



GUIDANCE & UPDATES FOR HDC PROGRAMS

Last Updated: October 4, 2023

CONTENTS: *(click on topic to be taken directly to section)*

I. APPLICANT PROCESSING AND SUBMISSION

- Audit-Based File Review for units leased through Housing Connect
- Electronic Signatures
- Applicant File Submission and HDC Approval
- Relaxed Documents for LIHTC and Non-LIHTC units
- New York State Supplement Payment Program (SSP)
- Third Party Review
- Non-LIHTC, Non-Federally Assisted Units
- Documenting Online Sports Betting Accounts
- Self-Declaration of Income and Assets
- Asset Verification for Homeless and Supportive Set aside units

II. MARKETING PROCESS CHANGES

- Applicant Concessions
- Voluntary Homeless Preference

Applicant Processing and Submission

Audit-Based File Review (Added 10/4/2023)

****The Following Section is Applicable for Applications Received via Housing Connect 2 Only****

Effective 10/3/2023

To further streamline the HPD/HDC marketing and leasing process, both agencies are no longer performing an upfront review of applicant files. Instead, we will be conducting audit-based reviews on a percentage of randomly selected files after tenant selection for the lottery has been completed.

For streamlined and prompt approval we ask that agents remember to update applicant statuses within Housing Connect 2 as accurately and expeditiously as possible. Please reference the chart below which highlights what parts of the existing process are subject to change under the audit-based review.

Previous Process	Audit-Based Review Changes
Upfront file review by agency prior to approval	Agency to conduct file review post initial lease-up in place of upfront review
Agency issued approval letters	Agency will change applicant status within HC2 to indicate applicant status in place of former approval letters
Agency reviews and ensures order of processing requirements	Not Affected
Appeals to be reviewed within 5 business days of receipt	Not Affected
Applicant files to be submitted to agency via files@nychdc.com	Not Affected
Files submitted for Homeless Referrals and Supportive Housing applicants	File submission no longer required. Agency will request information on final homeless and supportive tenants selected after initial lease-up

Electronic Signatures: (added 3/20/2020)

HDC is providing guidance on electronic signature requirements for all of our programs, in particular for the Low-Income Housing Tax Credit (LIHTC) program. Electronic signatures are acceptable for initial certifications as well as ongoing recertifications so long as these signatures adhere to the standards outlined on the attached 10.10.1 IRS Electronic Signature (e-signature) Program memorandum. These include, but may not be limited to:

- The signer(s) using an acceptable form of electronic signature(s)
- The signer(s) consenting to the electronic signature(s) protocol
- The electronic signature(s) being attached to or associated with the electronic record being signed
- There is a means to identify and authenticate the person(s) as the signer(s)
- There is a means of preserving the integrity of the signed electronic record

When using electronic signatures, Owners and Agents must continue to ensure that they collect all required supporting documentation for initial certifications and/or ongoing recertifications and that certifications are made under the penalty of perjury.

Note: Though managers may choose to implement an e-signature process, this process cannot be mandatory. Applicants and tenants who have limited electronic access may not be penalized or bypassed. As such, owners must either continue to provide an alternative to electronic signatures (ink signatures) that complies with all Federal, State and Local safety guidance, or ensure that units are held for any applicant until such time that the City can resume normal business practices.

Applicant File Submission and HDC Approval: (added 3/20/2020)

In order to minimize face to face interactions with applicants and tenants, please note the following:

1. Electronic signatures are permitted for all file documents as long as they adhere to the attached IRS guidance. Should this not be possible,
2. HDC has waived applicant signature requirements on documents submitted for HDC review (i.e. Tenant Income Certification (TIC), Asset Certification, etc.). All other applicant file protocols will remain in place. Should the file otherwise appear to meet eligibility criteria, HDC will issue a contingent approval letter. (Contingent approvals are conditioned on management confirming eligibility and ensuring that all documents are properly executed and notarized prior to lease signing.)

Relaxed Documents for LIHTC and non-LIHTC units (added 4/20/2020)

A reduced checklist of documents required for verifying student status, income, and assets will be implemented immediately (see Attachment L-1) for LIHTC and Federally assisted affordable units. These changes, combined with the ability to obtain documentation electronically, should accelerate the intake process while encouraging social distancing and optimizing safety for all. The agencies reserve the right to request additional information should the documentation provided be insufficient to make a reasonable determination of eligibility. As always, Owners are responsible for ensuring that eligibility is

properly documented in the tenant file in accordance with the policies, procedures, and statutory requirements of the program.

New York State Supplement Payment Program (SSP): (added 6/9/2020)

SSP provides state-funded financial assistance to most aged, blind, and disabled individuals as part of their monthly Supplemental Security Income (SSI) benefit. An award letter from NYS-OTDA is the ideal method of verifying this income. However, we have been made aware that this form is often not easily obtained. As such, below are alternative acceptable methods of verification that would adequately document an applicant's SSP payments:

- Current SSP check stubs with date, amount, and check number indicating the amount paid, or
- Banking information that evidences the SSP payments, or
- Utilizing the SSI and SSP Maximum Benefit Levels Chart, accompanied by a notarized self-declaration, to project the SSP payments.
- If the SSP income benefit for an SSI recipient is zero, a notarized self-declaration is required to affirm that no income from SSP is received.

Award letters can be obtained via fax through NYS-OTDA's fax #: 518-486-3459. Please also see attached the most recent SSI/SSP Benefit Level Chart effective January 1, 2020, for additional reference. This chart can be found on NY's OTDA website: <https://otda.ny.gov/programs/ssp>

Third Party Review (updated 7/14/2020)

For projects leasing outside of Housing Connect and that are utilizing a third-party consultant to verify the agent's income and eligibility certification prior to submission to the agencies, HPD and HDC will waive the agency file review upon submission of an affirmation of eligibility from the third-party reviewer. The agency will continue to review compliance with lottery procedures to ensure that applicants are processed in the appropriate order and are afforded all of the protections outlined in the Marketing Handbook. This change will reduce agency review of approved applicants from 5 to 2 business days.

HDC requires that complete applicant files be submitted to the agency. Complete applicant files are required by HDC for ongoing compliance functions. The agency's review of these files will continue to be expedited for projects that are utilizing a third-party consultant to verify the agent's income and eligibility certification before submission to HDC.

In addition to taking note of the Third-Party Review Affirmation, HDC will perform periodic internal audits of third-party file submissions. In this manner, HDC will ensure that owners and agents are adhering to the requirements detailed in the agency's marketing guidelines, as required under the development's Regulatory Agreement.

Agents should continue to indicate that a file has been reviewed by a Third-Party Reviewer by including the following in submissions to HDC:

- File submission cover email must note "Third-Party Certified."

- A certification from the third-party reviewing service indicating income eligibility in the attached “THIRD-PARTY CONSULTANT CERTIFICATION OF ELIGIBILITY” form on the third-party consultant’s letterhead.
 - *A third-party reviewing service may use its own form as long as the form includes all information requested in the attached “third-party consultant certification of eligibility” form.*
- The complete applicant file. (Please endeavor to scan the Cover Letter/Memorandum (Attachment L-2), AIF (Attachment M), TIC (Attachment L-3), and letter/certification from third-party service indicating income eligibility as the first documents of the file).

This change will not impact the agency’s review time of third-party reviewed applicant files, which will remain at two business days.

Non-LIHTC, Non-Federally Assisted Units (revised 8/18/2020)

All applicants with rental subsidy being processed for non-LIHTC and non-Federally will not be subject to further income documentation requirements. The voucher eligibility determination will serve as qualifying evidence of eligibility for the affordable unit. No further income documentation will be collected by HPD, HDC, or the marketing agent. This policy applies to all applicants and referrals with CityFHEPS rental assistance and Section 8 Housing Choice Vouchers processed for non-LIHTC and non-Federally assisted affordable units overseen by HPD or HDC, including capitably financed units, units subject to a standalone tax exemption, and standalone Inclusionary Housing units, among others.

For clients being processed for CityFHEPS, eligibility for the subsidy is not confirmed until after the landlord package is submitted to HRA, therefore, HDC has changed the file submission protocol so that these files may be submitted to HDC *after* the client has been issued the Rental Assistance Approval Notice. Prior to lease signing, the agent is to submit the following documents to HDC:

- Cover Letter/Memorandum (Attachment L-2) – Must indicate Homeless in the preference column
- AIF (Attachment M) – Subsidy portion must identify the subsidy type
- TIC (Attachment L-3) – The full SS # of all adult HH members must be included
 - The income section may reflect “As determined by DSS/HRA to be below 60% AMI”
- Copy of CityFHEPS Landlord Approval Notice or S8 voucher
- Copy of HPD Homeless Housing Application (if applicable)
- Signed authorization to release information form (Attachment R-5)

For any files submitted to the agency for approval, please ensure that the file submission cover email and subject line indicate “Homeless Preference Non-Tax code” to allow the agency to identify the file is not subject to income documentation requirements.

Documenting Online Sports Betting Accounts and Self Declarations (issued 6/16/2022)

Since the legalization of online sports betting in New York state, HUD has confirmed that any balance held in an online sports betting account must be treated as an asset as the balance may be converted to cash. The current balance of the account may be verified by an account statement or a snapshot from the

application. The balance in these accounts must be listed in Part II (Nontraditional Electronic Account section) of Attachment T and added to the TIC.

Consistent, recurring, and/or regular withdrawals made from the account (excluding the amounts invested) must be counted as income from the asset if it can be determined that the applicant is engaging in routine gambling.

[Self-Declaration of Income of Assets \(issued 6/16/2022\)](#)

To further streamline documentation requirements owners and may use the self-declaration of income or asset forms to support stale documents, for applicants receiving benefit income as it may be difficult to obtain copies of updated award letters or bank statements. To ensure compliance with HUD's requirements, these certifications must be supported by a stale document and must include an explanation as to why a third-party verification was not obtained for the certification to be valid.

As a reminder, all known income and assets that may affect eligibility must be verified in order to establish a unit as a qualified unit, and the household's eligibility must be properly documented. A unit will be considered out of compliance if the initial tenant income certification is inaccurate, documentation of initial eligibility is insufficient, or no initial tenant file is on record.

[Homeless/Supportive - Documenting Assets \(issued 10/19/2022\)](#)

As part of HPD and HDC's ongoing efforts to reduce barriers to housing for homeless households, HDC has relaxed the backup asset documentation requirements noted in the Marketing Handbook.

For individuals and families referred by HPD or HRA to predesignated homeless units only and with assets below \$5,000, documentation collection will adhere to the Low-Income Housing Tax Credit (LIHTC) requirements. Supporting asset verification documents will not need to be collected. All adult members of the household must continue to accurately complete the attached Attachment T: Certification of Assets. This form must disclose both the specific assets and any applicable interest rate to satisfy the asset documentation requirements of the program.

Marketing Process Changes

[Applicant Concessions \(added 4/20/2020\)](#)

Owners may consider offering rental concessions, such as eliminating first month's rent and/or security deposit for approved applicants. Where the first month's rent is eliminated, the minimum income

requirement will re-calculated based on the year's net rent, increasing the marketing band and, ultimately, the number of applicants deemed eligible. Increasing the number of eligible applicants can expedite the lease up of the project. Likewise, eliminating the security deposit removes barriers for applicants to accept a unit for which they have been approved.

If a rental concession is being offered and the first month's rent is being eliminated, please inform your Marketing Project Manager so that the minimum income calculations for the project may be adjusted.

[Voluntary Homeless Preference \(added 4/20/2020\)](#)

An owner may elect to remove units from lottery and contribute them for homeless referrals. This would be a one-time preference and would not need to be maintained at re-rental. Although previously marketed units could be re-designated for this homeless preference, units that have lottery applicants in process cannot be offered. To initiate this process, an updated Attachment U indicating which units are being re-designated as homeless, along with confirmation that there are no lottery applicants in process for these units, must be submitted to your Marketing Project Manager.