

Memorandum



MANAGEMENT BULLETIN #439

401 N. Michigan Ave.
Chicago, IL 60611

312-836-5200 Main
312-836-5222 TDD

www.ihda.org

Date: November 25, 2013

To: Owners/Agents of Section 8 Properties

From: Diane Smith, Assistant Director
Asset Management Services

Re: **2014 Section 8 Operating Cost Adjustment Factors**

The new 2014 Operating Cost Adjustment Factor ("OCAF") issued by the Department of Housing and Urban Development ("HUD") is **1.4%**. The OCAF is used to determine renewal rents after expiration of the original Section 8 project-based HAP contract (whether renewed with or without a restructuring plan from 24 CFR part 401). **HUD requires owners to use the newly published OCAF to determine rent adjustments for developments with anniversary dates beginning February 11, 2014.** The factors can be found in the Federal Register at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-16/pdf/2013-22458.pdf>. The Illinois Operating Cost Adjustment Factor ("OCAF") is published annually by HUD.

Please send in your completed rent increase request to the Authority **at least sixty (60) days** before your HAP contract renewal/anniversary date. This will help us process your request efficiently and insure that your rent increase becomes effective as anticipated. Please note that per HUD's June 2011 Memo and IHDA's Management Bulletin #398 – your rent adjustment must be accompanied by your annual utility allowance analysis so as not to delay your rent adjustments. We also require that you send us written notification in any year you are not requesting an increase. HUD requires us to document our files in any year you requested no rent increase. Please contact your Program Administration Officer with any questions on your rent or utility allowance submission.