Tax Credit / HOME

Compliance Training

Presented by the Compliance Department
IHFA Website

Why is the IHFA website helpful?

- Manuals
- Required Forms
- Suggested Forms
- Other Resources

https://www.idahohousing.com/
Procorem

What is Procorem?
Procorem is the secure web-based platform we use to communicate with all of our properties.

https://app.procorem.com/Login?ReturnUrl=%2fProfile%3ftab%3dinvotes&tab=invites
Audits
15 day notification is here to stay

**IRS Notice 2022-05 and 52**
The 15 day reasonable notice requirement is described in section 1.42-5(c)(2)(iii)(C)(3) of the tax regulations. Beginning on January 1, 2023 all notification of audits will be no more than 15 days, with some limited exceptions.

Compliance Monitoring – Review of tenant files
- 15 day notice beginning January 1, 2023

Compliance Monitoring – Review of physical inspections
- 15 day notice beginning January 1, 2023
Audits

Why the 15 day notice?

Section 1.42-5(c)(2)(iii)(C)(2) provides that an Agency must select the low-income units to inspect and low-income certifications to review in a manner that does not provide advance notice that a particular low-income unit (or low-income certifications) will or will not be inspected (or reviewed) for a particular year. The Agency may notify the owner of the low-income units for on-site inspection only on the day of inspection.

• Audits are scheduled in a manner that provide owners/agents with advance notice to ensure arrangements for representative attendance, proper notice to tenants, and owner/agent preparation for inspection.

• Owners/Agents should take time to address common physical deficiencies prior to the actual inspection.
Physical Audits

Follow-up responses

Step one:
• IHFA provides the O/A with an Audit Summary Report or Audit Close letter within 30 days after an inspection.

Step two:
• **Original Audit Summary Report/Cover Letter** - IHFA requires a due date which is no more than 30 days from the date of the Audit Summary Report which is uploaded to the property’s work center. Owner/Agents are given 30 days to correct the noncompliant issue(s) and to respond to IHFA with either the corrective actions taken or a corrective action plan. (Basically, this is cut & dry and this has always been the standard IHFA has set)
  • IHFA will be calendaring the 30 day due date and will not remind you. Remember, it is the management’s responsibility to track when responses are due.

Step Three:
• **Partial Response Letter 1** - If a property responds to the original audit summary report but still has outstanding deficiencies, with approval IHFA will allow a set amount of time to be determined based on the complexity of the outstanding violation(s) to remedy.
Physical Audits
Follow-up responses continued

At the end of the due date period if there is no response from the property representative, IHFA will upload a 2nd and if needed a 3rd request for response.

• Property is responsible for tracking due dates and deadlines

• If the property is unresponsive the audit score will be affected

Not complying with IHFA can put your property on the Watch List (WL) or Not in Good Standing (NGS).
Follow-up responses must have adequate documentation to resolve all corrective action noted within your summary report.

- Completed work order(s) must be signed and dated documenting completed repairs.
- Paid invoices along with contractor bids can also be used to document repairs by third parties.
- Pictures are only allowed as a corrective action if they are accompanied with a completed work order and/or paid invoice clearly showing what was corrected.
Physical Audits

Closure of Audits

If the report indicates noncompliance, the owner is expected to respond to IHFA within 30 days to provide clarification or document that issues of noncompliance have been addressed and/or resolved.

Extensions may be approved through IHFA only if the request has been made in writing within the 30 day window.
Physical Audits

Closure of Audits continued

The IRS stipulates that findings of noncompliance that are not reportable are a state agency issue and must be resolved at the state level. All documented deficiencies, whether they are IRS or an IHFA preferences, must be corrected by the property owner/agent.

Audits will remain open and not be closed until all corrective action has been addressed and resolved completely.
File Audits
Audit Process

- Notice of audit sent with list of requested initial documents
  - Includes electronic file audit guide and file stacking order
  - If your tenant files are not already in a digital format, we encourage you to start scanning them in now
- Owner/agent provides initial requested documents
- Auditor provides list of files needed for review
- Owner/agent uploads files within 48 hours
- Auditor completes the audit and provides a summary report of findings
- Owner/agent responds within the 30-day correction period
Electronic File Audit Guide

IHFA has transitioned from reviewing files on-site to a remote review of electronic file submissions to the Procorem Work Center. The process of the electronic file review is outlined below.

1. IHFA will send the owner/agent a notification letter 15 days prior to the audit.
2. The Owner/Agent has 5 days to upload the requested initial documents into the appropriate Procorem Work Center.
3. Once the initial documents are received, the IHFA auditor assigned to the audit will make a random selection of files. The auditor will email the owner/agent the list of files selected for review, providing a 48-hour timeframe to submit the selection.
4. The uploaded files should be in PDF format. They must be legible, complete and in a consistent order. Upside-down pages, too dark/light pages and half-scanned pages will not be accepted. Missing items in the PDF upload will be considered an incomplete file submission and will result in a point deduction. (It is the owner/agent's responsibility to make sure all pages are legible and accounted for. Please double check your submissions!)
5. Do NOT email any requested documentation to the auditor. All documents should be uploaded to the Procorem Work Center, which is a protected platform and ensures the tenant’s information remains confidential.
6. The pre-determined electronic file stacking order can be found on our website here: https://www.idahohousing.com/documents/electronic-file-stacking-order.pdf
Electronic File Stacking Order

All individual tenant files must be uploaded as a separate PDF file and labeled with the unit #, last name of the Head of Household and type of certification (e.g. H22Smith - move in). If the file contains a re-certification, this should be uploaded as an independent PDF.

This is the pre-determined file order for electronic submission. Properties that already have a digital conversion of their files may use an alternate order, as long as the order is consistent for each file.

Full Move-In Certification:

Top to Bottom

IHA TIC
Household Questionnaire (income/asset form)
Certification of Student Status form

Income Information
All third-party verifications and/or source documents
Clarifications, if applicable
Calculation/颇/g work sheet for all income
Child Support/No Child support verification with Health & Welfare payment history, if applicable
Public Assistance verification, if applicable
Divorce decree, if applicable

Asset Information
All third-party verifications and/or source documents
Clarifications, if applicable
Under $5000 Asset Certification, if applicable

Lease Information
Lease with all addendums
UWHA Addendum (Separate form for each adult household member)
Lease or lease plus forms, if applicable
Move in inspection sheets

Application Information
Tenant application with date and time received
Tenant release and consent form
Household demographics form
Credit/Credit background verification
ID and SS cards
Any miscellaneous documentation/forms
Owner, appeal & appraisal letters

Latest re-certifications:

Self-Certification (200% Tax Credit only), if applicable
Certification of Student Status form
Or:

Top to Bottom
Re-certification TIC
Household Questionnaire (Income/Asset form)
Certification of Student Status form

Income Information
All third-party verifications and/or source documents
Clarifications, if applicable
Calculation/颇/g work sheet for all income
Child Support/No Child support verification with Health & Welfare payment history, if applicable
Public Assistance verification, if applicable
Divorce decree, if applicable

Asset Information
All third-party verifications and/or source documents
Clarifications, if applicable
Under $5000 Asset Certification, if applicable

Additional Information
Tenant release and consent form
Any miscellaneous documentation/forms

IHA reserves the right to request additional information during its review and will notify the sender at the time of review.

All Income and assets listed on the TIC should have a verification supporting it. If a verification document is incomplete or unclear, the following page should have a clarification. All calculations completed for income and assets will need to be included with the file. Verifications should be accomplished in the order of acceptability under IHTC and HUD guidelines. All verification attempts should be in the file.

*altering files after the certification of an audit is an issue on non-compliance.
File Audits
HOME File Required Forms

• HOME Certification of Student Status
  • If combined with Tax Credits, both program student forms must be completed
• 3rd party income and asset verifications
• HOME Unit Lease Addendum
• Criminal Screening for all household members 18 years and older
• Denial/Appeal/Approval for rejected applications, if applicable
• Lead-based paint brochure acknowledgement, if built prior to 1978
• Signed and dated move-in inspection
  • Include work orders for repairs, if applicable

These forms can be found on our website here:
https://www.idahohousing.com/housing-compliance/home-program-compliance/
File Audit Response Process

- Once the Audit Summary Report is uploaded to the Procorem Work Center, the Owner/Agent has 30 days to respond.

- What if the corrections are not completed within the allotted timeframe?
The Audit Response Guidelines were created this year to help standardize responses and eliminate confusion.

The guidelines outline the requirements we will now enforce to reduce improper response submissions.

Audit Response Guidelines

To streamline the audit response process, IHFA has set forth these guidelines on the expectation of acceptable audit responses. Please ensure that all response submissions meet these standards. Failure to meet these guidelines may cause the response to not be accepted and may result in the property being placed in *Not In Good Standing*.

- **A COMPLETE** response must be submitted to the Owner/Agent Response Documents folder in the Program Work Center. An incomplete response may be rejected without review.
- The response must be organized to match the order of the findings found on the Audit Summary Report. We will no longer accept out of order responses. (A cover page that identifies the order and contents of the provided corrections is recommended.)
- All responses **MUST** be provided within the 30-day correction period.
  - In cases where items cannot be completed within 30 days, a formal request for an extension must be made prior to the expiration of the initial response period. Include documentation which provides evidence as to why an extension is necessary. In cases where some of the corrections are complete, please forward those along with the request for an extension.
- Tenant file responses should only include the corrections pertaining to the finding(s). Do not submit the entire tenant file, unless requested.
  - All pages of the response should identify which unit and finding the correction applies to.
  - If the finding is a calculation error, the response must include the calculations used to correct the error.
  - Corrections to the TIC must be initialed by all appropriate parties.
- Physical finding responses must include a completed, signed and dated work order.
  - In addition to the completed work order, pictures and paid invoices may be included.
  - Unpaid work, contractor bids, estimates, incomplete invoices, unsigned/undated work orders are not considered completed and will not close a finding.
- Illegible pages will not be accepted. It is the owner/agent’s responsibility to make sure all scanned pages are accounted for and legible.

The Audit Summary Report contains a brief description of the findings found during the physical inspection, file audits and review of general management. If a more detailed explanation is needed on a finding, it is the responsibility of owner/agent to contact the IHFA auditor assigned to the audit. If you are unclear on what is needed to correct an audit, please ask! Guessing often times results in erroneous corrections that require additional time to remedy.
Physical and File Audits

Requesting Extensions

• 30 days given for audit response
• May extend correction period for extenuating circumstances
• Owner/agent submits written extension request prior to due date
• Include evidence why an extension is necessary, along with estimated completion date
• Include any completed corrections
• Partial response letter will be uploaded with new due date
• Set task reminder for due date
• No response or extension request equals point deduction
Physical and File Audits

Non-Compliance

Not complying with IHFA or IRS regulations can land your property on the Watch List (WL) or Not in Good Standing (NGS)

- **Watch List** – First year offense, scoring below average or unsatisfactory on any portion of audit *Fees Apply*

- **Not in Good Standing** – Scoring below average or unsatisfactory on any portion of the audit for a second year in a row. *Fees Apply & Owner can no longer apply for credit/funding.*

Removal from WL or NGS – Property must have a minimum satisfactory score in every audit category
Tenant Income and Verifications
Resources

### Income
- HUD Handbook 4350.3 Rev 1, Chapter 5 - [https://www.hud.gov/sites/documents/43503HSGH.PDF](https://www.hud.gov/sites/documents/43503HSGH.PDF)
- 24 CFR § 5.609

### Verifications
- Treasury Regulations § 1.42-5(b)
- HUD Handbook 4350.3 REV 1, Chapter 3 and Chapter 5
- IHFA Low-Income Housing Tax Credit Compliance Manual, Chapter 7
- Tax Credit suggested verification forms - [https://www.idahohousing.com/housing-compliance/tax-credit-compliance/](https://www.idahohousing.com/housing-compliance/tax-credit-compliance/)
Income

Tax Credit and HOME programs use gross annual income from all sources in the household to determine their eligibility to lease a unit.

- Gross income is all applicable income without any adjustments or deductions.
- Annual income is all applicable income anticipated by the household from the effective date of the certification for the next twelve months.
Earned Income

- Employment
  - Wages, Salaries, Tips, Bonuses
    - Current
    - Anticipated
- Self-employment
  - Net income from business owned by household member.

### PART III: GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

<table>
<thead>
<tr>
<th>HH Member</th>
<th>(A) Employment or Wages</th>
<th>(B) Social Security/Pensions</th>
<th>(C) Public Assistance</th>
<th>(D) Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTALS:**

- $ (A) 
- $ (B) 
- $ (C) 
- $ (D) 
- $ (TOTAL INCOME = (E))

### PART IV: INCOME FROM ASSETS

<table>
<thead>
<tr>
<th>HH Member #</th>
<th>(F) Type of Asset</th>
<th>(G) C/I</th>
<th>(H) Cash Value of Asset</th>
<th>(I) Annual Income from Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DOORDASH

DOORDASH

DOORDASH

DOORDASH

lyft

lyft

lyft

lyft

TaskRabbit

TaskRabbit

TaskRabbit

instacart

instacart

instacart

instacart
Unearned Income

- Payment in Lieu of Earnings
- Social Security Benefits
  - Disability
  - Retirement
  - Dependent
  - Survivor
- Public Assistance
  - AABD
  - TANF
- Pension/Retirement Payments
- Child Support or Alimony
- Cash or non-cash recurring contributions
- Scholarships or Grants
Income from Assets

Actual income generated from assets effectively owned by a household member.

- Checking or Savings Accounts
- Investment Accounts
- Real Property
- IRA or other retirement savings accounts

OR

Imputed income calculated from household assets with a total cash value more than $5,000.

<table>
<thead>
<tr>
<th>HH Member #</th>
<th>Employment or Wages</th>
<th>Social Security/Pensions</th>
<th>Public Assistance</th>
<th>Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A)</td>
<td>(B)</td>
<td>(C)</td>
<td>(D)</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Add totals from (A) through (D) above \( \text{TOTAL INCOME (E): } $ \)

<table>
<thead>
<tr>
<th>HH Member #</th>
<th>Type of Asset</th>
<th>C/I</th>
<th>Cash Value of Asset</th>
<th>Annual Income from Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(F)</td>
<td>(G)</td>
<td>(H)</td>
<td>(I)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Enter column (H) total if more than $5,000 \( \text{TOTALS: } $ \)

\( \text{Passbook Rate } 0.06\% \times \) \( = \) \( \text{Imputed Income: } $ \)
Cash Value

Cash Value = Market Value – Costs to Convert Asset to Cash

Market Value
• The amount the asset is worth if it were to be sold today.

Costs to Convert an Asset to Cash
• Penalties for early withdrawal
• Fees
• Commissions
• Loan payoff
The total of the difference between cash value and amounts received over the last two years has to be greater than $1,000.

- List the amount that was less than fair market value as the cash value on the TIC.

### Disposed Assets

**Amount Disposed of for less than market value = Cash Value – Amount Received**

<table>
<thead>
<tr>
<th>Disposed of Asset</th>
<th>Cash Value of Asset</th>
<th>Amount Received</th>
<th>Amount Disposed of...</th>
<th>Amount to Include as Cash Value on the TIC for 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last year donation to Save Bunnies</td>
<td>$1,000.00</td>
<td>$0</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Yearly donation to Save Bunnies</td>
<td>$250.00 x 2</td>
<td>$0</td>
<td>$500.00</td>
<td>$0</td>
</tr>
<tr>
<td>Previous Home</td>
<td>$100,000.00</td>
<td>$1.00</td>
<td>$99,999.00</td>
<td>$99,999.00</td>
</tr>
</tbody>
</table>
Whose income in the household counts?

All income is counted from the head of household, spouse, co-head, or any other adult.

Unearned income and asset income is counted for children and foster children under 18, but not earned income.

All unearned income and asset income is counted for a full-time student over 18 as well as $480 of any earned income, if applicable.

Live-in aide earned, unearned, or asset income never counts when determining income eligibility. Live-in aides are not considered members of the household.

<table>
<thead>
<tr>
<th>Members</th>
<th>Employment Income</th>
<th>Other Income (including income from assets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Spouse</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Co-head</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other adult (including foster adult)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Dependents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Child under 18</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Full-time student over 18</td>
<td>See Note</td>
<td>Yes</td>
</tr>
<tr>
<td>Foster child under 18</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

| Nonmembers                     |                   |                                             |
| Live-in aide                   | No                | No                                          |

**NOTE:** The earned income of a full-time student 18 years old or older who is a dependent is excluded to the extent that it exceeds $480.
Verification

Each source of income is required to be verified.

Verification rules vary depending on the source of income, the funding sources for the property/unit, and whether or not the certification is for the initial move-in or annual recertification.
General Rules

• For a verification document to be considered valid it must be dated within 120 days from the date of receipt by the owner/agent.

• Methods other than third-party verification should only be used when attempts have been made and documented to obtain third-party verification for a minimum of two weeks.

• If information provided by third party is incomplete, the owner/agent must follow up and include documentation of the clarification.

• Owner/Agent must not write on verifications.

• Use of white-out is never permitted.
Verification Method

Order of Priority

1. Third-Party Verification
   • Upfront-Income Verification (UIV)
     • Print out from The Work Number and other state government databases.
   • Written
     • Tenant-provided documentation originating from a third-party.
       – Tax returns
       – W-2
       – Pay stubs
     • Documentation sent directly by third-party via mail, fax, email, or internet. Forms available for use on idahohousing.com.
   • Oral
     • Certification over the telephone between owner/agent and third-party.

2. Family or Self-Certification
   • Notarized statement
   • Signed affidavit
Verification of Assets

• If the total cash value of a household’s assets is $5,000 or less, the household may use the Under $5,000 Asset Certification to self-certify the value of and income from assets.

• If the household has no assets, they are required to submit the Under $5,000 Asset Certification. The form is required to certify that there are no household assets.

• For a HOME-assisted unit, in a year that a full certification is required, all assets must be third-party verified.
# UNDER $5,000 ASSET CERTIFICATION

For households whose combined net assets do not exceed $5,000.
Complete only one form per household; include assets of children.

## Head of Household Name:  
**Sally Resident**

## Development Name and Address:  
**Falcon’s Landing**

## Unit No:  
**50**

Complete all that apply for 1 through 4:

1. **My/our assets include (enter n/a in A) if you do not own the respective asset:**

<table>
<thead>
<tr>
<th>Source</th>
<th>(A) Cash Value</th>
<th>(B) Int. Rate</th>
<th>(A+B) Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Account(s)</td>
<td>$200</td>
<td>0.01%</td>
<td>$0.02</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>Stocks</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>IRA Account(s)</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>Keough Account(s)</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>Equity in Real Estate</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>Lump Sum Receipts</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>Bitcoin/ Cryptocurrency</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
<tr>
<td>Life Insurance (Excluding Term)</td>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
</tbody>
</table>

2. **Other Retirement/Pension Funds not named above:**

<table>
<thead>
<tr>
<th>(A) Cash Value</th>
<th>(B) Int. Rate</th>
<th>(A+B) Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
</tbody>
</table>

3. **Personal Property Held as an Investment:**

<table>
<thead>
<tr>
<th>(A) Cash Value</th>
<th>(B) Int. Rate</th>
<th>(A+B) Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
</tbody>
</table>

4. **Other (List):**

<table>
<thead>
<tr>
<th>(A) Cash Value</th>
<th>(B) Int. Rate</th>
<th>(A+B) Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>%</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Explanation:**

**PLEASE NOTE:** Certain funds (e.g., Retirement, Pension, Trust) may or may not be (fully) accessible to you. Include only those amounts which are.

*Cash value is defined as market value minus the cost of converting the asset to cash, such as broker’s fees, settlement costs, outstanding loans, early withdrawal penalties, etc.

**Personal property held as an investment may include, but is not limited to, gem or coin collections, art, antique cars, etc. Do not include necessary personal property such as, but not necessarily limited to, household furniture, daily-use autos, clothing, assets of an active business, or special equipment for use by persons with disabilities.

***Checking Account cash value should be the average in the checking account over the last six (6) months.

☐ I/we have sold or given away assets (including cash, real estate, etc.) for more than $1,000 below fair market value (FMV). Those amounts equal a total of: $__________ (enter the difference between FMV and the amount you received).

X I/we have not sold or given away assets (including cash, real estate, etc.) for less than fair market value during the past two (2) years.

☐ I/we do not have any assets at this time (do not check this box if you have entered any numbers in section 1, above).
Verification at Recertification

100% LIHTC Project

- If a project is 100% LIHTC, meaning there are no market units, there is no requirement to verify income and assets at recertification. Tenants are instead required to submit an IHFA Low-Income Tax Credit Tenant Income Self-Certification and a certification of student status on the anniversary of the initial certification.

HOME-assisted units

- HOME units are required to perform a full certification at move-in and every 6th year in the project’s Period of Affordability, including supporting documentation. At any other recertification, tenants are required to submit a Tenant Income Self-Certification and a HOME certification of student status once per year.

If the project is blended with HOME or other funding, be sure to follow the other programs’ recertification requirements for the units that are blended. In a unit with HOME and LIHTC, both HOME and LIHTC certifications of student status are required at move-in and annually thereafter.
“Document, document, document!”
AND
“The file needs to tell the whole story.”
Due Diligence

What is reasonable?
What would a reasonable person do?

WWRPD?
The Case of Sally Resident

Sally is the second member of a two-person household who moved into a unit at Falcon’s Landing on February 20, 2020.

She started working part-time at the diner down the street January 10, 2020 and her manager, Mark provided a third-party verification to the manager of Falcon’s Landing on February 4, 2020.

You are reviewing the move-in file during a routine audit. There is no other information about Sally’s employment in the file beyond the TIC, third-party verification, and management’s income calculation sheet.
### PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

<table>
<thead>
<tr>
<th>HH Member #</th>
<th>(A) Employment or Wages</th>
<th>(B) Social Security/Pensions</th>
<th>(C) Public Assistance</th>
<th>(D) Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$24,117.08</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>2</td>
<td>$7,020.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$31,137.08</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

*Add totals from (A) through (D) above TOTAL INCOME (E): $31,137.08*

---

### PART V. DETERMINATION OF INCOME ELIGIBILITY

**TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES:** $31,137.08

- **Current Income Limit for family:**
- **Household income at move-in:** $31,137.08
- **Household size at move-in:** 2

**$1,742.92 under the income limit**
Verification of Employment

THIS SECTION TO BE COMPLETED BY EMPLOYER

Employee Name: Sally Resident
Job Title: Crew

Presently Employed: Yes X Date First Employed 1/10/20 No Last Day of Employment N/A

Current gross wages/salary: $ 2,000 (circle one) Weekly semi-monthly monthly yearly other
Average # of regular hours per week: 30
Overtime Rate: $ N/A per hour Average # of overtime hours per week (not included in regular hours): N/A
Shift Differential Rate: $ N/A per hour Average # of shift differential hours per week (not included in regular hours): N/A
Commissions, bonuses, tips, other: $ N/A (circle one) hourly weekly semi-monthly monthly yearly other

Complete only if above wage data is unavailable: Year-to-date earnings: $____________ From /________/____ through /________/____
List any anticipated change in the employee’s rate of pay within the next 2 months: N/A Effective date:

Is the employee’s work seasonal or sporadic? Yes No X
If yes, indicate the average number of weeks in the layoff period(s):

Does this employee have a 401(k), 403(b), or other retirement account? Yes _____ No X If yes, can the employee withdraw the funds in this account? Yes _____ No _____ What is the appropriate agency/contactor to verify retirement account information?

Additional remarks: Only do verifications every 6 months

Signature: Mark Manager Date: 2/4/20
### The Calculations

**Management Agent**

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Amount</th>
<th>Period</th>
<th>#hrs/week</th>
<th># of periods</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally</td>
<td>$9.00</td>
<td>Hourly</td>
<td>15</td>
<td>52</td>
<td>$7,020.00</td>
</tr>
</tbody>
</table>

**Auditor**

**ANTICIPATED ANNUAL INCOME**

<table>
<thead>
<tr>
<th>Family Member</th>
<th>Income Source</th>
<th>Reported on TIC/HIC</th>
<th>Income Calculations</th>
<th>Income Calculated Auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>wages</td>
<td>$7,020.00</td>
<td>$9.00/hr * 30 hrs/52 weeks</td>
<td>$14,040.00</td>
</tr>
</tbody>
</table>

**PART V. DETERMINATION OF INCOME ELIGIBILITY**

- **TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES:** $38,157.08
- **Current Income Limit for family size:** $32,000.00
- **Household income at move-in:** $38,157.08
- **Household size at move-in:** 2

**$5,277.08 over the income limit**
A. Do nothing. There is no cause for concern. The verification is completely clear.
   The tax credits are safe.

B. Call Mark Manager to provide clarification for the average number of weekly hours and maintain the clarification memo with the move-in file.

C. Ask Sally to provide all of her pay stubs to date to support 15 hours per week used to calculate income and permanently keep them in the move-in file.

D. Require Sally to provide evidence of her work history from her previous employer to determine the amount of hours that she will likely work.
Common File Findings

- Missing VAWA lease addendum for each adult in the household.
- The TIC is missing asset income on page 1.
- Missing clarification memos.
- Missing management income calculation sheet.
- Missing or incomplete demographic profile form.
- Incorrect identification of rental assistance type on page 2 of the TIC.
- Rent amount listed on the TIC does not match rent amount listed on the lease.
- Missing either the HOME or the LIHTC certification of student status for a unit that is LIHTC and HOME-assisted.
Physical Inspections
Overview of Physical Inspection

UPCS (Uniform Physical Condition Standard)

IHFA uses the (UPCS) inspection protocol which was developed by HUD’s Real Estate Assessment Center (REAC) to ensure that housing is “decent, safe, sanitary and in good repair”.

In short, UPCS was designed to assess the condition of the housing.
Overview of Physical Inspection

Why use UPCS?

The IRS requires housing agencies to use local health, safety, and building codes OR use the UPCS standards to assess the physical condition of Housing Tax Credit Developments. Codes can vary from city to city or some might not have code enforcement at all.

To ensure a uniform inspection standard is used state-wide, IHFA has adopted the UPCS standard for all of the programs we monitor, with exception of COC, ESG and HOPWA which uses HQS protocol.
Overview of Physical Inspection

Compliance Monitoring

- IHFA’s compliance staff will perform a physical inspection and tenant file review of each development at least once every 3 years.
- IHFA’s compliance department has developed its own scoring system based off the REAC’s comprehensive list of inspectable items which may result in a property being audited more frequently.

<table>
<thead>
<tr>
<th>Example audit scores</th>
<th>Score</th>
<th>Percentage of Overall Rating</th>
<th>Calculated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Physical Condition &amp; Appearance</td>
<td>90</td>
<td>20%</td>
<td>18</td>
</tr>
<tr>
<td>Units</td>
<td>82</td>
<td>20%</td>
<td>16</td>
</tr>
<tr>
<td>Leasing &amp; Occupancy</td>
<td>91</td>
<td>35%</td>
<td>32</td>
</tr>
<tr>
<td>General Management Operations</td>
<td>100</td>
<td>25%</td>
<td>25</td>
</tr>
<tr>
<td>Totals</td>
<td>100%</td>
<td></td>
<td>91</td>
</tr>
<tr>
<td>Overall Rating</td>
<td></td>
<td></td>
<td>91</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall Score</th>
<th>Rating</th>
<th>Next monitoring period</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-90</td>
<td>Superior</td>
<td>3-yr</td>
</tr>
<tr>
<td>89-80</td>
<td>Above Average</td>
<td>3-yr</td>
</tr>
<tr>
<td>79-70</td>
<td>Satisfactory</td>
<td>2-yr</td>
</tr>
<tr>
<td>69-60</td>
<td>Below Average</td>
<td>1-yr</td>
</tr>
<tr>
<td>59-0</td>
<td>Unsatisfactory</td>
<td>1-yr</td>
</tr>
</tbody>
</table>

Note: IHFA reserves the right to monitor a property at any time, regardless of the previous score. Examples of this may include:
- Follow-up reviews in instances of complaints
- To confirm completion of a corrective action
- Low performing properties
- High percentages of long-term vacant units
Overview of Physical Inspection

Physical Inspections

- IHFA will conduct a complete inspection of the property, which includes the 5 UPCS inspectable areas and any Health & Safety issues.
- Once the IHFA inspector arrives, he or she will present a randomly selected unit list to the on-site staff, pull the keys and the inspection begins.
- A management or maintenance agent must accompany the inspector inside the units, with the agent entering first while following the inspector throughout the unit.
- IHFA is required to report to the IRS all deficiencies identified under UPCS.
  - Even deficiencies that are corrected must be reported to the IRS.
- Vacant units will be inspected during an on-site visit.
- Vacant units must be suitable for occupancy or “Rent Ready”
  - IHFA has determined a 30-day turn is reasonable
  - Failure to “turn” vacant units in a reasonable period will result in a report of noncompliance.
Overview of Physical Inspection

Notification and Preparation

- IHFA will provide a written notice of the upcoming physical inspection to the Owner/Agent through the property’s Procorem Work Center.
- At least 24-hour advanced notice to all residents.
- Staff should walk the property to see if there are any deficiencies that require attention.
- Arrive on time for the inspection with a notepad and camera to document any deficiencies that are found.
- Communicate with the inspector about any known issues at the property and any work orders or plans for correction.
- Repairs can be made during the course of the inspection if performed while the inspector is in a unit or inspecting the building where the deficiency is identified. Deficiencies will be noted, but recorded as corrected (repaired during inspection, RDI).

  *Note: The inspector cannot delay the inspection for these repairs to be completed.*

  *Note: Staff may want to have available common repair items such as smoke detectors, batteries and lightbulbs.*
Overview of Physical Inspection
4 Simple steps to becoming a High Performer

Reaching the coveted Superior score isn’t as difficult as you think!

**Step 1** Always walk your property. If you suspect an inspection, complete a 100% inspection of all areas.

**Step 2** (15 days out – the day you are notified of the inspection). Conduct a mock inspection of the site, exterior, systems, common areas and a sampling of units to ensure nothing was left unprepared and all repairs are within industry standards.

**Step 3** (day of inspection – escorting). Take notes and be present.

**Step 4** (within 30 days after Audit Summary Report). Submit response to IHFA for all completed work orders, work in progress, ownership and contractor issues, etc.
Overview of Physical Inspection

Federal Register

- Inspectable items and deficiencies are listed in the Federal Register under the HUD UPCS Dictionary of Deficiency Definitions.
- Two sections of the Federal Register are used to score a finding:
  1. Appendix 1 (pages 47724 – 47737) – lists the criticality point value for each observable deficiency of an inspectable item.

Overview of Physical Inspection

Most Common Findings

- Blocked egress (furniture blocking windows in bedrooms)
- Deteriorated weather stripping (door)
- Bathroom basin problems (stoppers or associated hardware inoperable or missing)
- Deteriorated fridge seal
- Deteriorated carpet/stains/holes
- Clogged dryer vent
- Expired fire extinguisher
- Missing/deteriorated screens
- Holes/cracks in siding
- Missing light globe
- Trip hazards (walkways/general walking areas)
- Parking lot (faded striping & deteriorated or failing surface area)
- Vegetation (overgrown and/or encroaching)
- Hornet nests
- Missing splash blocks
- Damaged/falling/leaning fencing
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

- Hornet Nests
- Overgrown Vegetation
- Overgrown Vegetation
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

- Missing Screen
- Bent Screen
- Cracked Window
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

Detached Gate

Impeding walkway

Impeding walkway
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

- Overgrown Grass
- Missing Window Lock
- Expired Fire Extinguisher
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

- Inoperable Emergency Light
- Missing Light Globe
- Faded Striping/Handicap
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

Clogged Gutters

Trip Hazard
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit

- Hole/Crack in siding Not Industry Standard (NIS)
- Repaired downspout Not Industry Standard (NIS)
Overview of Physical Inspection

Most Common Findings that could be addressed prior to an audit
Overview of Physical Inspection

IHFA Resources

IHFA Physical Inspections Training Webinar https://www.idahohousing.com/housing-compliance/tax-credit-compliance/

IHFA Compliance Manual and all required and suggested forms can be found here https://www.idahohousing.com/housing-compliance/housing-compliance/


Always

Consider industry training for all staff members!
Annual Responsibilities

Rent Increases
Tax Credit Rent Increase Requests

Tax Credit Rent Increases
On October 21, 2022, IHFA published a memo lifting the 5% rent increase cap.

- Rent increases 5% and under
  - Do not require approval
  - 30 day notice to residents is required
- Rent increases from 5% and over
  - Do not require approval
  - 60 day notice to residents is required
- All rent increases over 10%
  - Must be submitted for review / approval using the required Tax Credit Rent Increase Form.
  - Submit form to Katie Kilgrow via email or Procorem.
  - 60 day notice to residents is required

Procorem Location: HOME/IHFA/ *Property Name*/ Annual Reports/ *Upload request and IHFA will make a folder*
1 rent increase per 12 month period!

REQUEST FOR TAX CREDIT RENT INCREASE

<table>
<thead>
<tr>
<th>Unit Size(s)</th>
<th>30%</th>
<th>35%</th>
<th>40%</th>
<th>45%</th>
<th>50%</th>
<th>55%</th>
<th>60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedroom Size(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Rent(s)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current UA(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent Requested</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent with UA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requested Rent</th>
<th>Under Maximum Limit</th>
<th>Over Maximum Limit</th>
<th>Date of last approved UA:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amount of last increase: $
HOME Rent Increase Requests

All HOME rent increases must be approved by IHFA prior to implementation. On November 1, 2022, IHFA amended the rent cap from 5% to 10%. The rent cap applies to existing tenants without regard for the published income and rent limits.

- Only one rent increase is permitted per 12-month period.
- The HOME rent increase request form should be submitted with the annual reports, which are due no later than the last business day of February.
  - Upload the request form to the property's Procorem Work Center in the “Annual Reports/Annual HOME Rent Increase Requests/Applicable Year” folder
  - If the rent increase is approved, an approval letter will be uploaded to the same folder
- Notice of rent increase must be given to tenants prior to implementation.
  - At or below 5% - 30-day notice
  - Above 5% - 60-day notice
- Vacant units may be rented at the published income and rent limits

Procorem Location: Home / IHFA / *Property Name* / Annual Reports / Annual HOME Rent Increase Requests
1 rent increase per 12 month period!
Annual Responsibilities

Utility Allowances
Utility Allowances

• Utilities paid by the tenant, not by the owner of the property, must be reflected in a utility allowance.
• Utility allowances must be reviewed and updated annually.
• Utility allowance needs to be submitted for approval at approximately the same time each year.
Utility Allowances

100% Tax Credit Properties

Utility Allowance Source Options:

- Public Housing Authority (PHA) Utility Allowance
- Actual Consumption Utility Allowance
- HUD Utility Schedule Model (HUSM)
- Engineering Consumption Model
Following methods may be utilized for HOME assisted units with a funding date on or after August 23, 2013.

- Actual Consumption Utility Allowance
- The HUD Utility Schedule Model (HUSM)
- Engineering Consumption Model
Utility Allowances
Mixed Subsidy Units

Tax Credit and HOME
• Apply the HOME utility allowance to your Tax Credit units as well

Tax Credit and RD
• Apply the RD utility allowance to your Tax Credit units as well
Utility Allowances
Mixed Subsidy Units Continued

Tax Credit and Project-Based Section 8
• Apply the Section 8 utility allowance to your Tax Credit units as well

Tax Credit and Tenant-Based Section 8 or Housing Choice Voucher
• Apply the utility allowance established for the voucher to that unit
Utility Allowances
Calculation Methods

- Public Housing Authority (PHA) Utility Allowance
- Engineering Consumption Model
- Actual Consumption Utility Allowance
- HUD Utility Schedule Model (HUSM)
# Utility Allowances
## Actual Consumption

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Date:</th>
<th>Contract Number:</th>
<th>Project Number:</th>
<th>Double checked:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Contract Units</th>
<th>Units to be Sampled</th>
<th>Units actually Sampled</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bedroom Units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1 Bedroom Units</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>2 Bedroom Units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Bedroom Units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4 Bedroom Units</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average as Calculated from Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bedroom Units</td>
</tr>
<tr>
<td>1 Bedroom Units</td>
</tr>
<tr>
<td>2 Bedroom Units</td>
</tr>
<tr>
<td>3 Bedroom Units</td>
</tr>
<tr>
<td>4 Bedroom Units</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Utility Allowance</th>
<th>Proposed Utility Allowance</th>
<th>Percentage Difference</th>
<th>Phased in Utility Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bedroom Units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Bedroom Units</td>
<td>$100</td>
<td>#DIV/0!</td>
<td></td>
</tr>
<tr>
<td>2 Bedroom Units</td>
<td>$99</td>
<td>-1.00%</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td>3 Bedroom Units</td>
<td></td>
<td>#DIV/0!</td>
<td></td>
</tr>
<tr>
<td>4 Bedroom Units</td>
<td></td>
<td>#DIV/0!</td>
<td></td>
</tr>
</tbody>
</table>
Utility Allowances

Actual Consumption

Usage History

Data Source: CSI RAW
Data Updated Date: 2/3/2021

Usage for 81-JRN-29 Dec 24 DEC-20

<table>
<thead>
<tr>
<th>Service Type</th>
<th>kWh</th>
<th>Rate</th>
<th>Total kWh</th>
<th>Total Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Billing and Usage History

On 02/06/2022 you requested information from Idaho Power for the following service:

Service Agreement:

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44

Date: 02/06/2022

KWH Usage: 7

KWH Demand: 7

$ Account Rate: 506.44
### Utility Allowances

**Actual Consumption**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>Month 7</th>
<th>Month 8</th>
<th>Month 9</th>
<th>Month 10</th>
<th>Month 11</th>
<th>Month 12</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$106.50</td>
<td>$77.22</td>
<td>$60.05</td>
<td>$81.45</td>
<td>$136.89</td>
<td>$126.99</td>
<td>$139.55</td>
<td>$100.12</td>
<td>$57.14</td>
<td>$56.84</td>
<td>$102.75</td>
<td>$128.22</td>
<td>$97.81</td>
</tr>
<tr>
<td>2</td>
<td>$174.95</td>
<td>$132.47</td>
<td>$96.35</td>
<td>$76.89</td>
<td>$129.19</td>
<td>$117.02</td>
<td>$184.36</td>
<td>$208.71</td>
<td>$205.43</td>
<td>$166.45</td>
<td>$219.99</td>
<td>$190.61</td>
<td>$158.10</td>
</tr>
<tr>
<td>3</td>
<td>$150.37</td>
<td>$131.27</td>
<td>$99.91</td>
<td>$127.13</td>
<td>$183.10</td>
<td>$153.14</td>
<td>$145.51</td>
<td>$112.85</td>
<td>$89.21</td>
<td>$88.65</td>
<td>$143.18</td>
<td>$190.81</td>
<td>$134.57</td>
</tr>
<tr>
<td>4</td>
<td>$129.25</td>
<td>$80.14</td>
<td>$69.30</td>
<td>$88.70</td>
<td>$149.53</td>
<td>$115.75</td>
<td>$124.55</td>
<td>$54.40</td>
<td>$35.16</td>
<td>$45.74</td>
<td>$105.74</td>
<td>$132.12</td>
<td>$94.20</td>
</tr>
<tr>
<td>5</td>
<td>$40.07</td>
<td>$31.11</td>
<td>$33.56</td>
<td>$48.23</td>
<td>$77.56</td>
<td>$76.54</td>
<td>$49.93</td>
<td>$37.21</td>
<td>$30.31</td>
<td>$37.92</td>
<td>$43.56</td>
<td>$48.56</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$169.64</td>
<td>$131.71</td>
<td>$110.22</td>
<td>$139.17</td>
<td>$206.06</td>
<td>$178.12</td>
<td>$223.69</td>
<td>$144.07</td>
<td>$104.60</td>
<td>$99.35</td>
<td>$151.60</td>
<td>$181.89</td>
<td>$153.34</td>
</tr>
<tr>
<td>7</td>
<td>$113.86</td>
<td>$83.13</td>
<td>$69.85</td>
<td>$148.48</td>
<td>$118.79</td>
<td>$125.20</td>
<td>$87.90</td>
<td>$61.86</td>
<td>$47.67</td>
<td>$109.14</td>
<td>$129.22</td>
<td>$99.54</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>$34.57</td>
<td>$22.03</td>
<td>$14.83</td>
<td>$27.67</td>
<td>$55.74</td>
<td>$59.73</td>
<td>$27.99</td>
<td>$15.63</td>
<td>$13.07</td>
<td>$14.44</td>
<td>$30.85</td>
<td>$14.44</td>
<td>$27.58</td>
</tr>
<tr>
<td>9</td>
<td>$91.49</td>
<td>$80.93</td>
<td>$85.22</td>
<td>$78.91</td>
<td>$108.41</td>
<td>$105.99</td>
<td>$111.82</td>
<td>$71.40</td>
<td>$65.37</td>
<td>$63.79</td>
<td>$85.15</td>
<td></td>
<td>$84.50</td>
</tr>
<tr>
<td>10</td>
<td>$85.18</td>
<td>$50.72</td>
<td>$51.73</td>
<td>$75.74</td>
<td>$131.82</td>
<td>$105.75</td>
<td>$117.27</td>
<td>$92.36</td>
<td>$61.96</td>
<td>$48.02</td>
<td>$69.58</td>
<td>$96.84</td>
<td>$82.75</td>
</tr>
<tr>
<td>11</td>
<td>$114.54</td>
<td>$77.18</td>
<td>$117.97</td>
<td>$173.34</td>
<td>$238.10</td>
<td>$187.51</td>
<td>$208.55</td>
<td>$196.12</td>
<td>$94.77</td>
<td>$69.51</td>
<td>$100.48</td>
<td>$152.26</td>
<td>$139.19</td>
</tr>
<tr>
<td>12</td>
<td>$140.59</td>
<td>$92.07</td>
<td>$73.12</td>
<td>$135.71</td>
<td>$189.05</td>
<td>$150.51</td>
<td>$149.72</td>
<td>$75.55</td>
<td>$47.89</td>
<td>$53.33</td>
<td>$115.61</td>
<td>$161.33</td>
<td>$114.87</td>
</tr>
<tr>
<td>13</td>
<td>$42.57</td>
<td>$38.59</td>
<td>$37.89</td>
<td>$51.68</td>
<td>$74.90</td>
<td>$58.84</td>
<td>$56.35</td>
<td>$40.31</td>
<td>$35.35</td>
<td>$33.66</td>
<td>$43.09</td>
<td>$55.89</td>
<td>$47.42</td>
</tr>
<tr>
<td>14</td>
<td>$153.29</td>
<td>$76.37</td>
<td>$94.06</td>
<td>$127.21</td>
<td>$96.29</td>
<td>$30.00</td>
<td>$73.12</td>
<td>$57.52</td>
<td>$36.59</td>
<td>$48.43</td>
<td>$65.99</td>
<td></td>
<td>$68.22</td>
</tr>
<tr>
<td>15</td>
<td>$75.00</td>
<td>$58.23</td>
<td>$96.22</td>
<td>$117.55</td>
<td>$156.68</td>
<td>$127.73</td>
<td>$133.48</td>
<td>$67.57</td>
<td>$64.73</td>
<td>$88.98</td>
<td>$149.47</td>
<td>$195.28</td>
<td>$124.24</td>
</tr>
<tr>
<td>16</td>
<td>$78.39</td>
<td>$58.26</td>
<td>$53.98</td>
<td>$64.34</td>
<td>$117.13</td>
<td>$126.05</td>
<td>$97.13</td>
<td>$41.18</td>
<td>$34.58</td>
<td>$53.77</td>
<td>$75.63</td>
<td>$74.35</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>$75.00</td>
<td>$58.31</td>
<td>$46.38</td>
<td>$94.45</td>
<td>$133.17</td>
<td>$159.98</td>
<td>$145.76</td>
<td>$75.28</td>
<td>$31.02</td>
<td>$48.50</td>
<td>$53.57</td>
<td>$53.77</td>
<td>$77.57</td>
</tr>
</tbody>
</table>
Utility Allowances
Actual Consumption
Utility Allowances
References for Actual Consumption

Utility Allowances

HUSM

- https://tools.huduser.gov/husm/uam.html

- Upload full worksheet for each bedroom size and copies of rates from power and gas (if applicable) companies
Utility Allowances
HUSM

Service Charge, per month
Energy Charge, per kWh
- First 800 kWh
- 801-2000 kWh
- All additional kWh over 2000

<table>
<thead>
<tr>
<th>Size of Second Block</th>
<th>Size of Third Block</th>
<th>Size of Fourth Block</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Second Block</td>
<td>Size of Third Block</td>
<td>Size of Fourth Block</td>
</tr>
<tr>
<td>Cost of First Block</td>
<td>Cost of Second Block</td>
<td>Cost of Fourth Block</td>
</tr>
<tr>
<td>Cost of Second Block</td>
<td>Cost of Third Block</td>
<td>Cost of Fourth Block</td>
</tr>
<tr>
<td>Cost of Third Block</td>
<td>Cost of Fourth Block</td>
<td>Extra Charges</td>
</tr>
<tr>
<td>Cost of Fourth Block</td>
<td>Extra Charges</td>
<td>Extra Charges .017512</td>
</tr>
<tr>
<td>Extra Charges</td>
<td></td>
<td>Extra Charges 4.6</td>
</tr>
</tbody>
</table>
MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), and Schedule 98 (Residential and Small Farm Energy Credit).

SERVICE DETAILS (Residential Standard Plan Schedule 01)

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>$5.00</td>
</tr>
<tr>
<td>Non-Summer Energy Charge 540 kWh @ $0.080390 per kWh</td>
<td>$43.41</td>
</tr>
<tr>
<td>Power Cost Adjustment</td>
<td>$7.50</td>
</tr>
<tr>
<td>Fixed Cost Adjustment</td>
<td>$3.32</td>
</tr>
<tr>
<td>Franchise Fee 1.50% Paid to Your City</td>
<td>$0.89</td>
</tr>
<tr>
<td>Energy Efficiency Services</td>
<td>$1.50</td>
</tr>
<tr>
<td>Federal Columbia River Benefits Supplied by BPA</td>
<td>- $1.37</td>
</tr>
</tbody>
</table>

Current Charges - Electric Service $60.25
## Utility Allowances

### HUSM Extra Charges

<table>
<thead>
<tr>
<th></th>
<th>Summer</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of First Block</td>
<td>remainder</td>
<td>n/a</td>
</tr>
<tr>
<td>Size of Second Block</td>
<td>800 kWh</td>
<td>800 kWh</td>
</tr>
<tr>
<td>Size of Third Block</td>
<td>remainder</td>
<td>n/a</td>
</tr>
<tr>
<td>Size of Fourth Block</td>
<td>1200 kWh</td>
<td>1200 kWh</td>
</tr>
<tr>
<td>Cost of First Block</td>
<td>0.086518 $/kWh</td>
<td>0.080390 $/kWh</td>
</tr>
<tr>
<td>Cost of Second Block</td>
<td>0.104033 $/kWh</td>
<td>0.088627 $/kWh</td>
</tr>
<tr>
<td>Cost of Third Block</td>
<td>0.123585 $/kWh</td>
<td>0.098154 $/kWh</td>
</tr>
<tr>
<td>Cost of Fourth Block</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### Extra Charges

| Extra Charges | 0.017512 $/kWh |

### Taxes

| Taxes | 6.1% |
Utility Allowances
HUSM – Extra Charges

Dollar/kWh:
• **Schedule 54 – Fixed Cost Adjustment**
  • Per the language in the second paragraph on page two, under the heading of Fixed Cost Adjustment, “the monthly Fixed Cost Adjustment for Residential Service (Schedule 1…) is 0.6153.” This is cents/kWh.
• **Schedule 55 – Power Cost Adjustment**
  • Page three of the schedule shows a Schedule 1 property has a total Power Cost Adjustment (Total PCA) of 1.3893. This is also cents/kWh.
• **Schedule 98 – Residential and Small Farm Energy Credit**
  • Page two of the schedule shows the Credit Adjustment is 0.2534 cents per kWh.

Add the three amounts – cents/kWh:
• Schedule 54 – Fixed Cost Adjustment 0.6153
• Schedule 55 – Power Cost Adjustment 1.3893
• Schedule 98 – Energy Credit + (-.2534)

Total 1.7512 cents/kWh

Convert to dollars/kWh 1.7512 divided by 100 = 0.017512 $/kWh
Utility Allowances
HUSM – Extra Charges

Percent / kWh
• **Schedule 91 – Energy Efficiency Rider** – Schedule 1 properties are a flat rate of 3.1%
• **Schedule 95 – Adjustment for Municipal Franchise Fees**
  • These are dependent on the city of service and range from 1% to 3%. You must check the schedule to determine the percentage for your city.

Add the two percentage – in this case, lets use Twin Falls
• **Schedule 91 – Energy Efficiency Rider** 3.0%
• **Schedule 95 – Adjustment for Municipality** + 3.0%
  Total 6.0%

In the examples above, the numbers to use for the extra charges in the Electric portion of the HUSM, add 0.017512 to the $/kWh. Add 6.0% for the %/kWh.

These amounts may differ depending on the location, as well as the service provider. Always confirm the effective date of the rates from the provider before completing the HUSM.
Annual Reporting Requirements

Annual Reports Include:

• Violence Against Women Act (VAWA)
• Certification of Continuing Program Compliance (CCC)
• Annual Occupancy Report (AOR)
• Any marketing documents supporting the HOME Affirmative Marketing Plan (AMP) or HUD’s Affirmative Fair Housing Marketing Plan (AFHMP)
• Tenant Events/Certifications

Due Last Business Day of February
Annual Reporting Requirements

Reporting Locations:
Property Work Center/Annual Reports/ Reporting 20XX, where 20XX is the year of the reporting activity.
• VAWA Emergency Transfers
• Program CCCs
• AORs
• AMP and AFHMP marketing documents, if required

Property Work Center/Tenant Event Portal/20XX Tenant Events
• Tenant Events – whether via NAHMA XML files or manual entry

Due Last Business Day of February
AOR versus Tenant Events

- AOR includes information on only the Head of House, and should show all movement of households in the unit during the year.
- Tenant Events should include all certifications in the unit during the course of the year, including all move-ins, move-outs, unit transfers, household updates and re-certifications.
  - Also includes minimal information regarding each member of the household:
    - Name,
    - Date of Birth,
    - Full-time Student (Y/N),
    - Disability (Y/N),
    - Last four digits of SSN,
    - Race,
    - Ethnicity.
Tenant Event Portal Location:
• Property Work Center/Tenant Event Portal/20XX – Tenant Events where 20XX is the year’s activity you are reporting.

Once you have all the year’s certifications added to the Tenant Event portal, or you have uploaded a NAHMA xml, you must:
• **VALIDATE** the data - The system will generate error messages specific to information that is in conflict, or inaccurate, etc. You must clear any errors, and validate until there are no error messages, and
• **SUBMIT** the data – once there are no error messages, you must click the SUBMIT button to move the data from the work center to IHFA’s ProLink system.

Completing the Tenant Events has taken the place of participation in HUD’s Tenant Data Collection. The ProLink system aggregates all Tenant Events from all properties to create one file IHFA uploads to HUD, annually.
VAWA Management Requirements

HUD Notice H 2017-05

• Detailed guidance for implementing requirement in the Final Rule for VAWA 2013
• Examples and scenarios
• Changes to notification and emergency transfer plan requirements
• Clarifies documentation requirements
• The final rule replaced the term “immediate family member” with “affiliated individual”
  • Spouse, parent, brother, sister, or child of the victim, or an individual to whom the individual is in loco parentis, or any individual, tenant, or lawful occupant living in the unit
VAWA Requirements
How to comply with VAWA regulations

Emergency transfers

• The deadline to establish an Emergency Transfer Plan (ETP) for each property was June 14, 2017.

• Requirements of the ETP
  • Defining who is eligible
  • What is required to request the transfer
  • What if a safe unit is not immediately available
  • How and when the plan will be available

• Use and customize HUD’s model ETP (form 5383) for each of your properties.
VAWA Requirements
How to comply with VAWA regulations

Required forms from IHFA website
- VAWA lease addendum
- VAWA Notice of Occupancy Rights HUD-5380
  - Notice must be made available in multiple languages per LEP requirements.

Additional VAWA forms can be found at HUD.gov
- H 2017-05 VAWA Reauthorization Act
- HUD-5380 Notice of Occupancy Rights
- HUD-5381 Model Emergency Transfer Plan
- HUD-5382 Victim Certification
- HUD-5383 Emergency Transfer Request
Documentation

• Track the number of VAWA emergency transfers requests for each property
• Do not include any identifying information
• Submit to IHFA with annual documents
• Have this information available during audit exit interview
VAWA Requirements
How to comply with VAWA regulations

Security
• Confidentiality is key!
• Separate and secure
• No shared database
• No disclosing or sharing of details
Housekeeping
Electronic Signatures

• March 20, 2020 IHFA sent a memo titles COVID 19 Guidance. It outlines the acceptance of electronic signatures for Tax Credit/HOME tenant recertifications.

• During the pandemic in May 2020, HUD released Notice H 20-4, permitting the use of electronic signatures for HUD Multifamily Housing Programs. November 19, 2020 HUD released H 2020-10, a revision of H 20-4.
Owner / Management Changes

All Ownership and Management Changes must be reported using the required forms on the IHFA website.

- These forms are located under the Owner/Agent Changes tab.
- The request must be emailed to Katie Kilgrow or uploaded to Procorem for review.

Procorem Location: HOME/IHFA/ *Property Name*/ Ownership and Management Changes
Owner / Agent Contact Information

To stay compliant all contacts at a property need to be current.

- This should be completed for any changes including on-site manager, regional manager, compliance personnel, etc..
- Use the required form on the IHFA website to submit any changes.
- Complete the form and email to Kiley Nelson.
- This form can also be used to update Procorem contacts.

**Procorem Contact Note:** Procorem contains personal identifiable information in the tenant files, rent rolls, and tenant event portal. It is critical that all personnel that leave your company be removed IMMEDIATELY from the Work Center to keep tenant information safe. Email Kileyn@ihfa.org to remove or add contacts.
IHFA Housekeeping

Compliance Staff:
Compliance Housing Manager: Katie Kilgrow, Katiek@ihfa.org

Auditors:
Amanda Reifers - Amandar@ihfa.org
Jeff Holmes - Jeffh@ihfa.org
LaJean Wilson - Lajeanw@ihfa.org
Mari Todd - Marit@ihfa.org
Sheryl Whitus - Sherylw@ihfa.org

Compliance Administrator: Kiley Nelson - Kileyn@ihfa.org

NEW PO Box:
PO Box 9405
Boise, ID 83707
Thank you!