



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OCT - 4 2006

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

MEMORANDUM FOR: All Multifamily Hub Directors
All Multifamily Program Center Directors
All Multifamily Operations Officers

FROM: 
Charles H. Williams, Deputy Assistant Secretary for
Multifamily Housing Programs, HT

SUBJECT: Project Based Section 8 Contract Portfolio Review

In order for the Department to accurately forecast Project Based Section 8 budgetary needs in a more cost efficient and effective manner, the Office of Housing is conducting a review and analysis of the current methodology for budgeting and allocating appropriated funds for the Project Based Section 8 contract portfolio.

The first phase of the review requires the validation of **all** supporting contract documents for the Project Based Section 8 contract portfolio. The major objective of this review will be to validate the database of current Project Based Section 8 contracts, including validation of information on contract status (i.e., active, suspended, terminated, etc.), number of units, bedroom types and current unit rent.

The Department has contracted with the firm of Drayton, Drayton and Lamar, Incorporated (DDL) to conduct the validation and perform an analysis of the current database of Project Based Section 8 contract data. In order for DDL to validate the portfolio, we are requesting supporting documentation for the entire universe of Project Based Section 8 contracts, including those administered by: [1] HUD staff [2] Performance Based Contract Administrators (PBCAs) and [3] Traditional Contract Administrators (TCAs).

The supporting documentation being requested is as follows:

Contract Administrator	Action Requested	Required Supporting Documents
HUD	<p><u>Multifamily HUD Office:</u> Copy specified documents from HUD files for all Project Based Section 8 contracts and mail to shipping address below.</p>	<p>(1) Current Exhibit A to HAP Contract, Identification of Contract Units and Rents (as amended to reflect current rents) (2) Current Signed and Executed Rent Schedule (form HUD-92458)</p>
PBCA	<p><u>Multifamily HUD Office:</u> Communicate response requirement to PBCA and coordinate/confirm PBCA completion.</p> <p><u>PBCA:</u> Copy specified documents from PBCA files for all assigned Project Based Section 8 contracts and mail to shipping address below.</p>	<p>(1) Current Exhibit A to HAP Contract, Identification of Contract Units and Rents (as amended to reflect current rents) (2) Current Signed and Executed Rent Schedule (form HUD-92458)</p>
TCA	<p><u>Multifamily HUD Office:</u> Communicate response requirement to TCA and coordinate/confirm TCA completion.</p> <p><u>TCA:</u> Copy specified documents from TCA files for all assigned Project Based Section 8 contracts and mail to shipping address below.</p>	<p>(1) Annual Contributions Contract (ACC) (2) Current Housing Assistance Payments (HAP) contract (3) Current Exhibit A to HAP Contract, Identification of Contract Units and Rents (as amended to reflect current rents) (4) Current Signed and Executed Rent Schedule (form HUD-92458) (5) Administrative Fees: a. Approved budget (form HUD-52673 and form HUD-52672), Supporting Data for Annual Contributions Estimate or, b. Override -indicate administrative fee percentage and total current annual expense.</p>

Note: Exhibit A to the HAP contract does not contain the Section 8 contract number consequently, HUD, PBCA and TCA staff MUST copy page 1 of the HAP contract and staple it to Exhibit A to ensure the inventory data is associated with the correct Project Based Section 8 contract.

In addition, the PBCAs and TCAs will review the Microsoft Excel files containing information on the universe of Project Based Section 8 contracts from the Tenant Rental Certification System (TRACS) which is posted on the Multifamily Housing Section 8 Contractor Administrators website. The Microsoft Excel files are: *Section 8 Rent Distribution and Section 8 Contract List.*

The PBCAs and TCAs will compare the information in the Microsoft Excel spreadsheet to the supporting contract documentation identified in the above table and will complete the following tasks:

1. Create a report that: [a] identifies discrepancies in the contract(s) data in TRACS and the supporting contract documentation and [b] confirms contract data in TRACS matches the supporting contract documentation for each specific contract. The purpose of this report is to identify discrepancies in TRACS contract data and contract documentation and/or certify that the TRACS contract data is 100 percent accurate to the supporting contract documentation.
2. Submit the discrepancy and/or confirmation report to the Hub or Program Center Director; and
3. Fax a copy of the TRACS discrepancy confirmation and/or confirmation report to Peter J. Giaquinto at (202) 619-8321.

Please be advised that the field office staff will be responsible for resolving all discrepancies noted in the discrepancy confirmation report. Therefore, please designate a member of your staff to be the contact person that will provide the PBCAs and TCAs with copy of this memorandum and the attached Submission Checklist. The Submission Checklist must be fully completed and submitted with the supporting documentation to DDL. This Memorandum and Checklist must be sent to the PBCAs and TCAs no later than Tuesday October 10, 2006.

Based on the contractor timetable to accomplish this review and analysis it is imperative that local HUD field office, PBCAs and TCAs complete and return the Submission Checklist and all supporting documents to DDL no later than COB on Monday November 6, 2006.

I request you make every effort to locate and provide the requested supporting contract documentation to DDL. If after all reasonable efforts to locate unavailable document(s) have been exhausted, the unavailable items should be listed on the Submission Checklist. Please note also that the documentation must be submitted by the November 6th deadline regardless of whether all the discrepancies have been cured. To the extent the discrepancies have not been cured, please indicate those contracts that have outstanding discrepancies on the Submission Checklist.

The completed Submission Checklist and all supporting documents should be submitted to DDL at the following address:

Drayton, Drayton and Lamar Incorporated
1100 N. Glebe Road, Suite 650
Arlington, VA 22201
Attn: Project Based Section 8 Portfolio Team Review

Thank you in advance for your cooperation and efforts in completing this important initiative. If you have any questions or need further information, please contact Peter J. Giaquinto at 202-708-0614, ext. 2479 or Peter_J_Giaquinto@hud.gov.