HOME Rental Monitoring Presentation for NCDA, Spring 2019

James Barnes

HOME Director, Malden Redevelopment Authority

Malden Redevelopment Authority

About our Our HOME Program

- North Suburban Consortium
- 4 Entitlements: Arlington, Malden, Medford, & Revere
- 4 Non Entitlement: Chelsea, Everett, Melrose, & Winthrop
- Annual grant $1.5 to $2.0 Million
- Homebuyer assistance, rehab, rental development
- One and ½ staff dedicated to HOME
- 90 rental properties in portfolio

Currently Working On

- 3 rental developments in pipeline
  - Underwriting, subsidy layering, environmental
- Problem solving with 2 older rental developments
- New 5-year (2020-2025) Con Plan
- Almost continuous monitoring of our 90 rental developments

Today's Topics

- Regulatory Requirements
- Organizational Options
- Monitoring Challenges
- Common Issues and Findings
- Monitoring Resources

Rental Monitoring Requirements

- A system for monitoring [92.504(a)]

- Conduct on-site inspections [92.504(d)(1)]

- Review tenant income and rents [92.252(f)(2)]

- Filling vacancies and maintaining unit mix – High and Low Home Rents [92.252(i) and (j)]

- New rent approvals [92.252(f)(2)]

- Owner cert. bldg condition [92.504(d)(1)(ii)(c)]

- Financial condition, 10 or more [92.504(d)(2)]

Structuring a Monitoring Plan

- **Desk Reviews**
  - Rents and Income
  - Financial reports
- **On Site Reviews**
  - Physical inspections
    - 1/3 each year
  - General condition of property, files
  - Income calculations
    - Based on risk assessment

Monitoring Challenges

- Old Home Agreements or Affordable Housing Restrictions Poorly Written

- Affordability restrictions beyond the minimum required by regs.

- Multiple monitors when state funding

- Changes in owner/management personnel (particularly non profits)

- Developing staff expertise

Common Issues and Findings

- Rent increases not requested
- Owner confusion on floating or fixed
- Misunderstanding allowable rent for units with mobile voucher
- Changes in use
- Inadequate maintenance
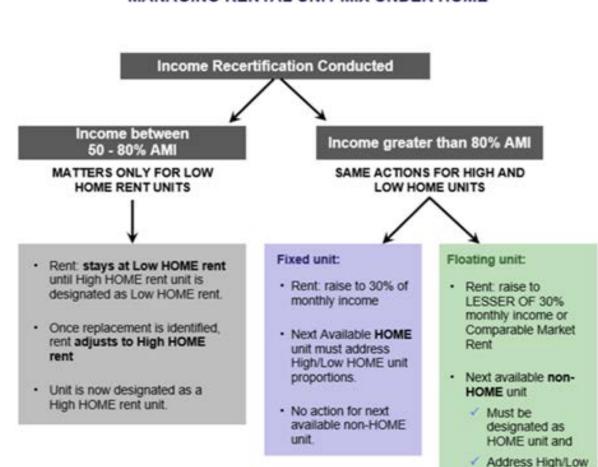- Meshing homeless programs with HOME

Resources

- HUD Webinars
  - https://www.hud.gov/sites/documents/19759_2009HOMERENTALPJ.PDF

- Guide: *Compliance in HOME Rental Projects*
  - https://www.hud.gov/sites/documents/19759_2009HOMERENTALPJ.PDF

Resources – Charts are Helpful

SUMMARY OF STEPS:
MANAGING RENTAL UNIT MIX UNDER HOME