

EXHIBIT 10-B.3b INSTRUCTIONS FOR COMPLETING THE ANNUAL RENTAL CERTIFICATION

- Enter the Name and Physical Address of the HOME-assisted Property
- Enter the Name of the **original Grantee** [the local government, community housing development organization (CHDO), or public housing authority (PHA) that applied for and was directly awarded HOME funds from the Montana Department of Commerce (MDOC)]
- Enter the Name of the Property Owner, if different for the original Grantee
- Enter the Name, Address, and Phone Number of Property Management Company, if applicable.
 - Check the box if the Property Management Company has changed since the last Annual Certification was completed
 - **NOTE:** If the property management company changes, new tenant leases, and tenant selection polices may be needed, and a new/updated Affirmative Fair Housing Marketing Plan is required.
- Name, Phone Number, and E-mail Address of Person Completing this Form

FACILITY INFORMATION

1. Rent Schedule

- Attach rent schedule(s) in effect during the time period covered by this Annual Certification.
- If rents levels are established by another federal entity/program, for example Rural Development, check the applicable box and attach the applicable rent schedule(s) approved by that entity/program.
- **NOTE:** *Rent schedules must be submitted to and approved by MDOC. Rent schedules may be changed only one time per year (annually). The request for the annual rent schedule change must be submitted to the MDOC using Exhibit 7-L at least 30-45 days before expected tenant notification date.*



2. Unit Mix

- a. By bedroom size, enter the number units that are **HOME assisted** (per the grant agreement/contract with the Montana Department of Commerce)
- b. By bedroom size, enter the number of units that are **NOT HOME assisted**
 - **Example:** A project has 20 total units: 10 1-bedroom and 10 2-bedroom units; 4 of the units are HOME-assisted: 2 1-bedroom and 2 2-bedroom units. The HOME-assisted units plus the non-HOME-assisted units should equal the total units in the projects.

	0 BR	1 BR	2 BR	3 BR	4 BR	5 or more BR
a. HOME-assisted units		2	2			
b. Non-HOME-assisted units		8	8			

- c. If some of the units in the project are **NOT** HOME-assisted, specify if the HOME units are **fixed** or **floating** (per the grant agreement/contract with the Montana Department of Commerce)
- **Fixed HOME-Assisted Units:** Fixed HOME units remain designated as HOME-assisted units for the **entire affordability period**—regardless of vacancies and when incomes of existing tenants go over income. Fixed HOME units can vary in terms of bedroom sizes, square footage, and amenities. For example, at project commitment, unit 100 is designated as HOME-assisted; Unit 100 retains its designation as a HOME-assisted unit throughout the affordability period.
 - **Floating HOME-Assisted Units:** Floating HOME units are initially designated as HOME-assisted, but the designation changes, or “floats,” among all **comparable** units within the same HOME-assisted rental property as units are vacated and/or tenants’ income go over-income. The owner/manager must maintain the **total number** of HOME units, the number of High HOME Rent units, and the number of Low HOME Rent units. *For example*, at project commitment, Unit 300 is designated as HOME-assisted. If the income of the tenant increases over the HOME limit, the next available non-assisted unit would be re-designated as a HOME-assisted unit and unit 300 would be re-designated as non-assisted. Generally, all the units in a property (assisted **and** non-assisted) with floating HOME units must be comparable. This means the assisted and non-assisted units in the property are the **same** in terms of square footage, number of bedrooms, and amenities.

3. Utility Allowances:

- a. Indicate who pays for the utilities
- If the **owner** pays for all of the applicable utilities listed, check “NO” and skip to Section 4
 - If the **tenant** pays for one or more of the utilities listed, check “YES” and complete the remainder of Section 3
- b. Identify the source of the utility allowance being used (e.g., Section 8, Rural Development, etc.)
- 1) If other than Section 8 utility allowances are being used, attach the utility allowance schedule(s) used during the certification period. (**NOTE:** If Section 8 utility allowances are not being used, you must have received written approval from MDOC to use another source)
 - 2) If Section 8 Utility Allowances are used:
 - Check the appropriate box(es) to identify the tenant-paid utilities and the type of fuel used for the particular utility.
 - Circle the applicable Section 8 region (Section 8 Regions and Utility Allowances are available online at the following web address:
<http://housing.mt.gov/About/Section8/s8utilitymap.mcpX>)
 - **Example:** *The tenant pays for electricity, including electric cooking, and natural gas heating. The owner pays for hot water heating, water, sewer, and trash collection. Air conditioning is not provided.*

Item	Specify Fuel Type	Section 8 Regions (Circle One)		
<input checked="" type="checkbox"/> Heating	<input checked="" type="checkbox"/> Natural Gas <input type="checkbox"/> Bottled Gas <input type="checkbox"/> Electric <input type="checkbox"/> Oil <input type="checkbox"/> Coal/Other	Region 1	Region 2	Region 2
<input checked="" type="checkbox"/> Cooking.....	<input type="checkbox"/> Natural Gas <input type="checkbox"/> Bottled Gas <input checked="" type="checkbox"/> Electric <input type="checkbox"/> Oil <input type="checkbox"/> Coal/Other			
<input type="checkbox"/> Water Heating	<input type="checkbox"/> Natural Gas <input type="checkbox"/> Bottled Gas <input type="checkbox"/> Electric <input type="checkbox"/> Oil <input type="checkbox"/> Coal/Other	Region 4	Region 5	Region 6
<input type="checkbox"/> Other Electric	Date(s) of Section 8 Utility Schedule Used: 11-1-2011 through 10-31-2012 11-1-2010 through 10-31-2011	Region 7	Region 8	Region 9
<input checked="" type="checkbox"/> Other Electric		Region 10	Region 11	Region 12
<input type="checkbox"/> Water		Region 13	Region 14	Region 15
<input type="checkbox"/> Sewer		Region 16	Region 17	Region 18
<input type="checkbox"/> Trash Collection				
<input type="checkbox"/> Air Conditioning				

4. Lease/Rental Agreement

- Written, signed lease or rental agreements are **REQUIRED for ALL HOME-assisted units**. Tenants of HOME-assisted properties must be protected by a written lease.
 - **NOTE:** Program service agreements and personal responsibility agreements are **NOT** leases.
- In accordance with HUD requirements, the Montana HOME Program must approve the lease/rental agreement and subsequent amendments to the lease/rent agreement. (Approval of individual lease agreements is not required.)
 - a. Describe the term/length of the lease or rental agreement
 - **NOTE:** Leases must be executed for at least one year, unless the owner/manager and the tenant *mutually agree* to a shorter period. If the tenant has agreed to a different lease term, that agreement should be documented in writing in the tenant's file. A lease may **NOT** be for a period shorter than 30 days.
 - **Examples:**
 - *All new tenants initially enter into a one-year (12-month) lease. At the end of the initial one-year period, all tenants go to a month-to-month lease.*
 - OR
 - *All new tenants initially enter into a one-year (12-month) lease. At the end of the initial one-year period, tenants enter into 6-month leases*
 - OR
 - *All leases are a one-year (12-month) lease, renewable annually*
 - b. Enter the **date** the lease or rental agreement was last revised or updated
 - If the **lease or rental agreement** was revised or updated since the last annual certification was submitted to the HOME Program, **attach a copy** of the new lease or rental agreement
 - **NOTE:** If the property management company has changed, a new lease or rental agreement may have been required or the existing lease or rental agreement may have been amended to incorporate the change

5. Identify where **Fair Housing posters** are displayed

- *Examples: Management Company's leasing office; onsite manager's office; project's laundry room, community room, lobby/entry, dining room, mail room*
- Fair Housing posters can be downloaded from:
http://portal.hud.gov/hudportal/HUD/program_offices/fair_housing_equal_opp

6. If the project's **tenant selection criteria** have been updated or otherwise changed since the last Annual Certification was completed, **attach a copy** of the updated tenant selection criteria
- HOME-assisted projects must have written tenant selection criteria. Tenant selection procedures describe the methods and procedures for taking applications and screening prospective tenants. A clear intake process and an applicant screening process are essential to rental program operations. Owners/managers must develop and adopt written tenant selection policies and criteria. Tenant selection criteria must be consistent with the purpose of providing housing for low- and very-low income households, and be reasonably related to HOME Program eligibility and the tenant's ability to perform the obligations of the lease.
 - If the property management company has changed, a new tenant selection policy may have been implemented

7. Section 8 Tenants and Applicants

- a. Enter the total number of Section 8-assisted tenants that are **residing** in the project on October 1, the date of this certification
- b. Enter the total number of Section 8-assisted clients that have **applied** for tenancy at the project during the preceding 12 months, regardless of whether they ultimately became tenants or not

8. Affirmative Fair Housing Marketing Plan (AFHMP)

- If the project has five (5) or more HOME-assisted units, an Affirmative Fair Housing Marketing Plan is required that specifies affirmative marketing procedures followed to conduct special outreach to those groups least likely to apply for HOME-assisted housing. Files must be maintained that documents the AFHMP activities throughout the past year. **NOTE:** Owners/managers must offer accessible units in the property to persons with disabilities first.
 - See the HOME Administration Manual, **Exhibit 5-L: HUD Affirmative Fair Housing Marketing Plan**, and **Exhibit 5-K: Affirmative Fair Housing Marketing Policy**.
 - **NOTE:** HUD revised the Affirmative Fair Housing Marketing Plan form in 2011. If they have not already done so, owners/managers should use the new form **[HUD935.2A (2/2011)]**.
 - If the property management company has changed, a new Affirmative Fair Housing Marketing Plan must be completed.



9. Project Financial Statements and Operating Budget

- Attach copies of the **project's** most recent financial statements (Statement of Financial Position, Statement of Activities, and Statement of Cash Flows) and a current operating budget. (**NOTE:** HUD requires the HOME Program to assess the financial condition of the project at least annually.)

RENT AND OCCUPANCY REPORT/TENANT INFORMATION

Complete the information for every **unit** in the project, including units that are vacant as of the date of this certification, October 1.

If the project is a **group home**, complete the information for **each individual/bedroom**. If a bedroom is vacant as of the Certification date, it still must be reported

Examples:

HOME Income Limits (for illustration purposes only)

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% Limits (very low income)	11900	13600	15300	17000	18400	19750	21100	22450
Very Low Income (50%)	19850	22650	25500	28300	30600	32850	35100	37400
60% Limits	23820	27180	30600	33960	36720	39420	42120	44880
Low Income (80%)	31750	36250	40800	45300	48950	52250	56200	59800

HOME Rent Limits (for illustration purposes only)

	Efficiency	1 BR	2 BR	3 BR	4BR	5 BR	6 BR
LOW HOME Rent	445	462	596	736	787	905	990
HIGH HOME Rent	445	531	637	736	821	906	990
For Informational Purposes ONLY							
Fair Market Rent	428	445	574	711	758	872	985
50% Rent Limit	496	531	637	736	821	906	990
65% Rent Limit	625	671	807	923	1010	1096	1182

Section 8 Multi-Family (Apartment) Utility Allowances (excerpt for illustration purposes only)

HEATING	1 BR	2 BR	3 BR	4BR	5 BR	UTILITY	\$ ALLOWANCE
Natural Gas	28	34	47	55	58	Heating	\$ _____
Bottle Gas	64	83	119	144	152	Cooking	\$ _____
Oil	71	92	133	161	169	Water Heating	\$ _____
Electric	53	68	98	119	125	Other Electric	\$ _____
COOKING						Water	\$ _____
Natural Gas	4	6	8	10	11	Sewer	\$ _____
Electric	6	7	10	13	13	Garbage	\$ _____
Bottle Gas	10	13	18	22	23	Air Conditioning	\$ _____
Oil	0	0	0	0	0	Other (specify)	\$ _____
WATER HEATING						Total	\$ _____
Natural Gas	8	10	14	17	18		
Electric	20	25	36	44	46		
Bottle Gas	18	24	34	41	43		
Oil	0	0	0	0	0		
OTHER ELECTRIC	30	34	42	48	49		
WATER	16	19	23	27	28		
SEWER	21	25	30	33	35		
GARBAGE	15	15	15	15	15		
AIR CONDITIONING	2	3	4	4	5		

Example 1: Ten-unit project consisting of four 2-bedroom, four 3-bedroom, and two 4-bedroom units. Eight units are home-assisted. On October 1, the effective date of the Annual Certification, two units are vacant. Tenants pay for natural gas heating, electric cooking, natural gas water heating, and other electric. The owner pays all other utilities. **NOTE:** A minimum of 20% of the units, but not less than one of each size unit, must be at the low HOME rent and rented by households at 50% or less of the area median.

Example 2: Two unit group home group home; each unit has four bedrooms; one bedroom was in Unit 1 was vacant on October 1. **NOTE:** Each tenant in each unit pays 25% of the 4-bedroom rent. All utilities are included in the rent (i.e., owner paid).

RENT AND OCCUPANCY REPORT/TENANT INFORMATION EXAMPLES ILLUSTRATED

EXAMPLE 1 TENANT INFORMATION

If **group home**, complete **one line per individual/bedroom** (ensure vacant rooms are reported on the form)

If the project is **not** 100% HOME-assisted, identify the HOME-designated units with a "Y" (yes) in the "*HOME-Designated Units*" column.

Unit Number	HOME-designated Unit (Y/N)	Low (L) or High (H) HOME Rent Unit Designation *	Tenant Last Name	Size of Household	Disabled Household, if identified by tenant (Y/N)	Annual (Gross) Income **	Percent of Area Median Income Code ***	Date of Initial Income Certification	Date of Last Income Recertification	Tenant Rent	Subsidy Amount (if any)	Utility Allowance (for tenant-paid utilities)	Total Rent	Number of Bedrooms	Date of Last HQS Inspection	Date of Move-In	Date of Move-out (if applicable)	Project Based Unit (Y/N)
										A	B	C	D					
101	Y	L	Smith	3	N	\$15,000	1	6/15/2011	6/15/2012	\$136.00	\$375.00	\$85.00	\$596.00	2	6/1/2012	7/1/2011	N/A	N
102	Y	L	(Vacant)				5							3		Vacant	5/31/12	N
103	Y	L	Jones	4	N	\$25,000	2	2/15/2009	2/15/2012	\$511.00		\$85.00	\$596.00	2	6/1/2012	3/1/2009	N/A	N
104	Y	H	Brown	5	N	\$48,900	4	9/18/2012	9/18/2012	\$623.00		\$113.00	\$736.00	3	9/25/2012	10/1/2012	N/A	N
105	N		Green	5	N	\$40,000	4	5/5/2009	5/1/2012	\$623.00		\$113.00	\$736.00	3	6/1/2012	6/15/2009	N/A	N
201	N		Johnson	6	N	\$39,000	3	3/26/2009	3/15/2012	\$688.00		\$133.00	\$821.00	4	6/1/2012	4/4/2009	N/A	N
202	Y	L	White	6	N	\$32,000	2	1/15/2011	1/2/2012	\$654.00		\$133.00	\$787.00	4	6/1/2012	2/1/2011	N/A	N
203	Y	H	(Vacant)				5							2		Vacant	9/15/2012	N
204	Y	H	Jefferson	5	N	\$18,000	1	8/15/2009	8/1/2012	\$173.00	\$450.00	\$113.00	\$736.00	3	6/1/2012	9/15/2009	N/A	N
205	Y	H	Washington	2	N	\$36,000	4	7/1/2010	7/1/2012	\$511.00		\$85.00	\$596.00	2	6/1/2012	7/15/2010	N/A	N

**EXAMPLE 2 (Group Home)
TENANT INFORMATION**

If **group home**, complete **one line per individual/bedroom** (ensure vacant rooms are reported on the form)

If the project is **not** 100% HOME-assisted, identify the HOME-designated units with a "Y" (yes) in the "HOME-Designated Units" column.

Unit Number	HOME-designated Unit (Y/N)	Low (L) or High (H) HOME Rent Unit Designation *	Tenant Last Name	Size of Household	Disabled Household, if identified by tenant) (Y/N)	Annual (Gross) Income **	Percent of Area Median Income Code ***	Date of Initial Income Certification	Date of Last Income Recertification	Tenant Rent	Subsidy Amount (if any)	Utility Allowance (for tenant-paid utilities)	Total Rent	Number of Bedrooms	Date of Last HQS Inspection	Date of Move-In	Date of Move-out (if applicable)	Project Based Unit (Y/N)
										A	B	C	D					
1-A	Y	N/A	Smith	1	Y	\$11,000	1	6/15/2011	12/15/2011				\$205.00		7/1/2012	7/1/2011	N/A	N
1-B	Y	N/A	(Vacant)													Vacant	9/28/12	N
1-C	Y	N/A	Jones	1	Y	\$9,500	1	2/15/2009	12/15/2011				\$205.00		7/1/2012	3/1/2009	N/A	N
1-D	Y	N/A	Brown	1	Y	\$8,100	1	9/18/2012	9/1/2012				\$205.00		7/1/2012	10/1/2012	N/A	N
2-A	Y	N/A	Green	1	Y	\$10,000	1	5/5/2009	12/15/2011				\$205.00		7/1/2012	6/15/2009	N/A	N
2-B	Y	N/A	Johnson	1	Y	\$8,300	1	3/26/2009	12/15/2011				\$205.00		7/1/2012	4/4/2009	N/A	N
2-C	Y	N/A	White	1	Y	\$7,000	1	1/15/2011	12/15/2011				\$205.00		7/1/2012	2/1/2011	N/A	N
2-D	Y	N/A	Jefferson	1	Y	\$6,500	1	12/15/2011	12/15/2011				\$205.00		7/1/2012	1/1/2012	N/A	N

SIGNATURE / CERTIFICATION PAGE

The signature / certification page must be completed and signed.

- The typed or legibly printed NAME OF THE PERSON COMPLETING THE FORM must be filled in
- The person who completed the form MUST SIGN AND DATE the form
- The typed or legibly printed NAME and TITLE of the Executive Director or CEO (for CHDO or PHA grantees) or Chief Elected Official (for local government grantees) must be filled in. **NOTE: THIS MUST BE AN OFFICIAL OF THE ORIGINAL HOME GRANTEE**
- The Executive Director or CEO (for CHDO or PHA grantees) or Chief Elected Official (for local government grantees) MUST SIGN AND DATE the form. **NOTE: The signatory MUST BE AN OFFICIAL OF THE ORIGINAL HOME GRANTEE**

This form is available electronically on the Montana HOME Program Commonly Used Forms web page. Go to:

<http://housing.mt.gov/HM/hmforms.mcpX>;
then click on the appropriate link under the
Rental Housing Annual Certification Forms

Return completed forms to:

**HOUSING DIVISION – HOME PROGRAM
MT DEPARTMENT OF COMMERCE
P.O. BOX 200545
HELENA, MT 59620-0545**