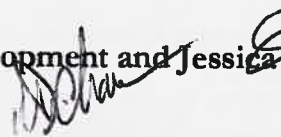


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PROGRAM BULLETIN

Date: November 6, 2018

To: NOP Operating Fund Program Recipients

From: Michael DiChiaro, Assistant Director of Development and Jessica Mowry, Assistant Director of Leased Housing 

Subject: Revised procedures for submission of requisitions for NOP funds

Bulletin #: 2018-08

RIHousing's Multi-Family Asset Management and Compliance department has recently assumed responsibility for administering all payment requisitions submitted for Neighborhood Opportunities Program (NOP) operating funds. Procedures for submission of NOP requests have been revised and are detailed in this bulletin.

Effective immediately, all quarterly requests for NOP operating funds must be e-mailed to NOP@rihousing.com and must include a completed *Quarterly Subsidy Payment Request* form. Please include the following documents with your requisition:

- Account General Ledger to reconcile all accrued operating income and expenses (including payments for debt service) submitted in the quarterly NOP request. (Note: Bad debt expenses and fees assessed to the development as the result of late payments to vendors, including utility providers, are not eligible for reimbursement.)
- Current Resident Ledger to reconcile all rental income included in the quarterly NOP request.
- Current occupancy report that shall, at a minimum, include move-in date, last certification date, current gross income, gross rent, tenant rent, subsidy and utility allowance for each NOP unit. This information will be used by RIHousing to confirm that the appropriate rent is being charged to residents of NOP units. (Note: If you currently submit occupancy information for NOP units through RIHousing's online tenant data portal (Web Tenant Compliance), the requirement for submission of a separate occupancy report shall be waived.)
- Clear explanation supporting any and all discrepancies between the income and expenses submitted on the requisition and those reflected on the ledger.
- Assessed late rent or damage fees may be excluded as income in the NOP requisition until the funds are actually collected.

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A vacancy allowance of 5% should be applied to the gross potential rent for each quarter on all requisitions regardless of whether actual vacancies were experienced. The NOP requisition forms are being revised to include a line for this calculation and will be distributed separate from this program bulletin.

The NOP program requires a minimum monthly rent (currently \$237 for permanent supportive housing units and \$525 for family housing units). RIHousing recognizes that there may be occasions in which these minimum rents conflict with other housing programs that are utilized at some properties. If, due to conflicting program requirements, a resident in a NOP unit is paying an amount less than the minimum NOP rent, RIHousing will complete its analysis by projecting operating deficits under the assumption that the minimum NOP rents are being charged. Your NOP subsidy requisition should also reflect the deficit calculation in this manner.

For any quarter in which you determine that property operations did not result in a fiscal deficit, in lieu of submitting a formal NOP requisition, please provide RIHousing with a copy of your ledgers detailing all income and expenses for the quarter. This information should also be submitted via e-mail to NOP@rihousing.com and will be retained by RIHousing and utilized to reconcile future requests for funds.

As you are likely aware, NOP funding for your development will expire upon the later of the compliance period or depletion of the operating reserve account. Following the end of NOP operating assistance, the formerly NOP assisted units may be leased to households with incomes at or below 50% of AMI for the remaining term of the agreement, typically 10 years. We recommend that you assess operations at your development and consider exploring options for project basing rental units to serve extremely low-income households through a mainstream federal subsidy program, such as HUD's Housing Choice Voucher Program or HUD Section 811 Demonstration. If NOP units are leased to these households prior the depletion of operating funds, please notify the appropriate RIHousing staff member listed below of the reduction in NOP subsidized units at your property.

Please note that upon depletion of NOP operating funds, NOP requisition forms no longer need to be submitted, but an occupancy report must continue to be submitted quarterly until the end of the NOP affordability period. They will be retained as evidence of continued compliance with the NOP program regulations outlined in the agreement.

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Please feel free to contact the following members of the Asset Management team should you have any questions.

- For questions on NOP requisitions for developments that also had been awarded low income housing tax credits, please contact Renelder Duncan at rduncan@rihousing.com
- For questions regarding NOP requisitions for all other developments, please contact Kate Mashburn at kmashburn@rihousing.com
- For general questions related to the NOP program, you may contact:
 - Susan Halloran at shalloran@rihousing.com
 - Michael DiChiaro at mdichiaro@rihousing.com
 - Jessica Mowry at jmowry@rihousing.com
- For information regarding RIHousing's project-based voucher program, contact Charles Francis at cfrancis@rihousing.com
- For information regarding the HUD Section 811 Demonstration, contact Jessica Mowry at jmowry@rihousing.com.