

Tuesday December 7, 2021
2 – 3:30 pm (eastern)
Virtual SAHMA Region Partnership Meeting
Meeting Notes

2:00 pm (eastern)

Welcome remarks & Moderator: Sonja Horn, SAHMA President

Ms. Horn welcomed attendees and thanked everyone for their participation. Ms. Horn Congratulated and introduced Mr. Mark Dominick who was recently named the new Multifamily Regional Director, Southeast Division and commented that the SAHMA organization looks forward to working with him in his new role and with the entire SE MF team.

Remarks: Mark Dominick, Multifamily Regional Director, Southeast, HUD
Introduction of HUD staff

Mr. Dominick began with brief remarks. He reported that there are no longer any MF staff in the Birmingham, AL office and 2 in the Jackson, MS office. He reviewed staffing and an organizational chart.

HUD Partners:

Please provide a brief overview of the Southeast Region's vision moving forward under the leadership of the new Southeast Regional Director. *Mr. Dominick reported that there is no longer MF staff in the Birmingham, AL office and 2 remain in Jackson, MS.*

Can you provide a HUD staffing update and is there a current organizational chart for the Southeast Region IV? And, when can we expect HUD staff to be back in their offices? *Mr. Dominick noted that overall, the staffing level was good with a few vacancies still in process. HQ staff in Washington, DC are currently in their offices as well as local appointees but there is no current update on when field staff will return to the office.*

Are there any current trends/concerns across the PBRA, Section 202, and Section 811 portfolio? For PRAC properties, members are concerned about a recent trend in denials for PUPM service expenses. Were there any internal policy changes that were sent to the Field Office staff? *Not aware of any policy changes from HQ. Suggest timely submissions of PRAC renewals because there is no cushion.*

Can you provide a snapshot of the impact and ongoing disaster recovery efforts in the region? *There is a dedicated MF response team in place at Headquarters, they report regularly and have held public Zoom meetings.*

Members are still experiencing inconsistencies with the notification timeframes for upcoming physical inspections and not obtaining approvals to delay/reschedule inspections when there is a significant amount of COVID cases at a property, supply chain delays and third-party vendor delays such as fire extinguisher inspections. Some O/A's have reported getting penalized for items beyond their control. Are you aware of efforts HUD MF is working with REAC to improve the process? *O/A's can call 888-245-4860 to let MF know if there are issues with REAC inspections, scheduling etc. MF is working with REAC to iron out issues that have been reported.*

With residents having the ability to opt-out their unit for inspection, what happens to a small property that does not have a large enough sample (like larger properties do)? *If the minimum number of units is not achieved the inspection would be unsuccessful but even on small properties, they do not believe this has been an issue.*

With REAC ramping back up, what are you hearing as far as a timeline they are setting to get fully caught up? *REAC inspections resumed 6/1/2021, at this point 1/5th of the portfolio has been inspected and REAC expects to be caught up by the end of 2022.*

There is increased difficulty in obtaining Utility Allowance data from the providers and/or the residents when the analyses are due. The UA factor in years one and two have helped considerably, but Utility

providers are less than efficient when actual data is needed in year three. Has there been any discussion on how this process can be improved? *Suggest review of Housing Notice 215-4 and the FAQ's. And, HUD is always willing to accept any feedback on this issue.*

With OCAF adjustments not keeping up with inflation quickly enough, how can the OCAF calculation be improved? *Suggest submitting budgets in a timely so delays don't cause any additional issues.*

Several members have reported issues with Service Coordinator grant payments – is there anything we can do improve this process? *Make sure to keep the DUNS registrations active and current annually, this could help and they recognize and hope to do better in processing and disbursement in 2022.*

There seems to be some inconsistency when reviewing and approving Affirmative Fair Housing Marketing Plans – what has been your guidance and what can Owner/Agents do to help us all be on the same page and continue to be in compliance? *Please refer to the asset management handbook, chapter 9 appendix 1 & 2.*

Do you have any information on when digital documents (using software such as DocuSign or other) be available from the owner's perspective for HAP contracts, OCAF etc.? *DocuSign etc., are being explored.*

Re: Mark to Market deals – have non OCAF rent increases been considered because of the capital expenses needed in these types of deals? *MF is aware that costs have risen and they are reviewing this situation in the regulations. The Build Back Better package could include funding for additional rent increase requests.*

TRACS 203A implementation update – is there any word? There was a November 15th working group call, did anything come from that? *In the process of finalizing the MAT guide, the next working group meeting is February 28, 2022.*

CNA-e tool: we know HUD asset management staff is not using this tool, what are they using it for? *Not aware that asset management staff is using this tool however they are developing training materials for the use in 2022.*

Can you provide an update on production in our region and what is in the pipeline? Some members are experiencing delays in closings etc. And, with the pervasive issues in the supply chain what is your office observing regarding delays in construction and/or rehabs? What adjustments or considerations are available? *Happy new report three new closing coordinators but have not seen delays in construction/rehabs due to supply chain issues.*

What is HUD's plan to set and implement new guidance based on Secretary Fudge's June letter addressing second chances for formerly incarcerated persons to be housed. *There is a MF working group that will review the statutory information.*

SAHMA Region Contract Administrators to introduce themselves

Contract Administrator/PBCA Partners:

Participating PBCA's: Navigate Affordable Partners, National Housing Compliance, SC Housing, THDA, NC Quadel, No. Tampa Housing Development, Kentucky Housing Corp.

Can each partner comment on current staffing?

All SAHMA Region PBCA partners reported that they are all fully or almost fully staffed. THDA is in the process of hiring a contractor to handle some aspects of their work, an announcement is forthcoming. NC Quadel is using EPS as a sub-contractor for certain functions

Please review current process for performing MOR's and what has or will change moving into 2022?

All SAHMA PBCA's reported that they have resumed MORs and either doing a combination of in-person/remote or fully remote MOR inspections. None not currently entering occupied units. They are requesting documents for review electronically when possible. SC Housing is assessing risk prior to

scheduling onsite MORs and NC Quadel is offering a partial remote option via conference call for file reviews. KHC is requesting files in advance of inspections.

We know the current contracts have been extended but is there any new update on when the RFP will finally be available since the late 2021 date previously provided was not realized?

With the current long term contract extensions in place none of our industry partners are aware of when the RFP will be available.

Specifically for our SC Partners:

- *Has a new Director been named? Lisa Wilkerson, Director of Rental Assistance and Compliance. Melissa Robinson is over the Project-Based Contract Administration Department and Yolanda Dennison is over the Housing Choice Voucher Program.*
- *When is South Carolina going to provide direct electronic comments for TRACS? SC Housing has requested more context on this question to be able to address it.*

SAHMA Region State Agency Partners to introduce themselves

State Agency Partners: *Participating partners: Alabama Housing Finance, Georgia Dept. of Community Affairs, NC Housing Finance and SC Housing. See Synopsis of each agency's comments below the questions.*

Regarding audit schedules since the COVID extension has expired –

- *Have state agencies resumed their audits back to normal processes or are you doing some sort of modified (specifically for the physical inspection).*
- *How will state agencies view physical non-compliance that may be a result of deferred maintenance or lack of available supplies/workforce. With the end of the year approaching and audits just starting up, there will be very little time for a management company to get things completed before 12/31 (which is when the applicable fraction for credit delivery is determined).*
- *What do state agencies see 2022 looking like? Will more states be going to electronic file reviews (many changed over to this process during COVID).*

Will the state agencies make any changes to the year-end reporting or if they have notified owners of the 2021 reporting requirements (if anything has changed since last year)?

Have state agencies seen a reduction in the number of resident concerns/call/complaints now that management staff is able to get into the units more easily than they were in the first half of the year. Are there concerns with the physical condition of the properties they will be seeing in 2022 audits?

Have all states accepted or put an approval system in place for electronic signatures to be used in files (many have already stated they accept these, but everyone could reiterate their process it would be helpful).

Re: Properties at the end of their 15-year period – are there any conversations regarding eliminating the rule restricting a current owner to less than 50% in a new deal on the property?

Alabama Housing:

- *Still not traveling and handling audits remotely.*
- *They anticipate 2022 to be the same until additional guidance is provided.*
- *Not reporting any changes to year-end reporting requirements for Owners.*
- *Receiving an average amount of resident concerns/calls/complaints.*
- *They accept electronic signatures and will continue to do so until they receive other direction.*

Georgia Dept. of Consumer Affairs - DCA

- *DCA resumed inspections 12/6 and is observing all safety protocols.*
- *Allowing for 45 days for cures*
- *Receiving an average amount of resident concerns/calls/complaints.*

- They have long accepted electronic signatures but wet signatures are still required for initial tenant certifications.
- In addition: They have migrated their system from MIDAS to EMPHASIS, please make sure to sign up.
- Please go to the DCA website and sign up for their OPM blasts to stay up to date on information
- Lastly, regarding the last question for State Agencies regarding 15 yr. properties they suspect this would need to be a legal/statutory change.

NC Housing

- NCHFA has not yet resumed physical inspections. They currently plan to resume inspections in January 2022. COVID guidelines are posted on their website.
- Since they did not resume inspections in 2021, owners do not have to worry about uncorrected physical noncompliance issues at yearend. In a normal year, NCHFA does not inspect in Dec to give owners at least a full 30-day corrective action plan so that noncompliance can be corrected prior to Dec 31, hopefully avoiding any interruption to the credit stream.
- NCHFA has conducted electronic, remote monitoring of tenant files for 15+ years, and they plan to continue to do so.
- Tenant complaints are high, keeping their staff busy while they are unable to travel to perform physical inspections. They hope to see a reduction in 2022.
- NCHFA is very concerned about reports of deferred maintenance and general disrepair at the properties. They are prepared to handle these issues as they resume inspections.
- NCHFA has allowed electronic signatures on all tenant file documents for years, but they have seen very little of this in file reviews. Many management companies have not invested in the technology until the pandemic. They do not have any pre-determined rules related to electronic signatures. Should they see issues or abuses in the tenant file reviews they conduct, they may develop such policies in the future.
- NCHFA is in the final review stages of its Asset Management Compliance Manual. This should be available on their public website no later than 1/1/2022. They are very proud of the dedicated team who took on the project of writing the manual from scratch during the pandemic.

There were no additional questions from the audience so on behalf of SAHMA Ms. Horn closed the meeting with holiday greetings to all and best wishes for the new year. The meeting ended at 3:45 pm (eastern).