



Education Express for Managers of Multi-Family Housing Projects

April 2018

Agenda

- Disability Assistance Expenses
- Supervisory Reviews
- Waitlist Management

Disability Assistance Expense



Disability Assistance Expense

- Expenses related to a household member's disability that allows one or more household members, age 18 or older, to be employed.
- Unreimbursed and anticipated expenses—may include one-time non-reoccurring expenses—that exceed 3% of household income.
- Includes attendant care and auxiliary apparatus.
- May not exceed the income earned by the person or persons who are enabled to work as a result of the expense.

Disability Assistance Expense

- Auxiliary apparatus include items such as:
 - Wheelchairs
 - Ramps
 - Adaptations to vehicles (i.e. lifts, modified controls)
 - Special equipment to enable a sight-impaired person to read or type, but only if these items are directly related to permitting the person with a disability or another household member to work.
 - Payments on a specially-equipped van to the extent they exceed the payments on non-equipped transportation for a non-disabled person.
 - Maintenance and upkeep of the auxiliary apparatus (e.g., food and veterinary expenses for a service animal).

Disability Assistance Expense

- Attendant care includes, but is not limited to, reasonable expenses for:
 - Home medical care
 - Nursing services
 - Housekeeping and errand services
 - Interpreters for the hearing impaired
 - Readers for those with visual impairments

Disability Assistance Expense

- When the attendant care provider is also the childcare provider:
 - Cost must be broken down to show cost for attendant care and cost for childcare, typically provided by care provider.
 - The sum of the childcare and the disability assistance expenses cannot exceed the income earned by the person enabled to work.

Disability Assistance Expense

EXAMPLE:

- To be able to work, Pam pays both childcare costs and disability assistance expenses.
- Her income from employment is \$6,000 per year.
- Her childcare costs are \$3,000 per year.
- Her disability assistance expenses are \$4,000 per year (after subtracting 3% of gross income).
- ANSWER:
 - She can claim the full childcare cost of \$3,000 per year.
 - The disability assistance expense deduction is limited to \$3,000 per year.

Disability Assistance Expense

- When the household has both disability expenses and medical expense deductions:
 - The disability assistance expense is calculated first.
 - The 3% of annual income calculation is applied until exhausted.

Disability Assistance Expense

EXAMPLE:

- Elderly Household
- Jack's income is \$15,000 per year.
- Diane's income is \$5,000 per year.
- Their disability assistance expenses are \$6,000 per year.
- Their medical expenses are \$2,000 per year.
- ANSWER:
 - Disability assistance expense: $\$6,000 - \600 (3% of income) = $\$5,400$, but it is limited to $\$5,000$ (Diane's income).
 - Medical expense deduction is $\$2,000$ as the full 3% of gross income was "used up" on the disability expense calculation.

Disability Assistance Expense

EXAMPLE:

- Elderly Household
- John's income is \$15,000 per year.
- Jane's income is \$5,000 per year.
- Their disability assistance expenses are \$500 per year.
- Their medical expenses are \$2,000 per year.
- ANSWER:
 - Disability assistance expense: $\$500 - \600 (3% of income) = \$0.
 - Medical expense deduction: $\$2,000 - \$100 = \$1,900$ as the full 3% of gross income was not "used up" on the disability expense calculation.

QUESTIONS?



Supervisory Reviews

HB-2, Chapter 9, 3560.351



Supervisory Reviews

- Pre-Review
- On-Site Review & Inspection
- Post Review & Follow Up
- Common Findings

Pre-Review

- Letter to schedule review and request information
- See sample. Letter contains:
 1. Date, place, and time of review
 2. Request to notify tenants of review
 3. List of information that needs to be available
 4. **In some cases, some information will need to be sent to the servicer**
 5. List of units to be inspected and files to be reviewed
 6. Form to provide statistical breakdown on applications received
 7. Form to provide statistical breakdown on employees and board members

On-Site Review

- File Review
- Physical Inspection
- Management Review
 - Based on the management review Form 2100 (typically filled out on Rural Development staff's iPad)
 - May also include additional guides
 - Includes interview with staff
 - Review of waitlist and all applications (current, withdrawn, rejected) from time period in question
 - Examine project financial activity

SECTION III: ON SITE REVIEW

Directions: Questions below will record results of the on-site review. Information may require verification during discussions with management, on-site staff, tenants and other contacts. Additional space will be allowed for the User to provide User-defined comments for each primary element as needed. All questions will be responded to with a Y/N, and for certain items NA. Certain selections will also require identification of whether a Finding or Violation is found and accompanying ECD.

PART I: BORROWER (PROJECT) MANAGEMENT OPERATIONS AND MAINTENANCE

MANAGEMENT – OWNER/AGENT AGREEMENTS	YES	NO	N/A
1. Has Form RD 3560-13, Management Certification, been executed and submitted to the Agency for review?	X		
a. Does the Management Certification clearly describe the relationships and responsibilities of the owner and agent?	X		
b. Is the management fee paid to the agent in accordance with the Management Certification?	X		
2. Has the Owner and Managing Agent executed a Management Agreement in accordance with the Management Certification?	X		
3. Does the Management Agreement reflect compliance with Agency regulations and guidelines in property operations?	X		
4. Is there indication the owner/agent has taken unauthorized distributions, reimbursements, or management fees?		X	
a. Have these been repaid to the project?			X
5. Are there unresolved findings from previous Supervisory Visit?		X	
a. How are these being addressed?			
b. Findings are being addressed with current Servicing Efforts?			X

Additional Comments:

SECTION III: ON SITE REVIEW

Directions: Questions below will record results of the on-site review. Information may require verification during discussions with management, on-site staff, tenants and other contacts. Additional space will be allowed for the User to provide User-defined comments for each primary element as needed. All questions will be responded to with a Y/N, and for certain items NA. Certain selections Violation is found and accompanying ECD.

PART I: BORROWER (PROJECT)

MANAGEMENT – OWNER/AGENT AGREEMENTS

1. Has Form RD 3560-13, Management Certification, for review?

a. Does the Management Certification clearly responsibilities of the owner and agent?

b. Is the management fee paid to the agent in Certification?

2. Has the Owner and Managing Agent executed a Management Certification?

3. Does the Management Agreement reflect compliance property operations?

4. Is there indication the owner/agent has taken or management fees?

a. Have these been repaid to the project?

5. Are there unresolved findings from previous Supervisory Visit?

a. How are these being addressed?

b. Findings are being addressed with current Servicing Efforts?

One of the primary purposes of the review is to determine whether or not the project is being operated in accordance with the approved management plan.

A second is to ensure the site staff are fully aware of the requirements of the approved management plan.

	YES	NO	N/A
		X	
			X
		X	
			X

Additional Comments:

SITE STAFF	YES	NO	N/A
6. Is staffing identified specific to the property site?	X		
7. For the property staffing identified, how are their duties and responsibilities made known to them? In writing and copy provided Verbally			
<div style="border: 2px solid red; padding: 10px;"> <p>SITE STAFF</p> <p>1. Are site staff aware of their responsibilities under the plan?</p> <p>2. Are they knowledgeable of project operations?</p> <p>3. Do they have access to needed information?</p> <p>4. Have they been adequately trained?</p> </div>	to	X	
		X	
		X	
	ng		X
10. Are the following items included in the Management Plan? Tenant selection Collection of security deposits Rules of occupancy			
11. Does identified property staff have access to Rural Development regulations and Handbooks to assist in implementing Agency policies and procedures related to property maintenance, leasing, applicant eligibility, occupancy, marketing, etc.?	X		
12. Have identified staff received training during the last 5-years?		X	
13. Based on the review completed, does the Management Plan clearly define the roles and responsibilities of the owner and the relationship and delegations of authority to the management agent and management staff assigned to day-to-day operations of the project in accordance with 7 CFR 3560.102(b)?	X		

Additional Comments:

SUPPLEMENTAL SERVICES	YES	NO	N/A
14. Does the property provide supplemental services for the tenants?	X		
Which of the following supplemental services are provided? Laundry Facilities			
15. For the services identified, are additional fees or charges assessed the tenants?	X		
16. For the services identified, how often are these services being utilized? More frequently than 6 times per month			
17. Based on review of supplemental services, are services provided, and fees or charges assessed for those services, in accordance with the Management Plan?	X		
INSURANCE AND TAXES	YES	NO	N/A
18. Current property and liability coverage	SUPPLEMENTAL SERVICES: What services are offered and how are they managed?		
19. Are deductibles within regulatory com			
20. Is adequate fidelity coverage in place for those site and management employees with access to project assets?	X		
21. If the property is assessed real estate taxes, are these current?	X		

Additional Comments:

IDENTITY OF INTEREST (IOI)

YES

NO

N/A

22. Has Owner/Management properly disclosed all IOI relationships using RD Form 3560-31, IOI Disclosure/Qualification Certification?

X

23. Are all IOI contracts competitively bid and documented?

X

24. Do invoices and receipts sampled support 3560-7 (Actual)?

**IDENTITY OF INTEREST
If IOI's exist, are they managed in accordance with 3560.102(g)?**

25. Is there an appearance that invoice of

X

26. If IOI companies are used, do costs appear reasonable for work performed?

X

27. If IOI company is used, is there documentation that required bids were solicited from independent companies for same services/materials supplied by IOI company?

CASH AND INTERNAL CONTROLS

YES

NO

N/A

28. How are tenants paying rents?
Paying at property management office

29. Are adequate controls in place when cash is accepted?
Which controls are in place when cash is accepted?

30. If cash accepted pending a bank deposit, what controls are in place

31. Are different methods used for accounts receivables?

Indicate name of person who reviews collections and late rents.
site manager

32. If bank deposits and accounts receivables are not being handled by different persons, what alternative safeguards are in place? List:

33. Are Internal controls in place for all disbursements?
Which internal controls in place for all disbursements?
Disbursement checks are pre-numbered.
Disbursement checks are identified with account numbers.
Disbursement checks are supported by vouchers or invoices.

34. Is the supply of unused checks adequately safeguarded, or under custody of persons who do not sign checks manually, control the use of facsimile signature plates, or operate facsimile signature machines?

35. Are laundry and/or vending proceeds from the use of the equipment accurately recorded and safeguarded pending deposit?

INTERNAL CONTROLS
Are adequate safeguards in place to protect project funds?

Additional Comments:

- 23) No IOI.
- 35) vendor collects proceeds.

PROCUREMENT – COST CONTROLS	YES	NO	N/A
36. Are bills, to include the mortgage payment, paid in sufficient time to avoid late fees or penalties?	X		
37. Are operating expenses, including taxes, insurance, and utilities periodically reviewed to assure that project is paying the lowest rate(s) possible? Indicate documentation reviewed. Utility allowance documentation	X		
38. Are bids obtained prior to awarding contracts?	X		
39. Are there any services currently contracted with outside vendors to include vendor name and amount of contract? List all services: Laundry machines Grounds maintenance Other	X		
40. For vendors identified above, is there an IOI? If IOI exists, is it disclosed?		X	
41. Which of the following efforts has management put Competitive bidding. Bulk purchasing. Central processing.			
42. Are Account Payables less than 30 days old? For accounts > 30 days old, indicate \$: _____ to reduce outstanding payables.			

COST CONTROLS
What actions are management taking to ensure the project obtains goods and services at the lowest cost?

Additional Comments:

39) other is applicant screening report.

FINANCIAL – ACCOUNTING	YES	NO	N/A	
43. Based on the most current budget in place, do rents charged reflect the operations, management and maintenance expenses, and related costs, to include Agency debt?	X			
44. Are project accounts being maintained in accordance with the Borrower's Loan Agreement/Resolution? List the accounts being maintained: General Operating Account Real Estate Tax and Insurance Escrow Account (if separate from GOA) Tenant Security Capital Replacement	X			
45. Are project funds held... Which funds are held... Held in a financ... backed by collat... conditions of th... Funds held do no... Funds used are f... Other than the t... capital account... until used and s... Borrower account... maintain the pro... accountability). The borrower has... The borrower has... Agency approval.	<p style="text-align: center;">ACCOUNTING</p> <p>Does management maintain all required accounts?</p> <p>Are funds held in the accounts adequately protected?</p> <p>Are financial reports submitted timely?</p> <p>Is the accounting system adequate with appropriate procedures in place to control costs and safeguard funds?</p>	X		
46. Are all housing project... for at least 3 years after			X	
47. Are all financial reco... location with reasonable a			X	
48. Are financial reports submitted within establish				X
49. If it was identified o... Pending or were Rejected, receipt?				X
50. Based on the review, o... and cost controls, cash ar... safeguarding of collection... assuring fees and penaltie... of contracts, financial ma... accordance with 7 CFR 3560		X		

Additional Comments:
48) reports were late this year but mgmt requested extension.

OCCAPANCY REVIEW – LEASING AND TENANT ELIGIBILTY	YES	NO	N/A
60. Are all applicant contacts properly documented and retained for minimum 3 year period?	X		
61. How n			
62. Do wi reason(s)			
63. Were			
64. Does (b)?			
65. Do wa			
66. Is ar			
67. Did t waiting l			
68. Were			
69. Were			
70. Are t			

WAITLIST

1. Does the waitlist meet agency regulations? Contain:
 - A. Race, ethnicity, and gender
 - B. Income category of applicant
 - C. Date and time completed application was received
 - D. Status of applicant

2. Are notes made and available to show actions taken?

3. Have proper notifications been sent?
 - A. Initial notice within 10 days
 - B. Rejection notices sent by certified mail, return receipt requested and with grievance rights
 - C. Withdrawal notices in accordance with purging policy in the management plan

ACHIEVING FULL OCCUPANCY - MARKETING	YES	NO	N/A
71. Based on the project's established occupancy standards, are households Over-housed or Under-housed? Which of the following applies? Over-housed	X		
72. Are households which are over- or under-housed relocated in accordance with 7 CFR 3560.155(c)?	X		
73. Does the project have a current (within 3FY) Marketing Plan in place and posted in accordance with 7 CFR 3560.155(c)?			
74. Under Section 504 of the Rehabilitation Act of 1973, ensure that appropriate and effective communication is provided to persons with disabilities. Has the owner/agent taken steps to ensure that appropriate and effective communication is provided to persons with disabilities? How has the owner/agent taken steps to ensure that appropriate and effective communication is provided to persons with disabilities? Qualified sign language and/or oral interpretation Telecommunications Device for the Deaf (TDD)			
75. Based on occupancy as of the 1st of the month: a. How many units are currently vacant? _____ b. How many of these vacant units are rented? c. What is the average length of time for units to be rented? d. How many units has the owner/agent determined to be vacant? e. What is the owner/agent reason for determining units to be vacant? f. How long is the unit(s) anticipated to be vacant?			
76. Describe the surrounding neighborhood: Average (typical, stable)			
77. Is it expected the condition of the neighborhood to improve?			
78. Does the surrounding neighborhood have an effect on the project? Stay the same			
79. Based on interviews with site staff, are any vacancy problems? What are the other factors contributing to vacancy problems?			
80. Are marketing incentives being used to improve occupancy?			
81. Have these incentives received Agency approval?			
82. Based on discussions with property management, what are causes of late tenant transaction submissions? NA			

OCCUPANCY

1. When households are over/under housed, is management taking appropriate action?
2. Does management have a plan for effective communication with people with disabilities?
3. Are there any factors affecting project vacancy?
 - A. Delays in turning units
 - B. Poor marketability
 - C. Poor economics

Additional Comments:

LEASE TERMINATIONS - EVICTIONS	YES	NO	N/A
83. Were the 3 most recent tenant terminations properly completed in accordance with 7 CFR 3560.159?	X		
84. Were the 3 most recent tenant evictions properly completed?	X		
85. Do the tenant's files contain adequate documentation of reasons for termination or	X		
TERMINATIONS		X	
If there were any terminations of tenancy or evictions, were they handled in accordance with agency regulations?			
If termination/eviction was for failure to recertify, was agency notified in accordance with 3560.208?	YES	NO	N/A
	X		
Is management informing tenants of their grievance rights?	X		
<ul style="list-style-type: none"> • In writing per 3560.160 (c)? • By posting them in common areas per 3560.103(a)(3)(xiv)? 			
			X
Is management maintaining records of hearings and settlements?		X	
			X
93. If an association of tenants is formed, does management work with this organization to assist in resolving grievances?			X

Additional Comments:

RENT - COLLECTIONS	YES	NO	N/A
94. Are rents established at the same rate for all similar units in the project as defined in 7 CFR 3560.11?	X		
95. Is the current approved rent schedule sufficient to meet project needs?	X		
96. Is a unit designated as a site manager or caretaker of unit?		X	
97. Is site-staff, care		X	
98. Are unit rents for CFR 3560.202(f)?			X
99. Does site staff man	X		
100. If site staff manag properties under one ag	X		
101. Based on the review marketing units, achieve Marketing Plan requirements, recertifying income, lease policies and procedures relationship with management on-site management? Base define the roles and re authority to the management the project in accordance with 7 CFR 3560.102(b).	X		

RENT

1. Are project rents at an appropriate level and uniform?
2. Do any site staff live on site in rent-free units?
3. If site staff are employed at multiple projects, are expenses properly pro-rated across all properties?

Additional Comments:

On-Site Review

- Physical Inspection
- Management Review
- File Review
 - May include former tenants (move-outs)
 - Based on the tenant file review as found in Rural Development's systems.
 - Based on Attachment 6-J of HB-2-3560, "Required Tenant File Documentation".

Tenant Eligibility (§3560.152)

(a) General requirements. Except as specified in paragraph (b) of this section, a tenant eligible for occupancy in Rural Development-financed housing must either:

- (1) Be a United States citizen or qualified alien, and
- (2) Qualify as a very-low-, low-, or moderate-income household; or
- (3) Be eligible under the requirements established to qualify for housing benefits provided by sources other than Rural Development, such as U.S. Department of Housing and Urban Development (HUD) Section 8 assistance or Low Income Housing Tax Credits (LIHTC), when a tenant receives such housing benefits.

Delay of Implementation

In the interim final rule published November 26, 2004 (69 FR 69032–69176), implementation of the specific words in quotes in the following sections will be delayed indefinitely:

PART 3560—[AMENDED]

§35560.152 [Amended]

- On page 69133, second column, §3560.152(a)(1) “Be a United States citizen or qualified alien, and”;

§3560.154 [Amended]

- On page 69134, third column, §3560.154(a)(7) ‘...and a certification that the applicant is a U.S. citizen or a qualified alien as defined in §3560.11...’;

§3560.156 [Amended]

- On page 69136, third column, §3560.156(c)(12) “...their citizenship status,...”; and

§3560.254 [Amended]

- On page 69144, first column, §3560.254(c)(3) “Whose head of the household is a U.S. citizen or a legal alien as defined in §3560.11.”

Tenant Eligibility

- Farm Labor Housing (§3560.11):
 - Domestic farm laborer.
 - A person who...receives a substantial portion of his or her income from farm labor employment...in the United States, Puerto Rico, or the Virgin Islands and either is a **citizen** of the United States or resides in the United States, Puerto Rico, or the Virgin Islands after being legally **admitted for permanent residence**. This definition may include the immediate family members residing with such a person.

Attachment 6-J: “Required Tenant File Documentation”

- Application / Household Information
 - Application (signed, dated, and date stamped)
 - Verification / certification of social security numbers, if available
 - Citizenship declaration / immigration status (all household members), FARM LABOR ONLY
 - Eligibility verification documents (e.g., person with disabilities, elderly, resident assistant, assistance animal, etc.)
 - Release and consent form for income verification for each adult household member
 - Acknowledgement of the head of household's receipt of lead-based paint disclosure brochure, if applicable.

Attachment 6-J: “Required Tenant File Documentation”

- Lease
 - Current approved form, properly completed, signed by tenant and owner
 - Lease amendments/addendums/agreements
 - Project rules and regulations
 - Pet rules, pet agreement, and pet deposit receipt, if applicable
 - Security deposit — correct amount and receipt
 - Move-in inspection report, signed by tenant
 - Annual inspection reports and indication findings were addressed
 - Lead-based paint addendum, if applicable

Attachment 6-J: “Required Tenant File Documentation”

- Certification/Recertification
 - Initial and annual recertifications
 - Recertification notices (initial and, if applicable, first, second, and third notices)
 - Verifications of income, assets, and deductions
 - Disposal of assets verification (head of household, spouse, co-head)
 - Correspondence either issued to, or received from, tenant(s)
 - Copy of certified mail receipt (when grievance rights given)

Attachment 6-J: “Required Tenant File Documentation”

- Maintenance File
 - Repair history of unit
 - Cross check with reserve usage
 - Work orders
 - Date of request
 - Work completed
 - Timeliness
 - Charges to tenant
 - Follow up on inspection findings

Attachment 6-J: “Required Tenant File Documentation”

- Move-Out Files
 - The current tenant file will become the move-out file.
 - In addition to the above items, the move-out files must contain:
 - Copy of the intent to vacate notice received from the tenant
 - Move-out inspection report
 - Copy of the security deposit disposition notice provided to the tenant
 - Copy of letter/check if security deposit was mailed
 - Documents supporting retaining all or a portion of the security deposit

File Review

- Rural Development will attempt to re-create the tenant certification process, checking:
 - Is the math correct?
 - Was all information verified within 90 days of effective date?
 - Are the income, deductions, and adjustments to income all correct?
 - Your worksheets, notes, and comments will aid in the review.
 - Is the certification signed and dated prior to the effective date?

On-Site Review

- Interview
- File Review
- Physical Inspection

Physical Inspection

- Building exteriors
- Common areas
- Office
- Selected units
- Parking lots and grounds

Physical Inspection

- General condition
- Neat appearance
- Accessibility
- Posters
- Grievance rights, house rules posted
- Health and safety issues
- Tenant interviews

Civil Rights Compliance Review

- Marketing File
 - Evidence of marketing per approved Affirmative Fair Housing Marketing Plan (AFHMP)
 - Marketing materials contain equal housing notice and comply with DR 4300-3
- Postings for Public View
 - AFHMP
 - And Justice for All and Equal Housing Posters
 - Grievance rights
 - Occupancy rules
 - Request for accommodation forms
 - Office hours and emergency contact information

Civil Rights Compliance Review

- Self Evaluation and Transition Plan (SE/TP)
 - On site
 - Status
- Project demographics
- History of non-compliance or complaints

Post Review — Results Letter

- Review letter — Make sure you understand the issues.
- Be sure to take any actions recommended.
- Respond to issues as appropriate.

Common Weaknesses

- Proposed budgets not submitted in timely manner with required narrative and utility allowance information
- Annual reports not submitted in timely manner with all required documentation
- Management documents out of date
- Site staff not properly trained
- Site staff not familiar with management plan and/or plan not being followed
- Inadequate project oversight by agent

Common Weaknesses

- Improper use of IOIs
- Inadequate maintenance systems (i.e. lack of schedule, no follow up, lack of oversight, no documentation)
- Actions taken on applicants not clearly indicated (contacts, withdrawn, denied, move-in)
- Comments for why an applicant is passed-over not clear
- Not all applications included on waitlist (incomplete as well as complete applications must be tracked)
- Waitlist not being updated/purged on a regular basis
- Letters to denied applicants not being sent certified, return receipt requested

Common Weaknesses

- Applications not signed by applicant or not date stamped
- Lack of social security numbers or affidavit
- Screening information missing from file
- Agency DOL releases missing from file
- Lead-based paint notices missing when required
- Recertification notices missing from files
- Most recently approved lease version not in use
- No receipt for payment of deposits (both security deposit and pet deposit)
- Disposition of security deposit lacking from move-out files

Common Weaknesses

- Move-in inspection missing or not signed
- Missing documentation of unit inspections; inspections not completed per management plan; or no verification of follow-up on needed repairs
- Tenant certification not signed on or before effective date
- Improper verification of income (i.e. used improper source or older than 90 days)
- Lack of documentation on child support
- Improper calculation of net income or lack of guidance on how net income was calculated
- Missing documentation to support eligibility for deductions
- Zero Income Worksheet not used when required or not obtained quarterly

Common Weaknesses

- Failure to document compliance with the Affirmative Fair Housing Marketing Plan; failure to update plan as needed
- Required posters / information not posted (“And Justice for All” and “Equal Housing Opportunity” posters, grievance procedure, AFHMP).
- Accessibility issues (administrative or physical).
- No current 504 (accessibility) self evaluation or transition plan; failure to follow transition plan (reference Appendix 5 and 7 CFR 15b for requirements)
- Confusion (both tenants and management) regarding reasonable accommodation requests

Common Weaknesses

- Apartment Interiors:
 - **Mold**
 - Broken door jambs, missing/deteriorated weather stripping on exterior doors, lack of deadbolts on exterior doors
 - Outdated/failing appliances
 - Torn/damaged and/or very worn floor coverings
 - Poor wall and ceiling patches; walls and ceilings not regularly, or are poorly, painted

Common Weaknesses

- Apartment Interiors:
 - Emergency call systems not functioning and/or disconnected
 - Chipped/broken/leaking plumbing fixtures
 - Failed electrical components (particularly bath exhaust fans and electrical outlets)
 - Worn/damaged cabinetry and countertops
 - Bug infestations (ants, cockroaches, spiders, etc.)

Common Weaknesses

- Exterior/Common Areas:
 - Landscaping not adequately maintained, including trees overgrowing roofs and inadequate clearance between shrubbery and buildings
 - Project grounds (including sidewalks, parking lots, and dumpster enclosures) not kept free of litter and debris
 - “Heaved” sidewalks, creating trip and fall hazards
 - Missing or damaged window screens
 - Cluttered patios
 - Laundry rooms not kept clean and equipment not maintained

QUESTIONS?



Waitlist Management



Application

- To properly place applicants on the waitlist, your application needs to collect:
 - Information on all income and adjustments to income,
 - Both for the applicant and all household members listed on the application.

Waitlist

- Per 7 CFR §3560.154 (F) and HB 2-3560 6.18, the following information should be collected through the application process:
 - Race and ethnicity
 - Gender (required for compliance reviews)
 - Date and time the application was received
 - Other information as needed to properly place applicants
 - Final disposition of application (selected, withdrawn, rejected)

Electronic Waitlists (HB-2, Section 3560, Chapter 6.18(C)(1))

- Supervisory Visits / Compliance Reviews:
 - Upon request, the electronic waitlist must be provided to your Rural Development Servicing Specialist.
 - It should contain all items listed in the previous slide in chronological order.
- Print a record of the appearance of the waitlist at least once per month.

Waitlist (7 CFR §3560.154 (F))

- All applications, including incomplete applications and transfers, should go on the waitlist.
- You may use separate lists for incomplete applications and transfers.
- You may want to include a master list and sub-lists by bedroom size.
- Priority is still based on the date of the COMPLETE application.

Waitlist Reviewers

- Reviewers of waitlists must be able to:
 - Find an applicant on the waitlist.
 - Confirm easily that an applicant was housed at an appropriate time based on:
 - Unit size needs
 - Preferences
 - Income targeting
 - Trace actions taken with respect to a family's application for tenancy.
- Owners should review waitlist policies to be sure an independent party can follow everything that happened.

Tenant Screening

- Agency Requirements:
 - Income eligible
 - Age/status eligible
 - Eligible for other programs that participate
 - Such as Oregon Housing and Community Services (OHCS) HOME Program, Low-Income Housing Tax Credits (LIHTC), U.S. Housing and Urban Development (HUD) Section 8, and USDA Rural Development Section 515 properties
 - Occupancy eligible

Tenant Screening

- Owner / Agency Requirements:
 - Must be spelled out in management plan and selection criteria
 - Minimum income requirements
 - Credit requirements
 - Criminal history restrictions
 - Other requirements, as long as they are not discriminatory

Tenant Screening

- Guiding Principles:
 - Fair
 - Consistent
 - Preserve integrity of project

Selection Priorities (7 CFR §3560.154 (G) & 3560.155)

Multi-Family Housing, Section 515:

1. Priority for accessible units
2. Existing tenants needing to be re-assigned
3. By occupancy (family size / unit size)
4. By income (very-low, low-, then moderate-income)
5. By tax credit / other program eligibility
6. By Letter of Priority Entitlement (LOPE)
7. For congregates (preference given to those taking services)
8. By date of application

Selection Priorities (7 CFR §3560.577)

Farm Labor Housing, Section 514 / Section 516:

1. Priority for accessible units
2. Existing tenants needing to be re-assigned
3. By occupancy (family size / unit size)
4. By status (active in farm labor, retired / disabled from local market, retired / disabled from outside local market)
5. By income (very-low-, low-, then moderate-income)
6. By Letter of Priority Entitlement (LOPE)
7. By date of application

Notification Requirements

- Initial Notice:
 - Sent within 10 days
 - Provides status of application
- Application / Waitlist Update:
 - Sent per management plan
- Selected for Processing
 - Sent per management plan
 - Typically by phone.
 - Follow-up by mail.

Notification Requirements

- Purged / Withdrawal Notice:
 - Sent per management plan
 - If no policy, treat as a rejection
 - Purging policy should be included in:
 - Notice to applicant,
 - Tenant selection criteria, **OR**
 - Application
- **Key: purging police must be conveyed in writing to applicants somehow.**

Purging Policy Example

The following is an example of a possible purging policy:

Your application will be withdrawn without further contact for any of the following reasons:

1. Any notice mailed to your last known address is returned as undeliverable.
2. You fail to respond to a written request for information within *(a timely manner)*.
3. You are offered a unit and decline to accept it, unless *(reasonable justification)*.
4. You ask to have your application withdrawn.
5. You are deceased or incarcerated.

Notification Requirements

- Rejection Notice:
 - Sent by certified mail, return receipt requested
 - Must comply with requirements of 7 CFR §3560.160

Notification Requirements

- Withdrawal vs. Rejection:
 - Withdrawal:
 - Applicant indicates either directly or through actions that they are no longer interested in occupancy.
 - Rejection:
 - Applicant is still actively seeking occupancy but management is removing them from consideration for current and future occupancy (including removing them from the waitlist).

Notification Requirements

IMPORTANT:

Retain copies of **all** notices mailed to the applicant with the application.

QUESTIONS?



Contact Us:

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www.rd.usda.gov/or



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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

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- 1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- 2) Fax: (202) 690-7442; or
- 3) Email: program.intake@usda.gov.

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