

DHCD HOME, HIF, HSF, CIPF, CATNHP/TOD, CBH, AHT PROGRAMS

RENTAL DEVELOPMENT PROJECT MONITORING GUIDE

Reviewer: _____

Date: _____

I PROJECT INFORMATION

Project Name: _____

Property Location: _____

Owner: _____

Contact info: _____

Email address: _____

Management Agent: _____

Property Manager: _____

Contact Info: _____

Email address: _____

1 DHCD Project Summary: Please complete attached affordability matrix.

2 Project Schedule

Date Completed

| | |
|-----------------------------|--|
| a. Program Award | |
| b. Contract/Firm Commitment | |
| c. Construction Start | |
| d. Construction Completion | |
| e. Certificate of Occupancy | |
| f. Initial Occupancy | |
| g. Full Occupancy | |

3 Other Housing Programs in project

| | |
|--------------------------|--|
| LIHTC | |
| Project-based assistance | |
| Section 202 | |
| Local HOME | |
| Other Program | |
| Other | |
| Other | |

4 Local PJ responsible for*:

| | YES | NO |
|--|-----|----|
| | | |
| | | |
| | | |

5 Have there been any previous monitoring or compliance findings by DHCD?

| II. ADMINISTRATIVE REVIEW | | ANSWER | | NOTES / DETAILS |
|---------------------------------------|--|--------|----|-----------------|
| | | YES | NO | |
| PROCUREMENT & LABOR ISSUES | | | | |
| 6 | Did the developer comply with the procurement requirements per their agreement? (may include: Written documentation of procedures; Written solicitation/scope; Open/free competition; Appropriate advertising; etc). | | | |
| 7 | Are the required Section 3 and M/WBEs opportunity provisions included in the bid packets and contractor contracts? | | | |
| 8 | Is there documentation of the affirmative steps to ensure M/WBEs and Section 3 businesses have had an equal opportunity to compete? <i>24 CFR 92.508(a)(7)(ii)(B)</i> | | | |
| 9 | Have adequate reports been maintained and submitted regarding the solicitation and procurement of M/WBE and Section 3 businesses? | | | |
| 10 | Has owner/contractor hired local residents and/or businesses under M/WBE? | | | |
| 11 | Has owner/contractor hired local residents and/or businesses under Section 3? | | | |
| 12 | If 12 or more units assisted by HOME, were federal labor standard provisions & wage rate determinations (Davis-Bacon) implemented? | | | |
| CONSTRUCTION MANAGEMENT | | | | |
| 13 | Has the project manager established a tracking system to monitor the completion of the project activities against the implementation schedule and budget? | | | |
| 14 | Has the project manager established a system to oversee construction and approve change orders? | | | |
| 15 | Does the project file demonstrate that inspections were performed prior to contractor payment? | | | |
| 16 | Were release of liens granted before final contractor/subcontractor payment? | | | |
| 17 | Do work write-ups, changes orders and inspection docs indicate that property standards and state/local codes were met? | | | |
| 18 | If applicable, does the project comply with Energy Star performance standards and was there a Mortgage Industry Home Energy Scale rating (HERS)? | | | |
| ENVIRONMENTAL ISSUES | | | | |
| 19 | Have any environmentally-related complaints been received as a result of project activities? | | | |
| 20 | Does the project reveal the existence of any hazardous sites or other environmental concerns? | | | |

| RELOCATION ISSUES (if necessary) | | | |
|---|---|--|--|
| 21 | Was the property occupied prior to rehabilitation? | | |
| 22 | Did relocation of residents occur? | | |
| 23 | Is there documentation of a tenant roster current at time of funding application (including name, household size, income, unit size and rent)? | | |
| 24 | Was proper relocation noticed provided to tenants? Date of Initial Notice: Date of Notice of Nondisplacement: | | |
| 25 | Did the developer offer a comparable unit to all displaced households and calculate reimbursement housing expenses correctly? Evidence of payment? | | |
| 26 | Is there documentation that tenants were informed of their rights under the Fair Housing Act? <i>24 CFR 42.350(a)</i> | | |
| ON-SITE INSPECTION | | | |
| 27 | Does the project appear to meet applicable property standards? | | |

| III. PROJECT DOCUMENTATION | ANSWER | | NOTES / DETAILS |
|----------------------------|--|----|-----------------|
| | YES | NO | |
| 1 | Property Insurance | | |
| 2 | Written Specifications | | |
| 3 | Work Write-Up/Cost Estimate | | |
| 4 | Contractor Bid Documents | | |
| 5 | Contractor's Certificate of Insurance / Bond / Letter of Credit | | |
| 6 | Construction Contract / Notice to Proceed | | |
| 7 | List of Excluded Parties (state & federally debarred contractors list) | | |
| 8 | If 12 or more HAUs, were federal labor standard provisions and wage rate determinations (Davis-Bacon) included in construction contract? | | |
| 9 | Contractor Invoice / Payment Certifications | | |
| 10 | Waiver of Liens from All Contractors and Suppliers / Evidence of Contractor Disbursement | | |
| 11 | M/WBE reports | | |
| 12 | Section 3 reports | | |
| 13 | Approved Change Orders (if applicable) | | |
| 14 | Building Permits | | |
| 15 | Documentation of Final Inspection / HQS / C of O (which includes IECC) | | |
| 16 | Energy Star inspection rating (if Energy Star eligible) | | |
| 17 | Lead-based Paint Compliance Documentation, if pre-1978 building | | |
| 18 | DHCD/CEDAC funds Requisitions/Draw-downs | | |
| 19 | Final Cost Certification / other approved accounting report | | |
| 20 | Conflict of Interest policy precluding related parties from occupying HAUs | | |
| 21 | Section 504 compliance | | |
| 22 | Environmental Clearance* | | |
| 23 | Relocation documentation (URA) (if applicable)* | | |
| 24 | HUD Project Completion Report* | | |

* items local PJ may be responsible for

MONITORING SUMMARY: Development

| 1 Compliance Checklist | Finding | Recommendation |
|------------------------------------|----------------|-----------------------|
| General Recordkeeping | _____ | _____ |
| Project Management | _____ | _____ |
| Environmental Issues | _____ | _____ |
| Procurement | _____ | _____ |
| Financial Management | _____ | _____ |
| Equal Opportunity and Fair Housing | _____ | _____ |
| Construction Process | _____ | _____ |
| MBE/Section 3 | _____ | _____ |
| Energy Efficiency | _____ | _____ |
| Relocation | _____ | _____ |

2 List the specific findings that must be noted in the monitoring letter:

3 Next monitoring visit: _____

4 Follow-up notes:

MONITORING : Occupancy

1 HUD HOME Affordability Period Expires: _____ (See matrix to insert DHCD/CEDAC program affordability periods)

2 Number of Vacant Units: _____

3 Number of mobility-accessible units? _____ Location: _____

4 Number of sensory-accessible units? _____ Location: _____

5 Are the HOME-assisted units fixed or floating: **FIXED | FLOATING** N/A

If units are floating, is the bedroom distribution and amenities of the HOME-assisted units consistent with the Exhibit A of the contract and/or Affordable Housing Restriction? *24 CFR 92.252(j)* **YES | NO** N/A

6 Are any tenants receiving tenant-based Section 8 rental assistance: **YES | NO**

During the life of the project, has a Section 8 household ever occupied a unit? **YES | NO**

7 Are any units receiving project-based rental assistance: **YES | NO**

Subsidy Sourc Quantity Which units: _____

| | | |
|-------------|--|-------|
| Section 8 | | _____ |
| Section 202 | | _____ |
| MRVP* | | _____ |
| Other(Name) | | _____ |

*if MRVP, what percentage of a household's income is allocated towards rent? _____ %

8 Are rents adjusted for utilities? **YES | NO**

Source: _____

Is actual lower than the utility chart? _____

Date: _____

| INCOME & RENT COMPLIANCE TENANT PROTECTIONS | | ANSWER | | COMMENTS/DETAILS |
|---|--|--------|----|------------------|
| | | YES | NO | |
| 9 | Is each tenant file complete with the following documentation: <i>24 CFR 92.508</i> | | | |
| | a. Tenant income certifications? <i>Summary sheet detailing household income, effective date, household size, members' age, bedroom size</i> | | | |
| | b. Tenant income supporting documentation? - <i>Third Party documentation (preferred); or</i> - <i>Steady/Salaried/Regular employment: 3 consecutive months of pay stubs, or</i> - <i>Unsteady/Weekly variations in employment: 12 months of pay stubs</i> - <i>Clarification of overtime, bonuses, raises, etc. may be necessary</i> - <i>Documentation of all assets (3rd party verification preferred)</i> - <i>Assets disposed of in past 2 years</i> - <i>Public Assistance</i> - <i>Pensions</i> - <i>Student Status</i> - <i>Child Support/Alimony</i> - <i>Affidavit of No Income or No Child Support/Alimony (notarized)</i> | | | |
| | c. Tenant Lease <i>24 CFR 92.253</i> | | | |
| | d. Does the tenant lease provide the required 30-day notice for tenancy termination for all causes, incl non-payment? <i>24 CFR 92.253(If HOME/HSF/CIPF/CATNHP)</i> | | | |
| | e. Does the lease exclude all prohibitive clauses required? <i>24 CFR 92.253(b) and state law</i> | | | |
| | f. Is there a Lead-Based Paint disclosure pamphlet, for new move-ins in pre-1978 buildings? | | | |
| 10 | Is there a procedure for timely annual recertification? <i>24 CFR 92.252(h)</i> | | | |
| 11 | Gross contract rent identified (including tenant portion, subsidy amount and utility allowance)? <i>24 CFR 92.252</i> | | | |
| 12 | Do all HOME gross contract rents comply with the applicable HOME rent limits? <i>24 CFR 92.252</i> | | | |
| 13 | Do all HIF/CIPF/CATNHP/TOD/HSF gross contract rents comply with the applicable rent tier limits? | | | |
| 14 | For HOME projects, do at least 20% of the HAUs have household incomes below 50% (VLI) and rents below the Low HOME rent limit (for projects with 5 or more HAUs)? <i>24 CFR 92.252(b)</i> | | | |
| 15 | Did all new move-in households have incomes below applicable program limits (e.g.: HOME 60% AMI)? | | | |
| 16 | Are all assisted household incomes below 80% AMI (at recertification)? | | | |

| EQUAL OPPORTUNITY AND FAIR HOUSING | | ANSWER | | COMMENTS/DETAILS |
|------------------------------------|---|--------|----|------------------|
| | | YES | NO | |
| 17 | Are equal employment opportunity (EEO) posters located in conspicuous places? | | | |
| 18 | Are FHEO language and logos included in handbooks, policies, procedures manuals and other program literature? <i>24 CFR 92.351</i> | | | |
| 19 | Does management have an affirmative marketing plan and/or affirmative fair housing plan? <i>24 CFR 92.351</i> | | | |
| 20 | Have there been any fair housing or discrimination complaints? | | | |
| 21 | Does management have a written tenant selection plan? <i>24 CFR 92.253(d)</i> | | | |
| 22 | Does the tenant selection plan identify an appeal process for rejection? | | | |
| 23 | For CHDO properties, does management provide and follow a program of tenant participation in management decisions? <i>24 CFR 92.303</i> | | | |
| 24 | Does management have a Conflict of Interest procedure that prohibits related parties (employees, etc.) from occupying HAUs? <i>24 CFR 92.356(f)</i> | | | |
| 25 | a. Is a written waiting list maintained? <i>24 CFR 92.253(d)3</i> b. Is the wait list open? | | | |
| 26 | Does management conduct outreach to populations that would not normally apply? (for Boston HMFA - Metrolist) <i>24 CFR 92.351</i> | | | |
| 27 | Are units listed on MassAccess Housing Registry (all vacants)? massaccesshousingregistry.org | | | |
| 28 | Is the program accessible for persons with disabilities, including having a reasonable accommodation policy (Section 504)? | | | |
| 29 | Is documentation maintained regarding demographics of tenant applicants and residents (race, ethnicity, gender and disability)? <i>24 CFR 92.508(7)</i> | | | |
| 30 | Is there a procedure for assisting persons with Limited English Proficiency? | | | |

| FINANCIAL MANAGEMENT | | ANSWER | | COMMENTS/DETAILS |
|----------------------|---|--------|----|------------------|
| | | YES | NO | |
| 31 | Has the Awardees maintained adequate financial records in accordance with DHCD requirements? <i>24 CFR 92.508</i> | | | |
| 32 | Have annual project financial audits been conducted to date during the most recent or in the past year? | | | |
| 33 | Does the audit contain any concerns or findings of non-compliance? | | | |
| 34 | Is evidence of current insurance provided in the file? a. Is DHCD listed as the loss payee? b. Is a 30-day notice of cancellation provided? | | | |
| 35 | Is there a report comparing expenditures against budgeted line items? (variance report) Time period? | | | |
| 38 | Annual Cash Flow, past 2 years | | | |
| 39 | Is there a cash flow provision in the program note(s)? | | | |
| 39a | For HIF financed properties, is there evidence of submitting required annual project-specific cashflow reporting to CEDAC? | | | |

| | | | | |
|----|--|--|--|--|
| 40 | Has the owner created and maintained a replacement reserve account? Current Bal: \$ _____, Disbursements List: Date: _____ Monthly Contribution: \$ _____ | | | |
| 41 | Has the owner created and maintained an operating reserve account? Current Bal: \$ _____ Disbursements List: Date: _____ Monthly or Periodic Contribution: \$ _____ | | | |

| GENERAL MAINTENANCE | | ANSWER | | COMMENTS/DETAILS |
|---------------------|---|--------|----|------------------|
| | | YES | NO | |
| 42 | How often are property inspections conducted? | | | |
| 43 | Has management completed a CNA or CIP? (attach) | | | |
| 44 | Has the property included any energy-saving or environmentally-friendly improvements? | | | |

| PHYSICAL INSPECTION - <i>do the following areas comply with HUD's HQS requirements?</i> | | ANSWER | | COMMENTS/DETAILS |
|--|--|--------|----|------------------|
| | | YES | NO | |
| 45 | Commons areas | | | |
| 46 | Exterior of building(s) and grounds | | | |
| 47 | Utility rooms - clear of hazardous materials and debris | | | |
| 48 | Random Unit Inspection - at least 20% of program units; - 3 units minimum; - at least 1 per building at scattered site projects | | | |

| Inspected: | Issues and Concerns: |
|------------|----------------------|
| Unit: | |
| Unit: | |
| Unit: | |
| Unit: | |
| Unit: | |

| SUPPORTIVE SERVICES - | | ANSWER | | COMMENTS/DETAILS |
|-----------------------|---|--------|----|------------------|
| | | YES | NO | |
| 49 | Does the project include units that require supportive services? | | | |
| 50 | Is there a current tenant services plan in place ? | | | |
| 51 | Does the project have a contractual agreement with an outside service provider? If yes, please provide identify of the provider and a copy of the contract. | | | |
| 52 | Does the developer or property manager have dedicated staff to provide supportive services? If yes, identify the title, FTE, and whether they work for the property manager or owner. | | | |
| 53 | Is there a dedicated funding stream to pay for services, and/or a line item in the operating budget? If yes, identify the source and amount. If there is a contract with a funding agency, please provide a copy. | | | |

MONITORING SUMMARY: Occupancy

| 1 Compliance Checklist | Finding | Recommendation |
|------------------------------------|----------------|-----------------------|
| General Recordkeeping | _____ | _____ |
| Financial Management | _____ | _____ |
| Equal Employment Opportunity | _____ | _____ |
| Affirmative Marketing/Fair Housing | _____ | _____ |
| VLI/LI Unit Compliance | _____ | _____ |
| Rents | _____ | _____ |
| HQS Compliance | _____ | _____ |
| Certification Documentation | _____ | _____ |
| Timely Recertifications | _____ | _____ |
| Lease Requirements | _____ | _____ |

2 List the specific findings that must be noted in the monitoring letter:

3 Next monitoring visit: _____

4 Follow-up notes:

Resources

- 1** For a copy of the “Purple Book” – Technical Guide for Determining Income and Allowances for the HOME Program: PDF version: <http://www.hud.gov/utilities/intercept.cfm?/offices/cpd/affordablehousing/library/modelguides/2005/1780.pdf>
-

- 2 Department of Housing & Community Development (DHCD)**

<http://www.mass.gov/hed/housing/affordable-rent>

Housing Development Division’s E- Source:

To subscribe send a blank email to:

join-dhcd-housingdevelopment@listserv.state.ma.us

100 Cambridge St., Suite 300

Boston, MA 02114

(617) 573-1300

- 3 Department of Housing & Urban Development (HUD)**

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>

HOME Final Rule:

<http://www.hud.gov/utilities/intercept.cfm?/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf>

Rent limits & Income limits:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/>

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/>