

Matrix of Alignment Proposals

| Pilot Proposals | | | | | |
|-----------------|--|--|--|--|---|
| ID | Title and Lead Agency | Summary | Estimated Direct Costs | Estimated Governmental Savings/Benefits | Estimated Private Party Savings/Benefits |
| 1 | Physical Inspection – Pilot (6 States) USDA-RD | <p>One federally-sponsored visit to each property with standard sampling size, intervals, and inspector qualifications.</p> <p>Accomplished by:</p> <ol style="list-style-type: none"> 1. Expanding REAC to be used for all UPCS inspections on federally-assisted properties; or 2. Adjusting REAC input methods to allow for non-REAC inspections to be ‘read’ into the system | \$270,000 (Funded through HUD-REAC) | Fewer physical inspections performed; potential cost savings of up to \$440,000 in the first year of the pilot. | Reduced staff time, travel costs, and increased attention to regular duties; potential cost savings of up to \$18 million in the first year of the pilot. |
| 1a | Physical Inspection National Implementation USDA-RD/HUD-PIH | <p>One federally-sponsored visit to each property with standard sampling size, intervals, and inspector qualifications.</p> <p>Accomplished by:</p> <ol style="list-style-type: none"> 1. Expanding REAC to be used for all UPCS inspections on federally-assisted properties; or 2. Adjusting REAC input methods to allow for non-REAC inspections to be ‘read’ into the system | \$120,000-\$1,080,000 depending on ultimate solution (Potentially funded through TI funds) | Fewer physical inspections performed; potential future cost savings of up to \$4.8 million annually on the current stock of CF properties. | Reduced staff time, reduced travel costs, and increased attention to regular duties; potential cost savings of up to \$42 million annually on the current stock of CF properties. |
| 2 | Subsidy Layering Review – Pilot (7 States) USDA-RD | State-level MOUs will be entered into between HUD, USDA-RD, and HFAs that identify standard procedures for SLR delegation and information sharing. | None | Fewer subsidy layering reviews performed. | Improved transaction completion time and reduced risk of closing delays. |

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| 2a | Subsidy Layering Review National Delegation of Protocols USDA-RD | MOU will be entered into between HUD, USDA-RD, and HFAs that identifies standard procedures for SLR delegation and information sharing. | No direct costs; SLRs are already being conducted by HFAs, and the basic product are agreements or MOUs. | Fewer subsidy layering reviews performed. | Improved transaction completion time and reduced risk of closing delays due to slow approvals. |
| 2b | Subsidy Layering Review National Standardization of Protocols USDA-RD | Agree on a standard set of SLR facts and protocols for sharing findings between all federal funders and the LIHTC allocating agencies. | TBD | Consistent reporting of facts leads to faster and better informed decision-making, as well as savings due to less frequent over-subsidization. | Quicker transactions and reduced risk of complications due to slow approvals. |

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| 3 | Capital Needs Assessment HUD-MF | <ol style="list-style-type: none"> Develop and implement a new, single CNA template tool for use by Agencies that administer housing programs that require CNAs; and Develop a set of common minimum professional qualifications standard for providers of CNAs. | The total cost to design, develop, implement, provide training, and maintain the CNA template tool would be approximately \$1.0M - \$1.5M. (Potentially funded through TI funds) | Simplified coordination and updates to the Agencies' CNAs as requirements change. The cost/benefit and life cycle analyses will ultimately create utility savings within the \$6 billion that HUD and USDA-RD expend on utility costs annually. | 10%-20% savings per transaction to the cost of the comparable CNA assessment and report, primarily due to the efficiencies of a standardized assessment approach. Estimated savings of \$3M/year. |

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| 4 | Common Energy Efficiency Standards Department of Energy HUD-OSHC | Promulgate Energy Efficiency standards for: <ol style="list-style-type: none"> 1. Newly constructed and ‘gut rehabilitations’ of single family and multifamily rental housing; 2. Newly constructed single family and multifamily rental housing; 3. Substantial or moderate rehabilitation of multifamily rental housing; 4. Lighter retrofits or continuing capital improvements of multifamily rental housing. | None. | Significant savings associated with reduced long term energy expenditures (e.g. HUD Green Retrofit Program realized \$12 million in annual utility costs on 20,000 apartments in 221 properties). | Energy Star for Homes standard or similar may add 2.1 percent to average total project costs, but present value of realized lifecycle savings are significantly larger. |
| 5 | Appraisal Primer HUD-MF | Work with the Appraisal Institute to develop and publish a primer as a learning tool among agencies and industry participants to address specific affordable housing valuation issues and minimize the likelihood of varying appraisal standards among funding agencies. | None | Improved decision-making and future efficient use of Federal rental housing subsidy resources. | \$5.6 million estimated savings to developer/owners from reduced number of contracted appraisals |
| 6 | Compliance (Fair Housing MOU) HUD-FHEO | Examine the current 1997 HUD-USDA MOU and the 2000 HUD-Treasury MOU relating to fair housing, to create a unified HUD-Treasury-USDA-DOJ agreement | None | Expedited compliance enforcement actions. | None |
| 7 | Reduction in State-to-State Variability for Income Definition Treasury | Resolve state to state variability in execution of LIHTC requirements. | None | None | Eliminate the added cost of staff training and software needed by multi-state operators. |

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| 8 | Grandfathering of HUD/USDA-RD tenants >60% AMI in LIHTC rehab Treasury | Future legislation might grandfather some HUD and USDA-RD tenants who are now over 60% of AMI as required for the LIHTC, but are still eligible under HUD and USDA-RD programs for rental assistance at 80% or less of AMI. | None | Encourages preservation of HUD and USDA-RD affordable units. | Would bring additional equity into projects in which HUD or USDA-RD has an existing investment. |
| 9 | Financial Reporting- RD 515 & Section 8 Properties USDA-RD | Harmonize audit exemption requirements for 515 & S8 properties. 1. HUD-MF modify policy exemption to match USDA-RD; and 2. USDA-RD defers to HUD-MF on financial statement formats and audit guidelines. | None | Reduced audits and reduced audit reviews. | \$6.3M/year through the reduction in audits. |
| 9a | Financial Reporting – Requirements Standardized HUD-PIH | Agree upon standard form for financial statement submission and standard audit guidelines. | HUD-REAC est. up to \$400k-\$500k; USDA-RD est. up to \$200k-\$800k | Federal (HUD and USDA) savings of up to \$1 million annually in foregone systems maintenance. | Multi-program standardization estimated \$14.5 million/year, to property owners/operators. |
| 10 | USDA-RD and HUD-MF Market Study Standards Alignment USDA-RD | Align existing USDA-RD standards to conform to HUD-MF MAP Standards a unified Federal standard which can be made available to HFAs as best practices. | None | Remove duplicative processes between HUD-MF and USDA-RD. Improved real estate decision making and enhanced soundness of public investment. | \$3.5 M estimated to be saved through the reduction in duplicated market studies. |

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| 10a | Support development of 3 rd party market study standard HUD-MF | Support the emergence of any future private sector standard through technical assistance, or other support. | Several HUD staff will spend 20% of work hours available in a year on this project; USDA-RD and other participants will spend significant but perhaps lesser levels of effort | To the extent that decision making is improved, government agencies will see fewer claims on government mortgage insurance funds or other credit enhancements. | Through the reduction in duplicated market studies, the savings to owner/developers would be in the range of \$3.5M. |
| 11 | Improve sharing of data on owner defaults HUD-MF | Improve access to HUD-MF's existing owner default database (APPS). | None, if done as part of anticipated HUD-MF APPS overhaul | Improved decision-making and future efficient use of Federal rental housing subsidy resources. | Faster USDA-RD approvals translate into lower private carrying costs. |
| 12 | Coordination of Income Data Release Dates HUD-PD&R | Coordinate the release of AMI data to align Effective Dates (may require statutory action). | None | None | Simplify the calendar for calculating effective dates regarding AMI. |
| 13 | Standardized Tenant Certification Form Treasury | Provide for a common electronic reporting template for reporting tenant income information. | Requires IT investment (TBD). | Avoids duplicative processing. | Would reduce significant staff cost associated with reporting a given household's status in multiple formats. |