Ohio 811 PRA Program Vacancy Payment Policies

I. Background

The Fiscal Year 2013 Section 811 Project Rental Assistance (PRA) Program Cooperative Agreement between the U.S. Department of Housing and Urban Development (HUD) and the Ohio Housing Finance Agency (OHFA) provides guidance on the use of vacancy payments between OHFA and owners participating in the Ohio 811 PRA Program. Section XV (H), “Special Claims,” notes that,

“Grantees can determine whether to include payment of vacancies for Owners of 811 PRA multifamily developments, but in no case may vacancy payment exceed 80% of contract rent for up to 60 days for each vacancy.”

OHFA will provide vacancy payments to owners participating in the Ohio 811 PRA Program should the following circumstances occur: (1) at initial occupancy when an Ohio 811 PRA-eligible tenant (811 Tenant) is unable to be matched with a unit; and (2) after tenant move-out when a new 811 Tenant is unable to be matched with the unit.

The following policies outline the two vacancy payment scenarios.

II. Vacancy Policies

a. Initial Occupancy Vacancy

1. At least ninety (90) days before an Ohio 811 PRA Qualified Unit (811 Unit) is placed in service; the owner/property manager must notify the 811/ODMSD Coordinator of the available unit on a form supplied by OHFA. The notification will trigger a match with an 811 Tenant for the available unit.

2. If a tenant match has not been made and (1) the 811 Unit has been placed in service and (2) at least 90 days has elapsed since the notification to the 811/ODMSD Coordinator, the owner may make a claim for a vacancy payment for the 30-day period following its placed-in-service date.
3. The vacancy payment is calculated as 80% of the daily contract rent for that unit multiplied by the number of days that the unit remains vacant, up to a maximum of sixty (60) days.

4. The ODM Waitlist Manager will continue to find qualified 811 Tenants during the vacancy. The owner/property manager must make a good-faith effort to lease the unit to a prospective 811 Tenant or household as quickly as possible.

5. An 811 Unit that remains unleased to a qualified 811 Tenant after 60 days of vacancy payments may then be rented to any tax credit qualifying tenant according to the owner/property manager’s Tenant Selection Plan. If the number of 811 Units falls below that required by the project as defined in Exhibit I of the Rental Assistance Contract, (RAC) the next available unit must be held as an 811 Unit until the required number of 811 Units is met.

b. After Move-Out

1. The owner/property manager must notify the 811/ODMSD Coordinator of the date when an existing tenant will vacate the unit immediately after the date is made known to the owner/property manager. The notification will provide the ODM Waitlist Manager with lead time to trigger a match with an 811 Tenant for the available unit. The owner/property manager must also notify the 811/ODMSD Coordinator when the unit is rent ready.

2. If the unit is rent ready, and at least 30 days have elapsed after the vacancy notice from the owner/property manager, and a tenant match has not been made, the owner may make a claim for a vacancy payment for the 30-day period following rent readiness.
   a. The owner must provide a copy of the security deposit disposition notice provided to the vacating tenant which indicates the move-out date, amount of security deposit collected, amount of security deposit returned and any charges withheld from the deposit for unpaid rent, tenant damages or other charges due under the lease, and any additional information required and requested by OHFA to verify that the owner is entitled to the vacancy payment.
3. The vacancy payment is calculated at 80% of the daily contract rent for that unit multiplied by the number of days that the unit remains vacant, up to a maximum of sixty (60) days.

4. The ODM Waitlist Manager will continue to find qualified 811 Tenants during the vacancy. The owner/property manager must make a good-faith effort to lease the unit to a prospective 811 Tenant or household as quickly as possible.

5. An 811 Unit that remains unleased to a qualified 811 Tenant after 60 days of vacancy payments may then be rented to any qualifying tenant according to the owner/property manager’s Tenant Selection Plan. If the number of 811 Units falls below that required by the project as defined in Exhibit I of the Rental Assistance Contract, (RAC) the next available unit must be held as an 811 Unit until the required number of 811 Units is met.