

MEMORANDUM OF AGREEMENT
BETWEEN THE
HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
AND THE
MILWAUKEE COUNTY SECTION 8 VOUCHER PROGRAM
FOR
RENT REASONABLENESS DETERMINATIONS

The Housing Authority of the City of Milwaukee (HACM), a Wisconsin public housing agency, is entering into the Rental Assistance Demonstration (RAD) Program, converting the federal financial assistance it receives to long-term Project Based Voucher (PBV) assistance, under the authority provided by 24 CFR § Part 983, and §8(o)(13) of the United States Housing Act of 1937.

In accordance with 24 CFR Part 983, HUD PIH Notice 2012-32 and the PBV Housing Assistance Payment (HAP) Contract, HACM is required to hire an Independent Entity, approved by the Department of Housing and Urban Development (HUD), to conduct Rent Reasonableness Determinations. Milwaukee County, and its Section 8 Voucher Program, is such an Independent Entity; and

HACM and the Milwaukee County Housing Choice Voucher Program (County) hereby agree that they will work jointly in an effort to ensure rent reasonableness in HACM owned PBV developments; and

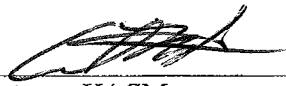
HACM will provide County with detailed unit information including any changes or updates before the Rent Reasonableness test is conducted each year. The detailed unit information includes current contract rent, unit bedroom size, utilities and amenities included in the rent, improvements/maintenance/rehab activities performed during the year, and a Rent Schedule for the entire building, including unassisted units in the building or premises, for which rent reasonableness tests will be conducted. A copy of recent HQS/UPCS inspection reports completed for each unit type to be tested for reasonableness will also be provided by HACM; and

Under RAD, rent adjustments are made on the contract anniversary date for all PBV units. At least 120 days before the contract anniversary date, the County will utilize form HUD-9625 worksheets (attached here as Exhibit A) for all units needing rent reasonableness determinations. Adjusted rents may not exceed the lower of the reasonable rent, or the contract rent increased by the operating cost adjustment factor (OCAF), except if the rent increase would result in a rent below initial rents. Rents must not fall below the initial contract rent; and

Annually, during the term of the HAP contract, the County shall provide a Rent Reasonableness Determination in accordance with the law and HUD requirements. HACM must retain documentation of how reasonable rent was determined by the County and furnish copies of the determinations to the local HUD field office; and

The County will employ resources as needed to perform the Rent Reasonableness Determination and HACM will pay \$70.00 per hour for each initial test and \$60.00 per hour for subsequent annual tests; and

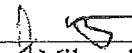
This agreement will become effective upon execution by both parties and will continue for twenty (20) years at which time HACM may request an extension subject to County approval.



Signature - HACM
Antonio M. Pérez
Secretary-Executive Director

3/01/17

Date - HACM

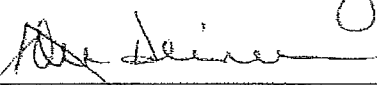


Signature - Milwaukee County
James Mathy
Housing Administrator

2/27/17


Date - Milwaukee County

Approved as to form and content
this 27th day of February, 2017.



John J. Heinen
Assistant City Attorney

Approved as to form and execution
this 15th day of March, 2017.



John J. Heinen
Assistant City Attorney

1031-2017-393:237132

OCAF Rent Adjustment Worksheet

Multifamily Section 8 Contracts

U.S. Department of Housing
and Urban Development
Office of Housing

OMB NO. 2502-0533 (exp. 11/30/2012)

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L. 100-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Project Name:

Project Address:

Project Owner

FHA Project No.

Total Units in Project:

Total Section 8 Units in Project

Date of Submission:

Date Received by HUD:

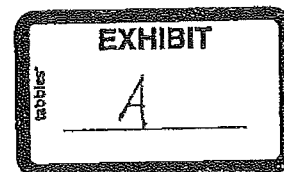
Step 1:

Calculate the current Section 8 Rent Potential for EXPIRING contracts

(A)	(B)	(C)	(D)
Unit Type and Contract and/or Stage	# of Units	Current Section 8 Contract Rents	Current Section 8 Rent Potential (B x C)

(E) Monthly Expiring Section 8 Contract Rent Potential
(Total of column D)

(F) Annual Section 8 Rent Potential for Expiring Contracts
(B x 12)



Step 2:

Calculate Increase Factor Adjusted by OCAF for Expiring contracts

(G)	Total Annual Rent Potential For Non-Expiring Section 8 Contracts	
(H)	Total Annual Rent Potential For Non-Sec. 8 Units	
(I)	Total Annual Project Rent Potential (F + G + H)	
(J)	Expiring Section 8 Portion of Total Project Rent Potential (F ÷ I)	
(K)	Total Annual Project Debt Service	
(L)	Annual Expiring Section 8 Share of Debt Service (J x K)	
(M)	Annual Expiring Section 8 Potential Less Expiring Sec. 8 Share of Debt Service (F - L)	
(N)	OCAF Adjustment	
(O)	Annual Expiring Section 8 Rent Potential Attributed to Operations Multiplied by Published OCAF (M x N)	
(P)	Adjusted Contract Rent Potential (L + O)	
(Q)	Lesser of (P) or Comparable Rent Potential From Rent Comparability Study	
(R)	Increase Factor (Q ÷ F)	

Step 3:

Calculate OCAF Adjusted contract Rent Potential for Expiring Section 8 contracts ONLY

(S)	(T)	(U)	(V)	(W)	(X)
Unit Type and Contract and/or Stage	# Units	Current Contract Rents	OCAF Adjusted Rent (R x U)	Annual Adjusted Rent (V x 12)	Adjusted Annual Rent Potential (T x W)

(Y) Annual Adjusted Rent Potential of the Expiring Contracts(s)
(total Column X):

I (We) hereby certify that the statements and representations contained in or accompanying this instrument are true, accurate and complete to the best of my (our) knowledge and belief.

Project Name: _____

Owner's Name: _____

Owner's signature: _____ Date: _____

WARNING: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to: (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R. parts 24, 28 and 30.