

REMINDER: HTC and HOME PY 18 Due Dates

DUE BY 5 p.m. on FRIDAY, FEBRUARY 15, 2019: LIHTC and HOME annual Owner Reports

- Owner 2018 CHART Authorization & Owner Certification
- 2018 HTC-12 Annual Owner Certification of Continuing Program Compliance (use the 2018 CHART tab)
- 2018 CHART (Use the 2018 CHART User Guide to review accuracy and completeness before submission)
- 2018 HOME Owner Certification **HOME Project Compliance (use the 2018 CHART/HOME CHART tab)**
- 2018 HOME Report shell **(for HOME projects in Dakota, Hennepin and St. Louis Counties)**

See the home page on AHC's website www.ahcinc.net for details

Compliance Monitoring during 2019

You will notice a couple of differences in how AHC conducts its monitoring during 2019!

We have adopted a "Portfolio Manager" approach to our workload. Each AHC staff person has an assigned workload by management company portfolio and will be the "Lead" for all projects within that portfolio, whether HOME, LIHTC, or combined. We will notify each management company of their Portfolio Manager by early March 2019. Exceptions: Lyn Burton will continue to be the Lead for new LIHTC projects as well as for LIHTC projects in their first or second year of monitoring and Valerie Bell is now the Lead for all NSP funded projects. Naomi Hrnir will continue as the Lead for FDIC projects.

Also new this year is the implementation of "Discrepancy Reports" as a compliance review tool. These reports were used internally last year as an initial screening tool for CHARTs. By making some tweaks and enhancements to the Discrepancy Reports and to our database, we now are able to use these reports as a more integral part of our monitoring process.

If discrepancies are found, the CHART will be returned as apparently Noncompliant (Inaccurate or Incomplete annual Owner Report), and we will ask you to correct and/or clarify discrepancies, either by correcting CHART or by submitting documentation to support changes. Incomplete or inaccurate HTC-12 Annual Owner Certification of Continuing Program Compliance also will be returned as apparently Noncompliant. *Failure to make the necessary corrections or provide documentation to support changes in LIHTC Reports may result in reportable noncompliance and issuance of Form 8823.*

PY17 Sublocator Monitoring Activity Reports

AHC recently submitted reports to Minnesota Housing summarizing our LIHTC monitoring activity completed during 2018 on behalf of Sublocators, including copies of all IRS Forms 8823 filed by Sublocators. This is an annual report that, combined with Minnesota Housing's activities, is submitted to the IRS. The following are the totals submitted:

Minneapolis CPED: 104 projects, 9825 total units, 8856 LIHTC units, 308 units with corrected noncompliance.

City of Rochester: 2 projects, 126 total units, 126 LIHTC units, no units with reportable noncompliance

City of St. Cloud: 8 projects, 385 total units, 379 LIHTC units, no units with reportable noncompliance

St. Paul PED: 68 projects, 6394 total units, 5613 LIHTC units, 60 units with corrected noncompliance

Washington County CDA: 24 projects, 1672 total units, 1626 LIHTC units, 236 units with corrected noncompliance

Grand total: 206 projects, 16,754 total units, 16,646 LIHTC units, 604 units with corrected noncompliance

Utility Allowances, Effective January 1, 2019

Utility Allowances have been updated by the Minneapolis PHA, Olmstead County HRA (applies to Sublocator projects in the City of Rochester), St. Cloud HRA, Saint Paul PHA, and Washington County HRA). All were effective January 1, 2019 and must be implemented within 90 days: **April 1, 2019**. For LIHTC tenants, if a UA increase results in the Tenant Paid Rent (tenant rent + UA + other required charges) exceeding the LIHTC maximum, the tenant portion must be decreased within the 90-day implementation period. For HOME tenants, any decrease must be implemented with lease renewals.

Saint Paul HOME UA Schedule (Post-2013 HOME projects)

The City of Saint Paul just released a new utility allowance schedule for HOME assisted projects in Saint Paul that received HOME funding on or after August 20, 2013. The new UA schedule for post-2013 HOME projects is effective **March 1, 2019**. Pre-2013 HOME projects will continue to use the UA schedule published by the Saint Paul PHA, effective January 1, 2019.

Please forward this to anyone in your organization you believe would benefit.

Copyright © 2017 Affordable Housing Connections. All rights reserved.

400 Selby Avenue, Suite B | Saint Paul, MN 55102

651-222-8319 | ahc@ahcinc.net | www.ahcinc.net

