

Choosing TRACS-Compliant Software

TRACS Toolkit:

for owners of properties that have converted through RAD to PBRA

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



Background

For the past several years, through the Rental Assistance Demonstration (RAD) program, public housing agencies (PHAs)—as well as owners of Section 8 Moderate Rehabilitation and Moderate Rehabilitation Single Room Occupancy (SRO), Rent Supplement, Rental Assistance Payment (RAP), and Section 202 Project Rental Assistance Contract (PRAC) properties—have had the opportunity to convert their rental housing properties to long-term Housing Assistance Payments (HAP) contracts under project-based rental assistance (PBRA).

The conversion to PBRA requires an agency-wide operational shift. A successful transition requires the owner to identify and understand the programmatic differences that must be addressed in the property's accounting, leasing, occupancy, and maintenance activities to comply with Multifamily Housing (MFH) programs while maintaining continuity of operations for both staff and residents. This fundamental understanding is a driving factor in determining the required functionality of the ownership entity's Tenant Rental Assistance Certification System (TRACS) compliant software programs.

The key to a property's successful transition to Multifamily Housing is a comprehensive software program that incorporates the compliance components of the property's leasing operations with the financial tracking and reporting functionality of an integrated accounting module.



The following guidelines are provided to assist PHAs in assessing the competency of their existing software and making informed decisions, in advance of closing, if a new software selection is necessary for a successful compliance with MFH TRACS rules and policies. TRACS compliant software is required to enable an owner to successfully transmit their monthly tenant certifications and HAP vouchers to TRACS for monthly HAP payments to the owner.

PIH Information Center (PIC) is not TRACS!

Do not assume an established Public and Indian Housing (PIH) vendor knows TRACS and the MFH arena.

How and When to Start

The earlier you get started with planning your post-RAD conversion occupancy system transition of your data to TRACS, the better. Within 90 days of the conversion date, you need have your Unique Entity ID (UEI) number, register in the System for Award Management (SAM), be set up in HUD's Line of Credit Control System (LOCCS), and begin your certification and voucher transmissions in TRACS. New RAD owners need to be working closely with their HUD Account Executives (AEs) throughout this process.

Key Planning Considerations

The PHA will need to do a comprehensive subsidy swap.

Arm your team with as much information about MFH occupancy requirements and TRACS as possible to prepare for an organized, successful transition. Do the necessary homework about what this means prior to closing your RAD transaction. Develop a transition plan on how your staff will learn the MFH TRACS recertification and voucher creation and submission processes.

While planning, keep several aspects of the transition process in mind:

Be realistic about timelines and staff capacity

There is a learning curve when transitioning to MFH and TRACS. Your staff will need to learn new management and occupancy program requirements.

Determine the following:

- How your agency's departments will be affected by the transition from PIC to TRACS;
- The type of staffing needed to undertake this effort; and
- Whether the existing staff have the capacity to handle the transition or if your agency needs to hire new staff and/or subcontractors to perform the conversion process.

Appropriate program setup is key. Ask the vendor if they have specialized conversion staff that specialize in RAD conversions versus basic affordable client implementation.



Selecting a TRACS-Compliant Software Vendor

TRACS compliant software selection is an important element of the transition process. You need to understand how far in advance you need to make crucial software decisions to ensure timely subsidy payments after closing. On average, from the date of vendor selection to the end of the transition from PIC, a 90-day timeframe should be anticipated before you will be fully operational in MFH TRACS. Please note, an established PIH vendor that is knowledgeable about PIC is not guaranteed to be knowledgeable about TRACS.

Interview software vendors

Interview several TRACS software vendors and request demonstrations of the software to assess the product and user interface.

In addition, test each vendor's understanding of the nuances that make RAD transactions unique. Do they understand the following situations?

- Total tenant payments (TTP) that exceed 30% of the resident's adjusted monthly income
- Rent phase-ins
- Continuity of recertification anniversaries from when the resident was under the PIH program

Make sure the vendor provides customer service/support

Ask how much customer support the vendor provides. TRACS set-ups can take time and must be done correctly, or you could experience numerous challenges down the line. Your software vendor must be willing to help you with this process until you are fully able to do the following:

- Enter initial certifications and establish a baseline
- Submit "zero vouchers" to TRACS during the first year of conversion for Component I conversions (for Public Housing conversions) and submit "actual" subsidy dollar requests to TRACS starting in January after the initial year of conversion
- Submit "actual" vouchers for payment on the effective date of the HAP contract after conversion for Component II conversions (for Section 8 Moderate Rehabilitation and Moderate Rehabilitation Single-Room Occupancy and Section 202 PRAC properties)
- Submit tenant recertifications on resident anniversary dates
- Ensure annual Operating Cost Adjustment Factor (OCAF) rent adjustments, and Utility Analysis (if applicable) are handled timely and correctly



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