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Section 811 Project Rental Assistance Program
Frequently Asked Questions for Community Managers, Owners and Agents

# Waiting List and Unit Vacancies

Who at TDHCA is the contact for new Section 811 referral lists?

A: The Wait List Lead. E-mail 811info@tdhca.state.tx.us when requesting referrals.

What would happen if a resident submits a 30 day Notice to Vacate (NTV), and the property has been sent a referral for the unit but the current resident decides to cancel the NTV?

A: Notify TDHCA this has occurred and we will pause the referral process. We will keep anyone who was referred to the unit on the waitlist for a future unit. The property will need to inform any applicant who might currently be in the application process that the unit is no longer available and the applicant will remain on the waitlist and be referred the next time a unit comes available.

I have several properties that need 811 units filled. The referrals we get are stale. What do we do after the 60 Day Vacancy Loss claim? Can we offer to the general public?

A: If the property and the Wait List Lead have worked consistently to fill a unit for 60 days and no one has moved into the unit, you can make a Vacancy Loss claim and then offer the unit to the general public. Properties must request from the Waiting List Lead that the unit be returned for use by the general public.

We have been getting 811 applicants that completed their application with a Referral Agent 2-3 years ago, but now they are ineligible due to being a Full Time students or Over Income. Do we need to advise you when denying applicants?

A: Yes. You will need to submit a copy of the denial letter to TDHCA either <u>via e-mail</u> or upload it to the property's <u>Serv:U portal.</u>

Do we need confirmation of denial from TDHCA before moving on to the next referral?

A: No. You can immediately close and move on to the next referral. You must upload a copy of the denial letter at the time of rejection.





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# Who is the correct point of contact to submit the vacancy loss claim?

A: Vacancy claims are processed through Blueprint Housing Solutions. Confirm with the Waitlist Lead that the Unit is being returned/released. Contact <u>Ann Hitner</u> and request a Vacancy Claim Checklist.

#### Does the 60 day vacancy loss also go for a unit that previously housed a Section 811 resident?

A: Vacancy payments are only for units we are actively trying to fill with 811 applicants.

#### Can we make a Vacancy Claim for a down unit?

A: The Section 811 units are not fixed to certain unit numbers, but are floating. In this scenario, the next available unit type should be made available for Section 811 occupancy.

# When can we make a Vacancy Claim for a unit?

A: A claim may be made when a unit is filled OR on the 61st day of when the unit became vacant and was made ready for occupancy.

# **Referral Agents**

# How does a potential applicant contact a certified Referral Agent if they do not already have one?

A: A Referral Agent is required in order to be referred to the program, so all eligible applicants and tenants technically have a Referral Agent. Because referrals are generated from local service providers, TDHCA is not able to connect potential applicants with Referral Agents.

## Will the Certified Referral Agent provide Supportive Services for the 811 applicants?

A: All Section 811 tenants are eligible for community based services and supports that enable them to exercise their community based housing option. It is difficult to generalize what specific services and supports a Section 811 tenant is receiving.





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#### What do you do if the Referral Agent is non-responsive?

A: Reach out to TDHCA to see if we have a back-up contact on file. Referral Agents can change for various reasons and cannot always be relied on for assistance. You can also ask the applicant or tenant if they have another person they are working with who might be able to assist.

# Termination, Notice to Vacate and Notice of Non-Renewal

What is the process to terminate a person from the program? I have a resident that needs to be evicted and is on 811.

A: <u>Chapter 8</u> of the HUD Handbook 4350.3 details the procedures for terminating tenancy. Owners are required to notify the Department at least three calendar days prior to issuing a Notice to Vacate or a Notice of Non-Renewal to the Eligible Family. Notices must be compliant with HUD Handbook 4350.3 8-13(B)(2) and HUD Notices. A copy of the applicable Notice must be submitted via email to 811info@tdhca.state.tx.us (10 TAC (§8.6(I)(8)).

# How many Lease Violations does a resident receive before we can begin the non-renewal process?

A: There is not a prescribed number and therefore, should be determined by the development and applied consistently.

#### What happens when a resident is terminated from 811?

A: Generally, this is due to failure to recertify. A development may terminate assistance per HUD Handbook <u>4350.3 Ch. 7</u>, if the resident fails to comply with the annual recertification process.

HUD may also terminate assistance if an Annual Recertification (AR) HUD-50059 form is not submitted within 15 months of the anniversary date. (<u>HUD Handbook 4350.3 7-6</u>) If loss of subsidy is due to failure to recertify, the development may reinstate assistance by recertifying the resident with an Initial Certification (IC). Contact Bill Cranor, Program Coordinator at <a href="mailto:bill.cranor@tdhca.state.tx.us">bill.cranor@tdhca.state.tx.us</a> prior to reinstatement to ensure funds are available.





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# How will we know if a tenant is no longer qualified through your program?

A: The only reason a tenant would become unqualified is if their rent amount goes over FMR. Our tenant's pay no more than 30% of their income towards rent and utilities so if that 30% is at or over FMR, they would no longer need our rental assistance and therefore disqualified from Section 811.

## Which Notice to Vacate form would I use for non-payment of rent?

A: We will be updating the Notices to Vacate very soon to make them more specific; however, currently we have two Notices to Vacate located on our webpage <a href="https://www.tdhca.state.tx.us/section-811-pra/participating-agents.htm">https://www.tdhca.state.tx.us/section-811-pra/participating-agents.htm</a>.

#### When sending out a Notice to Vacate, how many days should we state? 3, 7, 10, 15, 30?

A: HUD is not specific on the number of days a development must provide when issuing a Notice to Vacate except for reasons of good cause. The 4350.3 8-16(B)(2) states, "If the owner is terminating tenancy for other good cause, the notice must be effective at the end of the lease term, but in no case earlier than 30 days after receipt of the notice by the tenant." However, HUD does state to adhere to any state and local laws regarding Notices to Vacate as they may be more restrictive than HUD's minimum requirements. Please follow the HUD Handbook 4350.3 8-11 through 8-16.

#### Are we required to send all lease violations for approval prior to serving the tenant?

A: No. You do not need The Program's approval or permission to serve a lease violation. We consider this a courtesy and we will forward the information to the Referral Agent in attempt to assist the tenant. However, we do require Notices to Vacates and Notices of Non-Renewal to be sent to us for approval prior to serving the tenant.





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# Lease Requirements and Leasing Activities

# If you are doing a lease up do you need to designate the 811 units up front?

A: Specific units, such as Unit 101 or 102 do not need to be specified. But, the unit types, such as three 1BR/1BA are established in the property's contracts and program obligations.

Does the Section 811 program have an application or lease addendums since the Section 811 applicant/resident is not supposed to sign any paper work that has TAA on it?

A: TDHCA does have its own intake application and supplement to the application that includes questions applicable to deductions for which the applicant may be eligible. The forms are found here: <a href="https://www.tdhca.state.tx.us/pmcdocs/IntakeApplication.pdf">https://www.tdhca.state.tx.us/pmcdocs/IntakeApplication.pdf</a> and here: <a href="https://www.tdhca.state.tx.us/pmcdocs/IntakeSuppSubsidyCalcs.pdf">https://www.tdhca.state.tx.us/pmcdocs/IntakeSuppSubsidyCalcs.pdf</a>.

The only addendum approved to be attached to the Section 811 PRA Lease is the No Liens Lockouts Lease Addendum as required by the Low Income Housing Tax Credit (LIHTC) Program. The addendum may be found here: <a href="https://www.tdhca.state.tx.us/section-811-pra/docs/Sample-NoLiens-Addendum%20.pdf">https://www.tdhca.state.tx.us/section-811-pra/docs/Sample-NoLiens-Addendum%20.pdf</a>.

#### Do you have a list of what fees can or cannot be charged to 811 participants?

A: You cannot charge an application fee to anyone applying for a Section 811 Unit. You cannot charge Section 811 residents <u>a late fee</u> for rent payments. The HUD Handbook <u>4350.3 6-25</u> details the charges in addition to rent that may be charged to Section 811 residents.

#### Can Section 811 residents be charged Non-Sufficient Funds (NSF) fees?

A: Yes, per HUD Handbook 4350.3 6-25(B)(1-2), "1.) Owners may impose a fee on the second time, and each additional time, a check is not honored for payment. 2.) The owner may bill a tenant only for the amount the bank charges for processing the returned check."





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# Is it possible or legal to require electronic payment for tenant's rent?

A: No, per HUD Handbook 4350. 6-28, "Form of Payment, A.) An owner may require any tenant to pay the security deposit or the last month's rent in a guaranteed form (e.g., money order, cashier's check, bank check). B.) In all other instances, an owner must accept a tenant's personal check. C.) If the tenant bounces a rent check, thereafter the owner may refuse to accept the tenant's personal check. The owner may require the tenant to pay rent in a guaranteed form as identified above."

# **Compliance Monitoring**

#### Where can we find a file checklist for Section 811 files?

A: The checklist has not yet been added to our webpage, but will be shortly. Please feel free to request from any TDHCA Compliance Monitor. The checklist is also attached to the Onsite Notification for the Section 811 Program.

## How do we know when our Section 811 corrections are acceptable after an audit?

A: The Compliance Monitor reviewing the corrective action of a monitoring review will notify you with a formal letter uploaded to the Compliance Monitoring and Tracking System (CMTS). The letter will detail what issues of noncompliance have been dropped, corrected or need additional response to correct.

How long does it take to get fully activated and have access to EIV? Every month, I get "No records found" in my EIV for one of my properties. I understand I only have a few tenants but even when I attempt to pull by head of household they still do not pull up. I'm not sure what the problem could be if I have the contract on my EIV access.

A: Please contact your EIV Coordinator first. If you are the EIV Coordinator, please contact the EIV HUD Helpdesk at 1-888-297-8689. Additionally, if you are having EIV access issues, you should document this in the Master Binder to avoid issues of noncompliance with EIV. It is helpful for the monitoring review.





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## What are the required documents for the 811 program from the owner to the resident?

A: Many of the required documents may be found on our webpage <a href="here">here</a>; however, it is highly recommended to review the various sections of the HUD Handbook 4350.3 to ensure the tenant files contain all HUD required documentation. You may also request a file checklist from our Compliance Division as it details the required documentation as well.

# Recertifications and Unit Transfers

Our major concern is resident's lack of communication for Interim Certifications. We are playing catch up. What is best practice?

A: This is a difficult task for all properties working with a project based subsidy program such as Section 811. We recommend sending reminders/flyers to all applicable residents reminding them of the requirement to report changes in income and family composition.

#### Should we be including COLA for 811 income calculation?

A: The Enterprise Income Verification (EIV) System does not include the Cost of Living Adjustment (COLA) in the Income Report for the months of January through April. Therefore, HUD states in the 4350.3 in 9-6(B)(1)(e) the methods by which a development must use to apply the COLA for annual recertifications conducted during January through April.

Can we transfer a Section 811 resident mid-month if the new unit is the same rent and same unit size but the resident just needs a downstairs unit instead of upstairs due to medical reasons?

A: Yes. A transfer within the same property for the same size unit can be done at any time. If a resident is transferring to a different size unit, and a readjustment of the Unit Mix is required, TDHCA must be notified.

#### Can we deny a transfer request due to housekeeping issues?

A: A development may deny a transfer due to housekeeping issues as long as the policy is applied consistently to all residents.





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If a resident wants to transfer within the property and we do not have any more designated 811 units can we make a unit an 811 unit?

A: A development should not "designate" 811 units. 811 assisted units must float throughout a development. Therefore, any unit within the unit mix provided on the Rental Assistance Contract (RAC) should be sufficient.

## I have a resident who wants to add her 18 year old daughter. Can we do that?

A: Only if the 18 year old daughter will be added as a live-in aide. HUD Handbook  $\frac{4350.3 - 6(E)(a)(5)}{6(E)(a)(5)}$  states: "An adult child is not eligible to move into a Section 202 PRAC or 811 PRAC after initial occupancy unless they are performing the functions of a live-in aide and are eligible to be classified as a live-in aide for eligibility purposes."

## Can a resident add multiple people to their lease? Who qualifies?

A: Yes; however, please adhere to regulation noted in the answer above. To determine if a person would qualify as a household member, please review 4350.3 3-6(E).

I have a resident that turned 63 years old and this held up the recertification process. It would not allow me to recertify. My corporate office had to get involved. I'm not sure what was needed but I was able to process her and she is now late. Will we still receive payment for this resident?

A: Yes, as the certification effective date can be dated retroactively. Example, if the certification date was 9/1/22 and the age issue was not corrected and completed until 12/1/22, the date of the certification would still be 9/1/22. However, if there was increase in rent, then the increase could not be implemented until 1/1/23. Additionally, once a tenant occupies a Section 811 unit, their age should have no bearing on their tenancy, including their ability to recertify. Although a tenant must be under the age of 62 when they first occupy an assisted unit, they are allowed to stay in the unit even after they turn 62.





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# What if the resident needs help filling out their recertification paperwork, do we help them fill out the forms?

A: The development staff may assist the applicant with the recertification paperwork. If the development staff are completing (filling out) the paperwork for the applicant, the file must be noted as such.

The applicant's referral agent is also a great contact that may be able to assist with the recertification paperwork.

# Damage Fund Reimbursement

#### An 811 resident reported having bed bugs. Is this eligible for a Damage Fund Reimbursement?

A: Bed bugs are not considered an eligible expense as the bed bugs do not directly damage a unit.

Can we claim the damages throughout a Section 811 resident's lease until we reach the \$3,000 limit or wait until they move?

A: Damage Fund Reimbursement can be applied for at any time during tenancy or soon after move out. We recommend applying for reimbursement immediately after the repairs are done.

#### How long will it take to get Damage Fund Reimbursement payments?

A: Payments will typically be paid out within 30-days of approving the request.

#### How many times can you claim Damage Fund reimbursement on the same resident?

A: There is no limit on how many times you can apply but we can only pay up to \$3,000 in Damage Fund reimbursement for each Section 811 household.





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# If the carpet is being replaced due to the life span and damages of the carpet does that still not apply?

A: No. If you were already going to replace the carpet this would not be considered over the "normal wear and tear" and therefore ineligible for Damage Fund reimbursement.

# Are we requesting the reimbursement to the Program if they do not have a deposit? Or, do we have to attempt to collect from them first and then reach out to the Program?

A: We do not pay funds for the security deposit. If the tenant is unable to pay the security deposit in a one-time payment, the HUD Handbook 4350.3 6-15(H) states, "The owner may collect the security deposit on an installment basis." For damage reimbursements, the tenant's security deposit (if any) is applied toward the damage cost before the damage assistance funds are. See the question and answer below.

# How would you apply the deposit on a current HH when applying for Damage Funds?

A: The first nine questions of the Damage Fund Reimbursement Request Form detail how to apply the security deposit. The form then calculates the remaining balance that may be requested after the security deposit has been applied.

<ol> <li>Enter the security deposit amount listed in paragraph 6 of the Project Rental Assistance Demonstration Lease - Supportive Housing for Persons with Disabilities (form HUD-92236-PRA)</li> </ol>	
2. Enter the security deposit amount actually collected from the tenant	
3. Enter the greater of lines 1 and 2	9
4. Enter the pet deposit amount collected from the tenant	
5. Enter other money collected for unpaid damages (from tenant, etc.).	;
6. Enter the interest earned on the security deposit	
7. Total amount collected. Add lines 3 through 6.	:
8. Enter the amount of fees paid on the interest bearing account incurred between Tenant Move in and Date Tenant Vaca the Unit	eted
9. Net Amount Collected. Subtract line 8 from 7	

