

Part F

Vacancy Losses and Administrative Fees (24 CFR 882.411)

1. Vacancy Loss

Vacancy Loss is a reimbursable expense incurred by the project as a result of the abandonment and/or vacancy of the unit by the participant other than mutual termination or proper notice. Vacancy loss is paid only for those days that the unit remains unoccupied by a participant.

Vacancy loss will be processed on a quarterly basis. Vacancy Loss should be submitted by the last day of the month following the close of a quarter. Operator should submit vacancy loss spreadsheets detailing the vacancy loss for each unit for which a claim is sought. AHFC will verify each claim and will prepare the vacancy loss payments for disbursement on the 1st of the full month following submission.

Quarter	Vacancy Loss Claim Due by:
January – March	April 30
April – June	July 31
July – September	October 30
October – December	January 31

If vacancy loss payments are not submitted to AHFC within two quarters following the end of a quarter, AHFC will not approve the reimbursement.

2. Vacancies After Initial Occupancy

Except for an action by the Operator that violates the Lease, the Contract or any applicable law, if a participant vacates the unit the Operator may receive the HAP due for that part of the month in which the subsidized unit remains vacant. Should the unit continue to remain vacant, the Operator may receive a housing assistance payment in the amount of 80 percent of the Contract Rent for a vacancy period not exceeding one additional month.

The Operator is not entitled to any payment under this paragraph unless the Operator:

- Immediately notifies AHFC of the vacancy or prospective vacancy;
- Takes and continues to take all feasible actions necessary to re-occupy the vacated unit as soon as reasonably possible;
- Does not reject an eligible applicant except for good cause acceptable to AHFC.

If the Operator collects any of the participant's share of the rent for this period, AHFC shall adjust the HAP payment to an amount which, when added to the participant's

share, does not exceed 80 percent of the Contract Rent. The Operator must reimburse any such excess to AHFC.

Flow Chart - Vacancy Loss

If the Operator evicts an eligible participant, the Operator will not be entitled to any payment under this section unless AHFC determines that the Operator complied with all requirements of the Contract.

3. Administrative Fees

AHFC agrees to provide Operator ten percent of the annual administrative fees derived from the Section 8 Moderate Rehabilitation program for services rendered under this Administrative Plan. AHFC shall pay Operator on a quarterly basis by computing the prior quarter earnings received from HUD, multiplied by ten percent. The fourth quarter payment shall take into account any necessary reconciliation in the year-end report submitted to HUD.

Operator does not need to invoice AHFC for the quarterly payment. The AHFC Public Housing Division shall issue a Purchase Requisition for each payment using the Budget Department's quarterly "SRO Budget Management Report" as documentation. The Budget Department shall review the Purchase Requisition and forward to Accounts Payable.

4. Security Deposits

If at the time of the initial execution of the Lease the Operator wishes to collect a security deposit, the maximum amount shall be the greater of one month's Total Tenant Payment or \$50. However, this amount shall not exceed the maximum amount allowable under State or local law. The participant is expected to pay security deposits and utility deposits from its resources and/or other public or private sources.

If a participant vacates the unit, the Operator, subject to Alaska Landlord Tenant Act, may use the security deposit as reimbursement for any unpaid Tenant Rent or other amount, which the participant owes under the Lease. If a participant vacates the unit owing no rent or other amount under Lease, or if such amount is less than the amount of the security deposit, the Operator shall refund the full amount or the unused balance to the participant.

Overpayments are possible if HAP reimbursements are not stopped in a timely manner after a vacancy. When an overpayment occurs, AHFC shall deduct the amount of overpayment from future HAP payments to the project.

5. Damage Claims

Though provided for in regulation, Operator agrees to not pursue damage claims caused by a participant in the program. Operator shall inform AHFC of any damage claims or unpaid rent owed by the participant. AHFC shall not allow that participant into another AHFC/HUD funded housing program until all such debts are resolved.