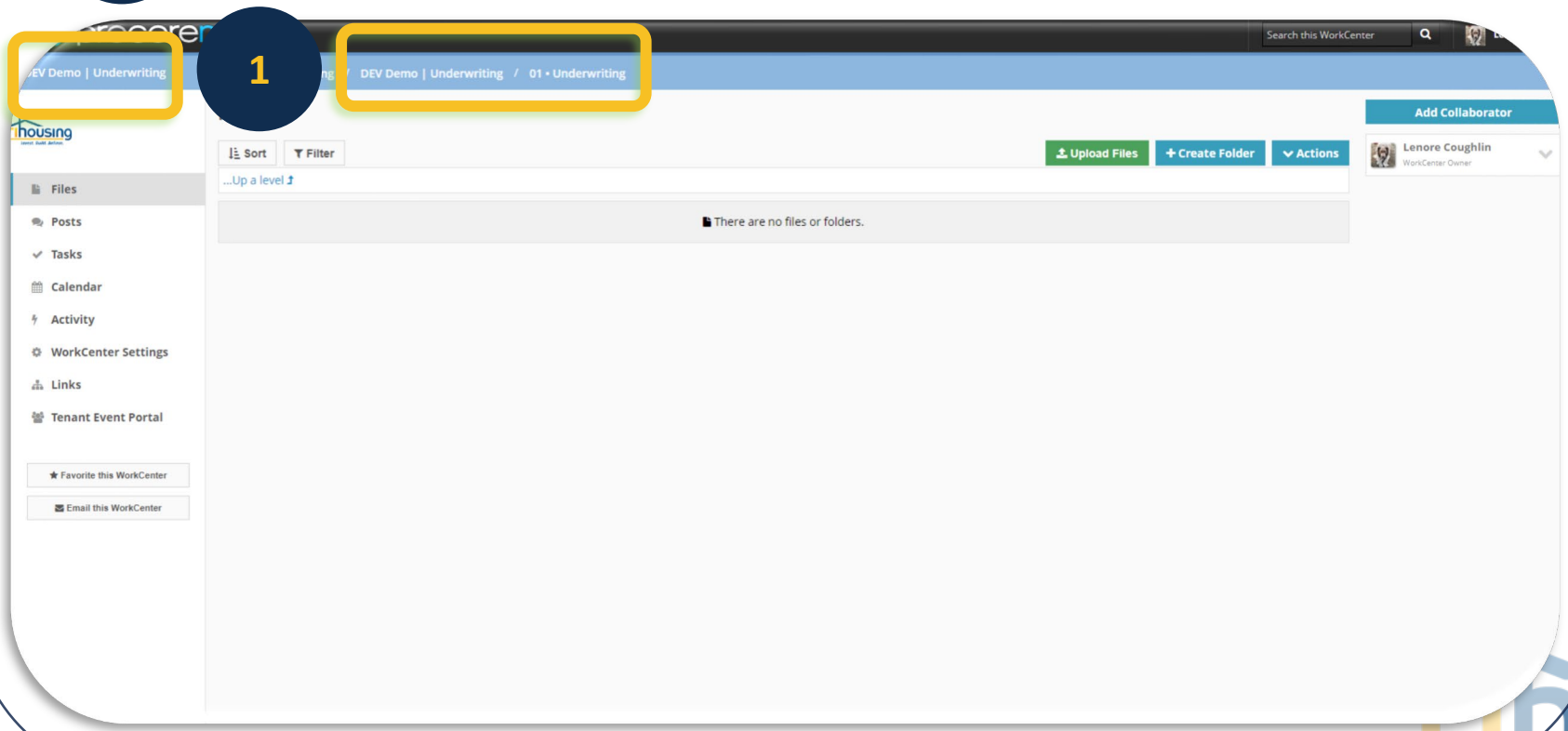
Files

Files	Upload any file type instantly. Easily upload multiple documents at the same time up to 2 GB at once.
Commenting	Collaborate on files right within Procorem by commenting on the file record. All comments are integrated with your email to ensure your team stays on task.
Versioning	All versions of files are stored and recorded in Procorem. If you would like to restore or delete an old version of a file, users with the right access can do it with the push of a button.
File Activity	All file activities such as downloading, uploading, commenting, deleting, moving, copying and more are fully recorded in Procorem so you have a complete audit history of all activity.

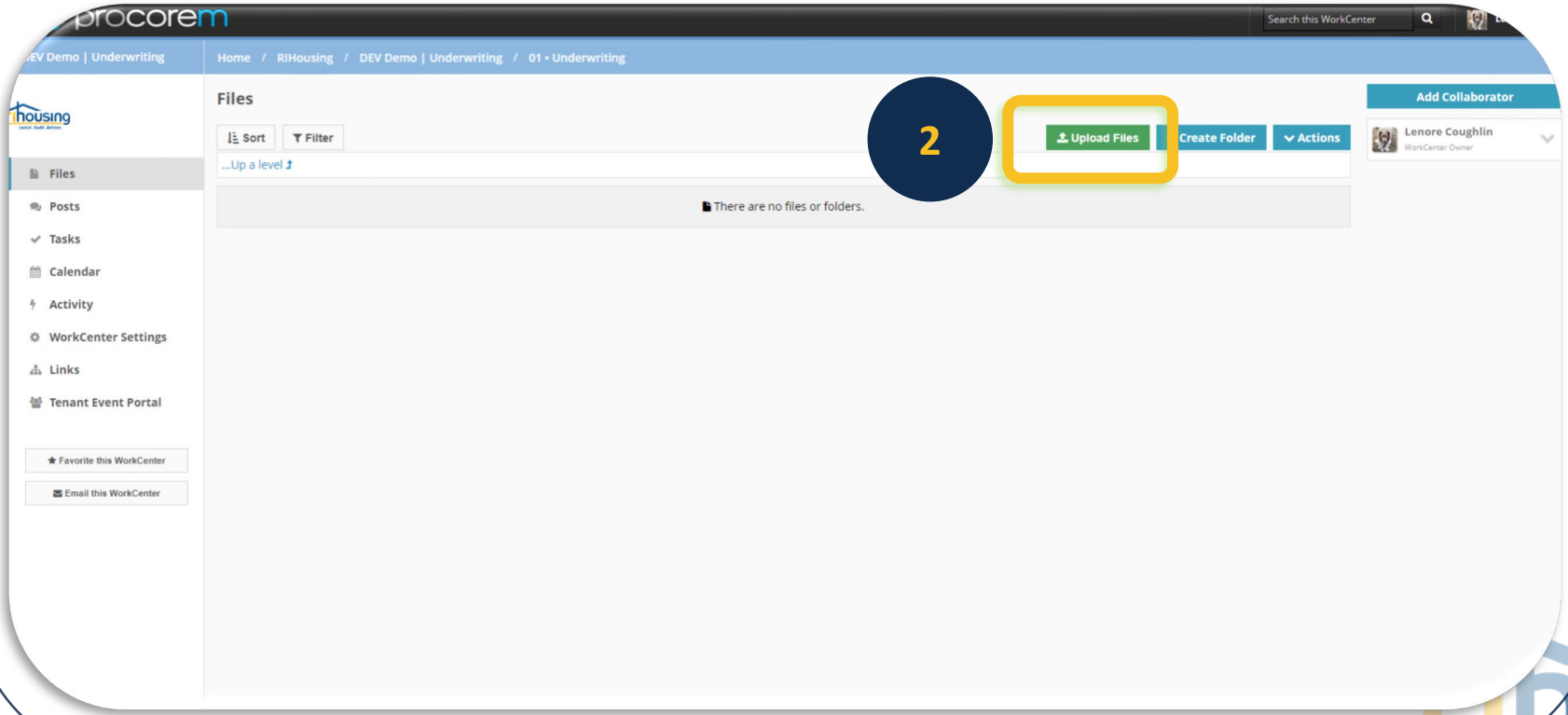
Uploading Files

1 Navigate to the workcenter where you would like to upload file(s).



Uploading Files

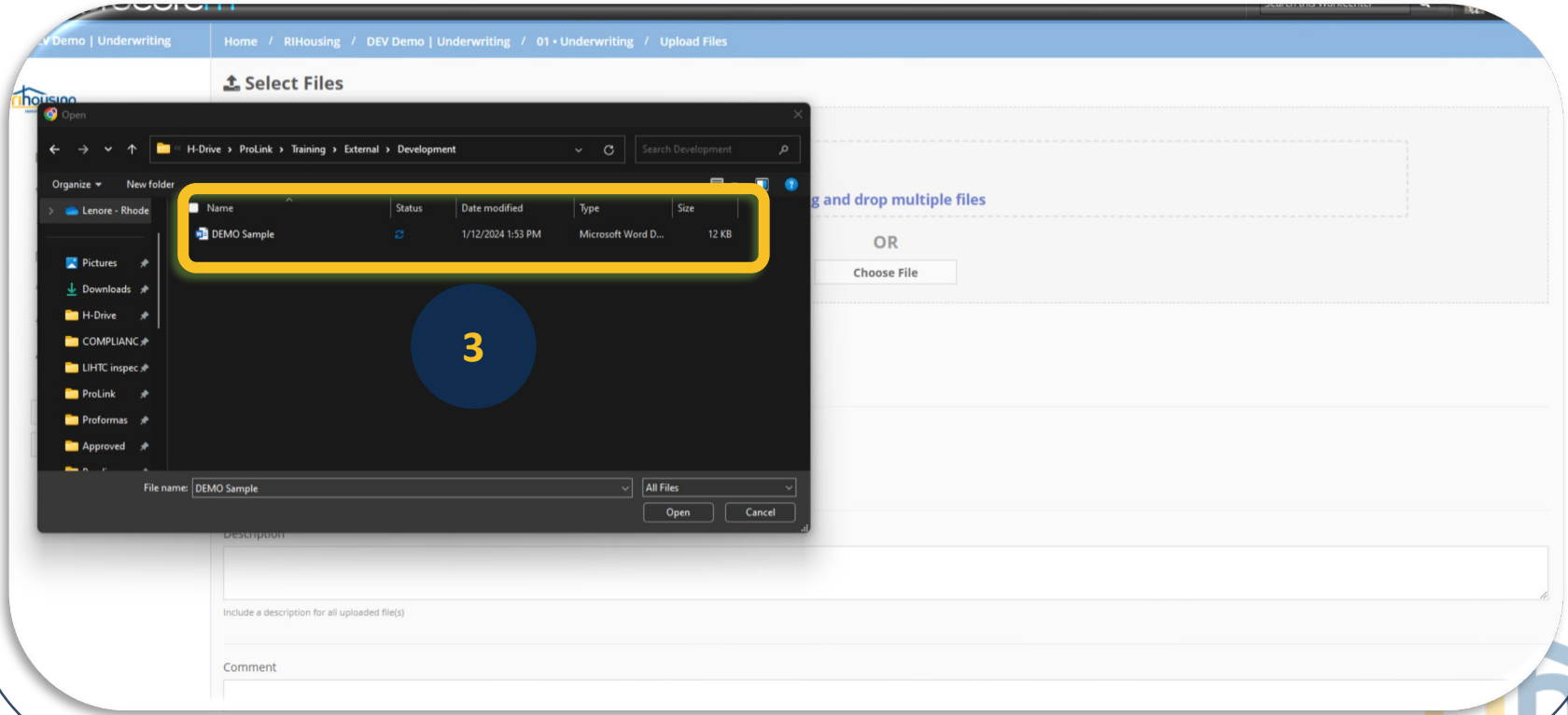
2 Select **Upload Files**



Uploading Files

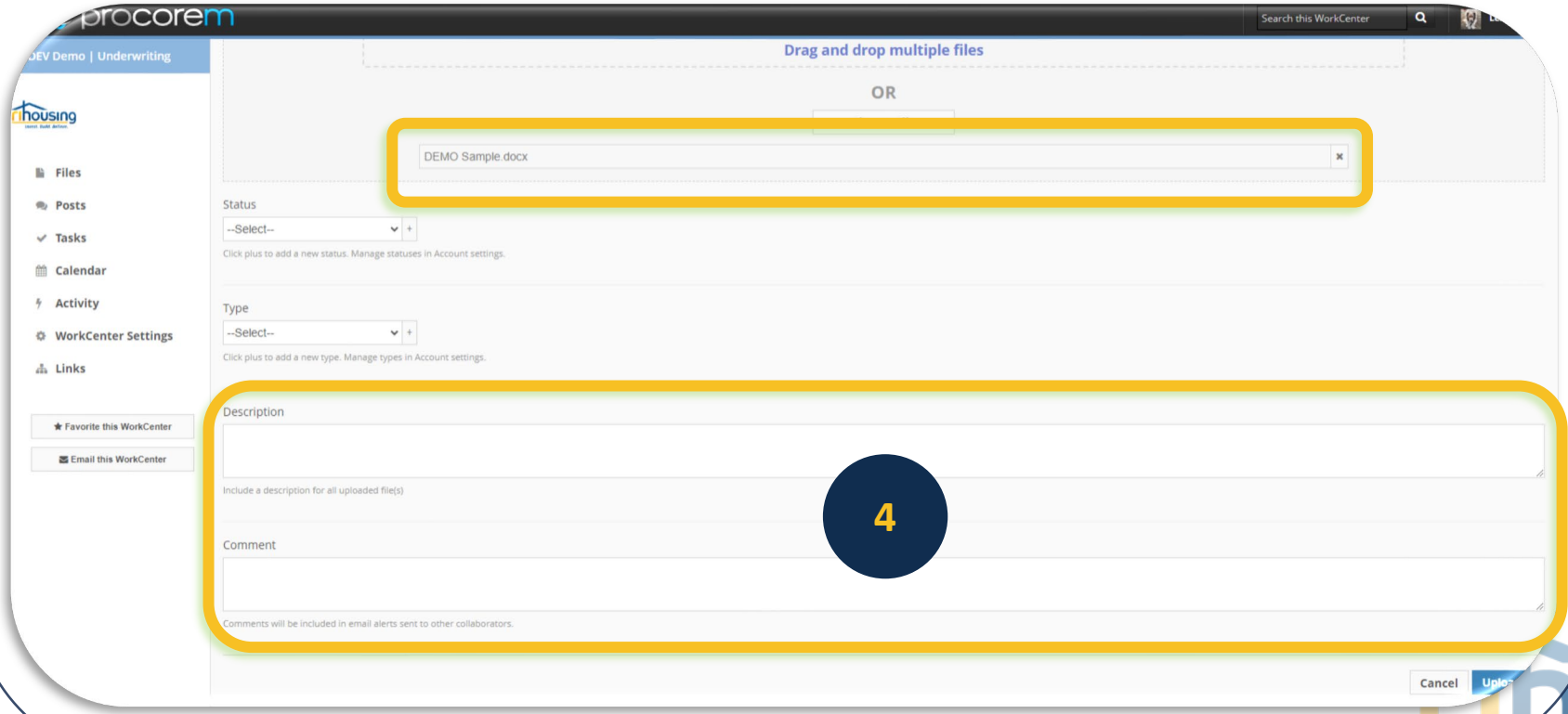
3

Drag and Drop or click **Choose File**. Both options will require you to select the files to be uploaded from your computer.



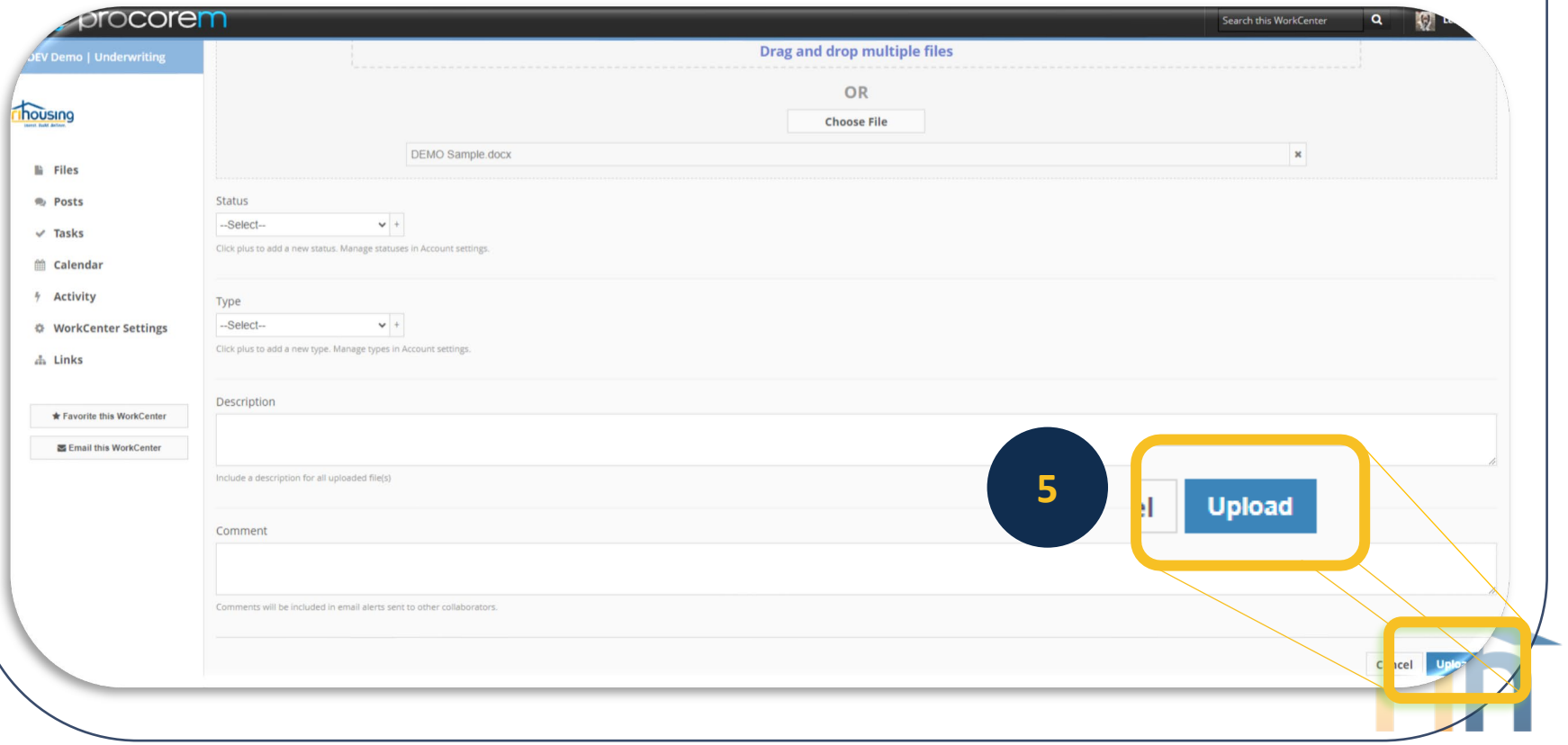
Uploading Files

4 After your selection has been added to the list of files, you have the option to enter a Description and/or Comment.



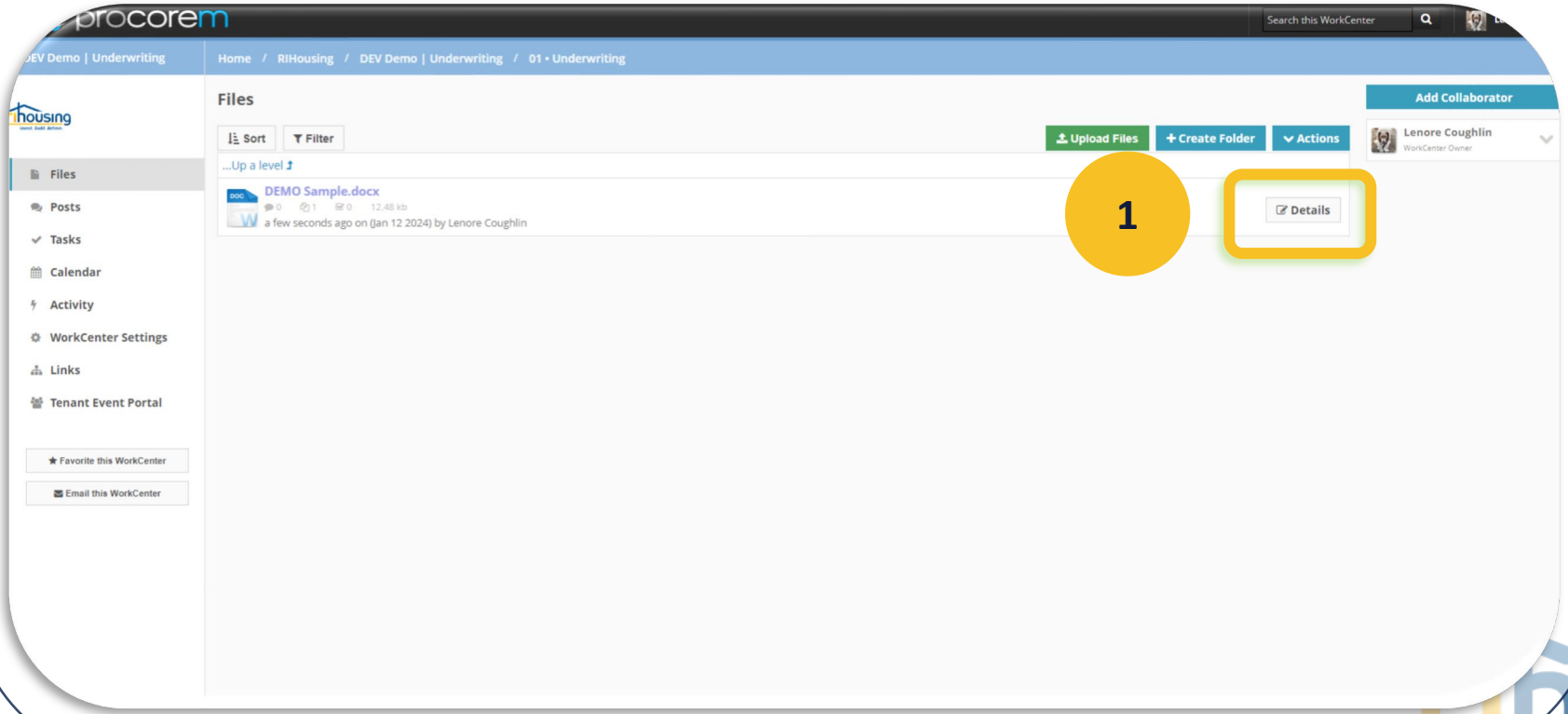
Uploading Files

5 Click **Upload** to complete the process.



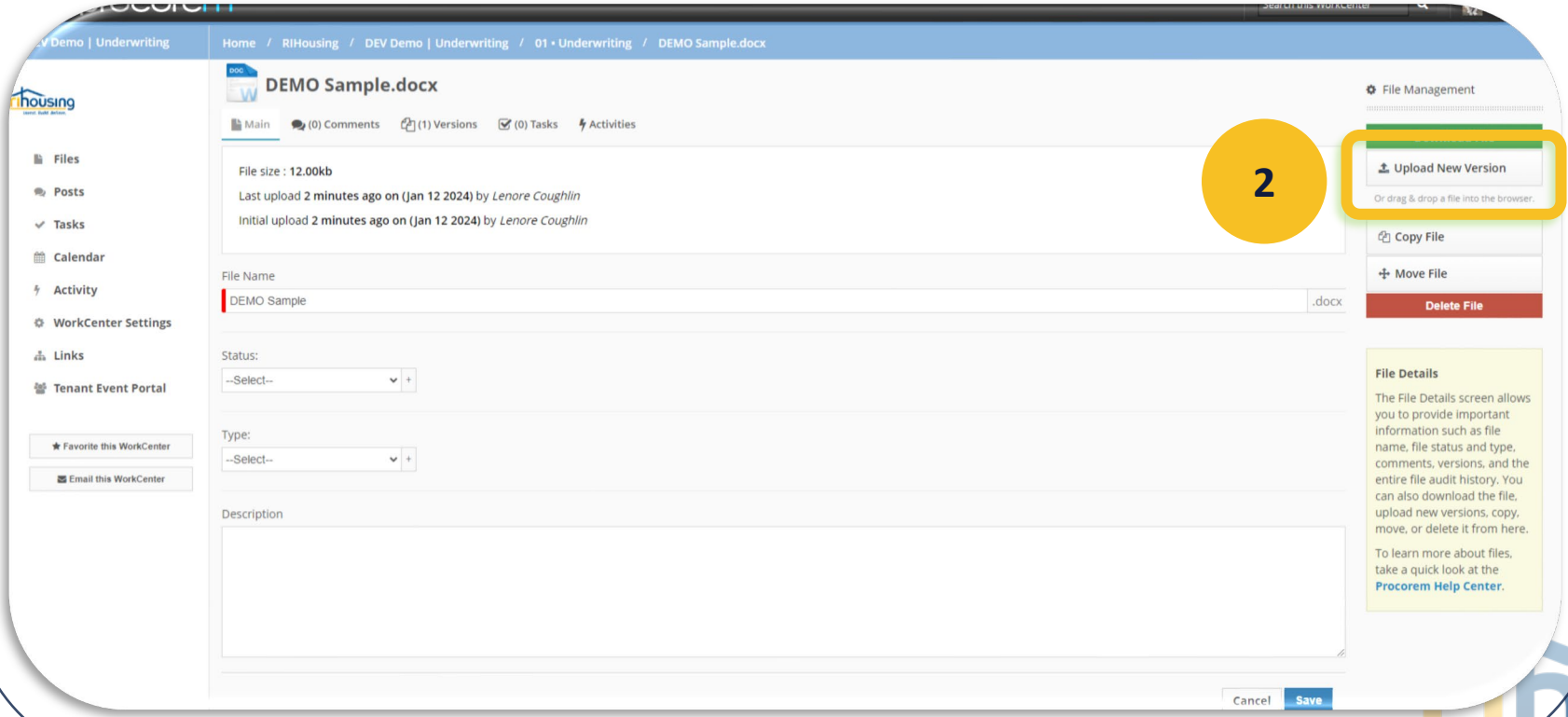
Upload New Versions of Files

1 Find the original file in the workcenter. Click on **Details**.



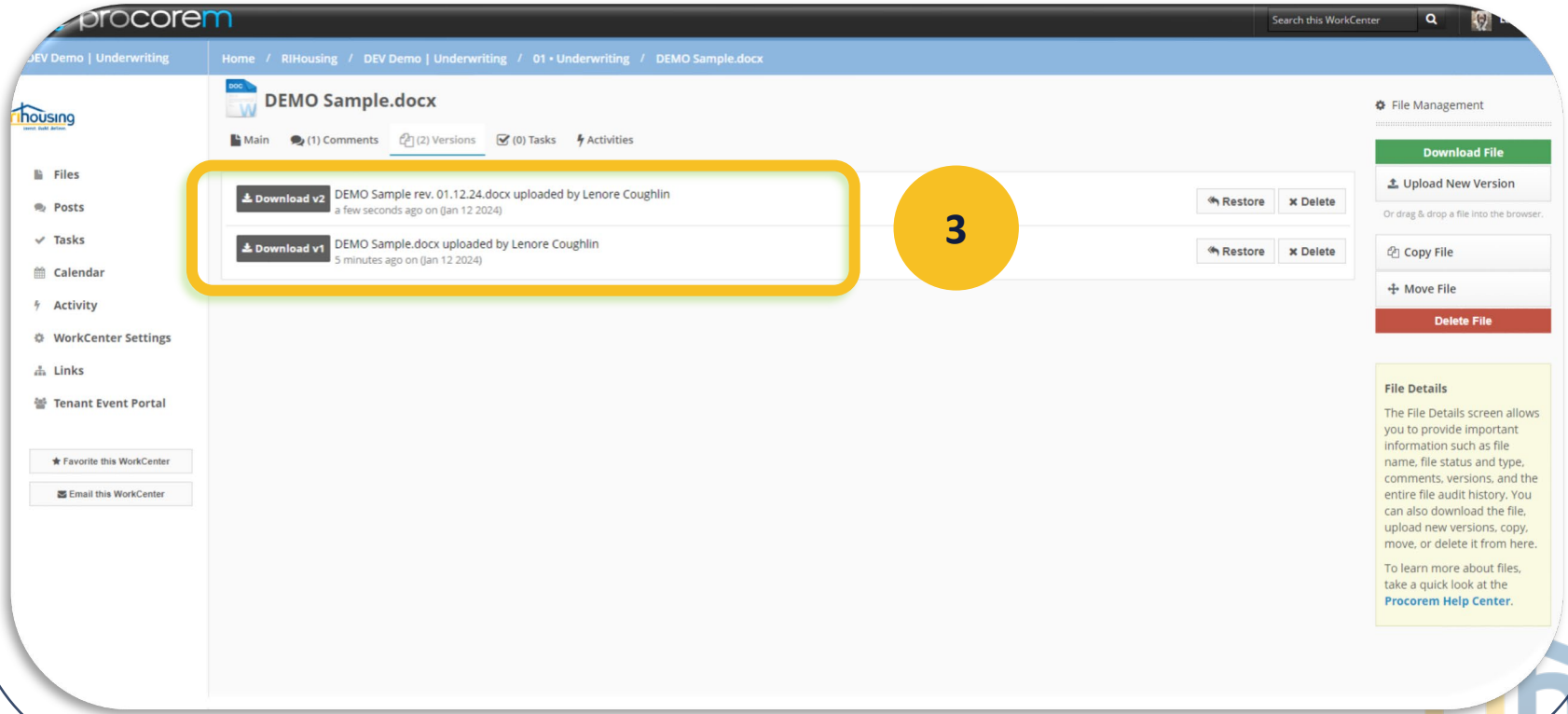
Upload New Versions of Files

2 Select **Upload New Version.**



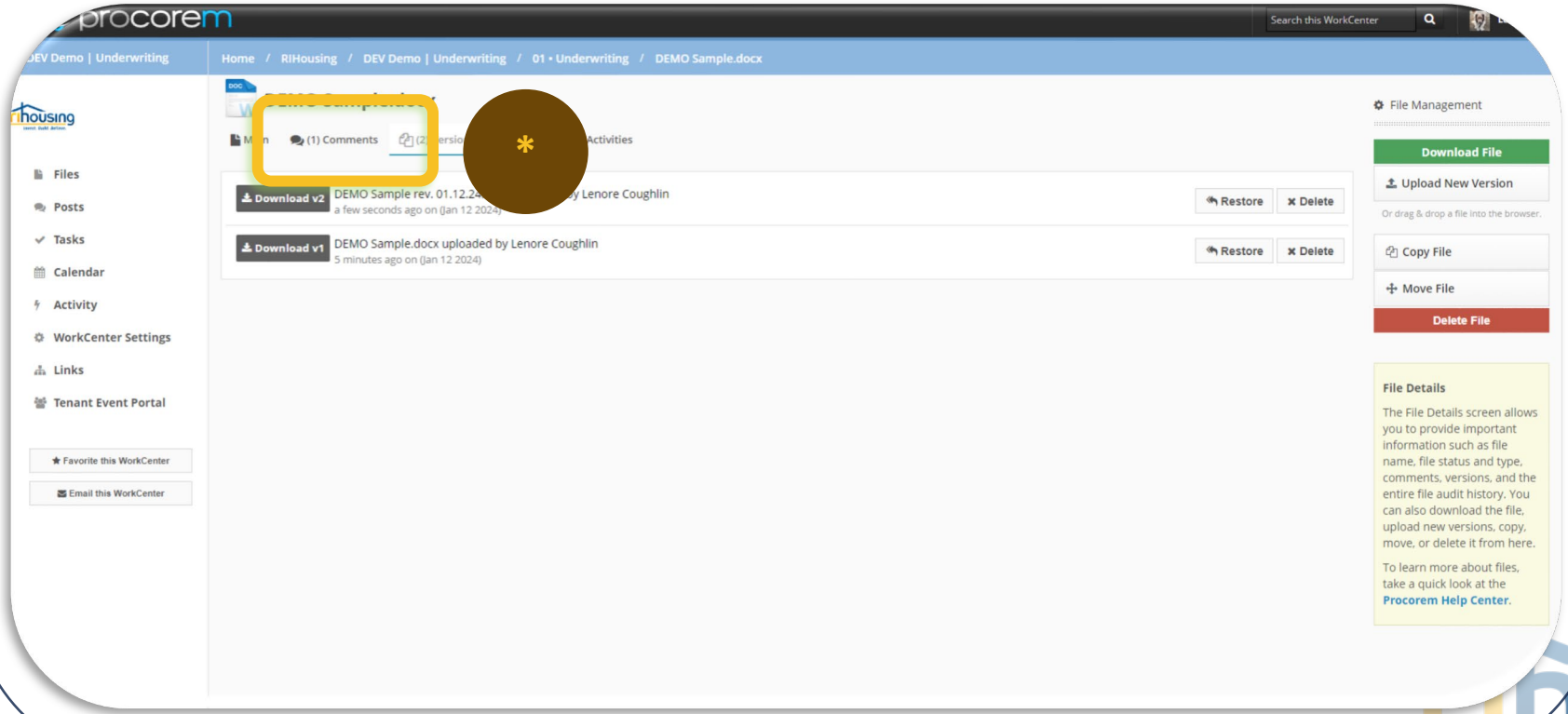
Upload New Versions of Files

3 Select the new version of the file from your computer.



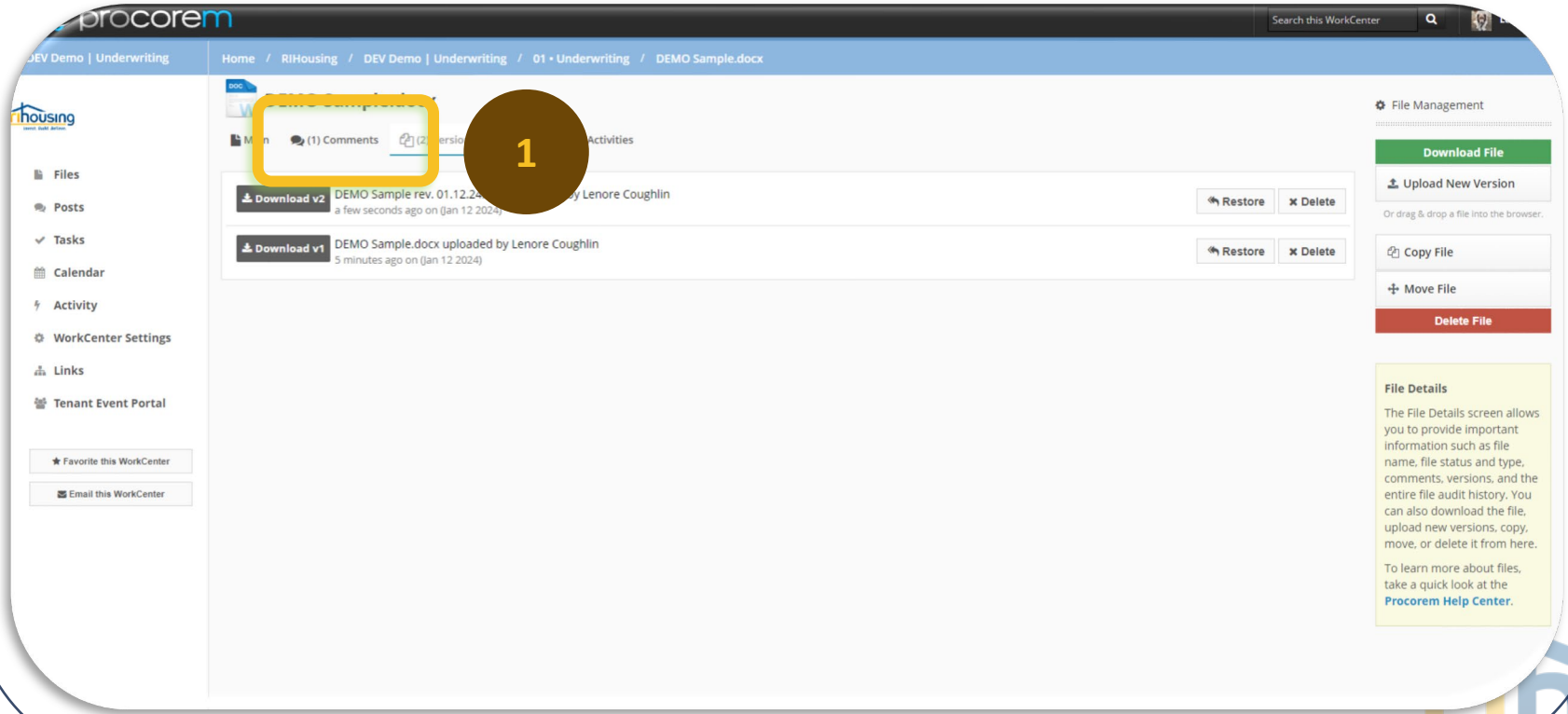
File Comments

* When a file version is added, Procorem creates a Comment to identify the user who uploaded it.



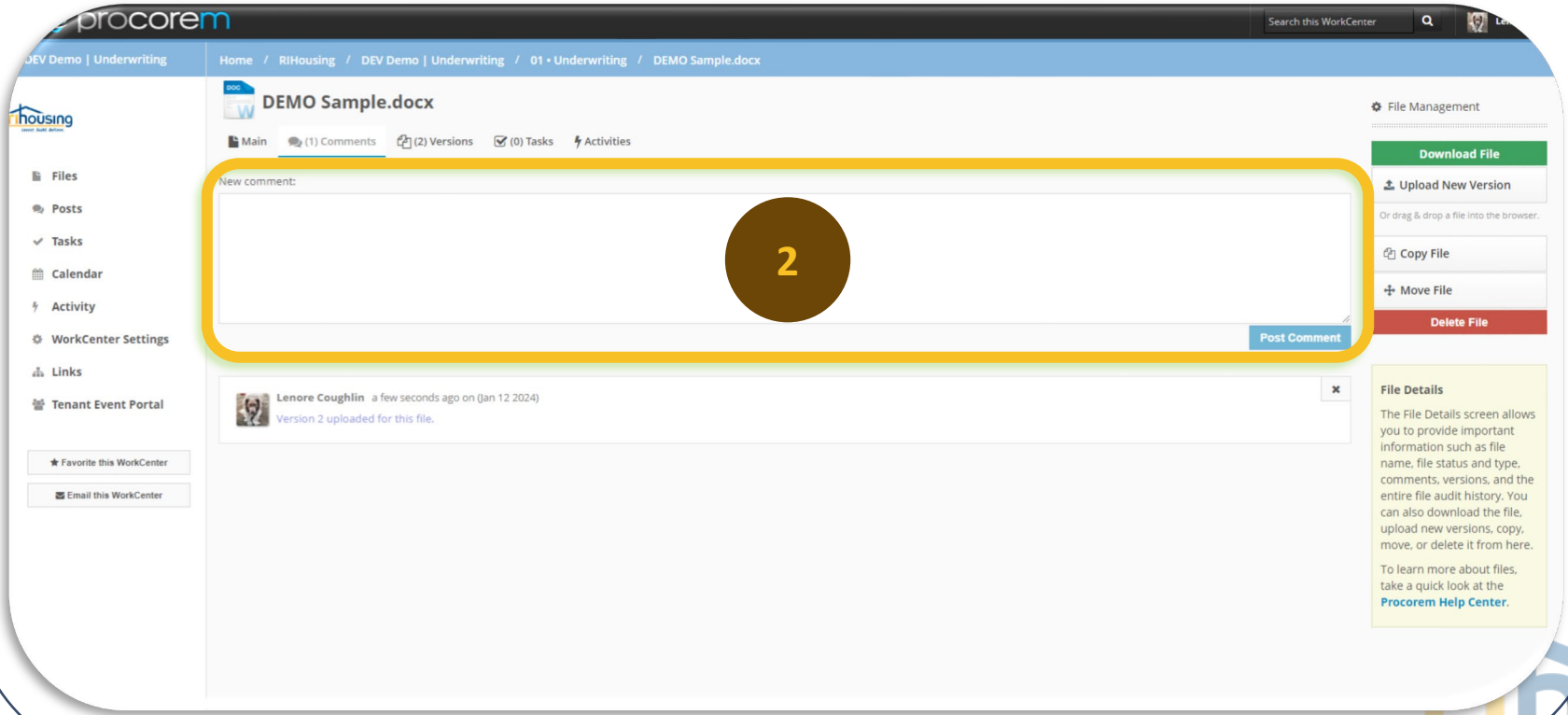
File Comments

1 To add your own comment on a file within a workcenter, select the file and click on the **Comments** tab.



File Comments

2 Enter your comment and click **Post Comment** to add it to the file.



procorem

Tasks

Task Filtering	Easily sort your tasks by custom group, task status, who the task is assigned to, and when the task is due.
Assignees	Tasks are assigned to a single user or multiple users.
Approvals	Task completion requires the approval of RIHousing. Task approval may be revoked and the task re-opened at the discretion of RIHousing if a task is found to be incomplete.
Followers	Those on the project that are not assignees or approvers may be identified as Followers to stay informed through email notifications as the task status progresses.

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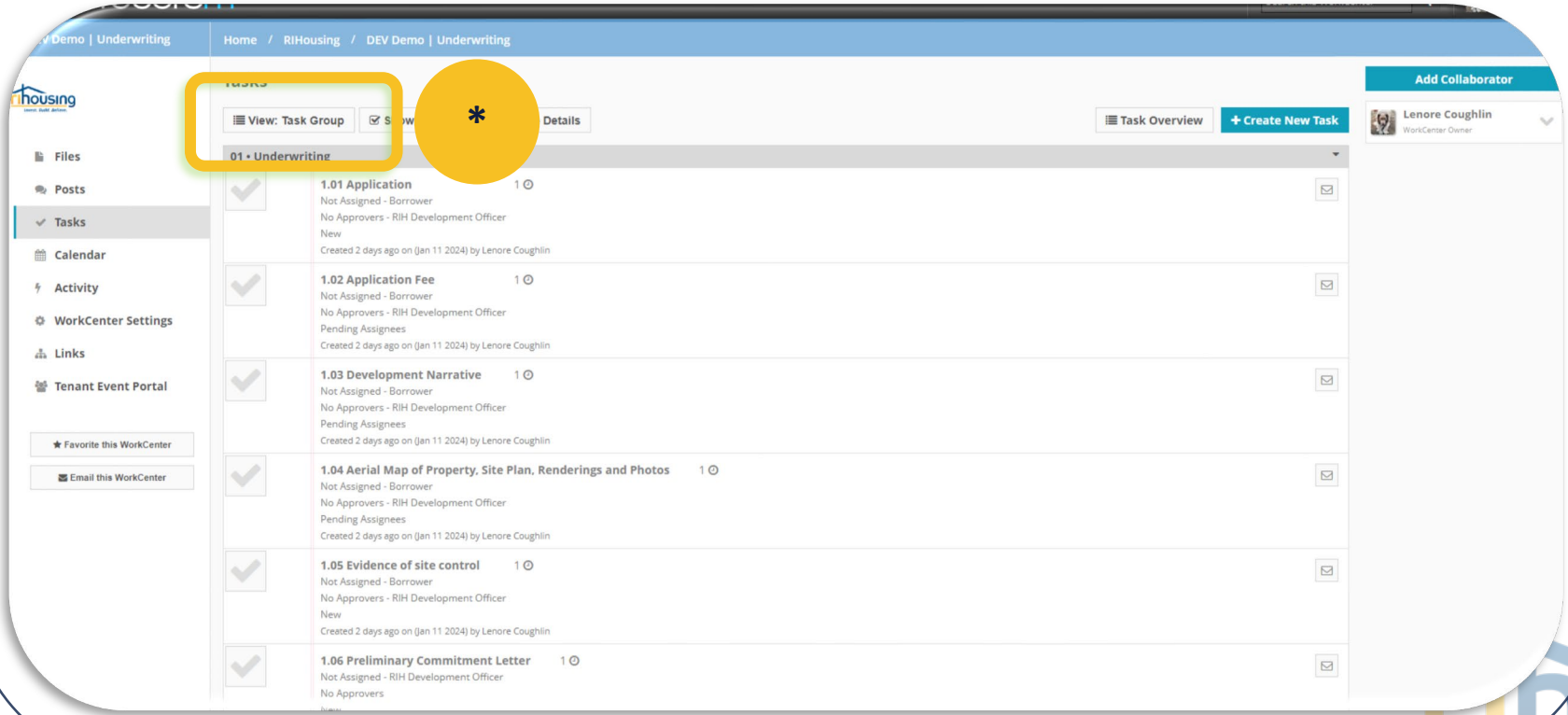
Task Notifications	All tasks are fully integrated with email notifications. This ensures your team is kept up to speed as tasks are completed or as they fall behind.
Task Management	Tasks can be managed on a project-by-project basis or easily viewed across all projects in a single screen.
Task Statuses	Tasks progress through a variety of statuses depending on the information you have put in the task.
My Tasks	Every user can see which tasks are associated to them across all the projects in a single view.

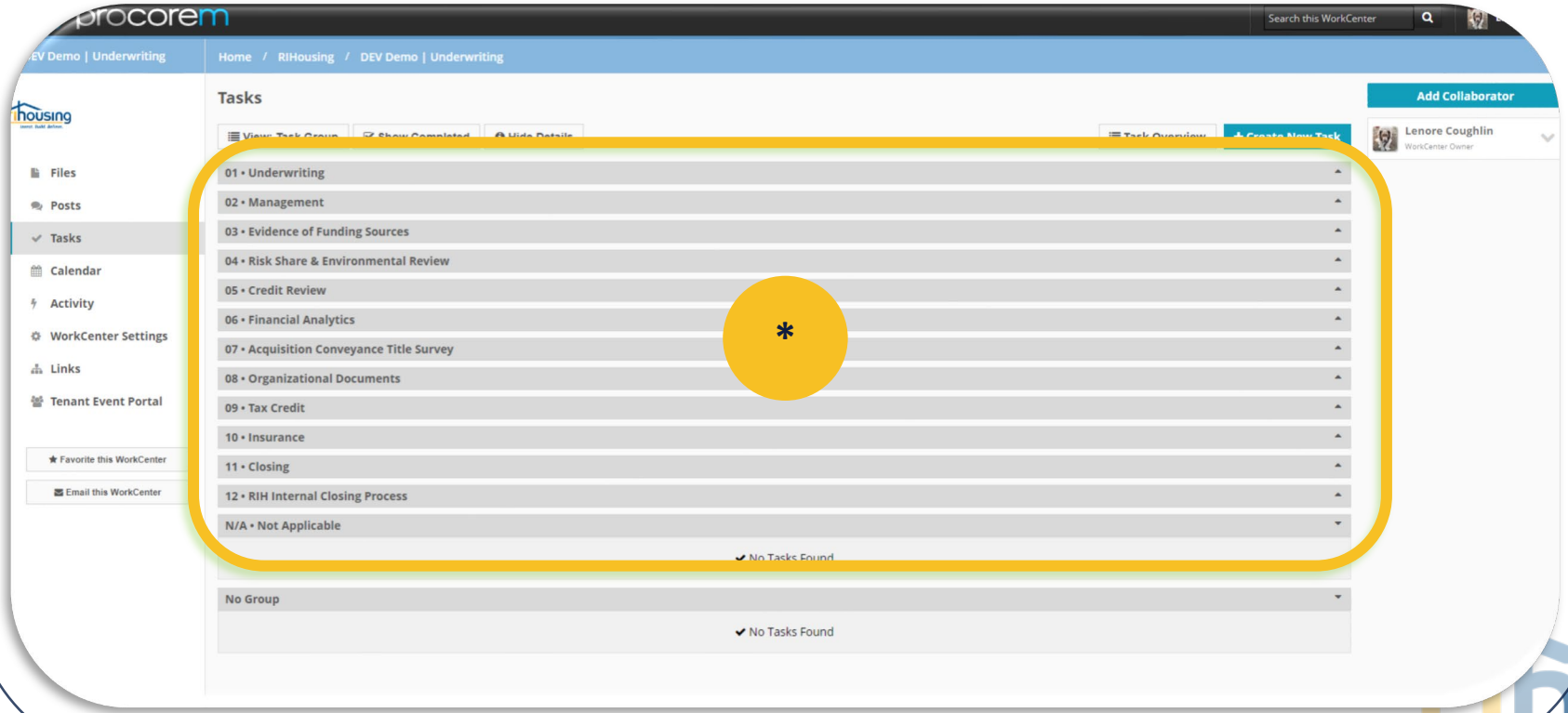
Task Grouping

* The default grouping is by Task Group, or the heading in the grey table headings. These group labels match the folder labels in Files.



Task Grouping

* Tasks Groups are collapsible. Click on a heading to collapse the tasks beneath.



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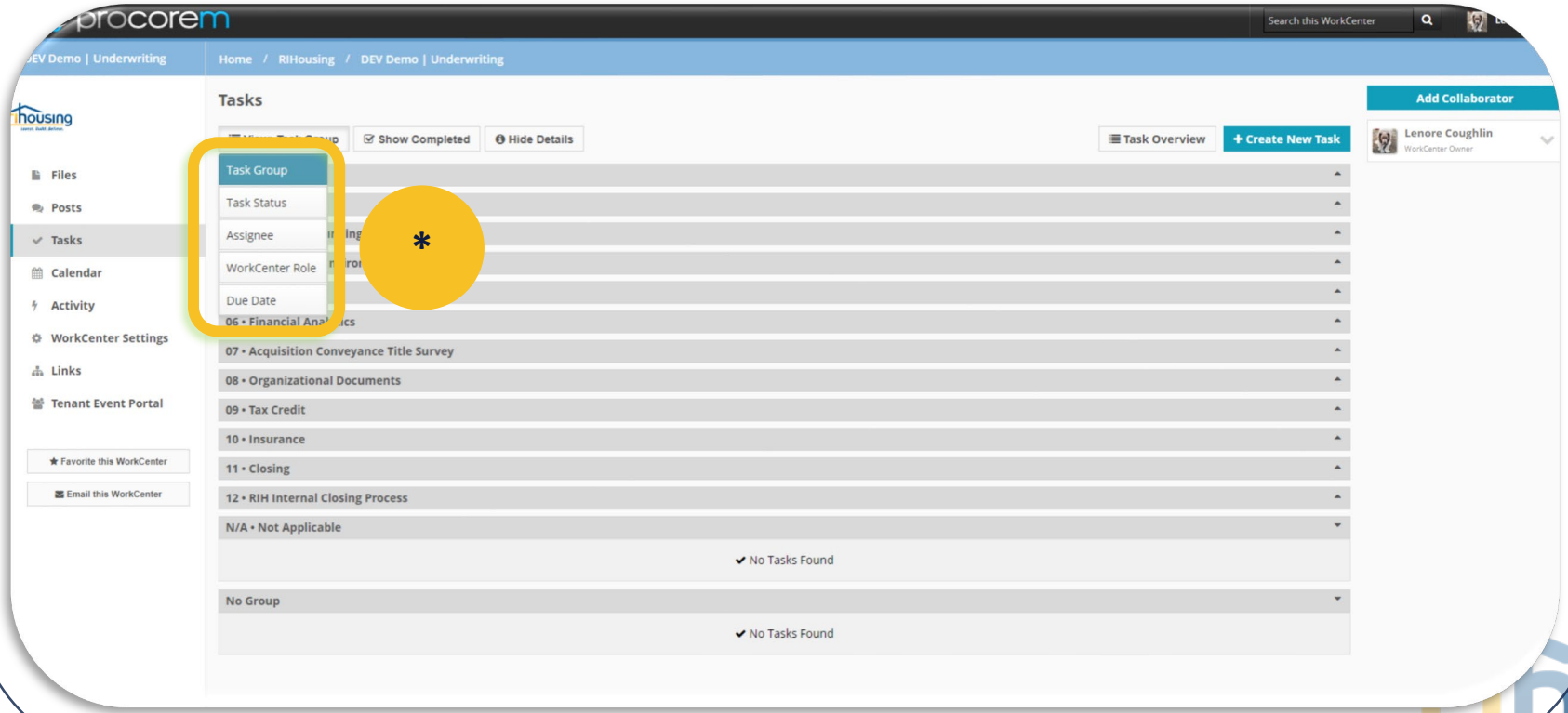
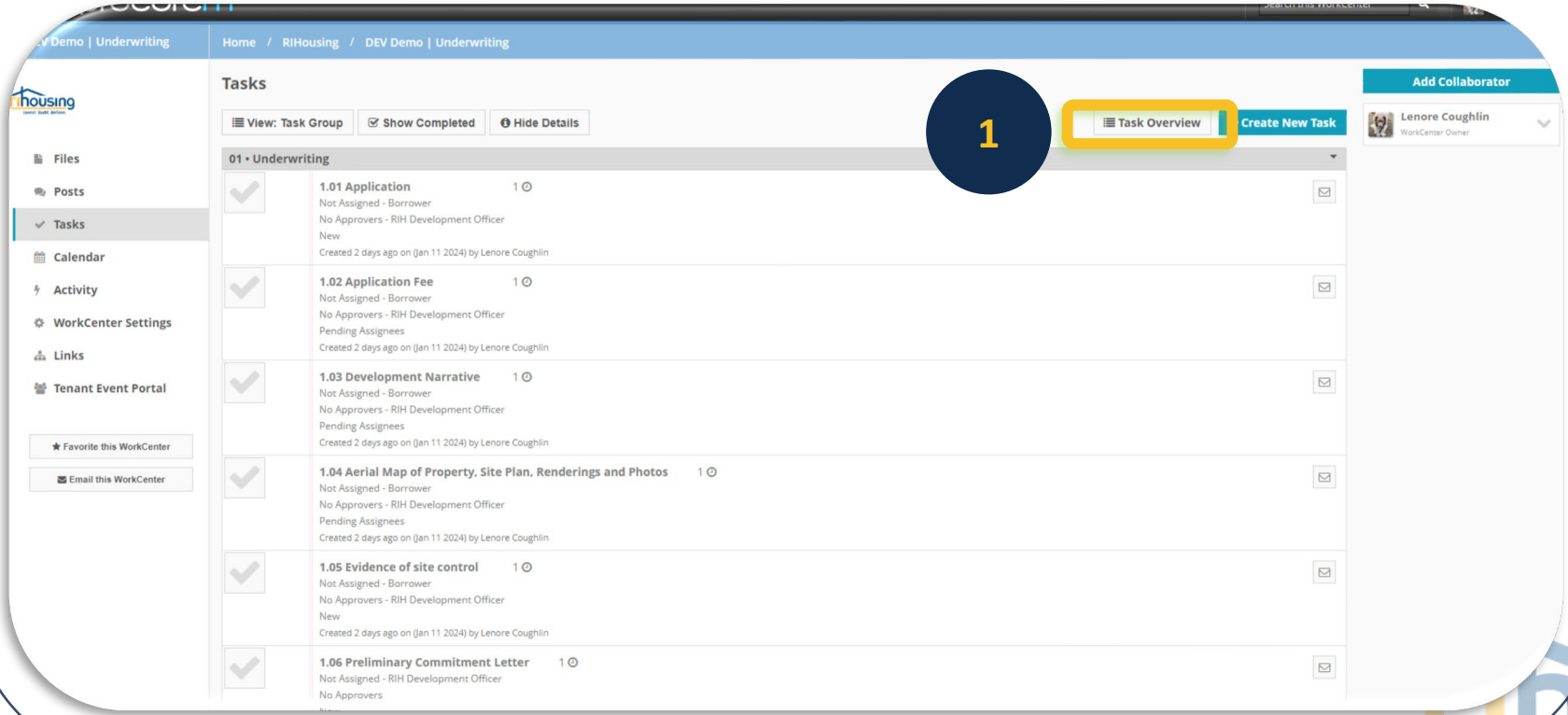


Task Filtering

1

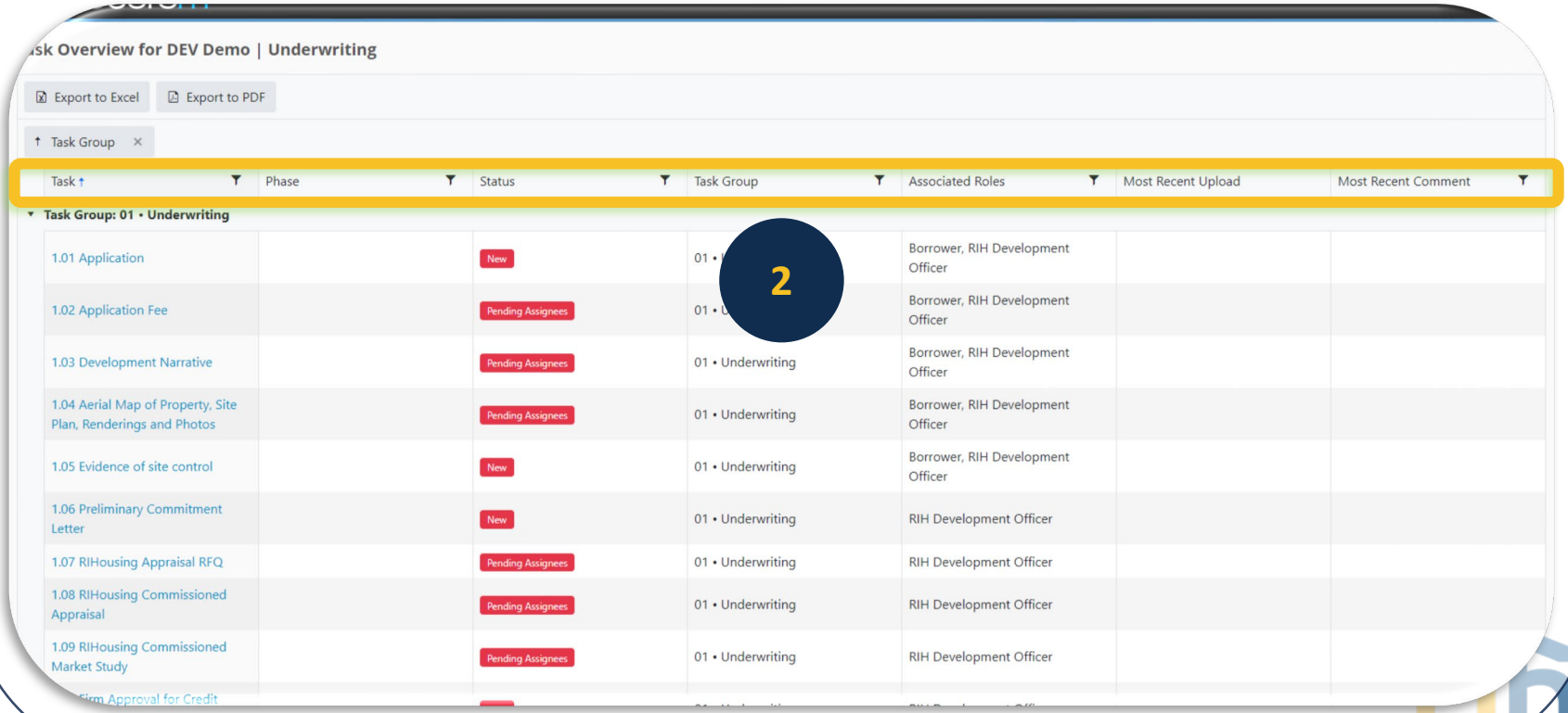
Select **Task Overview** from atop the Task Groups. A report will open in a new browser window where tasks will be grouped to reflect the **View.**



Task Filtering

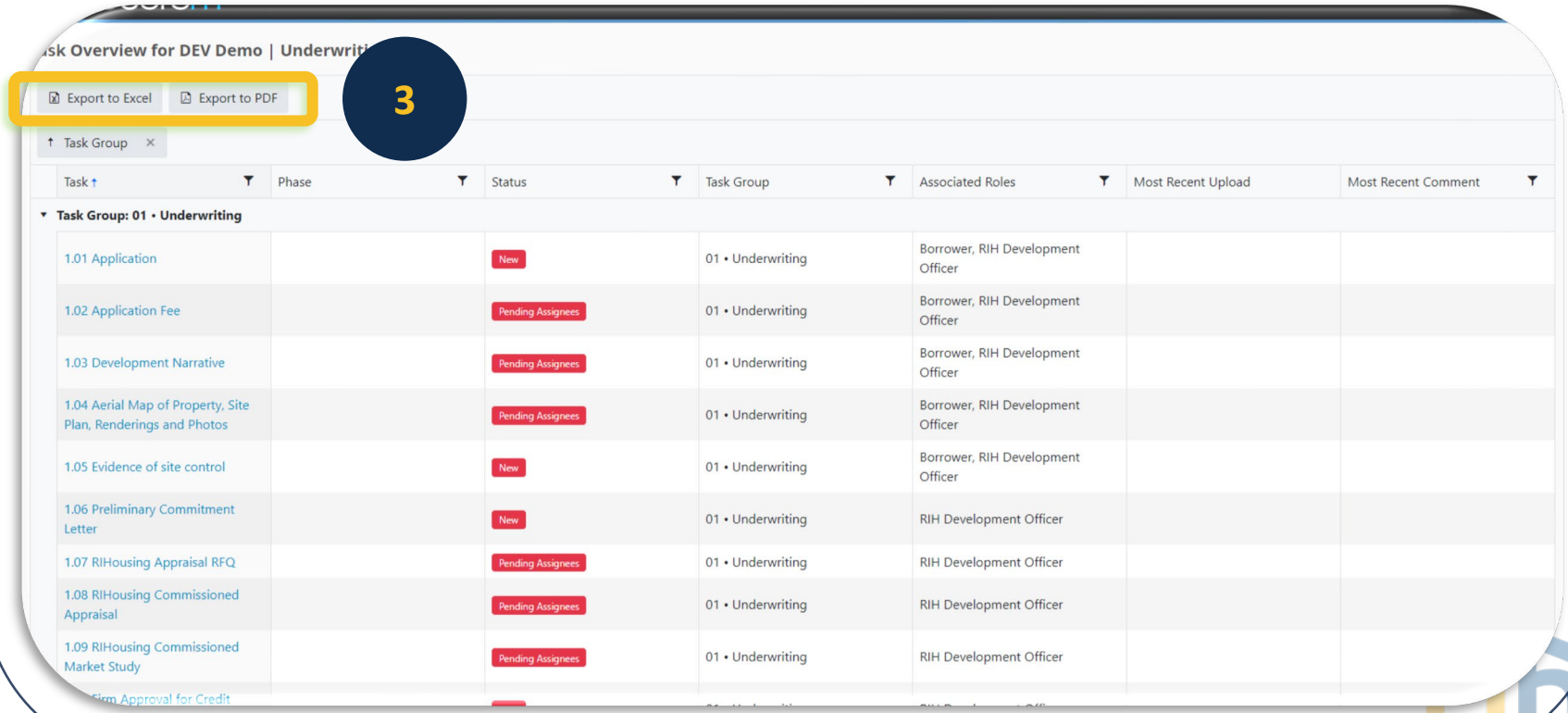
2

Use the filters available to work with the tasks in the webpage. Export to Excel (preferred) or PDF if desired.



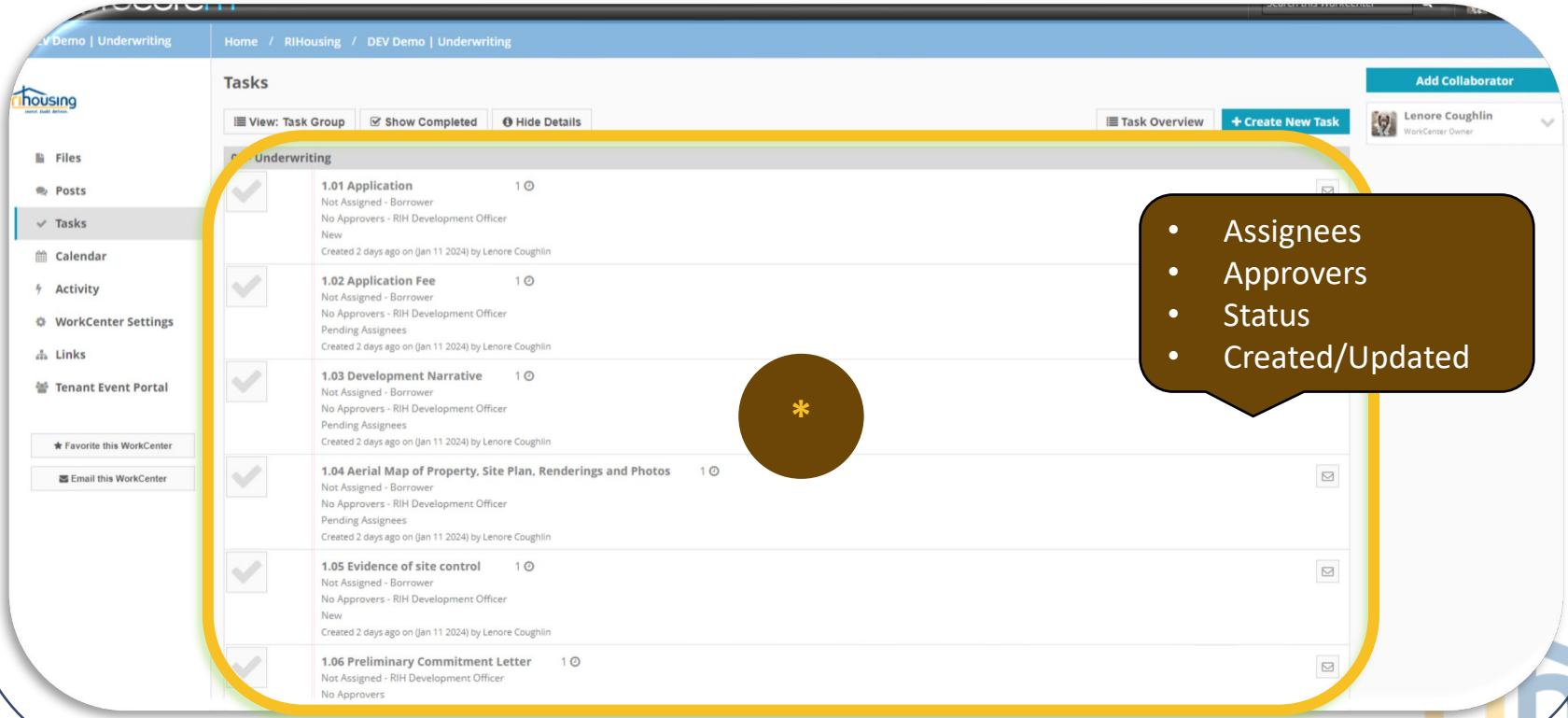
Task Filtering

3 Export to Excel (preferred) or PDF if desired.



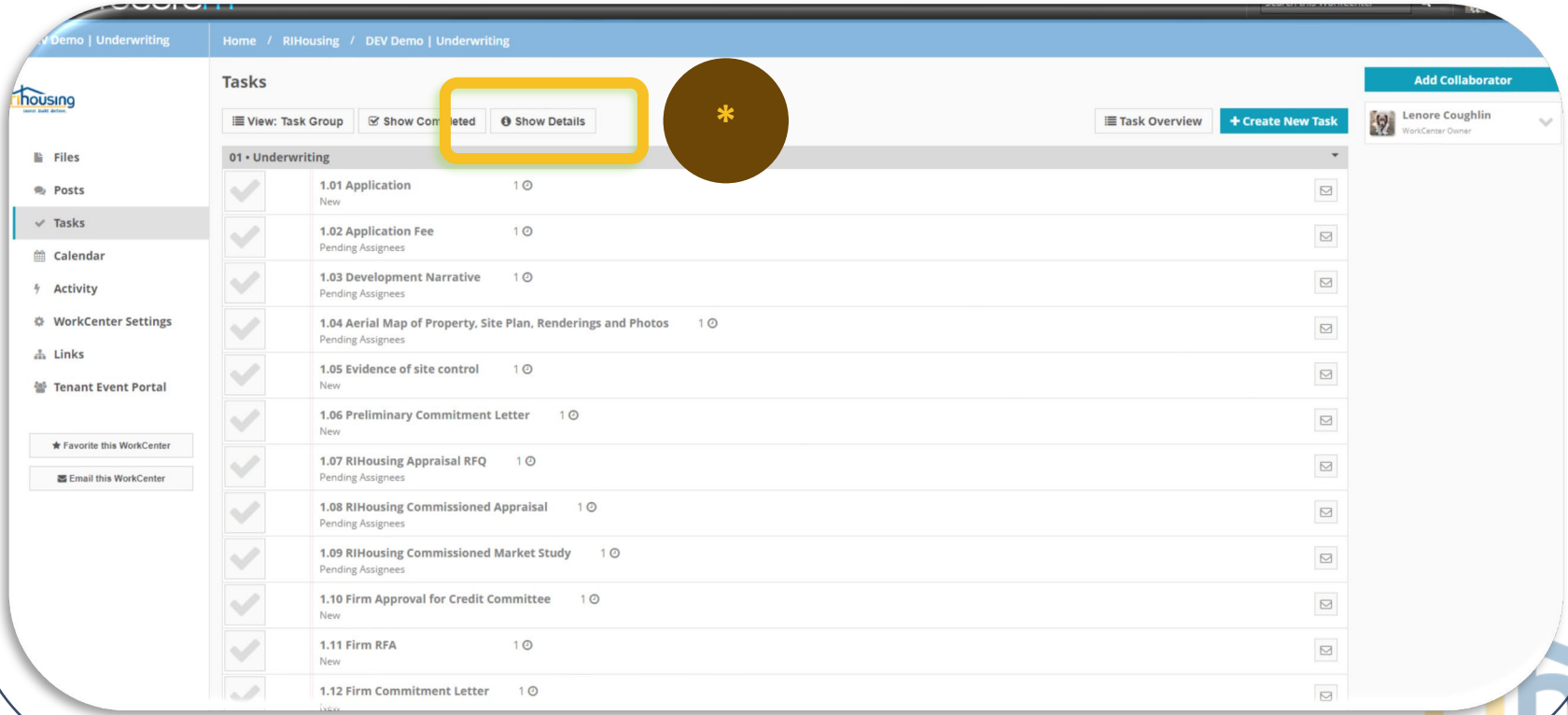
Task Details

* Some task details can be seen on the Tasks page.



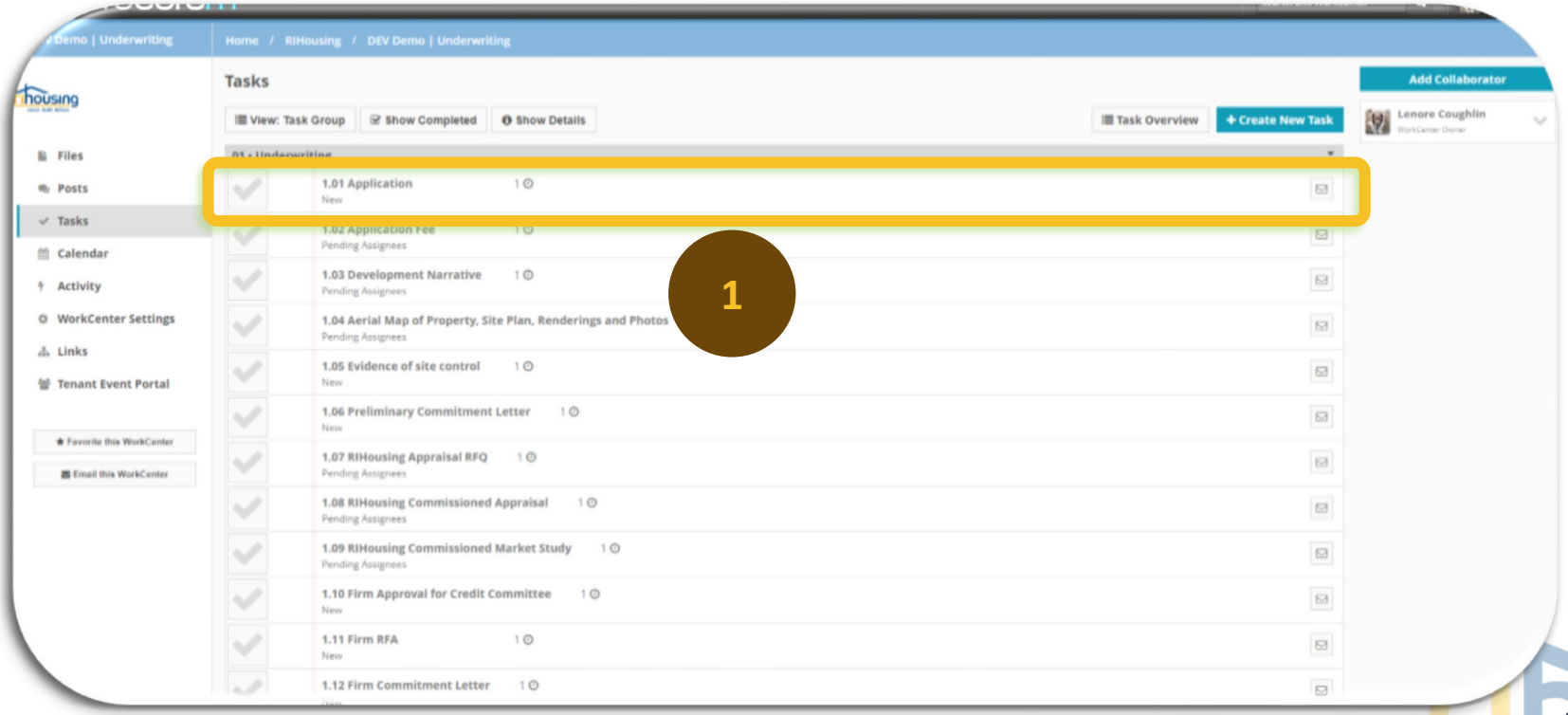
Task Details

Hide Details for a simple, compact list. **Show Details** for more information.



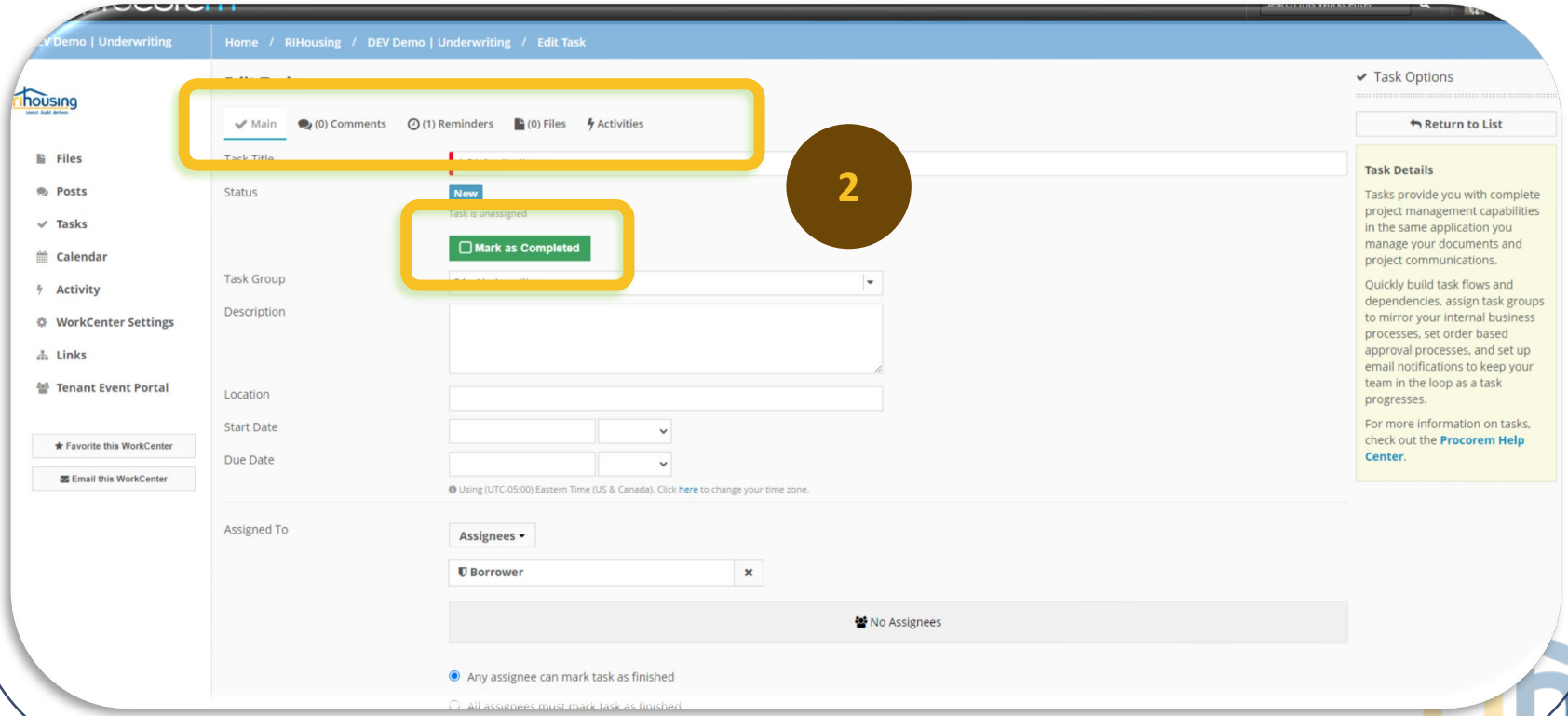
Task Details

1 Click on a task to see the Task Details screen.



Task Details

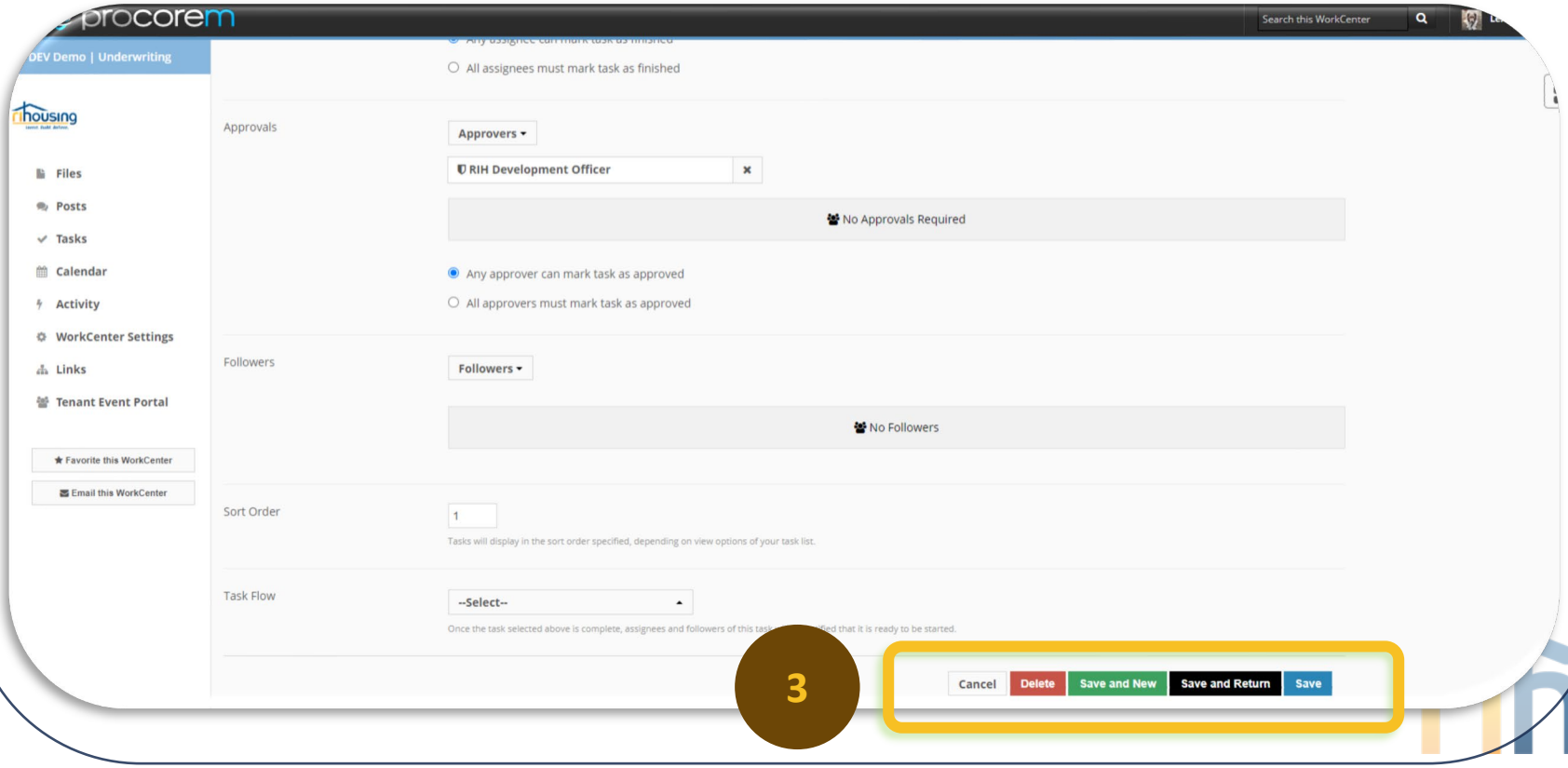
2 Complete the task or add Comments and Files as applicable.



Task Details

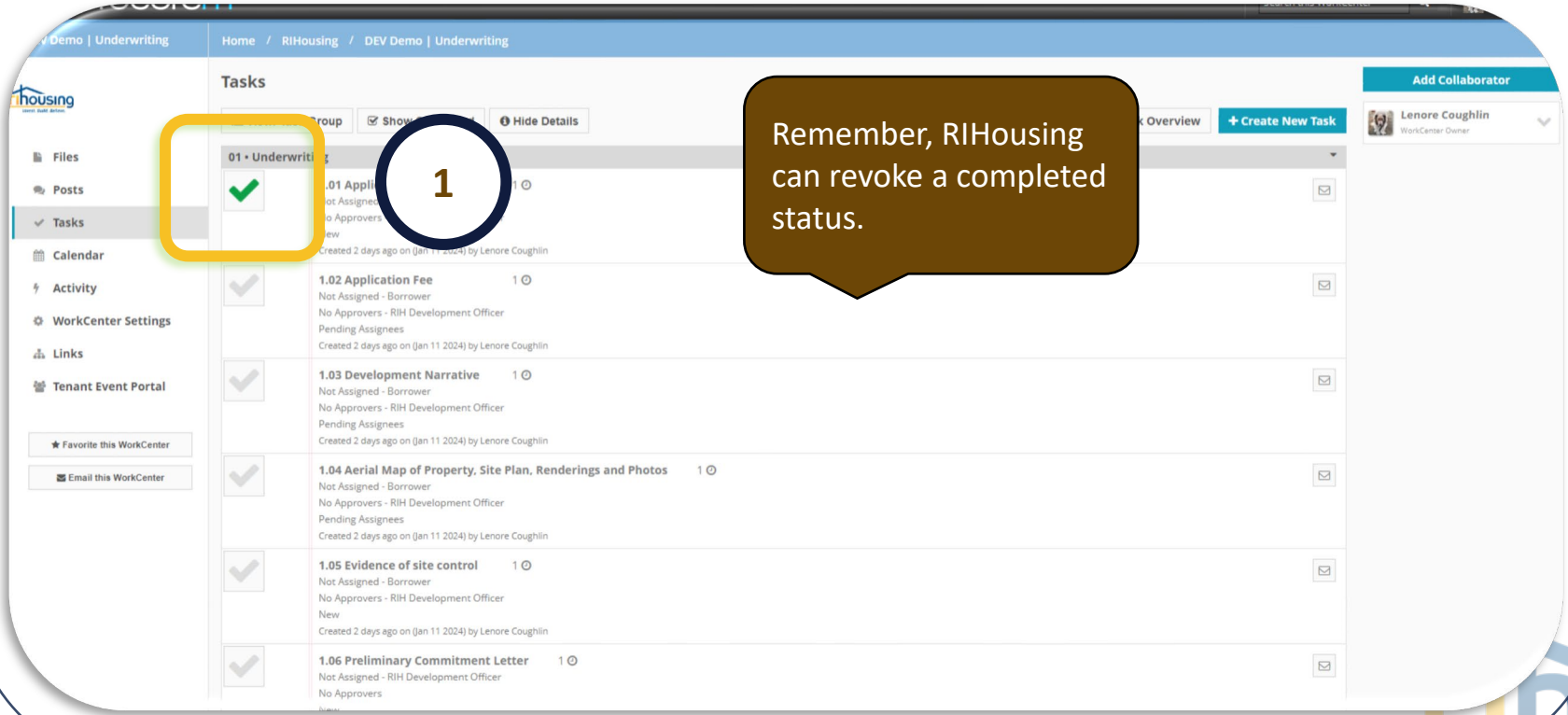
3

Select **Cancel** if you've taken no action but return to the task list. **Save and Return** will save your progress and go back to the task list.



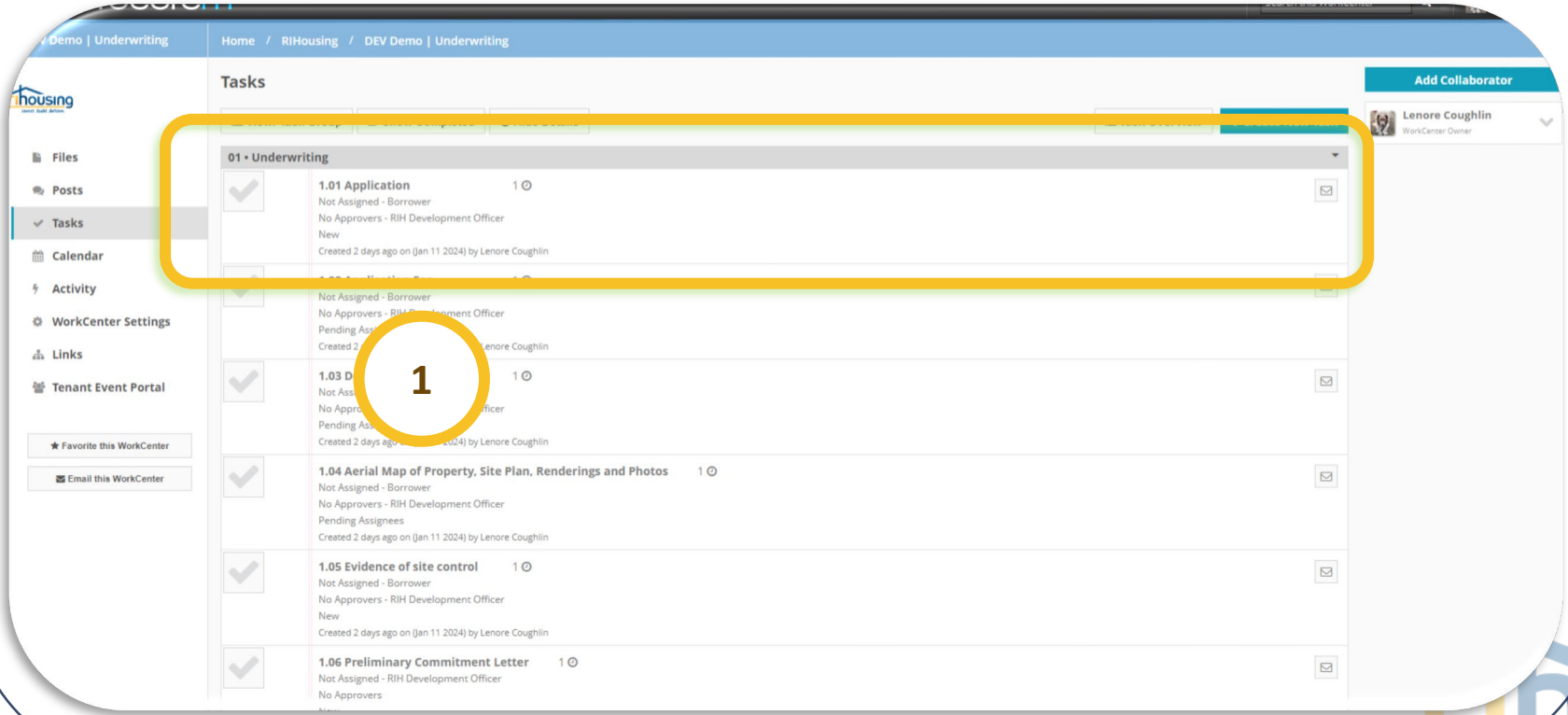
Completing Tasks | Option 1

1 Click on the empty check box to turn the icon green; this indicates that the task has been completed.



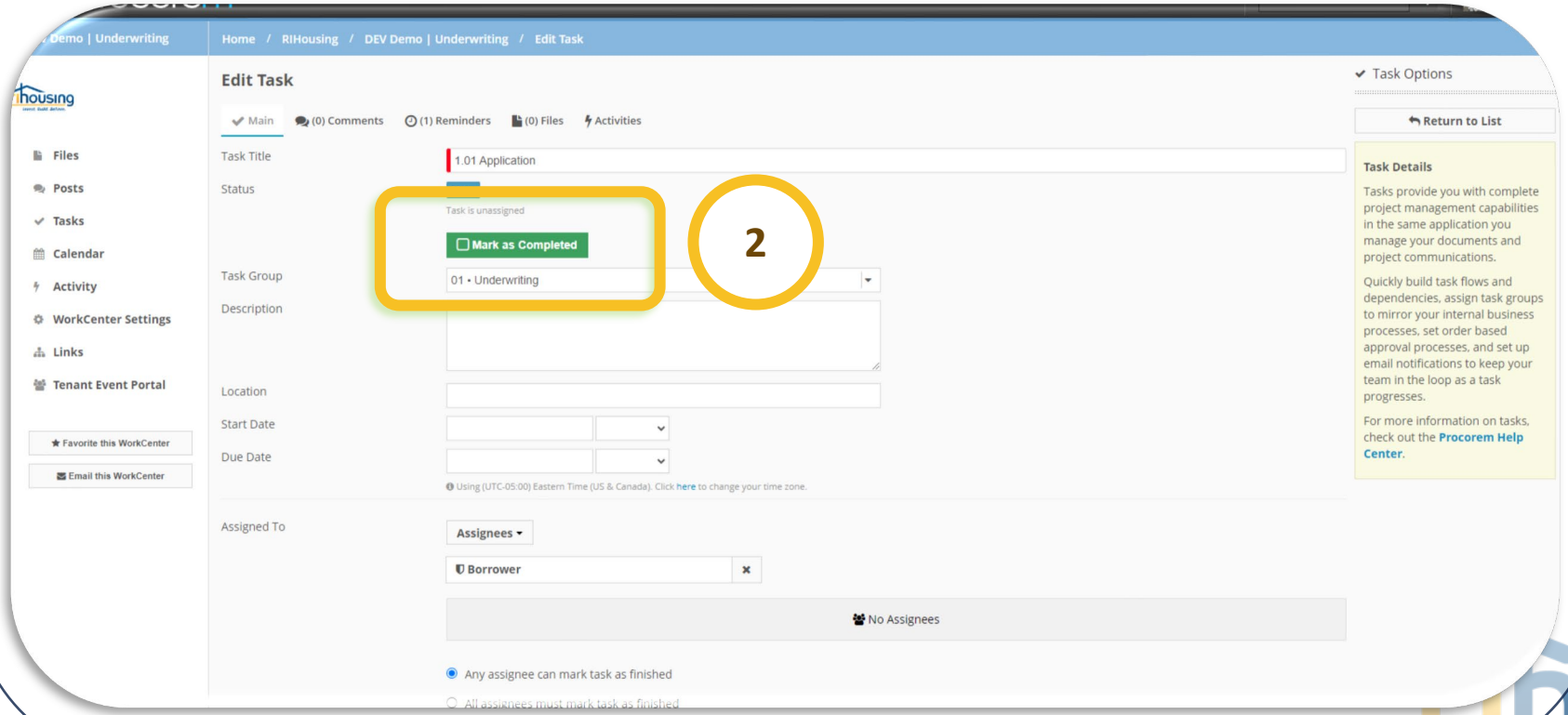
Completing Tasks | Option 2

1 Click on the task to be completed to open the Task Details screen



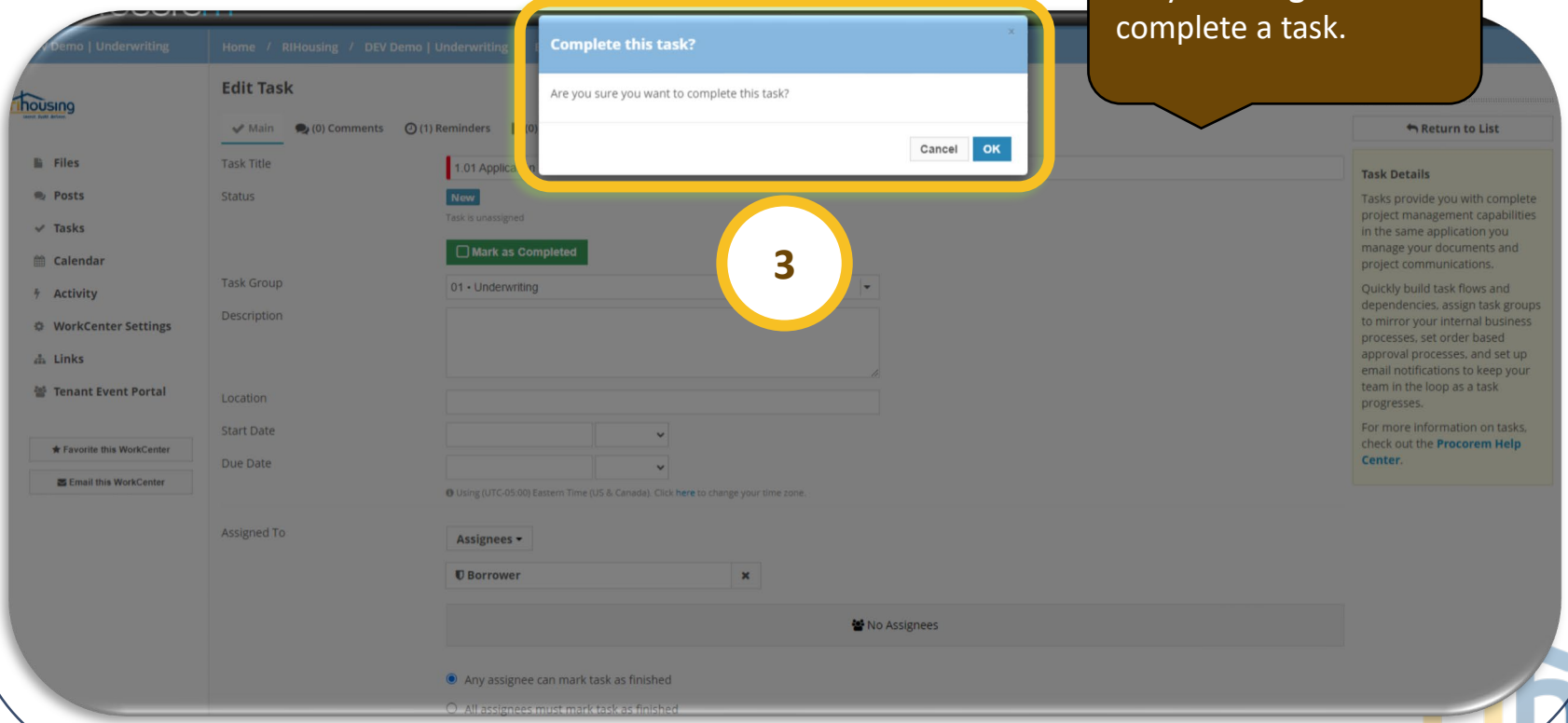
Completing Tasks | Option 2

2 Click **Mark as Completed**.



Completing Tasks | Option 2

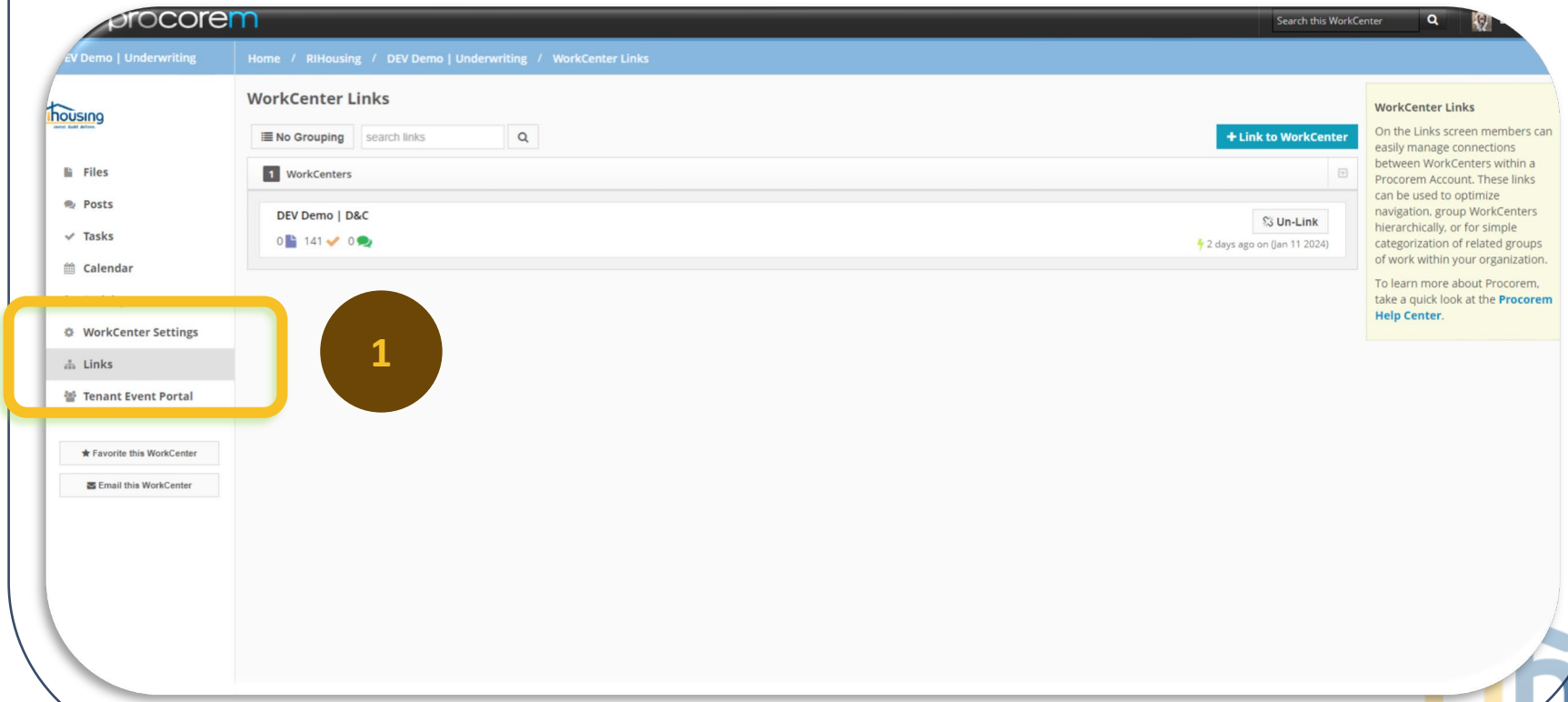
3 Click **OK**.



Links

Links

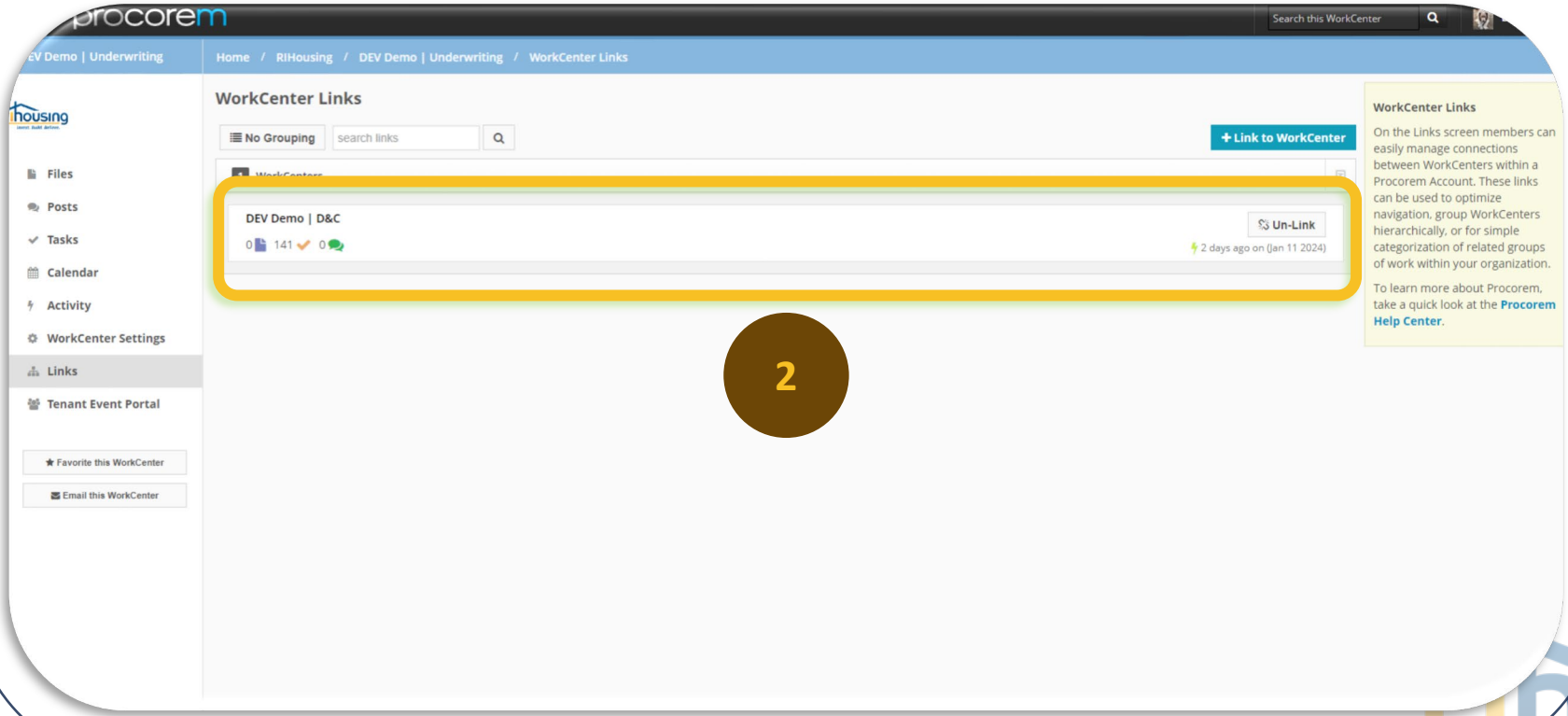
1 Some workcenters have links to other workcenters built in. Select the **Links** option from the left menu.



Links

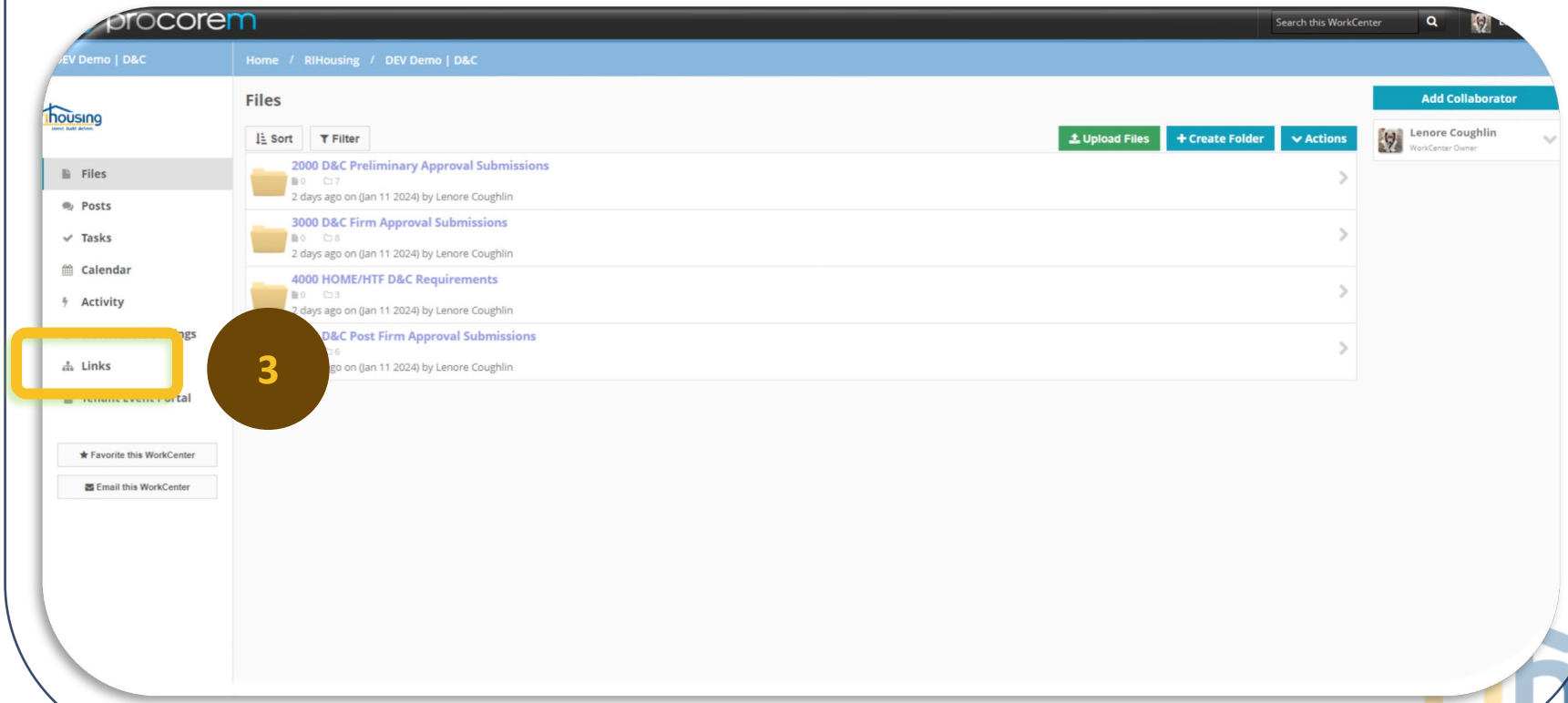
2

If the list is blank, there are no links. If links exist, they will be displayed in a list format below. Click to navigate to another workcenter.



Links

3 Return to the previous workcenter by accessing Links. Repeat steps 1-2.



procorem

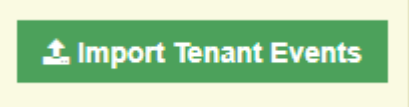
Tenant Event Portal

Adding Tenant Events

The Tenant Event Portal offers two ways to enter tenant events.

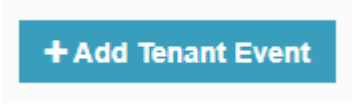
XML Import

Properties with Property Management Software that provides the capability to generate a NAHMA Unit Status report can import all events for the compliance period (or year-to-date) using the XML Import Function.



Manual Entry

Owner/agents can enter tenant events manually for the compliance period.



The pale-yellow sections throughout the portal provide much of the information we're discussing and are worth reviewing if you have questions while importing tenant events.

Adding Tenant Events

RIHousing requires tenant event updates by the 10th of each month.

XML Import

- Generate the year-to-date XML file from property management software
- Upload the year-to-date XML file into the Tenant Event Portal
  - Yes, upload a file even if there were no changes to tenant events.
- Mark associated Tasks as Complete

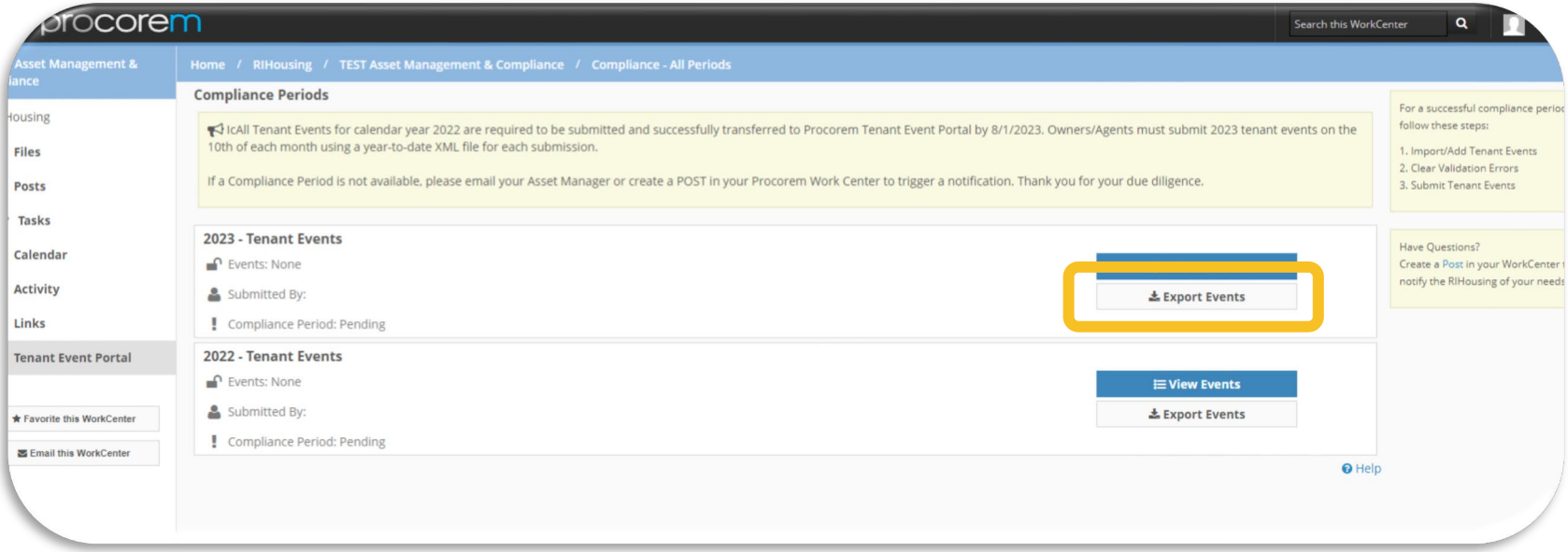
Manual Entry

- Enter all tenant events that have taken place since the last update.
- Mark associated Tasks as Complete
- If there were no changes since the last upload, use the Comment option in the Tasks to communicate with your Asset Manager

The pale-yellow sections throughout the portal provide much of the information we're discussing and are worth reviewing if you have questions while importing tenant events.

Occupancy Report

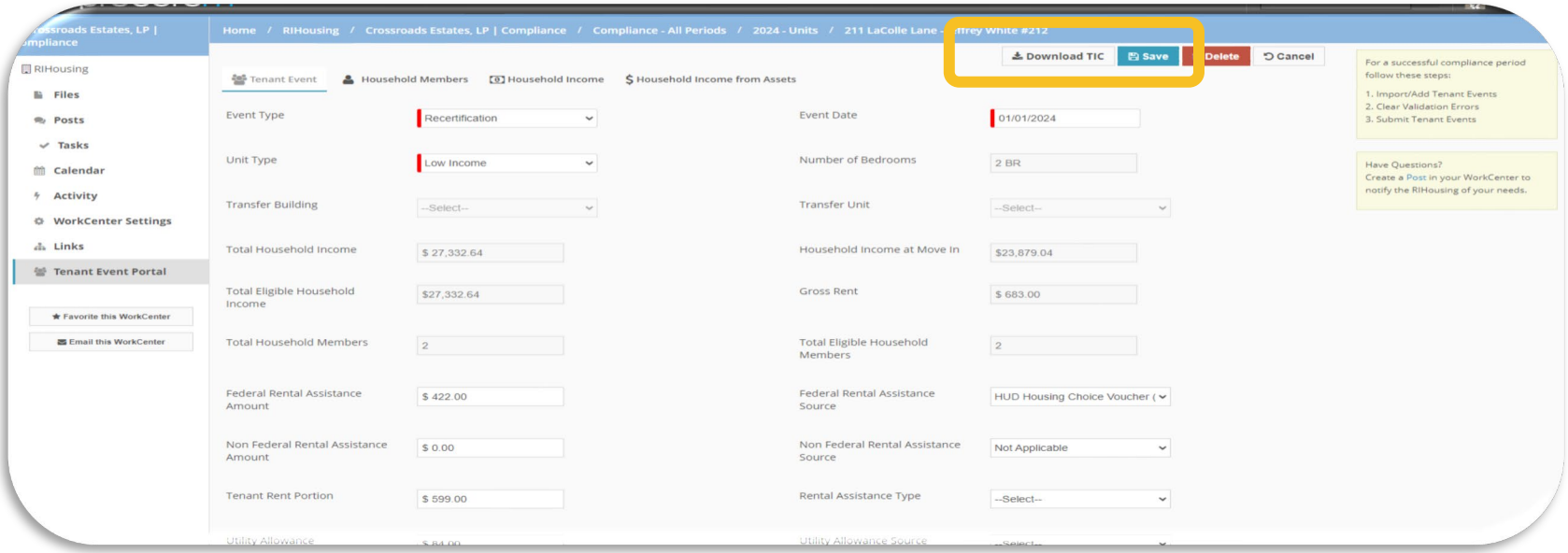
Generate an occupancy report using tenant event data in Procorem by selecting the **Export Events** button for a given year.



Property Name • BuildingName • Unit # • # of Bedrooms • Unit Type • Program(s) • HOME Unit Type • Event Type • Event Date • Transfer To Building • Transfer To Unit • Total Household Members • Head of Household • Student Status • Full Time Student Exceptions • Total Household Income • Gross Rent • Tenant Rent Portion • Utility Allowance • Federal Rental Assistance Amount • Federal Rental Assistance Source • Non Federal Rental Assistance Amount • Non Federal Rental Assistance Source • Special Needs • Most Restrictive Income Designation • Most Restrictive Rent Designation

Printing the TIC

An exciting release is available to LIHTC certifications on or after 1/1/24! The TIC is now



Monthly Tasks

1. Tenant Event Update
2. Validate Tenant Events

Annual Tasks

1. Final Tenant Event Update
2. Validate Tenant Events for the year
3. Submit Tenant Events

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