

**OKLAHOMA HOUSING FINANCE AGENCY  
HOME DEPARTMENT**

<b>Chapter 7</b>	
	<b>Reference: 24 CFR, Part 92.508</b>
<b>Subject: Recordkeeping</b>	

**General Requirements**

**Notes**

- ↳ Fully document compliance with all applicable HOME program regulations.
- ↳ Establish files to provide historical account of program activities for program audit and monitoring.
- ↳ Establish filing system for each category and individual project files.
- ↳ Maintain files at the Awardee's principle place of business.
- ↳ All records pertaining to each fiscal year of HOME funds must be retained for the most recent five (5) year period, except as provided below.
  - { For rental housing projects, records may be retained for five (5) years after the project completion date; except that records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five (5) year period, until five (5) years after the affordability period terminates. {92.508(c)1 }
  - { For homeownership housing projects, records may be retained for five (5) years after the project completion date, except for documents imposing recapture/resale restrictions which must be retained for five (5) years after the affordability period terminates. {92.508(c)2 }
  - { For tenant-based rental assistance projects, records must be retained for five (5) years after the period of rental assistance terminates. {92.508(c)3 }

- { For written agreements must be retained for five (5) years after the agreement terminates. {92.508(c)4}
- { Records covering displacement and acquisitions must be retained for five (5) years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with §92.353. {92.508(c)5}
- { If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it or until the end of the required period, whichever is later. {92.508(c)6}

## **Procedures**

The Awardee shall maintain documentation as listed below on each project funded by HOME.

- { Application
  - ⇒ OHFA approved program application (with detailed tasks and schedules).
  - ⇒ Board/Trustee approval of the HOME application.
  - ⇒ Any amendments and revisions.
  - ⇒ Correspondence relating to application.
  - ⇒ OHFA approved changes to application.
- { Contract File
  - ⇒ Written agreement.
  - ⇒ Record of correspondence concerning other contract conditions.
  - ⇒ Copies of all modifications or amendments to the Contract agreement.

- { Displacement, Relocation & Acquisition: Records must be kept that demonstrate compliance with the Uniform Relocation Act (URA) whenever displacement occurs as a direct result of rehabilitation, demolition, or acquisition of a HOME-assisted project. (See Chapter 20)
- { Program Promotion: Documentation must show how the applicants were selected, including proof of advertisement, public postings, meetings held and correspondence.
- { Conflict of Interest: Records documenting each recipient's compliance with conflict of interest provisions of the HOME regulations. (See Chapter 21)
- { Environmental: Records documenting compliance with Environmental Review and release of funds on each project. (See Chapter 17)
- { Flood Insurance: Records demonstrating compliance with flood insurance requirements if property is located in a designated floodplain.  
**OHFA DOES NOT FUND IN FLOODPLAINS**
- { Lead-Based Paint: Current requirements are subject to 24 CFR, Part 35 - the regulations implementing the Lead-Based Paint Poisoning Prevention Act. (See Chapter 19)
- { Procurement: Awardee must follow procurement procedures in obtaining construction Awardees for rehabilitation or construction housing. (See Chapter 2)
- { Debarment and Suspension: Written certification/documentation that the construction Awardees hired are not currently debarred, suspended, or ineligible. (See Chapter 16)
- { Property Standards: Documentation must be in each project file reflecting that the property is in compliance with the construction standards noted below:
  - ❖ IRC (International Residential Code for One- and Two-Family Dwellings) latest edition
  - ❖ IBC (International Building Code) latest edition

- ❖ ICC (International Electric Code)
- ❖ International Mechanical Code
- ❖ International Plumbing Code
- ❖ International Energy Conservation Code
- ❖ Manufactured Home Construction and Safety Standard – 24 CFR 3280

{ NOTE: While not a construction code, the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, require specific design characteristics relating to handicapped accessibility.

{ Property Values: Documented before and after rehabilitation values are required to reflect the property value has not exceeded 95% of the median area purchase price provided by HUD. (See Chapter 10)

Property values can be determined by tax assessments, estimation of value, or appraisals.

Certified appraisals are required on all properties that are to be used as match.

{ Financial Management: Records to substantiate all accounting transactions (including deposits, disbursements and balances). File should include copies of expenditure reports, match requirements, requests for funds and any financial correspondence. (See Chapter 4)

{ Minimum-Maximum Subsidies: The minimum level of HOME funds that can be invested in a project is \$1,000. The maximum investment per unit must not exceed the per unit dollar limitations established under section 221(d)(3)(ii) of the National Housing Act (12U.S.C/ 17151(d)(3)(ii) for elevator-type projects that apply to the area in which the housing is located. (See Chapter 10)

{ Equal Opportunity and Fair Housing: The Awardee will maintain records reflecting compliance with federal laws and with executive orders and regulations pertaining to fair housing and equal opportunity. (See Chapter 16)

{ Complaint File: The Awardee must adopt and follow written guidelines for complaint procedures. These procedures and any complaints received should be maintained in the file.

{ Site & Neighborhood Standards: When constructing new units, compliance must be met regarding site and neighborhood standards. (See Chapter 9)

{ Reporting Files: Awardee shall maintain a copy of the Annual Performance Report. Documentation must include:

⇒ An analysis of the Awardee's efforts to maximize participation by the private sector.

⇒ An assessment of the Awardee's minority outreach program, including an analysis of participation by minorities and women and entities owned by minorities and women, and a statement of additional actions planned to improve performance in the use of minority and women-owned businesses.

⇒ Data on the total number of households (families and individuals) and nonprofit organizations displaced as a result of investments of HOME funds, including the cost of relocation payments (moving expenses and replacement housing).

⇒ Data on the amount of program income, recaptured funds, repayments, and CHDO proceeds. The data must include the number of projects assisted and characteristics of owners.

{ State Monitoring/Technical Assistance (TA)

⇒ OHFA monitoring and/or TA reports.

⇒ Awardee response to OHFA monitoring reports.

⇒ Other correspondence related to OHFA monitoring/TA visit.

⇒ Evidence clearing any monitoring problem.

{ Audit: Documentation of selection procedures for contracting professional services, professional service agreements, audits conducted, and correspondence relating to any audit report.

{ Closeout Documents: Maintain all documents needed for closeout including the Project Completion Report, Closeout Report, and other required criteria.

{ Additional areas to be addressed for homeowner, homebuyer, rental, and tenant-based rental assistance are listed below:

## **HOMEOWNER REHABILITATION**

### **Overview**

⇒ Records that document ownership and principal place of residence.

⇒ Verification of recipient income.

⇒ Written agreement with homeowner and the Awardee must comply with written agreement requirements in 92.504

⇒ Copy of rehabilitation agreement between the construction/rehabilitation firm, homeowner, and/or Awardee. The client file must also contain all relevant documents (e.g. Notice to Proceed, Site Inspection Reports, Request for Payment & Documentation, Notice of Acceptance of Work, Release of Lien forms, Homeowner Insurance and Recorded Recapture Agreement).

## **HOMEBUYER REHABILITATION**

### **Overview**

⇒ Awardee must adopt and follow affirmative marketing procedures and requirements for homebuyer projects containing five (5) or more HOME-assisted housing units or HOME-funded program. (HUD Form 935.2b &

worksheets)

- ⇒ Application from homebuyer with verification of all income. The homebuyer's annual income cannot exceed 80% of the median family income as described by HUD income limits.
- ⇒ Records that document transfer of ownership to homebuyer and that applicant will occupy the property as his/her principal residence.
- ⇒ Written agreement with homeowner and the Awardee must comply with written agreement requirements in 92.
- ⇒ Deed Restrictions: Records that document compliance with resale requirements.
- ⇒ Documentation of enforcement used to assure the period of affordability based on the amount spent per unit {92.251}.
- ⇒ If rehabilitation is to be completed on the unit, copies of the rehabilitation agreement between the construction/rehabilitation firm, homebuyer, and/or local government/agency with other relevant documents.

## **RENTAL REQUIREMENTS**

### **Overview**

- ⇒ Tenant Participation Plan: Records must be kept documenting existence of the Tenant Participation Plan as follows:
  - ∫ Copy of plan that includes fair lease provisions, grievance procedures, and tenant participation in management decisions.
  - ∫ Records that document the activities undertaken to assure tenant participation.

- ⇒ Affirmative Marketing: *Five (5) or more* HOME assisted rental units must have documentation reflecting compliance with affirmative marketing. (HUD Form 935.2a & worksheets)
- ⇒ Labor Standards: Projects consisting of *12 or more* HOME assisted units, must comply with the Davis-Bacon Act. Documentation includes evidence of wage rate request and 10-day call, construction firm files, payrolls, employee interviews, etc.
- ⇒ Income Targeting: Records must be kept reflecting the income levels of the tenants at initial occupancy. Not less than 90% of the units must be occupied by individuals whose incomes do not exceed 60% of the median family income for the area. The remaining units are to be rented to low-income families.
- ⇒ Re-certification of tenant's income must be completed at least annually.
- ⇒ Rent Limits: Compliance is required to reflect adequate number of units rented as high/low rents established by HOME (92.252).
- ⇒ Affordability: Documentation is required to show that the units remain affordable throughout the period of affordability (based on the amount spent per unit) through:
  - ┌ Annual re-certification of tenant income
  - ┌ Annual review of rent/utility allowances
  - ┌ Annual inspection of projects
- ⇒ Deed Restrictions: Documentation of deed restriction and remedies for breach of provisions.
- ⇒ Records that indicate whether the project is mixed income, mixed use, or both as

described in 92.255 and 92.256.

- ⇒ Lease agreement between tenant and property owner should be for not less than one year, unless by mutual agreement, and must comply with the prohibited lease terms {92.253}.

## **TENANT-BASED RENTAL ASSISTANCE (TBRA)**

### **Overview**

- ⇒ Awardee must adopt and follow affirmative marketing procedures and requirements for TBRA containing five (5) or more HOME-funded program. (HUD Form 935.2b & worksheets)
- ⇒ Documentation must reflect eligible costs for tenants in providing either rental assistance or security deposit for a unit.
- ⇒ Security Deposit: Documentation must reflect assistance as a grant (deferred or forgivable) or loan (principle and/or interest).

Lease agreement between tenant and landlord must observe prohibited lease provisions (92.253).

The security deposit may not exceed the equivalent of two (2) months rent for the unit.

Only the prospective tenant can make application for the security deposit.

- ⇒ Rental Assistance: Documentation must be maintained regarding tenant selection. Selection of tenants may be by federal preference, local preference to individuals with special needs or existing tenants of HOME assisted project (92.209).

The rental assistance cannot exceed two (2) years, but may be renewed, subject to the availability of HOME funds {92.209(e)}.

The lease agreement between tenant and landlord must observe prohibited lease provisions found at 92.253. In addition, the lease must terminate when or if the tenant becomes eligible for Section 8 assistance. {92.209(l)}

Rent and assistance is adjusted based on the criteria for assistance in effect at the time of re-certification.

- ⇒ Income Targeting: Records must be kept reflecting the income levels of the tenants at initial occupancy. Not less than 90% of the units must be occupied by individuals whose incomes do not exceed 60% of the median family income for the area. The remaining units are to be rented to low-income families.
  
- ⇒ Re-certification of tenant's income must be performed at least annually.
  
- ⇒ Records demonstrating that the assistance meets the maximum subsidy requirements.
  
- ⇒ Records supporting the Awardee's Consolidated Plan certification in accordance with 92.209(b), including documentation of the local market conditions that led to the choice of this option.