

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.

Additional Alignment Proposals					
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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.