

EXHIBIT 10-A.5

HOME Monitoring Checklist	RENTAL
Grantee Name:	Contract Number:
HOME Program Officer:	Date:

A. BACKGROUND INFORMATION

1.	Project owner: Mountain Home Montana
2.	Period of Affordability: _____ Years. Ending _____
3.	Total number of rental units: Total number of HOME-assisted rental units: _____ Total number leased to date: _____ Total number of HOME-assisted units leased to date: _____
4.	Number of HOME assisted units rented to households below: - Review 50% of area median income _____ 60% of area median income _____ 80% of area median income _____ Note: 90% of tenants must be below 60% of AMI
5.	Are HOME-assisted units fixed or floating? <i>(Circle one)</i> Fixed Floating
6.	Are tenants receiving Section 8 rental assistance? If yes, how many?
7.	Is there project-based rental assistance attached to any HOME units? If yes, which units?
8.	Were unit costs determined by prorating costs or actual unit cost? <i>(Circle one)</i> Comparable Actual
9.	Funding sources <i>(list sources and amounts)</i> :
10.	Amount of HOME allocation: Project: \$ _____ Soft Costs: \$ _____

EXHIBIT 10-A.5

HOME Monitoring Checklist	RENTAL	
Grantee Name:	Contract Number:	
HOME Program Officer:	Date:	

B. PROJECT DOCUMENTATION

Check the project file to verify that the documents below have been submitted For documents that have not been executed at the time of review, make a note that they must be submitted on close out.

ARE ITEMS IN PROJECT CASE FILE?	ANSWERS		NOTES
	Y	N	
1. Program Application			
2. Project Underwriting Worksheet			
3. Relocation Notice (if applicable)			
4. Affirmative Marketing Plan			
5. Initial Inspection Form (if applicable)			
6. Owner/Developer HOME Written Agreement			
7. Rent Disclosure Form			
8. Appraisal/Market Analysis			
9. Environmental Clearance			
10. Subsidy Layering Review Certification (if applicable)			
11. Loan Documents and Deed Restrictions			
12. IDIS Set-up			
13. Work Write-Up/Cost Estimate			
14. Contractor Bid Documents			
15. Contractor Debarment Check			
16. Contractor's Certification of Insurance			
17. Evidence of Contractor Licensure			
18. Pre-construction Conference Report			
19. Lead-based Paint Compliance Documentation (if applicable)			
20. New Construction or Rehabilitation Contract			
21. Notice to Proceed			
22. Approved Change Orders (if applicable)			
23. Contractor Payment Request/Authorizations			
24. Payment Certifications			
25. Documentation of Final Inspection			
26. Waiver of Liens from All Contractors and Suppliers			
27. Receipt of Final Payment Form			
28. IDIS Project Completion			

EXHIBIT 10-A.5

HOME Monitoring Checklist	RENTAL
Grantee Name:	Contract Number:
HOME Program Officer:	Date:

QUESTIONS	ANSWERS		NOTES
	Y	N	
C. PROJECT RECORD KEEPING			
1. Based on the checklist on the previous page, is the project case file complete?			
D. PROPERTY REQUIREMENTS			
1. Is the property an eligible property type?			
2. Do the borrowers have 100 percent interest in the property and own the property fee simple?			
3. Does the project's HOME subsidy exceed \$1000 per unit?			
4. Is the project's HOME subsidy under the maximum?			
5. If the floating designation was used, are the rental units comparable?			
6. If units are not comparable was a unit-by-unit cost allocation system used? (See HUD CPD Notice 98-02 for additional guidance on cost allocation.)			
7. If a cost allocation system was used, does sufficient documentation exist to support the cost allocation?			
8. Was any funding leveraged from non-HOME sources?			
E. PROPERTY STANDARDS			
1. Do work write-ups, change orders, and inspection documentation indicate that the following property standards were met? a. State Rehabilitation Standard (if applicable) b. Local Codes and Standards c. Section 8 HQS			
F. ELIGIBLE COSTS			
1. Does the project documentation – work write-ups, change orders, etc. – demonstrate that all costs were eligible under the HOME Program?			
G. CONTRACTOR SELECTION			
1. Was the bid selected consistent with the work write-up/cost estimate?			
2. Was the cost of the bid selected reasonable – e.g., within 10 percent of the original cost estimate?			
H. CONSTRUCTION MANAGEMENT			
1. Does the project file demonstrate that inspections were performed prior to contractor payments?			
2. Do inspection and payment documentation show all work was satisfactorily performed prior to payment?			
3. Did the contractor payment requests include adequate documentation of costs and work performed?			
4. Did the contractor and the owner sign all changes to the scope of work in the construction contract documented with written change orders?			
5. Was a Release of Liens granted before final contractor payment?			
6. Was retainage withheld from each payment and paid after all work was completed?			
7. Was a final code inspection performed?			

EXHIBIT 10-A.5

HOME Monitoring Checklist	RENTAL
Grantee Name:	Contract Number:
HOME Program Officer:	Date:

QUESTIONS	ANSWERS		NOTES
	Y	N	
I. ON-SITE INSPECTION			
1. Does the project appear to meet applicable property standards?			
2. Was all work detailed in the contract completed satisfactorily?			
3. Was all work documented in the payment request completed?			
4. Are units designated as comparable similar in size, number of bedrooms, and amenities?			

QUESTIONS	ANSWERS		NOTES
	Y	N	
A. RENT REQUIREMENTS			
1. Did the project use proper utility allowances to calculate maximum rent levels?			
2. In properties of 5 or more units, are at least 20 percent of the units rented at or below the Low HOME Rent level?			
3. Are the rent levels listed consistent with the project's application?			
4. If tenants receive Section 8 assistance, a. Is the appropriate tenant payment (i.e., 30 percent of adjusted income) charged to the tenant? b. Is the total rent charged for the unit below the HOME maximum rent?			
5. If any in-place tenants have incomes above 80 percent of the area median income, are they charged 30 percent of their adjusted monthly income for rent and utilities?			
6. Do the rents listed for HOME-assisted units in the Income Certification demonstrate that High and Low HOME Rent limits have been observed?			

Note: if the project has additional forms of assistance, review additional rent requirements as appropriate.

B. OCCUPANCY REQUIREMENTS			
1. At initial project lease-up, did existing tenants have incomes below 60 percent AMI or pay 30 percent of adjusted income for rent?			
2. If units are floating, do HOME-assisted and unassisted units represent proportionate number of units by bedroom size? (e.g., if 50 percent of the units are HOME-assisted, 50 percent of units of each bedroom size should be designated as HOME units.)			
3. If the units are floating, are HOME-assisted and unassisted units comparable in terms of amenities and size?			
4. As tenants vacate units, are tenants in Low HOME-Rent units replaced by other tenants with incomes at or below 50 percent AMI?			
5. In projects where the HOME-assisted units float: a. When a tenant vacates a HOME unit, is the next available unit made available to a HOME-eligible tenant? b. When a tenant's income rises above 80 percent of AMI, is the next available comparable unit rented to a HOME-eligible tenant?			

EXHIBIT 10-A.5

HOME Monitoring Checklist	RENTAL
Grantee Name:	Contract Number:
HOME Program Officer:	Date:

QUESTIONS	ANSWERS		NOTES
	Y	N	
10. Is there a plan in place to conduct regular property inspections?			

Choose a sample of tenant files to answer questions in Section C.

C. TENANT ELIGIBILITY AND LEASES

1. Is each unit file complete with the following documentation: a. Tenant income certifications? b. Tenant income supporting documentation? c. Lease and lease addendum? d. Lead-based paint compliance documentation?			
2. Do the unit files that the project owner maintains adequately document income determinations?			
3. Do the unit files demonstrate that the tenants are income eligible?			
4. Are tenant leases properly executed and free of all prohibited provisions?			
5. Are the tenant leases for a minimum of one year (unless otherwise agreed upon by tenant and owners)?			
6. Do the tenant leases support that the rents reported in project files and project documentation submitted to the grantee are accurate?			