

Management Review for Multifamily Housing Projects

U.S. Department of Housing and Urban Development
Office of Housing – Federal Housing Commissioner

OMB Approval No. 2502-0178
Exp. 04/30/2018

Summary

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|---|--|---|---|
| Date of On-Site Review: 06/02/2022 | Date of Report: 06/28/2022 | Project Number: 800020375 | Contract Number: TN40L000009 |
| Section of the Act: 8/MSA | Name of Owner: GMF-Serenity Towers, LLC | Project Name: Serenity Housing | Project Address: 400 S. Highland St, Memphis, TN 38111 |
| Loan Status: <input type="checkbox"/> Insured <input type="checkbox"/> HUD-Held <input checked="" type="checkbox"/> Non-Insured <input type="checkbox"/> Co-Insured | Contract Administrator: <input type="checkbox"/> HUD <input type="checkbox"/> CA <input checked="" type="checkbox"/> PBCA | Type of Subsidy: <input checked="" type="checkbox"/> Section 8 <input type="checkbox"/> PAC <input type="checkbox"/> Section 236 <input type="checkbox"/> Section 221(d)(3)BMDR <input type="checkbox"/> Rent Supplement <input type="checkbox"/> RAP <input type="checkbox"/> PRAC <input type="checkbox"/> Unsubsidized | Type of Housing: <input type="checkbox"/> Family <input type="checkbox"/> Disabled <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Elderly/Disabled <input type="checkbox"/> Other (please specify) |

For each applicable category, assess the overall performance by checking the appropriate column. Indicate A (Acceptable) or C (Corrective action required). Include target completion dates (TCD) for all corrective action items. For those items not applicable, place N/A in the TCD column.

| | A | C | TCD | |
|--|-------------------------------------|-------------------------------------|------------|---|
| A. General Appearance and Security | | | | Enter a score between 1 and 100 for the General Appearance and Security Rating. If this Section was not reviewed, enter 0. 65 is 10% of the overall score. This category is rated Below Average . |
| 1. General Appearance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 2. Security | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| B. Follow-up and Monitoring of Project Inspections | A | C | TCD | Enter a score between 1 and 100 for the Follow-up and Monitoring of Project Inspections Rating. If this Section was not reviewed, enter 0. 70 is 10% of the overall score. This category is rated Satisfactory . |
| 3. Follow-Up and Monitoring of Last Physical Inspection and Observations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 4. Follow-Up and Monitoring of Lead-Based Paint Inspection | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| C. Maintenance and Standard Operating Procedures | A | C | TCD | Enter a score between 1 and 100 for the Maintenance and Standard Operating Procedures Rating. If this Section was not reviewed, enter 0. 40 is 10% of the overall score. This category is rated Unsatisfactory . |
| 5. Maintenance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 6. Vacancy and Turnover | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 7. Energy Conservation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| D. Financial Management/Procurement | A | C | TCD | Enter a score between 1 and 100 for the Financial Management/Procurement Rating. If this Section was not reviewed, enter 0. 8 is 25% of the overall score. This category is rated Not Rated . |
| 8. Budget Management | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| 9. Cash Controls | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| 10. Cost Controls | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| 11. Procurement Controls | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| 12. Accounts Receivable/Payable | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| 13. Accounting and Bookkeeping | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| E. Leasing and Occupancy | A | C | TCD | Enter a score between 1 and 100 for the Leasing and Occupancy Rating. If this Section was not reviewed, enter 0. 55 is 25% of the overall score. This category is rated Unsatisfactory . |
| 14. Application Processing/ Tenant Selection | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 15. Leases and Deposits | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 16. Eviction/Termination of Assistance Procedures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 17. Enterprise Income Verification (EIV) System Access and Security Compliance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 18. Compliance with Using EIV Data and Reports | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 19. Tenant Rental Assistance Certification System (TRACS) Monitoring and Compliance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 20. TRACS Security Requirements | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 21. Tenant File Security | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 22. Summary of Tenant File Review | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| F. Tenant/Management Relations | A | C | TCD | Enter a score between 1 and 100 for the Tenant Services Rating. If this Section was not reviewed, enter 0. 70 is 10% of the overall score. This category is rated Satisfactory . |
| 23. Tenant Concerns | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 24. Provision of Tenant Services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| G. General Management Practices | A | C | TCD | Enter a score between 1 and 100 for the General Management Practices Rating. If this Section was not reviewed, enter 0. 45 is 10% of the overall score. This category is rated Unsatisfactory . |
| 25. General Management Operations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 07/28/2022 | |
| 26. Owner/Agent Participation | <input type="checkbox"/> | <input type="checkbox"/> | N/A | |
| 27. Staffing and Personnel Practices | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| Overall Rating: <input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input checked="" type="checkbox"/> Unsatisfactory 52 Overall Score: To calculate an overall score: Multiply the derived performance value by the assigned percentage of the overall rating for each category. Once all tested categories have been calculated based on the performance indicator and performance indicator values, the total calculated points is divided by the total percentage of overall rating and rounded to the nearest whole number. For convenience, a utility is included with this form which will perform all of the necessary calculations. | | | | |

Name and Title of Person Preparing this Report (Please type or print):

Sarah Watson, Local Contract Specialist

Signature: *Sarah Watson*

Date: 06/28/2022

Name and Title of Person Approving this Report (Please type or print):

Dorothy Swayze, Local Services Manager

Signature: *Dorothy Swayze*

Date: 06/28/2022

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NOTE: If this review is conducted by a CA or PBCA as indicated above, the overall rating reflects a review as it relates to compliance with the Housing Assistance Payment Contract (HAP) only.

SUMMARY REPORT – FINDINGS

For each "C" item checked on the summary report, reference the appropriate citing, and target completion date. Findings must include the condition, criteria, cause, effect and required corrective action:

- o The condition describes the problem or deficiency
- o The criteria cites the statutory, regulatory or administrative requirements that were not met
- o The cause explains why the condition occurred
- o The effect describes what happened because of the condition

Corrective actions are required for all findings.

| Item Number | Finding | Target Completion Date |
|---|---|--------------------------|
| <p># of Units Receiving Section 8 Assistance: 216</p> <p>Total Number of Files Reviewed: 13</p> | <p>MI denotes Move-In AR denotes Annual Recertification IR denotes Interim Recertification O/A denotes Owner Agent TSP denotes Tenant Selection Plan SS# denotes Social Security Number TCD denotes Target Completion Date</p> <p>MO denotes Move-Out GR denotes Gross Rent IC denotes Initial Certification TTP denotes Total Tenant Payment VAWA denotes Violence Against Women Act AFHMP denotes Affirmative Fair Housing Marketing Plan</p> <p>Files reviewed during 2022 MOR:</p> <ol style="list-style-type: none"> 1. [REDACTED] #810E MI 10/1/21 2. [REDACTED] #431E MI 1/3/22 3. [REDACTED] #504E AR 7/1/21 4. [REDACTED] #626E MI 3/9/22 5. [REDACTED] #920E MI 1/12/22 6. [REDACTED] #701E AR 1/1/22 7. [REDACTED] #624E AR 5/1/22 8. [REDACTED] #116E MI 12/3/21 9. [REDACTED] #706E MI 12/1/21 10. [REDACTED] #924E AR 8/1/21 11. [REDACTED] #710E MO 3/10/22 12. [REDACTED] #506E MO 8/3/21 13. [REDACTED] Rejection File <p>On-site Exit Meeting Date/Time: 6/2/2022 at approximately 3:15pm Present for Exit Meeting: Towanda Matthews, Regional Manager; Crystal Brown, Property Manager; and Sarah Watson, LCS</p> <p>The following controlling document criteria is applicable to all findings listed below: Renewal HAP Contract, Section 9: The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.</p> <p>Due to EIV policies and duty to protect Personally Identifiable Information (PII), do not include EIV Reports or 50059s/50059As as part of your response to findings listed in this report. Also, please redact any social security numbers and dates of birth from documents that are included in your response.</p> | |
| <p>A1</p> | <p>Condition: While overall the appearance of the property was satisfactory, the following items were noted:</p> <ul style="list-style-type: none"> • Shrubs were very overgrown and landscaping has not been maintained. • There were multiple areas of stained ceiling tiles in the lobby and throughout the property. • There was a large area of peeling paint by the patio door on the first floor. <p>Criteria: HUD Handbook 4350.3 Chapter 2, 2-9 HUD-subsidized multifamily housing properties are subject to Civil Rights Related Program Requirements developed under civil rights authorities. These requirements reflect HUD's obligation to ensure that the programs and activities that receive federal funds comply with federal civil rights laws. B. Some of the Civil Rights Related Program Requirements include, but are not limited to, the items listed below...3. Consistent maintenance requirements. 24 CFR 5.703: HUD housing must be decent, safe, sanitary and in good repair.</p> <p>Cause: Owner/Agent is not consistently following maintenance procedures and enforcing lease and house rule violations for damaged items such as broken blinds or inappropriate window coverings. Management indicated they</p> | <p><u>07/28/2022</u></p> |

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| | <p>have been in contact with the cable company to address cable related wires and boxes and are awaiting response from the cable company.</p> <p>Effect: Units are harder to rent when general appearance is not maintained.</p> <p>Corrective Action: Owner/Agent must take the necessary steps to address and correct the items listed above, and review procedures and practices and take necessary action to ensure general appearance is properly maintained. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. Documentation the items above have been corrected. 2. A plan of action or summary of training conducted to ensure that general appearance will be maintained and items deterring general appearance will be promptly addressed from this point forward. | |
| <p><u>C5a</u></p> | <p>Condition: While there was a stated preventive maintenance schedule, and there was evidence that some work was being performed during the MOR, the on-going condition of the buildings and units as evidenced by 3 failed REAC inspections in a row (06/06/2019 42c, 3/29/18 56c, 5/19/16 57c) indicate regular routine maintenance on buildings and exterior components has not been regularly completed and preventive maintenance has not been done consistently or adequately performed on an on-going basis in the units. Also, while reviewer was on site, the HVAC system for the building was not working; a crack in the building chiller was discovered at changeover from heating to cooling, indicating that preventive maintenance/inspections through the winter months had not been properly performed. Although repairs were ongoing at the time of the MOR, it had not been repaired by the time of the close out meeting.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 2, 2-9 HUD-subsidized multifamily housing properties are subject to Civil Rights Related Program Requirements developed under civil rights authorities. These requirements reflect HUD's obligation to ensure that the programs and activities that receive federal funds comply with federal civil rights laws. B. Some of the Civil Rights Related Program Requirements include, but are not limited to, the items listed below...3. Consistent maintenance requirements. 24 CFR 5.703: HUD housing must be decent, safe, sanitary and in good repair. 24 CFR 886.119 states that the owner shall be responsible for management and maintenance of the project including performance of all ordinary and extraordinary maintenance.</p> <p>Cause: Preventive maintenance procedures and schedules are not consistently followed and/or repairs are not consistently performed.</p> <p>Effect: Property, buildings, and units are not in decent, safe, sanitary, and good repair conditions, causing a life threatening issue for the tenants.</p> <p>Corrective action: Owner/Agent must review and adjust were needed standard preventive maintenance procedures and practices, and maintenance and management staff must be trained on the procedures and expectations going forward Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. Documentation of the review of maintenance procedures and expectations, and a copy of the procedures, schedules, and checklists implemented and/or revised. 2. A summary of training for maintenance and management staff on the procedures and expectations, and the date the training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>C5h/C6a/C6d</u></p> | <p>Condition: The average length of time for unit turnover over the last 12 months is 58 days. Owner/Agent states the average time to make a unit ready at this point in time is minimum 45 days, and there are several "down units" that are not being repaired at this point due to O/A planning a full building rehabilitation.</p> <p>Criteria: 24 CFR 880.601 b. Management and Maintenance. The owner is responsible for all management functions, including...performance of all repair and maintenance functions (including ordinary and extraordinary maintenance), and replacement of capital items.</p> <p>Cause: O/A indicates issues with having 3 maintenance positions open, and lack of staff to turn units.</p> <p>Effect: Applicants who are in need of assistance are not provided housing in a timely manner. Assistance is not being used to its fullest potential, and HUD is at risk for inflated vacancy claims.</p> <p>Corrective Action: Owner/Agent must review and adjust where necessary procedures and the practices of site staff to ensure that all feasible actions to fill vacancies and decrease overall average vacancy length to 30 days or less are taken. This includes but is not limited to completing vacant unit preparation in a reasonable amount of time after a unit becomes vacant (generally 5 days); tracking vacant unit preparation to ensure timely completion; adjusting vacancy procedures and practices as necessary; and monitoring maintenance and management staff to ensure that procedures are being followed and units are being filled in a timely manner. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A plan of action and summary of training conducted for staff to decrease make ready time and overall vacancy length going forward. | <p><u>07/28/2022</u></p> |

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| <p><u>C5k</u></p> | <p>Condition: Some work orders are being repaired and closed; however, during the MOR there were 149 open work orders open for an extended period of time (over 30 days) not yet repaired and closed.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 2, 2-9 HUD-subsidized multifamily housing properties are subject to Civil Rights Related Program Requirements developed under civil rights authorities. These requirements reflect HUD's obligation to ensure that the programs and activities that receive federal funds comply with federal civil rights laws. B. Some of the Civil Rights Related Program Requirements include, but are not limited to, the items listed below...3. Consistent maintenance requirements. HUD Handbook 4381.5 Chapter 4, 4-7 Proper use of a Service Request system reflects a commitment by the owner/agent to respond effectively to resident concerns. 24 CFR 5.703: HUD housing must be decent, safe, sanitary and in good repair.</p> <p>Cause: Owner/Agent indicated that these work orders were completed and needed to be closed.</p> <p>Effect: Work orders are not completed timely and tenants may not be living in decent, safe and sanitary conditions.</p> <p>Corrective Action: Owner/Agent review and complete all open work orders. Owner/Agent also must ensure work orders are monitored for completion going forward. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. Current open work order log reflecting that repairs were completed and/or work orders were closed to reflect an accurate number of open work orders. If lengthy work orders are still open, provide a time frame for completion. Finding will not be closed until all backlogged work orders are completed. 2. A plan of action or summary of training conducted for staff to ensure work orders will be completed timely and work order log reviewed periodically to ensure timely completion and close out of work orders from this point forward. | <p><u>07/28/2022</u></p> |
| <p><u>E14a</u></p> | <p>Condition: Application does not contain all required questions and information. The application does not ask for applicants 62 or older on 01/31/2010 and did not provide a SSN, for information on if they were receiving HUD rental assistance at another location on or before 01/31/2010.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 4, 4-14 B 2.... d. Information from applicants who were age 62 or older as of January 31, 2010, and who do not have a SSN, if they were receiving HUD rental assistance at another location on January 31, 2010. This information is needed in order for the owner to verify whether the applicant qualifies for the exemption from disclosing and providing verification of a SSN.</p> <p>Cause: Owner/Agent was unaware the application did not include all required information. Applications are not reviewed and updated when changes in HUD requirements affect questions asked on the application.</p> <p>Effect: Owner/Agent is not obtaining all required information applicants that are not eligible may be admitted and applicants that are eligible may be denied.</p> <p>Corrective Action: Owner/Agent must review and revise the application so that it meets all HUD requirements including but not limited to correcting the item(s) listed above. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A copy of the revised application pages with corrections <u>underlined</u>. 2. Date the revised application was implemented at the property and staff trained on the changes. | <p><u>07/28/2022</u></p> |
| <p><u>E14d</u></p> | <p>Condition: The HUD form 92006, Supplement to Application for HUD-Assisted Housing is not included with the Housing Application.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 4, 4-14 B.3. The owner must include as an attachment to the application form HUD-92006, Supplement and Optional Contact Information for HUD-Assisted Housing Applicants, Supplement to Application for Federally Assisted Housing.</p> <p>Cause: Owner/Agent did not follow procedures to ensure the proper documentation was included with the application.</p> <p>Effect: Applicants were not given the opportunity to identify contact information which could cause delays in the delivery of services or special care to tenants.</p> <p>Corrective Action: Owner/Agent must revise their application procedures to include a form HUD-92006 as an attachment to the application. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action or summary of training conducted for staff to ensure they are aware of the requirements that the 92006 must be attached to the application. | <p><u>07/28/2022</u></p> |
| <p><u>E14g</u></p> | <p>Condition: Tenant Selection Plan provided for review does not adequately address all required topics.</p> <ul style="list-style-type: none"> • Social Security Number requirements have not been updated for the 2016 change in requirements regarding members under 6 added to the household within 6 months prior to MI that they can move in but must supply SSN within 90 days after MI. | <p><u>07/28/2022</u></p> |

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| | <ul style="list-style-type: none"> Property is described both as elderly and near elderly, but states waiver expired 2020. At the exit meeting it was determined that the property is designated as elderly only. Transfer section states that tenants must give a 30 day notice to move, have met the obligations of a one year lease and in good standing with no account balances, no more than 3 lease violations in one year, and passed unit inspections with no damages; but does not specify that this would not apply to transfers for reasonable accommodation, over/under housed, or VAWA emergency transfers. It also states new rental application is required for unit transfer, but not specify in what context this would be required (only required when market tenant starts to receive subsidy, but would not be required for a normal UT not involving deeper subsidy). <p>Criteria: Handbook 4350.3 Chapter 4, 4-4 A: Tenant Selection Plan Key Requirements Owners must develop and make public written tenant selection policies and procedures that include descriptions of the eligibility requirements and income limits for admission. Figure 4-2 provides a sample outline of a tenant selection plan. 4-4 C provides detailed requirements.</p> <p>Cause: Owner/Agent error when updating tenant selection plan. O/A indicated there may be a more recent updated plan that corrects some of these items, but was unable to locate/provide it for review.</p> <p>Effect: Applicants are not provided with current and accurate eligibility information. Ineligible applicants may be admitted, or eligible applicants denied.</p> <p>Corrective Action: Owner/Agent must review and revise the current tenant selection plan to adequately and fully address all required topics with current and accurate information including but not limited to the items listed above. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> A copy of the revised tenant selection plan pages with all changes <u>underlined</u>, along with the date the plan was implemented at the property and staff trained on the changes. | |
| E14j | <p>Condition: The waiting list is not being properly managed.</p> <ul style="list-style-type: none"> Income listed on waiting list for some cancelled and rejected applicants was listed as UD (Undetermined); however, they were passed over for "Income Targeting". Notes are not always specific to the applicant with sufficient information for an auditor to be able to determine all actions taken specific to the applicant. When an applicant is selected ahead of others higher on the waiting list, contact notes are not made on the waiting list, making it unclear when the applicant was actually contacted. <p>Criteria: HUD Handbook 4350.3 Chapter 4, 4-16. D 2. Updates of waiting list. Keeping the waiting list as up-to-date as possible will help reduce errors and minimize the administrative resources expended on processing information regarding applicants who are ineligible or no longer interested in residing in the property. a. Owners may periodically update their waiting lists. b. Owners may require applicants to contact the property every six months in order to stay on the waiting lists. HUD Handbook 4350.3, Chapter 4, 4-18 A: Whenever a change is made in the waiting list, an action is taken, or an activity specific to an applicant occurs, a notation must be made on the waiting list. HUD Handbook 4350.3 Chapter 4, 4-18: B. The goal of the annotation is to provide an auditable record of applicant additions, selections, withdrawals, and rejections. Independent reviewers looking at the waiting list should be able to: 1. Find an applicant on the waiting list; 2. Readily confirm that an applicant was housed at the appropriate time based on unit size needs, preferences, and income-targeting; and 3. Trace various actions taken with respect to a family's application for tenancy. C. Owners must develop a method to maintain documentation of the waiting list composition, application status, and actions taken. HUD Handbook 4350.3 Chapter 4, 4-18 D. provides guidance on maintaining a manual waiting list. HUD Handbook 4350.3 Chapter 4, 4-18 E. provides guidance on maintaining an electronic waiting list. HUD Handbook 4350.3 Chapter 4, 4-20 The owner must document removal of any names from the waiting list with the time and date of the removal.</p> <p>Cause: Owner/Agent not following procedures consistently.</p> <p>Effect: Applicants may be inappropriately skipped offer delaying access to affordable housing, and applicants may not be selected in the correct order.</p> <p>Corrective Action: Owner/Agent must review and adjust procedures and practices to ensure that income limits are listed for all applicants, and accurate comments are made that are specific to the applicant each time contact is made or an action is taken and are properly dated so an auditable record of all action taken is maintained. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> A plan of action or summary of training conducted for staff to ensure the waiting is properly managed including listing income limits, and making comments that are accurate and specific so the waiting provides an auditable record. | 07/28/2022 |

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| <p><u>E14k</u></p> | <p>Condition: Property is designated elderly, but applicants under 62 years old are being moved in, and the property is actively advertising for applicants 55+ years old. Property’s TSP states the near-elderly waiver expired in 2020 but they are still admitting applicants under 62 years of age.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 3, 3-18 B(c)(3)(5) Waiving the Elderly Restriction. An owner may request to waive the elderly restriction due to market conditions and/or to maintain the economic soundness of the project. In such cases, HUD approval is required before the restriction can be waived and the waiting list opened to nonelderly persons... HUD will review the request, and if approved, the HUD approval is not to exceed three years. HUD approval must be obtained to extend the waiver beyond the three-year period.</p> <p>Cause: O/A is not following elderly designation of the property, and does not have prior HUD approval to extend the waiver to move in non-elderly tenants.</p> <p>Effect: Applicants are being moved in that are not qualified to live at the property.</p> <p>Corrective Action: Property must immediately stop advertising for applicants under the age of 62, and only allow elderly persons to move in that meet property qualifications. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action to correct advertising, stop admitting applicants under the age of 62, and not admit under 62 unless a new HUD approved waiver is obtained. 2. Summary of training provided to staff to make them aware of the requirements to be 62 years of age or older in order to live at the property, and the date the training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E14l</u></p> | <p>Condition: O/A does have an income targeting/tracking log, but is not listing some tenants’ income correctly on the waiting list, causing some tenants to be moved in without being tracked appropriately.</p> <p>Criteria: HUD Handbook 4350.3, Chapter 4, 4-25 Applying Income Targeting Requirements in Section 8 Properties A. HUD does not prescribe a method to ensure compliance with income-targeting. Sample steps that an owner may want to follow are listed in Figure 4-6. 24 CFR 5.601. Income Targeting is a statutory requirement that at least 40% of new admissions to a Section 8 property in each fiscal year be households with incomes at or below 30% of the area median income. The law ensures that a significant portion of federal housing assistance goes to families with the greatest need.</p> <p>Cause: O/A is not following all requirements for correctly tracking income.</p> <p>Effect: Under 40% of households that qualify to meet the income targeting requirement may be delayed housing for others who do not denying those with the greatest need housing in a timely manner.</p> <p>Corrective Action: O/A must ensure income is accurately listed so that accurate tracking of income targeting requirements is maintained and 40% of new admissions are below 30% of the gross median income (extremely low income) going forward. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action or summary of training for staff regarding income targeting requirements, entering income accurately, and tracking yearly income targeting requirements, and the date the training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E14n</u></p> | <p>Condition: Current marketing efforts do not include all resources listed in the AFHMP. The AFHMP provided by the O/A states that they will advertise in the Memphis Flyer (newspaper), the local public library (flyer), and the Parrish Library (flyer). Marketing is currently being done online only.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 4, 4-12: B. Owners must comply with the requirements of their HUD-approved Affirmative Fair Housing Marketing Plan... E. During compliance reviews, owners must be able to provide documentation that marketing activities for the property have been consistent with affirmative fair housing marketing requirements and the approved plan for the property... F. The approved Affirmative Fair Housing Marketing Plan must be followed. It is the owner’s blueprint for marketing activity. Owners must review their Affirmative Fair Housing Marketing Plan every five years or when the local Community Development jurisdiction’s Consolidated Plan is updated (section goes on to outline requirements and documentation of the review).</p> <p>Cause: Owner/Agent was not aware that marketing efforts must include all sources listed in the AFHMP.</p> <p>Effect: Marketing when done may not be accordance with the AFHMP.</p> <p>Corrective Action: Owner/Agent must market in all sources listed in the AFHMP. If the plan no longer meets the marketing needs of the property, then the Owner/Agent must review and revise the plan as needed. Within 30 days from the date of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action implemented to ensure marketing will be in all sources listed in the AFHMP. 2. Summary of training provided to staff on the importance of following the plan, and date the training was provided. | <p><u>07/28/2022</u></p> |

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| <p><u>E15b</u></p> | <p>Condition: Lease lists fees that may not be actual cost and are not HUD approved.</p> <ul style="list-style-type: none"> Lease lists \$30 charge for tenant checks deposited and returned for non-sufficient funds. Owner/Agent was unable to provide documentation this is the actual amount the bank charges when a deposited check is returned for non-sufficient funds, or HUD approval for this amount. <p>Criteria: HUD Handbook 4350.3 Chapter 6, 6-25 B. B. Checks Returned for Insufficient Funds 1. Owners may impose a fee on the second time, and each additional time, a check is not honored for payment. (See paragraph 5 of the Model Lease for Subsidized Programs for more information.) 2. The owner may bill a tenant only for the amount the bank charges for processing the returned check. 3. Field Offices or Contract Administrators may authorize an owner to impose additional charges, if such charges are consistent with local management practices and are permitted by state and local laws.</p> <p>Cause: Owner/Agent has incorrect procedures in place.</p> <p>Effect: Owner/Agent is charging inappropriate amounts which could cause financial burden for the tenants.</p> <p>Corrective Action: Owner/Agent must review NSF costs, adjust fees/charges to reflect actual cost, and not charge a different amount unless written HUD approval of the amount is obtained; and maintain documentation of the actual cost. For NSF fees this must be only the amount charged by the bank for deposited checks that are returned for non-sufficient funds. If \$30 is not actual cost, then Owner/Agent must correct the leases for the files reviewed during the MOR to reflect actual cost (it is acceptable to put the words actual cost instead of an actual amount), and tenant and management must initial the corrections. Owner/Agent must also conduct a 100% file review to correct all leases for remaining tenants. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> Documentation of the cost the bank charges for deposited checks that are returned for non-sufficient funds. A copy of the lease pages corrected and initialed by the tenant and OA for the files reviewed during this MOR. | <p><u>7/24/2022</u></p> |
| <p><u>E15b/c</u></p> | <p>Condition: Charges/Fees are not properly documented as to actual cost and set amounts being used that are not HUD approved.</p> <ul style="list-style-type: none"> House rules in use at the property list a “deposit” to be paid to reserve the community room for private use, and states the deposit is refundable “minus any cleaning charges necessary” without HUD approval. House rules in use at the property also state that tenant must purchase white liners for their windows prior to MI; if tenant does not purchase the liners, they will be charged for the cost and installation of property-provided white liners; blinds are provided to tenants in the Rent Schedule. Charges listed in House Rules for photocopying .05 cents per page after 5 copies, and faxing .25 cents per page after 3 pages. <p>Criteria: HUD Handbook 4350.3 Chapter 6, 6-25 C. 3. The owner's bill is limited to actual and reasonable costs incurred by the owner for repairing the damages...F. Owners May Require Tenants to Pay Other Charges: 1. If HUD has approved the charges; and 2. The schedule of charges is either: a. Listed in the lease agreement; or b. Has been distributed to all tenants in accordance with the modification of the lease requirements and procedures.</p> <p>Cause: Owner/Agent has not taken necessary steps to obtain HUD approval for these charges.</p> <p>Effect: Owner/Agent may be collecting unapproved and/or inappropriate amounts which could cause financial burden for the tenants.</p> <p>Corrective Action: Owner/Agent must immediately cease charging the tenants for the above items until HUD approval is obtained. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> HUD approval for the above fees/items. If the O/A decides that HUD approval will not be obtained, please provide a copy of the updated house rules pages removing these charges and plan of action to implement the updated rules with all new and existing tenants. A plan of action or summary of training provided to staff outlining that charges outside of actual cost may not be implemented without prior HUD approval. | <p><u>07/28/2022</u></p> |
| <p><u>E17c/E17d/ E20b</u></p> | <p>Condition: Annual CAAF, current Security Awareness Training, and current TRACS Rules of Behavior for the EIV coordinator, James Wells, was not on file.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-18 A 2: The signed initial and current online (unsigned) access authorization forms containing the Rules Of Behavior must be kept on file along with the owner approval letters. Upon request, the forms must be made available to the entity monitoring EIV system compliance.</p> <p>Cause: O/A unaware of HUD policy.</p> <p>Effect: Owner/Agent has placed HUD at risk by providing access to a restricted system without the proper documentation in place.</p> | <p><u>07/28/2022</u></p> |

**Management Review for
Multifamily Housing Projects**

**U.S. Department of Housing and Urban
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Office of Housing – Federal Housing Commissioner

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| | <p>Corrective Action: O/A must locate the documents listed for the staff member listed above and ensure all documents are maintained and made available for review during each MOR. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A copy of the current CAAF, 2022 Security Awareness Training certificate, and current TRACS Rules of Behavior for James Wells. 2. Plan of action implemented to ensure all required EIV and TRACS documents will be maintained and made available for each MOR. | |
| <p><u>E17i</u></p> | <p>Condition: O/A does not have a policy to report breaches in EIV security directly to the HUD National Help Desk. Current O/A policy is to report breaches to the Vice President.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-21 B: Administrative Safeguards 1. Policies and procedures must be established to govern the use of the EIV system. These procedures should address: a. Authorized use of the EIV system; b. How to handle security breaches; and c. Destruction of EIV data. CAAF and UAAF forms state to contact their supervisor and the HUD HITS Helpdesk at (888) 297-8689 immediately regarding any suspected violation or breach of system security.</p> <p>Cause: O/A Policy/Procedure Error.</p> <p>Effect: Breaches in EIV Security may not be reported properly; individuals may have accessed the system that are not authorized.</p> <p>Corrective Action: O/A must update EIV Policy and Procedures to reflect this requirement. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A copy of the updated relevant section of the EIV Policy. 2. A summary of training for all users regarding the correct reporting of breaches and the date the policy was implemented and staff trained on the changes. | <p><u>07/28/2022</u></p> |
| <p><u>E18a</u></p> | <p>Condition: Owner/Agent EIV policies and procedures need to be updated to reflect HUD requirements.</p> <ul style="list-style-type: none"> • Does not mention reports must be reviewed and investigated within 30 days. • Does not mention IC when reviewing AR/MI/IR/90. • Policy states that Income Discrepancy Reports will be printed and reviewed at AR and IR, but does not mention IC or 90 days after submission to TRACS. • Does not state that Income Discrepancy Reports must be run with Income Report. • In the repayment section, the policy states that every tenant must repay 10% of income regardless of ability to be in line with Fair Housing regulations. <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-8 B 2: Owners must develop policies and procedures for staff to follow for using the EIV Income reports and remaining Verification Reports. HUD Handbook 4350.3 Chapter 9, 9-11 D and 9-12. The EIV system contains the stand-alone income reports. Owners must use these reports as discussed and at times as established in their policies and procedures. Owners must retain a "Master" file that contains a copy of the report and documentation and/or notations as indicated in the report discussions in this section.</p> <p>Cause: EIV policy has not been updated to follow HUD guidelines, therefore O/A is not following proper procedures.</p> <p>Effect: Income and discrepancies may not be properly investigated; tenants may receive improper subsidy; tenants may be forced to repay amounts more than they are able to pay.</p> <p>Corrective Action: O/A must update EIV Policy and Procedures to reflect HUD requirements. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A copy of the updated EIV procedures that are in line with current HUD guidelines 2. A Summary of training for staff on how to adequately investigate, document, and resolve EIV income and discrepancy issues, and the date the training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E18b</u></p> | <p>Condition: Repeat finding - EIV master file reports are being run, but are not being consistently followed up on and notes for tenants listed on the reports are not consistently made.</p> <ul style="list-style-type: none"> • Failed Verification report: Included notes for some months/tenants, but not all. • #626E, name is listed as [REDACTED] instead of [REDACTED]; failed verification has not been corrected and there is no documentation in the tenant file. • #701E, name is listed as [REDACTED] instead of [REDACTED]. failed verification has not been corrected. The O/A attempted to correct the name on the 50059 IR dated 12/14/21. This certification was fatal in TRACS and not followed up on; tenant's name is currently still incorrect. • #706E, failed verification for social security #, but this has not been corrected and there is no documentation in the file. | <p><u>07/28/2022</u></p> |

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| | <ul style="list-style-type: none"> • New Hires Report: Most reports missing notes for tenants listed. <ul style="list-style-type: none"> • [REDACTED] #920E was listed on the master file report and no detail report or follow up documentation in the tenant file. • [REDACTED] #431E was listed on the master file report and no detail report or follow up documentation in the tenant file. <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-11 D and 9-12. The EIV system contains the stand-alone income reports. Owners must use these reports as discussed and at times as established in their policies and procedures... Owners must retain a "Master" file that contains a copy of the report and documentation and/or notations as indicated in the report discussions in this section. Any detail reports retained in a tenant's file must only contain information for members of that tenant's household.</p> <p>HUD Handbook 4350.3 Chapter 9, 9-11 D 1 c 3: Owners must (a) Contact the tenant regarding his/her new employment. (b) Confirm with the tenant that they have a new job and that the employment information in the EIV system is correct. If the tenant agrees that the employment information in the EIV system is correct, request the tenant provide documents, e.g., four current, consecutive pay stubs, employment confirmation letter specifying rate of pay, number of hours worked each week, pay frequency, etc., for use in determining the tenant's income or, if necessary, request third party verification from the employer. If the tenant disputes the information in the EIV system, the owner must obtain third party verification from the employer. (c) Process a recertification in accordance with program requirements that includes the employment income.</p> <p>HUD Handbook 4350.3 Chapter 9, Exhibit 9-5 outlines when to run reports, what to maintain where and for how long. For the New Hire report it specifically states retain New Hires Summary Report in a master "New Hires Report" file for 3 years. Tenant file Retain New Hires Detail Report for the tenant along with any correspondence with tenant, third party verifications, form HUD-50059(s), etc., for term of tenancy plus 3 years.</p> <p>Cause: Owner/Agent not consistently following practices for reviewing and notating master file reports.</p> <p>Effect: EIV reports may not be consistently reviewed, followed up on, and corrective action taken. HUD is at risk of making improper as well as double subsidy payments.</p> <p>Corrective Action 1: Owner/Agent must adjust practices of staff to ensure that master file reports are consistently reviewed within 30 days of being run, any necessary follow up and correction action taken, the master file notated with action taken, and follow up documentation (notices, verifications, corrected 50059s, detail reports if applicable, etc.). Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. Provide a plan of action or summary of training conducted for staff to ensure staff consistently review and follow up each master file report run within 30 days, process corrected 50059s as needed, make the required notations on each report listing a tenant in the master file, and place the appropriate documentation in the tenant files this point forward. <p>Corrective Action 2: Owner/Agent must review the current Failed Verification report, and the EIV New Hire reports for the last 12 months. Owner/Agent must follow through with all necessary corrective actions including correcting incorrect information causing the failed status on the current certification for failed verification report, and notifying the tenants of possible unreported income, obtaining verifications, processing necessary corrective 50059s, and entering into repayment agreements as needed for new hire report. Appropriate and accurate notes must be made on the master file report for each listed tenant on each report. For tenants on the failed verification, a copy of the corrected 50059s must be placed in the tenant file. For tenants on the new hire report, a copy of the detail report and supporting documentation (notices, verifications, and corrections) must be filed in the tenant files for all tenants listed on the new hire report. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A list of tenants on the current failed verification report and a summary of the action taken and notes listed on the report in the master file for each tenant listed. 2. For tenant [REDACTED] and [REDACTED] also provide date the current 50059 was corrected for failed verification errors and submitted to TRACS (finding will not be closed until the corrections and adjustments are confirmed received and processed in TRACS). 3. A list of the tenants on the new hire reports in the last 12 months, a summary of action taken for each tenant, and summary of notes listed for each tenant o the reports to resolve the discrepancy/issue including comments explaining why correction was not required if applicable. 4. For tenant Humphrey, also provide a copy of all verifications and additional documentation obtained along with date each correction and voucher adjustments were submitted to TRACSs if they were necessary (finding will not be closed until the corrections and adjustments are confirmed received and processed in TRACS), and a copy of any repayment agreement executed. | |
| E21c | <p>Condition: Tenant files requested were not available for review.</p> <ul style="list-style-type: none"> • [REDACTED] #320E, MO 3/21/22 was not located. Two other files were initially unable to be located, but were later found. <p>Criteria: HUD Handbook 4350.3 Chapter 5, 5-23 B. Owners must maintain documentation of all verification efforts throughout the term of each tenancy and for at least three years after the tenant moves out.</p> <p>Cause: Owner/Agent does not have sufficient procedures in place to properly maintain all tenant files.</p> | 07/28/2022 |

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| | <p>Effect: Records and files may have been improperly destroyed prior to the expiration of their usefulness; files may be stored in an unsecured manner placing the security of the tenant data at risk of being breached.</p> <p>Corrective Action: Owner/Agent must take all necessary actions to track down the missing file for Shorter and ensure that they maintain all files for a minimum of the term of tenancy plus 3 years after move out. Owner/Agent must also implement procedures to ensure all files including move-out files are maintained in accordance with HUD requirements in a secure manner and made available for review by HUD/PBCA when requested. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A summary of action taken to track down the missing file and results of the search, as well as provide a copy of procedures that will be implemented to ensure that files are easily located in future reviews. 2. A summary of training for staff on HUD retention policies, and the date the training was provided. | |
| <p>E22aii</p> | <p>Condition: Citizenship documentation is not properly obtained and maintained; Citizenship forms are not being filled out correctly, Owner’s Summary of Family and Family Summary Sheets are also either not filled out or filled out incorrectly for the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #810E – the Nationality line on the citizenship form was left blank. • [REDACTED] #431E – the Nationality line on the citizenship form was left blank. • [REDACTED] #504E – the Nationality line on the citizenship form was left blank. • [REDACTED] #924E – the Nationality line on the citizenship form was left blank. • [REDACTED] #626E – the Owner’s Summary of Family sheet was in the file, but was left blank; the Nationality line on the Citizenship form was left blank. • Humphrey #920E - Family Summary Sheet and Owner's Summary of Family were not filled out correctly. Nationality line on Citizenship form was blank. Full Date of Birth was not listed on Citizenship form. • [REDACTED] #701E - Owner's Summary and Family Summary have two people listed on both, tenant and son, but only tenant is listed on the 50059. Nationality line on Citizenship declaration form was left blank. • [REDACTED] #624E – Owner’s Summary of Family was not in the file; Nationality line on citizenship form was left blank. • [REDACTED] #416E - Nationality line on the Declaration form was left blank. Declaration box and date verified on Owner's Summary of Family was not filled out. • [REDACTED] #706E – Owner’s Summary of Family was not correctly filled out – Declaration box was left blank. <p>Criteria: HUD 4350.3 Chapter 3, Section 3-12G. Owners must give each applicant, at the time of application, notification of the requirement either to submit evidence of citizenship or eligible immigration status or to choose not to claim eligible status. A sample notice is included in Exhibit 3-3. HUD Handbook 4350.3 Chapter 3, 3-12 B. 3. All family members, regardless of age, must declare their citizenship <u>or</u> immigration status. (See Exhibit 3-5 for a Sample Citizenship Declaration). Noncitizens (except those age 62 and older) must sign a Verification Consent Form ... and submit documentation of their status or sign a declaration that they do not claim to have eligible status. Noncitizens age 62 and older must sign a declaration of eligible immigration status and provide a proof of age document. U.S. citizens must sign a declaration of citizenship. Owners may establish a policy of requiring additional proof of citizenship for those declaring to be U.S. citizens or nationals. HUD Handbook 4350.3 Chapter 3, 3-12 E: See Sample Owner’s Summary of Family in Exhibit 3-7 for tracking applicants’ declarations and the owner’s verification.</p> <p>Cause: Owner/Agent not following requirements for filling out the Citizenship Declaration. Owner/Agent not following requirements for filling out an Owner Summary of Family Sheet, or Family Summary Sheet.</p> <p>Effect: Actual citizenship status cannot be correctly determined. Required documentation is not maintained. Citizenship for each member is not being tracked which could result in overpayment of subsidy for ineligible household members. Tenants are not declaring their Nationality.</p> <p>Corrective Action: Owner/Agent must implement procedures to ensure the Declaration of Citizenship, Owner’s Summary of Family, and Family Summary Sheets are being correctly filled out. Procedures must include updating both the Owner Summary and Family Summary Sheets whenever there is a change in household composition from this point forward. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A copy of the corrected Owner’s Summary of Family, Family Summary Sheet, and correctly filled out Declaration forms for the files listed above with date of birth and SSN redacted. 2. A plan of action to conduct a 100% file review within 90 days for all existing tenants to review these requirements for all files, and ensure all tenants have updated and corrected Citizenship, Owner’s Summary of Family, and Family Summary sheets in the files. Finding will not be closed until documentation is received that this has been completed. 3. A plan of action or summary of training conducted for all staff to reflect their knowledge/understanding of this requirement, and the date training was provided. | <p>07/28/2022</p> |

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| <p><u>E22bi</u></p> | <p>Condition: Application was missing date and time received by O/A for some tenant files, and not in the file at all for some tenants. Found in the following files reviewed:</p> <p>Applications not in file:</p> <ul style="list-style-type: none"> • [REDACTED] #624E, [REDACTED] #706E <p>Date/Time received by O/A was not on application:</p> <ul style="list-style-type: none"> • [REDACTED] #810E, [REDACTED] #431E, [REDACTED] #626E, [REDACTED] #701E, [REDACTED] #416E <p>Criteria: HUD Handbook 4350.3 Chapter 4, 4-16 A 1: Receiving and recording the application. Upon receipt of an application for tenancy or assistance, the owner must indicate on the application the date and time received. This may be accomplished by either using a date and time stamp or by writing and initialing the date and time received. The owner must then either process the applicant for admission, place the applicant on the waiting list or, based on a preliminary eligibility determination, reject the applicant.</p> <p>Cause: O/A did not follow procedure to ensure the proper date/time received was on the application, and did not review the files to ensure all documentation was in the files.</p> <p>Effect: Tenants could be recorded incorrectly on the waiting list; all documentation is not in the file, hindering reviewer ability to determine eligibility.</p> <p>Corrective Action: O/A must review and adjust application practices and procedures and adjust where necessary to ensure that an application is obtained from all applicants, is recorded with time and date received, and maintained in the tenant's files. Owner/Agent must review applications and tenant files periodically to ensure that date/time is being recorded accurately on the tenant applications and maintained correctly. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action or summary of training for staff regarding obtaining an application, recording accurate date and time received on the application, and proper retention of application in the tenant files, and the date the training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E22bii</u></p> | <p>Condition: Screening is not being applied appropriately for some tenants. Found in the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #624E – credit failed on 2/26/20, but tenant was allowed to move in; there is no documentation in the file as to why tenant was moved in. • [REDACTED] #626E – Sex offender screening was in the file, but was not run until 3/21/22 (tenant MI date was 3/9/22) and was also run under the incorrect name ([REDACTED]) instead of [REDACTED]. <p>Criteria: HUD Handbook 4350.3 Chapter 4, 4-7: Screening is used to help ensure that families admitted to a property will abide by the terms of the lease, pay rent on time, take care of the property and unit, and allow all residents to peacefully enjoy their homes. Information collected through the screening process enables owners to make informed and objective decisions to admit applicants who are most likely to comply with the terms of the lease. An effective screening policy will also ensure fair, consistent, and equal treatment of applicants. All screening criteria adopted by the owner must be described in the tenant selection plan and consistently applied to all applicants in a non-discriminatory fashion and in accordance with all applicable fair housing and civil rights laws. B & C: Owners must establish written screening criteria to prohibit the admission of certain individuals who have engaged in drug-related criminal behavior, or are subject to a State lifetime sex offender registration program, or are individuals whose abuse or pattern of abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. Owners may choose to expand these requirements regarding prohibition of admission to certain applicants [24 CFR part 5, subpart I & J].</p> <p>Cause: Owner/Agent neglected to implement tenant selection requirements consistently to ensure all applicants are treated fairly.</p> <p>Effect: Applicants may not be appropriately and fairly selected for housing assistance. Tenant [REDACTED] may have been a sex offender and allowed to move in, endangering other tenants.</p> <p>Corrective Action: Owner/Agent must run the sex offender screening for the correct name for [REDACTED]. Owner/Agent must also, from this point forward, screen all applicants fairly and consistently for all criteria stated in their Tenant Selection Plan and maintain clear documentation in the tenant file if exceptions are made. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A copy of the screening obtained for [REDACTED] 2. A plan of action or summary of training for staff regarding screening and rejection requirements, and the criteria for screening overrides if there will be any, and the date the training was provided to staff. | <p><u>07/28/2022</u></p> |

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| <p><u>E22ci/E22cii</u></p> | <p>Condition: Lease terms, rents, and/or sections were not correctly filled out, and not always signed. Found in the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #504E – Lease listed \$0 for first month’s rent, and Section 7 listing utility responsibility by tenant and O/A was not filled out. • [REDACTED] #626E – Lease was not correctly filled out; name listed incorrectly, rent amounts were left blank, lease term was less than 1 year (3/9/2022 to 2/28/2023). • [REDACTED] #920E - Lease term incorrect (1/12/22 to 12/31/2022); section 7 states tenant pays for cooking utilities. • [REDACTED] #701E – There are two leases in the file for the same time period. The first lease lists the term as 01/01/2021 through 12/31/2021, with a rent amount of \$0 for the first month and a rent amount of \$115 for the remainder of the lease term; the second lease in the file lists the term as 01/25/2021 through 12/31/22 and also has a rent amount of \$0.00 for the first month but has the correct rent amount of \$108 for the remainder of the lease term. • [REDACTED] #524E – Lease term is 5/1/21 through 4/30/2022, but tenant MI date was 5/13/2020; listed \$0 for first month’s rent; listed \$282.00 for the monthly rent for the remaining lease term, which is incorrect - \$222 is the correct amount; section 7 states tenant pays for cooking utilities. • [REDACTED] #924E – Lease was not signed by the tenant. <p>Criteria: HUD Handbook 4350.3 Chapter 6, 6-4: A. The lease is a legally binding contract between the owner and the tenant. The regulations governing HUD’s various multifamily housing programs state that owners must use leases that are in an acceptable form to HUD. HUD Handbook 4350.3 Chapter 6, Figure 6-4 states that initial lease term for LMSA is for a minimum of 1 year. HUD Handbook 4350.3 Appendix 4-E provides guidance on how to properly fill in the lease blanks.</p> <p>Cause: Owner/Agent error/oversight.</p> <p>Effect: Tenants are not provided the protections of a full one year lease, the lease may not be valid when not fully filled in, and changes may be made without tenant knowledge.</p> <p>Corrective Action: Owner/Agent must correct the items listed above and both the tenant and management must initial the corrections, and must obtain the missing signature for Woods. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A copy of the corrected and initialed lease and addendum pages and/or signed lease page for all tenant files listed above. 2. A plan of action to conduct a 100% file review within the next 90 days to correct all leases; monthly updates with progress and tenants reviewed each month should be sent. Finding will not be closed until documentation that all tenant leases were reviewed has been received. 3. A plan of action or summary of training conducted for staff to ensure leases and addendums will be correctly and completely filled in from this point forward. | <p>07/28/2022</p> |
| <p><u>E22civ</u></p> | <p>Condition: Lease attachments (Pet Rules) were missing are not signed for the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #504E Pet rules missing. • [REDACTED] #624E Pet rules missing. • [REDACTED] #431E pet rules missing. • [REDACTED] #701E Pet rules were in the file, but were not signed by the tenant. <p>Criteria: HUD Handbook 4350.3 Chapter 6, 6-5 A 3. Required attachments. The following documents must be attached to the lease: a. HUD-50059 signed by the tenant and the owner; b. HUD-50059-A signed by the owner and, when applicable, by the tenant. c. Move-in inspection report signed by both the owner and tenant; d. House Rules, if such rules have been developed by the owner; e. Lead-based paint disclosure form (if applicable); f. Pet rules (if applicable); g. *Owner’s* Live-in Aide addendum (if applicable). NOTE: The live-in aide addendum must establish that a live-in aide is not eligible to remain in the unit once the tenant is no longer living in the unit, regardless of the circumstances for the tenant’s departure. The live-in aide addendum may give the owner the right to evict a live-in aide who violates any of the house rules. h. *Owner’s* Police or Security Personnel addendum (if applicable); and i. HUD issued Violence Against Women and Justice Department Reauthorization.</p> <p>Cause: Owner/Agent did not check that the lease attachments were properly placed in the file or properly signed.</p> <p>Effect: Tenants have not been given all lease attachments or have been given attachments that are not completed.</p> <p>Corrective Action: O/A must provide a copy of the pet rules to the tenants listed above and place a signed copy in the tenant files. O/A must ensure that Pet Rules are given to each tenant at Move In, and a signed copy maintained in the tenant files. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A copy of the signed signature of the Pet Rules for the tenants listed above, and date a full signed copy has been placed in the tenant files. 2. A plan of action or summary of training conducted for staff to ensure pet rules are provided to all tenants and a signed copy maintained in the tenant files from this point forward. | <p>07/28/2022</p> |

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| <p><u>E22cvii</u></p> | <p>Condition: The HUD form 9887/9887A was not completed correctly.</p> <ul style="list-style-type: none"> • [REDACTED] #920E, [REDACTED] #701E, [REDACTED] #624E - 9887A was not signed or dated by the O/A at ML. • [REDACTED] #416E – 9887A was not dated by tenant, and was not signed by O/A. <p>Criteria: HUD Handbook 4350.3 Chapter 3, 3-11 A 1: All members of an applicant or tenant family who are at least 18 years of age and each family head, spouse or co-head, regardless of age, must sign *and date* the HUD-required consent forms (form HUD-9887, Notice and Consent for the Release of Information to HUD and to a PHA and form HUD-9887-A, Applicant’s/Tenant’s Consent to the Release of Information Verification by Owners of Information Supplied by Individuals Who Apply for Housing Assistance) *at the initial certification and each recertification*. All adults regardless of whether they report income must sign and date these forms.</p> <p>Cause: Management does not have correct practices and procedures in place.</p> <p>Effect: Tenant information is being released without proper tenant consent; tenant privacy could be violated. EIV reports have been run without a proper 9887/9887A on file.</p> <p>Corrective Action: Owner/Agent must obtain missing signatures and/or dates for signatures on the current 9887/9887A for the tenants listed above. Owner/Agent must conduct a 100% file review and obtain all missing signatures and dates for all remaining households. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A copy of the signed/dated 9887/987A forms for the tenants listed above. 2. A plan of action to conduct a 100% file review within the next 90 days and obtain signed/dated 9887/9887A forms for all tenants without current correctly signed/dated forms on file. 3. A plan of action or summary of training provided to ensure 9887A forms are properly signed and dated by all adult members as well as management from this point forward, and the date training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E22cvii(2)</u></p> | <p>Condition: Information reported on the Race and Ethnic Data Reporting Form HUD-27061-H does not match the race and ethnicity codes used on the 50059, and forms are not completely filled in for the tenants listed below:</p> <ul style="list-style-type: none"> • [REDACTED] #701E, [REDACTED] #24E, and [REDACTED] #706E did not have R/E reported, but B and 2 were listed on the 50059 instead of X and 0. • [REDACTED] #624E did not have the name of the household member or date listed at the top of the form. <p>Criteria: HUD 50059 Instructions posted on HUDClips form page with Form HUD 50059 provides guidance on how to properly fill in the 50059: Item 39 Race - Based on the Race & Ethnic Data form completed by each household member, please enter the appropriate letter listed below. Note: If the Race & Ethnic Data form is not completed for a household member, enter “X” in this Item for that member. X = Declined to report. I = American Indian or Alaskan Native. A = Asian. B = Black or African-American. H = Native Hawaiian or Other Pacific Islander. W = White O = Other. e.g.: If the household member is Asian and White, as stated on the form HUD-27061-H, enter AW. e.g.: If the household member is Black or African-American, as stated on the form HUD-27061-H, enter B. Item 40 Ethnicity - Enter one of these valid codes for each household member. 0 = Tenant Declined to Report, 1 = Hispanic, 2 = Non-Hispanic.</p> <p>Cause: Owner/Agent oversight/error.</p> <p>Effect: Accurate information regarding the household has not been submitted to TRACS.</p> <p>Corrective Action: Owner/Agent must correct the form for Oliver and correct the <u>current</u> 50059 to correct the race and ethnicity codes for the tenant household members listed above and submit the correction to TRACS. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A copy of the corrected form for Oliver. 2. Date of the voucher the corrections were submitted on (finding will not be closed until the reviewer confirms the correction has been submitted). 3. A plan of action or summary of training conducted for staff to ensure the Race and Ethnicity are correctly listed on the 50059s for each household member, the information at the top is correctly filled out, and 50059s reviewed for accuracy prior to submission, and date training provided. | <p><u>07/28/2022</u></p> |
| <p><u>E22di</u></p> | <p>Condition: Recertification Forms were not in the tenant files, or not signed. Found in the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #504E, [REDACTED] #701E, and [REDACTED] #24E The 1st, 2nd, 3rd reminder notices as applicable were not found in the tenant files. • [REDACTED] #920E Initial notice was not signed or dated by tenant. • [REDACTED] #701E Initial Notice was not signed or dated by O/A. <p>Criteria: HUD Handbook 4350.3 Chapter 7, 7-7 B. 2, 3, and 4 Provides requirements and language for 1st, 2nd, and 3rd notices and states a dated copy must be placed in the tenant files.</p> <p>Cause: Owner/Agent was unaware that these notices must be kept in the tenant files.</p> | <p><u>07/28/2022</u></p> |

**Management Review for
Multifamily Housing Projects**

**U.S. Department of Housing and Urban
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Office of Housing – Federal Housing Commissioner

OMB Approval No. 2502-0178
Exp. 04/30/2018

Summary

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| | <p>Effect: The tenants are not being provided with correct information, recertification may be delayed, and tenants may not be provided with a 30 day notice of rent increases.</p> <p>Corrective Action: Owner/Agent must correct practices of staff to ensure that recertification notices are provided to tenants and kept in the tenant files from this point forward, and Initial Notices are properly signed and dated. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> Updated procedures to ensure that the applicable Recertification Notices are kept in the tenant files, and that Initial Notices are completely and correctly filled out and signed/dated. A plan of action or summary of training conducted for staff to ensure the correct Recertification Notices are being retained in the tenant file, and the date the training was provided. | |
| <p><u>E22diii</u></p> | <p>Condition: Verification not properly obtained or documented. Found in the following files reviewed:</p> <ul style="list-style-type: none"> ██████████ 20E At MI Tenant has SS income, but no assets are listed on the 50059 and there is no documentation in the tenant file of a payee or live check. ██████████ #624E At MI it appears O/A added cola to the amount listed on the SS award letter for the SS amount but did not include verification of the cola amount in the file (EIV at current AR confirms the amount used at MI for SS was correct). At AR Tenant has SS income, but no assets are listed on the 50059 and there is no documentation in the tenant file of a payee or live check. ██████████ #701E – At AR 01/01/22, EIV income information was not available (due to failed status) and there was no award letter or other verification of SS income in the file. Also at AR 1/1/22, no documentation of assets were in the file. <p>Criteria: HUD Handbook 4350.3 Chapter 5, 5-13 A: Owners must use verification methods that are acceptable to HUD. The owner is responsible for determining if the verification documentation is adequate and credible. Acceptable methods of verification, in order of acceptability: 1) upfront-income verification (UIV) with use of EIV being mandatory and use of non-EIV UIV being optional; 2) third-party verification from source (written), 3) third-party verification from source (oral), and 4) family certification. <u>If third-party verification is not available, owners must document the tenant file to explain why third-party verification was not available.</u></p> <p>HUD Handbook 4350.3 Chapter 5, 5-18 E. Documenting Why Third-Party Verification Is Not Available When third-party verification is not available, owners must document in the file efforts made to obtain the required verification and the reason the verification was not obtained. The owner must include the following documents in the applicant's or tenant's file: 1. A written note to the file explaining why third-party verification is not possible; or 2. A copy of the date-stamped original request that was sent to the third party; 3. Written notes or documentation indicating follow-up efforts to reach the third party to obtain verification; and 4. A written note to the file indicating that the request has been outstanding without a response from the third party.</p> <p>Cause: Procedures are not consistently followed.</p> <p>Effect: Income may be incorrect. TTP, tenant rent, and assistance payments may be incorrect.</p> <p>Corrective Action: Owner/Agent must obtain acceptable verifications and, as necessary, properly document the tenant file for the tenants listed above. If verification or additional information obtained will affect the TTP for any of the certifications, recalculate the TTPs, process corrected 50059s for all affected certifications and make the necessary voucher adjustments retroactive to the original 50059 effective dates. If the TTP increases, the tenant cannot be charged for back rent or for additional security deposit (if error was at MI). Additionally, if the TTP increases for a current certification the tenant must be provided with a 30 day notice of rent increase before their tenant rent can be increased. If the TTP decreases, the tenant must be refunded for the total over payment in rent and security deposit (if error was at MI and all documents listing a security deposit must be corrected to reflect the correct amount after refund is made). Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> A copy of the verifications and any additional information obtained for the tenants listed above along with any file notations made. If corrections were necessary: <ul style="list-style-type: none"> A summary of the 50059 recalculations made. Date corrections and voucher adjustments were submitted to TRACs (please note this finding will not be closed until the corrected 50059s and voucher adjustments have been received, processed and verified by the reviewer). A copy of any 30 day notices and/or documentation of any tenant refunds made. | <p><u>07/28/2022</u></p> |
| <p><u>E22div</u></p> | <p>Condition: Tenant File EIV reports are not being run correctly:</p> <ul style="list-style-type: none"> ██████████ #810E, ██████████ #431E, ██████████ #504E, ██████████ #920E, ██████████ #701E, ██████████ #624E, ██████████ #416E, and ██████████ #706E 90 day EIV reports after MI submission were not in the tenant file ██████████ #504E 7/1/21 AR EIV reports were not in the file at AR. ██████████ #624E 5/1/22 AR only Income report was run, missing Summary and Income Discrepancy reports. ██████████ #701E Income Discrepancy report was not run with the income report at 1/1/22 AR | <p><u>07/28/2022</u></p> |

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| | <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-11 B 5: For all new admissions including Initial Certifications (IC), the owner must review the Income Report within 90 days after transmission of the move-in certification to TRACS to confirm/validate the income reported by the household.</p> <p>Cause: Owner/Agent failed to implement the applicable EIV reporting/file maintenance requirements.</p> <p>Effect: All tenant income may not have been verified and discrepancies may be unresolved.</p> <p>Corrective Action: Run the missing EIV Summary Report, Income Report, and/or Income Discrepancy reports for the tenants listed above that are missing them for the current certification. Owner/Agent must compare the information reported in EIV with the information reported on the 50059 and review the information in the file or contact the tenant to resolve any errors or discrepancies between what was reported in EIV and what is on the 50059. O/A must also ensure that EIV reports are run consistently for each tenant, and accurately investigated, documented and resolved as necessary. Within 30 days from the date of this report provide:</p> <ul style="list-style-type: none"> • Date the reports were run, and a summary of the review and any actions taken to address any errors, failed verifications, or discrepancies noted on the reports. DO NOT SEND ACTUAL EIV REPORTS TO CGI. • Owner/Agent must send a summary of action taken or training conducted for staff regarding correctly running and investigating EIV Reports within 90 days after MI 50059 submission and each AR and IR, and resolving all failed status' and income discrepancies within 30 days along with the date the summary of action or training was completed. | |
| <p><u>E22dvi</u></p> | <p>Condition: Income Discrepancy Report not followed up on and documented.</p> <ul style="list-style-type: none"> • [REDACTED] #416E EIV not run when required so Owner/Agent was unaware in a timely manner tenant was on the discrepancy report. • [REDACTED] #431E EIV not run when required so Owner/Agent was unaware in a timely manner tenant was on the discrepancy report. <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-11 C. 3. Print the Income Discrepancy Report at the same time they print the Income Report. HUD Handbook 4350.3 Chapter 9, 9-11 C 3 b and c: Owners must review and resolve any discrepancies in income reported on the Income Discrepancy Report with the household at the time of recertification or within 30 days of the EIV Income Report date. Any unreporting, underreporting or over-reporting of income by the tenant and reported on current or historical form HUD-50059s must be identified. Retain the Income Discrepancy Report along with detailed information on the resolution of the reported discrepancy in the tenant file. This includes information on resolution of the discrepancy regardless of whether the discrepancy was found to be valid or invalid.</p> <p>Cause: Procedures are not being followed.</p> <p>Effect: Income discrepancies may not be resolved and TTP, Tenant Rent and Assistance payments may be incorrect.</p> <p>Corrective Action: In conjunction with E22div finding above, Owner/Agent must run the missing income discrepancy reports for the tenants listed above, and must review, take all necessary follow up action, and document the Income Discrepancy Report for the tenants listed above with action taken and result of review. Owner/Agent must also review and adjust practices to ensure staff follow procedures. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. The date the reports were run and a summary of the results of the review and notations made for the tenant above including a summary of corrections made if they were necessary and which voucher they appear on. 2. A summary of the action taken and training provided to ensure that each Income Discrepancy Report showing a discrepancy result will be consistently investigated, resolved, and notated within 30 days from the date of the discrepancy report from this point forward, and that the Income Discrepancy Report will be run with each Income Report that is run. And include the date training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E22dvii(1)</u></p> | <p>Condition: Income, Assets, and/or Expenses/Allowances listed on the 50059 are not correct.</p> <ul style="list-style-type: none"> • [REDACTED] #810E At MI 6 checking account statements in the file, but checking account was not listed on the 50059. • [REDACTED] #416E At MI pay card account information was in the file, but it was not listed on the 50059. • [REDACTED] #706E At MI savings account information was in the file, but was not listed on the 50059. A correction was done, but the corrected MI certification failed in TRACS and has not been corrected as of the time of the review. • [REDACTED] #626E At MI annual income was calculated incorrectly; O/A did not use the full gross amount of Social Security benefits including the cents. TTP not affected. • [REDACTED] #701E At MI annual income was calculated incorrectly; O/A did not use the full gross amount of Social Security benefits including the cents. TTP not affected. | <p><u>07/28/2022</u></p> |

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| | <ul style="list-style-type: none"> • [REDACTED] #920E At MI annual income was calculated incorrectly; O/A used an incorrect amount of benefits; 50059 listed \$11602 but reviewer calculated \$10,964. There was no documentation in the file to support the annual amount of \$11602. TTP affected. • [REDACTED] #624E – At MI 5/13/20, SSI benefits were not listed as income, only SS listed, but there is an award letter at MI showing both SS and SSI were being received. TTP affected. At AR 5/1/22, Social Security benefits letter was used for income verification instead of the EIV that was in the file with updated amounts resulting in the incorrect income for Social Security benefits for both SS and SSI being used. Reviewer calculated total SS and SSI income as \$11,472 annually instead of \$10092 on 50059. TTP affected. <p>Criteria: HUD Handbook 4350.3 Chapter 3, Section 3-26 A. Owners must verify all income, expenses, assets, family characteristics, and circumstances that affect family eligibility, order of applicant selection, or level of assistance. HUD Handbook 4350.3 Chapter 8, 8-21 B 3: The owner must reimburse HUD for all overpayments of assistance where such overpayments were due to the owner's error or failure to follow HUD's procedures. HUD Handbook 4350.3 Chapter 8, 8-21 A. 4: The tenant is not required to reimburse the owner for undercharges caused solely by the owner's failure to follow HUD's procedures for computing rent.</p> <p>Cause: Owner/Agent failed to correctly determine the amount of the Tenant Rent, or used outdated documentation.</p> <p>Effect: Tenants could have been over or under charged for rent.</p> <p>Corrective Action: O/A must ensure that tenant rent is calculated correctly, using proper and appropriate verification documentation. O/A must recalculate the TTPs, process corrected 50059s for all affected certifications for the tenants listed above, and make the necessary voucher adjustments retroactive to the original 50059 effective dates. If the TTP increases, the tenant cannot be charged for back rent or for additional security deposit (if error was at MI). Additionally, if the TTP increases for a current certification the tenant must be provided with a 30 day notice of rent increase before their tenant rent can be increased. If the TTP decreases, the tenant must be refunded for the total over payment in rent and security deposit (if error was at MI and all documents listing a security deposit must be corrected to reflect the correct amount after refund is made). Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. Date the corrected 50059 and 50059A certifications and voucher adjustments were submitted to TRACS for each tenant listed above (finding will not be closed until corrections and voucher adjustments are confirmed completed in TRACS). It is not necessary to send corrected paper copies of 50059's with your response. 2. A copy of any 30 day notices and/or documentation of any tenant refunds made. 3. A plan of action or summary of training regarding verifying, calculating, and entering correct tenant income and rent, and the date the training was provided to staff. | |
| <p><u>E22dvii(2)</u></p> | <p>Condition: Tenant was not coded as disabled on the 50059 and is not receiving allowable deductions and allowances. Found in the following file reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] 710E was not coded as disabled at MI 5/13/2020 (listed on the ARs). <p>Criteria: HUD Handbook 4350.3 Chapter 5, 5-10 E. An elderly or disabled family is any family in which the head, spouse, or co-head (or the sole member) is at least 62 years of age or a person with disabilities. Each elderly or disabled family receives a \$400 family deduction. Because this is a "family deduction" each family receives only one deduction, even if both the head and spouse are elderly or disabled. HUD 50059 Instructions posted on HUDClips form page with Form HUD 50059 provides guidance on how to properly fill in the 50059 including which special status codes to use (H = Family member who is Disabled)</p> <p>Cause: Owner/Agent oversight.</p> <p>Effect: TTP, tenant rent, and assistance payments are incorrect. Tenant not provided with all allowable deductions and rent as well as security deposit has been overpaid.</p> <p>Corrective Action: Owner/Agent must review the file for the tenant listed above, process a correction to all affected certifications (including GRs) since MI and make the necessary voucher adjustments. The tenant must also be refunded for total overpayment in rent as well as the overpayment in security deposit (all documents listing the security deposit such as lease and 50059 must also be corrected to reflect the correct security deposit amount after the refund is made). Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. Date the corrected 50059 and 50059A certifications and voucher adjustments were submitted to TRACS (finding will not be closed until corrections and voucher adjustments are confirmed completed in TRACS). 2. Documentation of the refunds made to the tenant for amount of the overpayment in security deposit as well as the total overpaid rent since MI. | <p><u>07/28/2022</u></p> |

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| <p><u>E22eii</u></p> | <p>Condition: Incorrect MO date was reported on the 50059A, and the 50059 is not signed by the O/A. Found in the following file reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #506E – Tenant was reported deceased on 8/3/2022 on the 50059, but the MO date on the 50059 in the file was listed as 8/2/2022. In TRACS, the MO date is listed as 8/3/2022. Tenant 50059A in file dated 8/2/2022 was not signed by OA; unclear which dates are correct for MO inspection and date of death. <p>Criteria: TRACS 2.0.2.D Mat User Guide Chapter 7, 7.12 E. Owners are entitled to an assistance payment only for the actual number of days during the month that the tenant occupied the unit.</p> <p>Cause: Owner/Agent error when preparing the 50059A.</p> <p>Effect: Subsidy was overpaid for the unit.</p> <p>Corrective Action: Owner/Agent must Verify of the correct MO and Certification dates for the tenant; if adjustments need to be made, process a corrected 50059A to correct the effective date of the MO for the tenant listed above. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. Documentation of the correct MO date, and if necessary the date of the correction and voucher adjustments were submitted to TRACS. 2. A plan of action or summary of training conducted for staff to ensure the correct MO date will be reported on the 50059As this point forward, and all MO certifications will be signed by the O/A. | <p><u>07/28/2022</u></p> |
| <p><u>E22fi</u></p> | <p>Condition: All 50059's reviewed had the wrong universe code listed. "2" was listed in field 91 on the 50059 but should be listed as "1" since the property has a Pre-1981 universe (All tenant files reviewed).</p> <p>Criteria: HUD Handbook 4350.3 Chapter 3, 3-7A: On October 1, 1981, a law became effective limiting income eligibility for Section 8 assistance. At properties with Section 8 contracts effective on or after that date, only families at or below the very-low income limit are eligible for assistance. Instructions for TRACS 202D form HUD-50059 posted with the 50059 on HUDClips provides information on how to properly fill out the 50059 including item 91, eligible universe code.</p> <p>Cause: Data Entry Error.</p> <p>Effect: Tenants may be denied assistance that they are actually eligible for at this property.</p> <p>Corrective Action: O/A must update the 50059 software to reflect the correct universe code for the property. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. Documentation that the software has been updated. | <p><u>07/28/2022</u></p> |
| <p><u>E22fii</u></p> | <p>Condition: The move in inspection form was not filled out and/or signed/dated by all required parties. Found in the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #920E – not filled out and not dated by the tenant. • [REDACTED] #01E – Signed but not dated by the tenant. <p>Criteria: HUD Handbook 4350.3 Chapter 6, 6-29 C 2: After the owner conducts a unit inspection, the inspection form must indicate the condition of the unit. The condition of the unit must be decent, safe and sanitary...3: Both the owner and the tenant must sign and date the inspection form.</p> <p>Cause: Owner/Agent did not review the file to ensure the Move-In inspection had been completed for the new unit.</p> <p>Effect: Tenants may be living in housing that is not decent, safe and sanitary.</p> <p>Corrective Action: O/A must ensure that Move-Out inspections are completely filled in with condition of the unit and signed and dated by both O/A and tenant. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action or summary of training for staff regarding correct completion of Move-In inspections, and the date the training was provided. | <p><u>07/28/2022</u></p> |
| <p><u>E22fiv</u></p> | <p>Condition: The EIV Existing Tenant Search was missing. Found in the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #416E • [REDACTED] #624E <p>Criteria: HUD Handbook 4350.3 Chapter 9, 9-12 A: (1) Owners must use this report at the time they are processing an applicant for admission to determine if the applicant or any applicant household members are currently being assisted at another Multifamily Housing or Public and Indian Housing (PIH) location. (4) Retain the search results with the application along with any documentation obtained as a result of contacts with the applicant and the PHA and/or owner at the other location.</p> | <p><u>07/28/2022</u></p> |

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| | <p>Cause: Owner/Agent did not follow procedures for obtaining or addressing the Existing Tenant Search.</p> <p>Effect: Tenants may be moved in that are already receiving housing assistance elsewhere.</p> <p>Corrective Action: O/A must ensure that Existing Tenant Search is completed for each applicant prior to Move-In. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A plan of action or summary of training outlining requirements to run the Existing Tenant Search for all applicants prior to move in, and investigation of any current applicant subsidy before moving tenants in to the property, and the date the training was provided. | |
| <p><u>E22gii/</u> <u>E22giv</u></p> | <p>Condition: The Security Deposit Settlement form was not filled out in a way that made it clear how the balance due was calculated, and there was not a copy of the letter sent to the tenant in the file explaining the charges. Found in the following files reviewed:</p> <ul style="list-style-type: none"> • [REDACTED] #710E - On the Move Out statement in the file, it appears tenant was charged \$83.00 for March rent, and \$127.00 for remaining monthly subsidy for the month of March. There is no documentation in the file to prove or disprove this. Upon request, O/A could not provide any other documentation or MO statement explaining why tenant security deposit was not refunded. There appears to be a remaining balance of \$56.00 on the MO statement that was not refunded to tenant. • [REDACTED] 506E - On the Move Out statement in the file, it appears tenant was charged \$23.00 for remaining August rent, and \$40.00 for remaining monthly subsidy for the month of August. There is no documentation in the file to prove or disprove this. Upon request, O/A could not provide any other documentation or MO statement explaining why tenant security deposit was not refunded and why tenant appeared to be billed \$63.00. <p>Criteria: HUD Handbook 4350.3 Chapter 6, 6-18 C: Within 30 days after the move-out date (or shorter time if required by state and/or local laws), the owner must either refund the full security deposit <u>plus accrued interest</u> to a tenant that does not owe any amounts under the lease or provide the tenant with an itemized list of any unpaid rent, damages to the unit, and an estimated cost for repair, <u>along with a statement of the tenant's rights under state and local laws</u>. If the amount the owner claims is less than the security deposit plus accrued interest, the owner must refund the unused balance to the tenant.</p> <p>Cause: Owner/Agent does not have proper procedures and forms in place.</p> <p>Effect: Former tenants may be overcharged and are not provided with enough information to refute charges. Additionally, they are not provided with information of their rights and may be unaware of their right to refute charges.</p> <p>Corrective Action: Owner/Agent must review the files and account ledgers for the tenants listed above, and if necessary update the final account statement and issue refunds for amounts due to the tenants. Owner/Agent must also review current practices and procedures and adjust where needed to ensure tenants are provided with an itemized list of the damage charges that is filled out in a way that all the charges are understandable and ensure that tenants are not charged for subsidy balances. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A summary of the review made and updated account balances along with a copy of updated statements and copy of refunds made. 2. A plan of action or summary of training conducted for staff to ensure security settlement statement will be filled out with the appropriate amounts listed on the appropriate corresponding lines, and included in tenant MO files going forward; also include in the training the fact that staff must be aware that tenants are not responsible for paying subsidy balances, and the date training was provided to staff. | <p><u>07/28/2022</u></p> |
| <p><u>E22hii</u></p> | <p>Condition: Applicant rejection letter for James did not include the VAWA 5380 Notice or Certification form 5382. When asked if any attachments were sent with the rejection letter, O/A said no. Additionally the letter did not include the fair housing logo.</p> <p>Criteria: HUD Handbook 4350.3 Chapter 4, p.4-26, Section 4-9(A)(2) *Prohibition of denying assistance to victims of domestic violence, sexual assault, dating violence or stalking (applicable to the Section 8 program only). The VAWA regulations protect victims of domestic violence, sexual assault, dating violence, or stalking, as well as their immediate family members, from being denied housing assistance if an incident of violence is reported and confirmed. An applicant's status as a victim of domestic violence, dating violence, sexual assault, or stalking is not a basis for denial of rental assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission. 24 CFR 200.620 states to include in any printed material used in connection with rentals, the Department approved Equal Housing Opportunity logo or slogan or statement.</p> <p>Cause: Owner/Agent was aware of the requirements, but failed to ensure the fair housing logo was included on the applicant rejection letter.</p> | <p><u>07/28/2022</u></p> |

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Development
Office of Housing – Federal Housing Commissioner

OMB Approval No. 2502-0178
Exp. 04/30/2018

Summary

| | | |
|------------------------|--|--------------------------|
| | <p>Effect: Applicants not informed for their rights under VAWA or Fair housing. Applicants may be a victim covered under VAWA denied that should have been allowed to move in under VAWA protections.</p> <p>Corrective Action: Owner/Agent must revise the letter to include the Fair housing logo or statement and adjust procedures to ensure that the VAWA notice and VAWA certification forms are attached to each application rejection letter. Within 30 days of this report, provide:</p> <ol style="list-style-type: none"> 1. A copy of the updated letter, and date it was implemented on site and staff trained on the changes. 2. A plan of action or training for property staff on the VAWA 5380 and 5382, to ensure that these forms will be included with all applicant rejection letters going forward, and the date the training was provided. | |
| <p><u>G25c</u></p> | <p>Condition: VAWA emergency transfer plan has been implemented, but does not meet all HUD requirements.</p> <ul style="list-style-type: none"> • Missing policies for offering assistance in obtaining internal unit transfer when a safe unit is not currently available. • Missing statement that tenant can seek an internal and external transfer concurrently if a safe unit is not currently available. • External transfer policies. Missing for tenants not living at the property (a move-in or a victim from another property). Plan currently only states some ways they will assist tenants in finding housing at another property if a safe unit is not currently available on site, but does not outline external transfer procedures beyond that for existing tenants. • Does not define the measure of priority given to tenants versus applicants for a unit transfer when a unit is available. <p>Criteria: Violence Against Women Act - Final Rule Q&A's with Multifamily Staff Question/Answer # 7: Using the model as is will not satisfy VAWA's Emergency Transfer Plan requirement. The O/A must add to the model form and customize it to meet the VAWA emergency transfer requirements. Violence Against Women Act - Final Rule Q&A's with Multifamily Staff Question/Answer # 16: The model form contains only general provisions of an Emergency Transfer Plan that apply across HUD programs. Adoption of this model plan without further information will not be sufficient to meet a O/A's responsibility to adopt an emergency transfer plan. O/As must consult applicable regulations and program-specific HUD guidance when developing their own emergency transfer plans, to ensure their plans contain all required elements. HUD Notice 2017-05 Section XII describes the requirements for emergency transfers and Emergency Transfer plan.</p> <p>Cause: Owner/Agent did not incorporate all required elements of the emergency transfer plan.</p> <p>Effect: Tenants are not properly informed of their rights and responsibilities and procedures related to VAWA protections; emergency transfers may not be properly handled.</p> <p>Corrective Action: Owner/Agent must revise the VAWA Emergency Transfer Plan so that includes all required information including but not limited to adding the items listed above. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none"> 1. A copy of the revised plan with all changes <u>underlined</u>. 2. Date the plan was implemented at the property and staff trained on the changes. | <p><u>07/28/2022</u></p> |
| <p><u>G25b/c/d</u></p> | <p>Condition: There have been 6 calls to the PBCA call center from tenants in the last 12 months, all for maintenance related issues, and 1 currently remains open for the heating/cooling issue at the time of the MOR. Both management and maintenance of the property has been inadequate. The property is in poor condition and leasing and occupancy activities have resulted in multiple non-compliance issues. The number of calls and the number and type of findings indicate that improvement and training is needed as well as improved oversight of operations at the site to reach an adequate level of maintenance and management performance at this property.</p> <p>Criteria: HUD Occupancy Handbook 4350.3, REV. 1, Chg. 4, Chapter 1, Section 1-1, A: HUD-subsidized multifamily properties represent an important and valuable resource in addressing the nation's affordable housing needs. The successful delivery of this housing resource to the people who need it depends on effective occupancy policies and procedures. HUD's occupancy requirements and procedures ensure that eligible applicants are selected for occupancy that tenants receive the proper level of assistance, and that tenants are treated fairly and consistently. 24 CFR 886.119 states that the owner shall be responsible for management and maintenance of the project including performance of all ordinary and extraordinary maintenance.</p> <p>Cause: Owner/Agent has not effectively implemented all needed policies and procedures or provided necessary oversight to ensure the property is meeting all required section 8 obligations in compliance with HUD regulations. The staff is not receiving the appropriate training to be able to execute Section 8 guidelines and policies</p> <p>Effect: The owner/agent is not in compliance with several HUD regulations; applicants and tenants are not being properly serviced, ineligible applicants may be admitted and TTP and assistance payments may be incorrect. Units not consistently maintained in decent, safe, and sanitary condition.</p> | <p><u>07/28/2022</u></p> |

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| | <p>Corrective Action: Owner/Agent must review all documents, procedures, practices, and staffing; and update or adjust as needed to ensure all are in compliance with current regulations and proper maintenance is consistently provided to keep units in decent, safe and sanitary condition at all times. Owner/Agent must also review quality control policies and on-going training and implement/adjust where necessary to ensure better oversight, consistency, compliance and an overall satisfactory level of operation in all areas including but not limited to maintenance and leasing and occupancy on a consistent basis moving forward. Within 30 days from the date of this report provide:</p> <ol style="list-style-type: none">1. A summary of the review and adjustments made to documents, procedures, practices, staffing, quality control policies, and on-going training program for both office and maintenance staff.2. A plan of action implemented to provide additional training to current staff on section 8 and EIV requirements, and include a summary of the training and date provided.3. A plan of action implemented to provide additional training and oversight to office and maintenance staff on proper maintenance to ensure the property and units are properly maintained with repairs made timely to ensure property and units are in decent, safe and sanitary condition at all times from this point forward; and include a summary of the training and date provided.4. In addition, due to the excessive amount of deficiencies noted in this review, a 100% tenant file audit is warranted to ensure compliance. Conduct a 100% file audit to include but is not limited to areas identified in this report. The file audit must be completed within 90 days. Provide monthly updates that include files and documents reviewed, deficiencies noted and the corrective actions taken. MOR will remain open until O/A provides sufficient documentation reflecting the status of completion. | |
|--|--|--|

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Part I Desk Review

PART I. DESK REVIEW –The reviewer must complete this section **prior** to the on-site review using all relevant information in project files and HUD database systems. Questions on the desk review, which include category references, are linked to the on-site review. Category references on the desk review that relate to the on-site review must be considered when determining the category rating. Category references are marked following the applicable question (i.e. B3, E14).

If any questions on any given form are not relevant to the program under review or if the information is not available notate with "N/A".

1. What is the most recent Physical Assessment Subsystem (PASS) score? **B3**

Enter PASS Score 42c Date of REAC inspection 6/6/19

If required, has the project filed a certification that all items listed on the previous REAC inspection have been completed?

Yes No

If more than one inspection is of record, does the reviewer note repetitive defects?

Yes No

Comments: Unknown if certification for all items has been completed, but a flag was entered in APPS on 08/03/2020. EH&S items were certified complete on 6/10/19. Repetitive defects on all 3 failed REAC inspections noted were electrical open panels/exposed wires.

2. Were Exigent Health and Safety (EH&S) conditions cited in the report? **B3**

Yes No N/A

Comments: Electrical panels/exposed wires, missing smoke detector

3. Have all latent defects been corrected? *This question applies only to newly constructed projects within the last 24 months. This question applies only to HUD Staff and Mortgagees.*

Yes No N/A

If not, list depository and amount of any construction escrows remaining. _____

Comments:

Questions 4 through 6 only apply to subsidized family properties or elderly properties housing children under the age of six that were constructed prior to 1978. If the lead based paint inspection has been conducted and the information was documented on a previous management review, proceed to question 7.

4. Document the year of construction for Lead-Based Paint compliance.

Obtain this information from the Physical Condition/PASS screen in iREMS Open the REAC Inspection Report, then open the PASS Physical Inspection Report. The year of construction can be found under Buildings/Units.

Date of Construction 1966

If construction occurred after 1977, proceed to question 7.

5. Has a lead-based paint inspection been conducted? **4B**

Yes No Information Not Available

Comments: Lead based paint does not apply; elderly property, no children under 6

6. What were the results of the Lead-Based Paint Inspection/Evaluation: **4B**
Was lead found?

Yes No N/A

If yes, is there a HUD approved lead hazard control plan?

Yes No N/A

Comments

7. Is an Annual Financial Statement required? (If no, proceed to question 10).

Yes No

This question applies only to HUD Staff.

Comments:

8. What was the most recent Financial Assessment Subsystem (FASS) score? Score ____

This question applies only to HUD Staff

If financial reporting is not required, determine why, and record the reason in reviewer comments below.

Comments:

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Desk Review (Continued)

9. Have the following reports been consistently submitted on a timely basis? (Look at multiple periods) Check the appropriate box for reports received, and indicate whether or not the report was received timely.

This question applies only to HUD Staff and Mortgagees

- | | | | |
|---|------------------------------|-----------------------------|------------------------------|
| <input type="checkbox"/> Annual Audited Financial Statement | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| Date last report was due: _____ | | | |
| Date last report received: _____ | | | |
| <input type="checkbox"/> Monthly Accounting Report | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| <input type="checkbox"/> Excess Income Report (HUD-93479, 80, 81) | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| <input type="checkbox"/> Quarterly performance report for projects on flexible subsidy, modification, workout, etc. | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| <input type="checkbox"/> Annual operating budget (cooperatives) | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| If the reports have been submitted, were they received in acceptable form? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | |

Comments:

10. Has the owner corrected all findings on HUD financial and or Inspector General audits? Yes No N/A

This question applies only to HUD Staff and Mortgagees.

List findings outstanding and determine whether remedial action is required to assure correction within established goals:

Comments:

11. Do project operating expenses appear reasonable compared with similar projects? Yes No

This question applies only to HUD Staff. D10

Indicate latest OPIIS rating and check problem areas flagged by OPIIS.

- Administrative Maintenance Utility Taxes and Insurance Financial

Also, use OPIIS to conduct an expense comparison with other similar projects.

Comments:

12. Does annual financial analysis or FASS printouts indicate that project is free of actual or potential financial problems? Yes No

This question applies only to HUD Staff.

For each of last 3 years, enter Profit (Loss) before depreciation (from the Statement of Profit & Loss).

| | | |
|------|-------|----------|
| Year | _____ | \$ _____ |
| | _____ | \$ _____ |
| | _____ | \$ _____ |

Comments:

13. If the owner/agent has taken unauthorized distributions, reimbursements, or supervision fees, have these been repaid? Yes No

This question applies only to HUD Staff and Mortgagees.

If no, indicate amount due to the project. \$ _____

14. If applicable, have all deposits due to the residual receipts fund been made? Yes No

This question applies only to HUD Staff.

Comments:

15. Based on the last FASS submission, are accounts payable reasonably current? Yes No

This question applies only to HUD Staff and Mortgagees. D12

Indicate the amount of accounts payable more than 60 days old \$ _____

Comments:

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Desk Review (Continued)

16. Does the balance in the security deposit trust account equal or exceed the project's liability account? Yes No
This question applies only to HUD Staff and Mortgagees.

If no, explain how deficit will be funded.

Comments:

17. If security deposits are invested in an interest-bearing account, is interest passed through to tenants or transferred to project account?
This question applies only to HUD Staff and Mortgagees. Yes No

Comments:

18. Have the owner and managing agent executed and submitted an appropriate Management Certification (form HUD-9839A, B, or C) to HUD?
This question applies only to HUD Staff and Mortgagees. Yes No

If yes, please enter date of certification. _____

Determine that the content of certification is consistent with present operations.

Comments:

19. Is the management fee paid to the agent in accordance with the Management Certification?
This question applies only to HUD Staff and Mortgagees. Yes No

Comments:

20. Has the owner and management agent executed a management agreement in accordance with the management certification?
This question applies only to HUD Staff and Mortgagees. Yes No

Comments:

21. Does the management agreement reflect HUD's regulations and guidelines?
This question applies only to HUD Staff and Mortgagees. Yes No N/A

Comments:

22. Has a management entity profile been submitted to HUD?
This question applies only to HUD Staff and Mortgagees. Yes No

If yes, is it relevant to the agent's organization and how it operates? Yes No

Date of the management entity profile _____

23. Do the Management Entity Profile and Management Certifications clearly describe the relationships and responsibilities of the owner and agent?
This question applies only to HUD Staff and Mortgagees. Yes No

Determine if management is by an identity-of-interest contractor, and compare the contract arrangement to the annual financial report.

Comments:

24. Have the principals and board members listed received HUD-2530 approval?
This question applies only to HUD Staff. Yes No N/A

Request a list of all current principals and board members and check for HUD-2530 approval.

Comments:

25. Is the agent charging the project for expenses which the agreement requires the agent to pay?
This question applies only to HUD Staff and Mortgagees. Yes No

Comments:

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Desk Review (Continued)

Questions 26–29 apply to OAHP restructuring. If not applicable proceed to question 30.

26. Has the project's mortgage been restructured? Yes No
This question applies only to HUD Staff.
- If yes, is there a use agreement on the project? Yes No
If there is a use agreement, does it require any owner certifications? Yes No
If owner certifications are required, have they been submitted timely? Yes No
If applicable, has work required under the Rehabilitation Escrow been/is being completed according to schedule? Yes No

Comments:

27. Is the owner eligible for incentives? Yes No
This question applies only to HUD Staff.
- If yes, has the owner calculated those incentives correctly? (i.e., Capital Recovery Fee (CRF) and/or Incentive Performance Fee (IPF)) Yes No

Comments:

28. Does the HUD billing statement (HUD-92771) indicate timely and accurate payments toward the Mortgage Restructuring Note? Yes No
This question applies only to HUD Staff.

Comments:

29. If an owner is in non-compliance with HUD business agreements, has the owner been notified by HUD within the required timeframes? Yes No
This question applies only to HUD Staff.

Comments:

Questions 30 through 33 apply to Section 236 projects. If this is not a Section 236 project proceed to question 34.

30. Does the rental income generate excess income? Yes No N/A
This question applies only to HUD Staff.

Comments:

31. Has the owner/agent received approval to retain excess income? Yes No
This question applies only to HUD Staff. D13

Comments:

32. Was an annual report submitted for usage of retained excess income? Yes No
This question applies only to HUD Staff. D13

Comments:

33. Are there any delinquent excess income payments due HUD? Yes No
This question applies only to HUD Staff. D13
- If yes, is there a payment plan? Yes No

Comments:

34. Are rent increase requests submitted to HUD promptly when needed? Yes No
This question applies only to HUD Staff.
- Review the timing of the last three rent increase requests and the results of the requests (approval, denial or modification to requested amount), and whether the rents are comparable to other neighboring properties. If a wide disparity exists, determine the cause of the difference.
Does owner/agent generally provide sufficient documentation for rent increases? Yes No

Comments:

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Desk Review (Continued)

35. If approval is required, are rent increase requests submitted promptly? Yes No N/A

Comments:

36. Complete chart below. *(This question applies only to HUD Staff/ Mortgagees)*

| Name of Reserve | As of | | | Held in Interest Bearing Account? | |
|------------------------------------|-------|----------|-----------------|-----------------------------------|-----------------------------|
| | Total | Per Unit | Monthly Deposit | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Replacement Reserve | \$ | \$ | \$ | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| General Operating Reserve (Co-ops) | \$ | \$ | \$ | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Residual Receipts | \$ | \$ | \$ | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Other | \$ | \$ | \$ | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

a. Do balances in replacement or general operating reserve accounts appear adequate to meet future needs? Yes No

If not, what action is recommended? _____

b. Are repairs consistently paid from the appropriate operating expense account, and eligible items reimbursed from the reserves? Yes No

Comments:

37. Has the owner/agent performed an analysis to determine future Reserve for Replacement needs when submitting a budget based rent increase? Yes No

Comments: Not a budget.

38. If there is a utility allowance, what was effective date of last utility allowance adjustment? _____

What was the date of approval? _____

If a utility allowance was approved was it implemented within 75 days as required by HUD? Yes No

Comments: Property has no utility allowance.

39. What is the effective date of the last rent adjustment? 9/30/21

Comments:

40. Is the current approved rent schedule sufficient to meet project needs? Yes No
This question applies only to HUD Staff.

Comments:

41. Has a special rent increase been approved? Yes No N/A

If yes, please check the appropriate box. Insurance Taxes Utilities Security Service Coordinator

Comments:

42. Are monthly rental subsidy vouchers submitted on time? Yes No N/A

Comments:

43. Is the owner/agent submitting tenant certification data to TRACS to support the voucher billings? Yes No N/A

Comments:

44. Is the owner/agent transmitting data for Section 236 and Section 221(d)(3) BMIR tenants to TRACS as required by the automation rule? Yes No N/A

Comments:

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Desk Review (Continued)

45. What is the term of the subsidy contract? 120 Date the contract term ends: 9/29/22
Comments:

46. List vacancy activity for the past twelve months, and indicate the number for each month. C6.
This information can be obtained from the TRACS Voucher Detail Summary.

| JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|
| 33 | 30 | 22 | 23 | 24 | 14 | 21 | 21 | 22 | 28 | 31 | 34 |

47. Does review of the EIV reports listed below include information that needs a resolution or explanation by the owner/agent? E18b

Income Discrepancy Report? Yes No N/A
 New Hires Report Yes No N/A
 Failed EIV Pre-Screening Report? Yes No N/A
 Failed Verification Report (Failed the SSA Identity Test)? Yes No N/A
 Deceased Tenant Report? Yes No N/A
 Multiple Subsidy Report? Yes No N/A

Comments: 13 Income Discrepancy, 6 New Hires, 6 Failed Verification.

48. Is there a Neighborhood Networks Center for the project? (Check iREMS or other available source) Yes No N/A
 If no, answer "N/A" and proceed to 50.
 Comments:

49. If yes to question 48, does the Neighborhood Networks Center have a Strategic Tracking and Reporting Tool (START) Business Plan? Yes No

If yes, date HUD approved: _____
 If no, when will a START Business Plan be completed? _____
 Projected date for START Business Plan: _____

Comments:

50. Are there any unresolved findings from previous management reviews? If yes, specify in the comments section. Yes No

Comments:

51. Review complaints, congressional inquiries, etc. received within the last 12 months regarding the overall management practices.
 Provide a general description below and attach applicable documentation. G25

| Issue/Complaint | Status |
|--|----------------------------|
| 5/12/21 Stove Inoperable | THDA Resolved 5/21/21 |
| 5/25/21 THDA received a call from the tenant stating several issues: 1. Kitchen sink does not function correctly. 2. Burner on stove does not work. 3. Bathtub is constantly stopped up. 4. Mold in bathroom especially around the tub | THDA Resolved 5/28/21 |
| 8/25/21 Resident contacted THDA to report the following concern: Resident is inquiring as to why rent went up to \$550 when he only makes \$750 a month in social security. Resident is now being told he owes back rent of \$12,000. | THDA Resolved 9/13/21 |
| 11/16/21 Resident contacted THDA to report issues with her ledger and does not understand why she owes rent | THDA resolved 11/19/21 |
| 4/4/2022 CGI received email from HUD requesting we investigate flooding unit 102E. Unit has flooded in 8/2020, 10/2021, and again on 2/23/22 Resident is a Market Renter and the only Resident on the 1st floor. | CGI closed inquiry 4/13/22 |

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On 5/27/22 CGI Federal was notified by THDA that there was a life-threatening situation at the property; the HVAC system for the building was inoperable. As of 6/3/2022, repairs are ongoing.

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Part II On-Site Review

Indicate by marking the appropriate box - Yes, No, or N/A if not applicable. Provide comments as needed.

CATEGORY A. GENERAL APPEARANCE & SECURITY

1. General Appearance

Based on observation, are the project's exterior and common areas (i.e., grounds, landscaping, parking lots, playgrounds, hallways, laundry room, elevator, garbage area, stairwells, management office) clean, free of graffiti, debris and damage? Yes No N/A

If no, provide location and describe condition(s). Shrubs not maintained, very overgrown; large area of peeling paint in the hallway by the patio door
Also noted several large areas of stained/broken ceiling tiles throughout the 1st floor and building.

Comments: See finding.

2. Security

a. Indicate whether any of the events below have been documented in the last twelve months, and the frequency of the event(s).

| Event | Frequency | Event | Frequency |
|--|-----------|--|---------------------------|
| <input type="checkbox"/> Break-Ins | | <input type="checkbox"/> Arrests | |
| <input type="checkbox"/> Vandalism | | <input type="checkbox"/> Drug Activity | |
| <input type="checkbox"/> Auto Theft | | <input checked="" type="checkbox"/> Other (please specify): Leaving doors propped open | Weekly for the past month |
| <input type="checkbox"/> Personal Assaults | | <input type="checkbox"/> None | |

Comments: Incidents are few on the property, but are followed up timely with eviction as warranted. Tenants are leaving entrance doors propped open presenting a danger to other tenants. O/A is working on setting up a monitoring system for this.

b. Indicate which types of security measures, if any, are utilized on site.

- | | | | |
|---|---|---|--|
| <input type="checkbox"/> Tenant Patrol | <input type="checkbox"/> Volunteer Organization | <input type="checkbox"/> Paid Car Patrol | <input type="checkbox"/> Paid on-site Guard |
| <input type="checkbox"/> Police Patrol | <input type="checkbox"/> TV Monitor | <input type="checkbox"/> Drug Free Housing Plan | <input checked="" type="checkbox"/> Security Cameras |
| <input type="checkbox"/> Motion Sensors | <input type="checkbox"/> Crime Prevention Plan | <input type="checkbox"/> Community Policing | |
| <input type="checkbox"/> Other (please specify) | | <input type="checkbox"/> None | |

Comments:

c. Based on the answers provided in questions a and b above, what corrective actions, if any, have been taken by the owner/agent?

Comments: Continuing with current measures.

d. Has the owner/agent requested a rent increase based on cost increases in security costs? Yes No

If yes, indicate security measures taken.

Comments:

CATEGORY B. FOLLOW-UP & MONITORING OF PROJECT INSPECTIONS

3. Follow-Up & Monitoring of Project Inspections and Observations (Sampling is at reviewer's discretion to respond to questions a and b below)

a. Based on a sampling, if EH&S items were identified have the deficiencies been corrected and documented according to the owner/agent's certification for the most recent REAC inspection? Yes No N/A

If no, provide an explanation.

Does the analysis show any repetitive or systemic problems? Yes No

Comments: 3 consecutive failed REAC inspections.
REAC was more than 12 months prior to this MOR so was not sampled during this MOR.

b. Based on a sampling of units and common areas, for all other deficiencies noted in the REAC inspection, as applicable, verify that corrective actions have been taken. Have the deficiencies been corrected? Yes No N/A

If no, is there a schedule for correcting the deficiencies within a reasonable timeframe to comply with decent, safe, sanitary and good repair standards?

Yes No

Comments: REAC was more than 12 months prior to this MOR so was not sampled during this MOR.

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On-Site Review (Continued)

4. Follow-Up & Monitoring of Lead-Based Paint Inspection – The following questions only apply to subsidized family properties or elderly properties housing children under six years of age that were constructed prior to 1978. If constructed after 1977, check N/A for questions a and b.

- a. Is there a certification on file documenting that the project has been certified to be free of lead-based paint or lead hazards? Yes No N/A

If there is a certification, obtain a copy for the project file.

Comments: Elderly only no children under 6; Lead Based Paint certification not required.

- b. Is the owner in compliance with the HUD approved lead hazard control plan as noted on the desk review? Yes No N/A

Comments:

CATEGORY C. MAINTENANCE & STANDARD OPERATING PROCEDURES

5. Maintenance

- a. Indicate below to confirm that there is a schedule for preventive maintenance/servicing for the items listed that are applicable.

- Heating and A/C Equipment Water Heaters Carpets and Drapes Roof, gutter and Fascia Inspection
 Major Appliances Elevators Motor Vehicles Sewer lines Exterior painting Windows
 Recreational equipment Landscaping maintenance Other (please specify):

Comments: 3 failed REACs in a row and ongoing maintenance issues indicate PM not being done or not being done correctly. See finding.

- b. Is there a satisfactory inventory system to account for tools, equipment, supplies, and keys (serial numbers, bar codes, etc.)? Yes No

Comments:

- c. Has the owner/agent secured inventory items, such as appliances and tools, to prevent theft? Yes No

Comments:

- d. Does the owner/agent have a written procedure that explains the process for inspecting units? Yes No

If yes, review a copy.

Identify employee responsible for conducting the inspections: Name and Title: Crystal Brown, property Manager, and maintenance staff.

Comments:

- e. How often are units inspected?
 Monthly Quarterly Semi-Annually Annually Move-In Move-Out Other (please specify):

Comments:

- f. How are unit inspections documented?

Please Describe: Unit inspection form in file

- g. If deficiencies are noted during a unit inspection, what is the procedure for correction?

Please describe: Work order is made.

- h. What is the average number of days from move-out until the unit is ready for occupancy? 45

Comments: O/A indicates issues with staffing; see finding.

- i. Is there a written procedure for completing work orders? Yes No

If yes, review a copy.

Comments:

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On-Site Review (Continued)

j. Is there a procedure in place to handle emergency work orders? **Yes** **No**
If yes, describe the procedure: Answering service calls on-call maintenance tech.

k. Is there a backlog of work orders? **Yes** **No**
If a backlog exists, indicate the current number of work orders:
Number between 1-3 days: 0 Number between 4-7 days: 0 Number more than one week: 149

Comments: O/A indicates that work orders were not closed appropriately; see finding.

l. Who is provided copies of completed work orders? (check all that apply.)
 Tenant Tenant File Maintenance Staff Other (please specify) Filed in separate file by unit

Comments:

m. Is there documentation by unit that indicates the date of purchase, manufacturer, model, and serial number for appliance purchases (i.e., ranges, refrigerators, furnaces, air conditioners, hot water heaters, etc.)? **Yes** **No**

Comments:

6. Vacancy and Turnover

a. How many units were vacant on the date of the on-site visit?
Number of Vacant Units: 33 Number Ready for Occupancy: 0 Average Length of time for unit turnover: 58 days

Comments: O/A indicated that only 6 units were being turned; the rest were "down units"; see finding.

b. Walk through at least two vacant units that are ready for occupancy. Assess and document unit readiness.
Number of Units Visited: 0 Number of Units Ready for Occupancy: 0 Number of Units Not Ready for Occupancy: 0

Comments: O/A indicated that no vacant units were ready at the present time.

c. Based on the interview with on-site staff, are any of the factors listed below contributing to vacancy problems? (Below, indicate all that apply.)
 Security Problems Non-competitive Amenities Inadequate Marketing Project Reputation Poor Maintenance Rents too High
 Location Lack of Demand Tenant/Management Relations Applicants Do Not Meet Screening Criteria
 Other (please specify) Lack of maintenance staff
 Bedroom Mix/Size (If yes, indicate which bedroom sizes are hard to rent) _____

Comments:

d. Based on the responses in questions a, b and c, what actions are being taken by the owner/agent to resolve the issue(s)?
If not applicable, proceed to question 7.

Please describe: O/A states they are currently in the process of hiring 3 maintenance techs. See finding.

7. Energy Conservation

Has management attempted to reduce energy consumption? **Yes** **No**
(check all that apply.)
 Caulking and weather-stripping Conversion to individual metering Storm doors and windows Consumer education
 Water saver devices Extra insulation Assessment of Utility Rate Schedule Energy Efficient Lighting Energy Star Appliances
 Written Energy Conservation Plan Other (please specify) _____ None

Comments:

CATEGORY D. FINANCIAL MANAGEMENT/PROCUREMENT
(This Category applies only to HUD Staff and/or Mortgagees as indicated. CAs may proceed to Category E.)

8. Budget Management

a. Does the owner/agent's staff have access to the current operating budget in order to monitor and control expenses? **Yes** **No** **N/A**

Comments:

b. Is an operating budget prepared annually and approved by the owner? **Yes** **No** **N/A**

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If yes, obtain a copy of the current year's budget.

Comments:

c. Are monthly or quarterly reports prepared by the owner/agent indicating variances between actual income and expenses versus budgeted income and expenses? **Yes** **No** **N/A**

Comments:

d. If this is a 202 or 811 project, does the owner/agent maintain a current annual budget? **Yes** **No** **N/A**
This question applies only to HUD Staff.

If yes, is it available on-site?

Yes **No**

Comments:

9. Cash Controls

a. Are collections deposited on the day received or, pending deposit, are they secured and properly controlled? **Yes** **No**

Comments:

b. Are adequate controls in place when cash is accepted? **Yes** **No** **N/A**
Check the controls that are used.

Pre-numbered rent receipts Bank collections Safe Lock box

Comments:

c. Do different persons handle bank deposits and accounts receivable, or is an alternative safeguard used? **Yes** **No**

Indicate Names and Titles: _____

Comments:

d. Are all disbursement checks prenumbered, properly identified with account numbers and supported by vouchers or invoices? **Yes** **No**

Comments:

e. Is the supply of unused checks adequately safeguarded, or under the custody of persons who do not sign checks manually, control the use of facsimile signature plates, or operate the facsimile signature machine? **Yes** **No**

Comments:

f. Are funds (receipts, disbursements, petty cash, etc.) periodically checked on a surprise basis by a responsible official, other than site employees? **Yes** **No**

Comments:

g. Are bank statements reconciled promptly upon receipt by someone other than a check signer, and by one who has no cash receipt or disbursement function? **Yes** **No**

Comments:

10. Cost Controls

a. Are bills, including the mortgage payment, paid in sufficient time to avoid late penalties? **Yes** **No**

Comments:

b. Are operating expenses, including taxes and utilities, periodically reviewed to assure that project is paying the lowest possible rate? **Yes** **No**

If yes, provide a recent example.

11. Procurement Controls

a. What is the procedure used to obtain and award contracts?

Describe procedure:

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b. Are bids obtained prior to awarding contracts? Yes No N/A
Review contracts and determine if bids were obtained and, if the lowest bids were not selected, determine the owner's/agent's reasoning for selection.

Comments:

c. Is there a written procedure for checking the quality of work performed by a contractor prior to authorizing payment? Yes No

Comments:

d. Is there a procedure to assure that the individual authorizing contracted work or services is not the same individual authorizing payment? Yes No

Comments:

e. Who is the responsible person charged with inspecting the quality of work performed by contractors prior to payment?

Please provide the name and title:

f. Does the project maintain a list of outside contractors? Yes No

Comments:

g. Are vendor bills paid in time to obtain maximum trade discounts? Yes No

Comments:

h. Is there any indication that real or personal property has been subtracted from the mortgaged premises without the permission of the Department?

Comments:

i. Below, check services currently contracted with outside contractors and provide the name of the contractor and annual amount of the contract. Indicate (by asterisk) whether there is an identify-of-interest relationship between the contractor and the owner/agent.

| Service | Name of Contractor | Annual Contract Amount |
|---|--------------------|------------------------|
| <input type="checkbox"/> Elevator | | \$ |
| <input type="checkbox"/> Exterminating | | \$ |
| <input type="checkbox"/> Apartment Cleaning | | \$ |
| <input type="checkbox"/> Heating and A/C | | \$ |
| <input type="checkbox"/> Plumbing | | \$ |
| <input type="checkbox"/> Security | | \$ |
| <input type="checkbox"/> Trash Collection | | \$ |
| <input type="checkbox"/> Decorating | | \$ |
| <input type="checkbox"/> Grounds | | \$ |
| <input type="checkbox"/> Other | | \$ |

Comments:

12. Accounts Receivable/Payable

a. Complete the following as of end of last month.

Cash \$ _____ Accounts Receivable \$ _____ Accounts Payable \$ _____

Are tenant accounts receivable within acceptable limits of 10% of one month's rent potential? Yes No

Amount of receivables above is ___% of monthly rent potential.

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Of this amount, \$ ___ is more than 30 days past due.

Comments:

b. Does the procedure for write-off of bad debts appear reasonable? Yes No

Comments:

c. Has annual "write-off of tenants' accounts receivable for the last two fiscal years been less than 1% of gross rent potential? Yes No

Comments:

d. Are accounts payable reasonably current? Yes No

Indicate amount of accounts payable more than 60 days old: _____

What are the owner/agent plans to reduce outstanding payables? _____

Comments:

13. Accounting and Bookkeeping

a. Are books and records maintained as required by HUD Handbook 4370.2 (Chapter 4) and 24 CFR Part 5? Yes No N/A

Check books of accounts that are maintained. Indicate where books may be examined.

O – owner's office; A – agent's office; P – project site

General Ledger () Rent Receivable Ledger () General Journal ()
 Cash Receipts Journal () Cash Disbursements Journal () Accounts Payable Journal ()

Comments:

b. Are all required project accounts in the name of the project in a federally insured institution? Yes No

Comments:

c. Are operating funds, security deposits, reserve funds, and flexible subsidy funds maintained in separate accounts and properly secured for authorized use? Yes No

Comments:

d. Does the mortgagor make frequent postings (at least monthly) to the ledger accounts? Yes No

Comments:

e. If applicable is owner adhering to HUD-approved repayment Plan? (loan from reserve for replacement, 236 excess income, capital improvement loan, etc.) Yes No

Comments:

f. Is centralized accounting used for disbursements? Yes No

If yes, are only HUD-insured projects in the pool? Yes No

Comments:

g. If centralized accounting is used, has it been approved by HUD? Yes No N/A

Comments:

h. If centralized accounting is used, is it being administered in accordance with HUD's approval? Yes No N/A

Comments:

i. If the trust account is part of a centralized disbursement account, are only HUD-insured projects in that account? Yes No
If yes, is the project's balance transferred to the project account at least once monthly? Yes No

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Comments:

- j. If there are automobiles and/or debit or credit cards charged to the project, are the titles kept in the name of the project?
Yes No
If yes, do they have HUD approval? Yes No

Comments:

CATEGORY E. LEASING AND OCCUPANCY (This Category does not apply to Mortgages)

14. Application Processing and Tenant Selection

- a. Does the application form contain sufficient information to determine applicant eligibility? Yes No

Comments: Application does not ask applicants who are 62+ and did not disclose a SSN if they were living in federally assisted housing on January 31, 2010; see finding.

- b. Does the application ask whether the applicant or any member of the applicant's household is subject to a lifetime state sex offender registration program in any state? Yes No

Comments:

- c. Does the application ask for a listing of states where the applicant and members of the applicant's household have resided? Yes No

Comments:

- d. Is form HUD-92006 "Supplement to Application for Federally Assisted Housing", an attachment to the application or part of the application package? Yes No

Comments: See finding

- e. Is there an arms length procedure between the person who denies an application and the application appeal reviewer? Yes No

Comments:

- f. Has the owner/agent leased a Section 8 unit to a police officer or security personnel who is over the income limits for the project?
If yes, has HUD or CA authorized the admission? Yes No
Yes No

Comments:

- g. Does the owner/agent have a written tenant selection plan? Yes No

If yes, does the plan include all required criteria stated in Chapter 4, Handbook 4350.3 REV-1 and all applicable notices?
Yes No N/A

If no, list the required criteria that the tenant selection plan does not include: updated SSN requirements, also eligibility requirements are incorrect and UT Section needs clarifications added

Comments: See finding.

- h. Does the project maintain a waiting list of prospective tenants? Yes No N/A

If yes, does the list include all required elements stated in Handbook 4350.3 REV-1? Yes No

Comments:

- i. Enter the number of applicants on the waiting list for each type of unit: 0 BR 6 1 BR 0 2 BR 0 3 BR 0 4 BR 0 Other: 0

Comments:

- j. Were the applicants selected from the waiting list in the proper order, recognizing applicable preferences? Yes No

Comments: Applicants inappropriately skipped; applicant income not listed for some tenants; see finding

- k. When preferences were applied, were they properly documented? Yes No N/A

Comments: Property is allowing disabled persons under 62 years of age to move in. Property is currently designated as Elderly-Only 62+; see finding.

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l. Is documentation available to show that the owner/agent has leased not less than 40% of the Section 8 units that became available for occupancy in the previous fiscal year to extremely low-income families? Yes No N/A

If yes, please review and obtain a copy.

Comments: Income targeting was not properly documented; applicant income was not listed correctly for some tenants, potentially causing income targeting to be calculated incorrectly; see finding.

m. What marketing steps has the owner/agent taken to attract extremely low-income families? If not applicable, proceed to question n.

Please describe:

Comments:

n. Does the advertising program comply with the existing affirmative fair housing marketing plan? Yes No

Request to see copies of advertisements.

Comments: Property is not utilizing all sources listed on the AFHMP; is only advertising online at the present time which is not listed in the plan. See finding.

o. Is the fair housing sign posted in the rental office? Yes No

Comments:

p. Is the fair housing logo included in published advertising materials? Yes No

Comments:

15. Leases and Deposits

a. Have modifications been made to the HUD model lease? Yes No N/A

If yes, has the lease and/or lease addenda in use been approved by HUD? Yes No N/A
This does not include lease addenda issued by HUD

Comments:

b. Aside from rents and security deposits, what other charges are assessed (replacement keys, lockouts, etc.)?

List the type and amount of any of these charges. NSF \$30, keys actual, lockouts actual, photocopying 5 cents and faxing 25 cents; also charge a security deposit for use of the community room. House Rules in use at the property also state that they require tenants to buy window coverings with a white backing; if not provided by tenant, the property will charge them for the liners and install them. Rent schedule states that blinds are provided.

Comments: See finding.

c. If other charges aside from rents and security deposits are assessed, have they been approved by HUD? Yes No N/A

Comments: See finding

d. Are rents collected in accordance with the provisions of the lease? Yes No

Comments:

e. Is the policy for late fee assessment in compliance with the Handbook 4350.3 REV-1 or with state/local requirements? Yes No

Comments:

f. Are damages caused by tenants properly identified and charged to tenants? Yes No

Comments:

16. Eviction/Termination of Assistance Procedures

a. Are tenants notified of termination of tenancy or assistance in accordance with HUD requirements? Yes No N/A

Comments:

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b. Are eviction procedures initiated timely, when warranted? Yes No N/A

Please document the following:

Number of evictions completed during the last 12 months. 2

Average cost per eviction \$ 250

Eviction handled by: Owner/Agent Attorney on staff of Owner/Agent Attorney on contract Attorney on call

NOTE: Addendum D must identify any eviction during the last 12 months which was due to a household member being subject to a state lifetime sex offender registration requirement.

Comments: 2 evictions in the past 12 months, both for non-payment of rent

c. Is the termination of assistance initiated timely when warranted? Yes No N/A

Reason(s) for termination of assistance: Failure to recertify

Comments:

17. Enterprise Income Verification (EIV) System Access and Security Compliance
Applies to subsidized properties only

a. Does the owner/agent have access to EIV? Yes No

Comments:

b. Does the EIV Coordinator(s) have an owner approval letter(s) authorizing access to EIV? Yes No

Comments:

c. Does the owner/agent and/or EIV Coordinator have:

- An initial and currently approved EIV Coordinator Access Authorization Form (CAAF) on file for each person designated by the owner as an EIV Coordinator? Yes No
- An initial and currently approved EIV User Access Authorization Form (UAAF) on file for each person designated by the EIV Coordinator as an EIV User? Yes No N/A
- Signed copies of the EIV Rules of Behavior for Individuals without access to the EIV system, who use EIV reports and/or data to perform their job functions? Yes No N/A

Comments: Current CAAF not on file for Coordinator; see finding.

d. Is there evidence that staff with access to the EIV system or to EIV reports take annual security awareness training? Yes No
If yes, is a record kept of employees who attended the training? Yes No N/A

Comments: Coordinator James Wells did not have a Security Awareness Training certificate on file for 2022; see finding.

e. Does the owner/agent have security measures in place to limit access to EIV information and reports to only those persons who have proper authorization? Yes No

Comments:

f. Does the owner/agent have a procedure to review all EIV User IDs to periodically determine if the users still have a valid need to access EIV data? Yes No

Comments:

g. Does the owner/agent terminate access promptly (within 30 days) of all users who no longer have a valid need to access EIV data? Yes No

Comments:

h. Does the owner/agent have a procedure to document and report the occurrence of all improper disclosures of EIV data? Yes No
Have any improper disclosures been reported to the owner/agent? Yes No

Comments:

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i. Does the owner/agent have a procedure to report any occurrence of unauthorized EIV access or security breach to the HUD National Help Desk?

Yes No
Yes No

Have any occurrences of unauthorized EIV access or security breaches been reported?

Comments: Only procedure is to report to Vice President who then reports to HUD NHD.

j. Is there evidence that the owner/agent or any of their employees are sharing IDs and passwords?

Yes No

Comments:

k. Is EIV data being improperly shared with other entities (e.g., state officials monitoring LIHTC projects, RHS staff, or Service Coordinators not participating in the re-certification process)?

Yes No

Comments:

l. Does the owner/agent keep in the tenant file the Tenant Consent for Disclosure of EIV Information, signed by the tenant and a third party when a third party assists in the re-certification process?

Yes No N/A

Comments:

**18. Compliance with Using EIV Data and Reports
Applies to subsidized properties only.**

a. Does the owner/agent have policies and procedures describing the use of EIV employment and income information and the EIV reports?

Yes No
Yes No N/A

If yes, do they comply with HUD's usage requirements?

Comments: See finding.

b. Is the owner/agent using the following EIV reports, and taking appropriate action to correct discrepant data in TRACS, and/or to reduce improper subsidy payments and where applicable, retaining documentation to support the action(s)?

| | | |
|---|------------------------------|--|
| New Hires Report | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| No Income Report | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Failed EIV Pre-screening Report | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Failed Verification Report (Failed the SSA Identity Test) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Existing Tenant Search | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Multiple Subsidy Report | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Deceased Tenant Report | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

Comments: EIV reports are being run, but not worked and investigated according to HUD policy. O/A policy states to run Income reports quarterly; these are not being run at all. See finding.

19. TRACS Monitoring and Compliance (applies to subsidized properties only)

a. Is the owner/agent using TRACS queries to review and monitor their transmission?

Yes No

Comments:

b. Is the owner/agent following up and correcting deficiencies identified in TRACS data?

Yes No

Comments:

20. TRACS/EIV Security Requirements (applies to subsidized properties only)

a. Does staff log on using their own user name and password when accessing Secure Systems?

Yes No

Comments:

b. Have staff with access to EIV and/or TRACS in Secure Systems completed the required security awareness training each year and is there a signed Rules of Behavior?

Yes No

Comments: See finding with 17c and d.

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c. Have staff with access to the EIV system completed the hard copy authorization form HUD-52676 when access was initially granted and completed the EIV online authorization form annually (coordinators) or semi-annually (users) as required? Yes No

Comments:

d. Have staff who use EIV reports, but do not access the EIV system in Secure Systems, completed the security awareness training annually and is there a signed the Rules of Behavior? Yes No

Comments: N/A No staff without access to Secure Systems

e. For new staff, or staff that was given access to EIV or TRACS within the last year, was the security awareness training completed before access, or within 30 days of being given access and signing the TRACS and EIV Rules of Behavior? Yes No

Comments:

21. Tenant File Security

a. Are the tenant files, as well as other files that contain EIV reports, if applicable, locked and secured in a confidential manner? Yes No

Comments:

b. Is documentation relating to an individual's domestic violence, dating violence, or stalking, kept in a separate file in a secure location from other tenant files? **Applicable to Section 8 only.** Yes No N/A

Comments:

c. Is access to tenant file information limited to only authorized staff? Yes No

Comments:

d. Who is authorized to have access to the tenant files? Name(s) and Title(s): Crystal Brown, Property manager; Towanda Matthews, Regional Manager

Comments:

e. Is the owner/agent maintaining tenant files according to HUD's document retention requirements? Yes No

Comments: MO file for Streeter could not be found by O/A and had to be substituted. Two other files were initially missing but later located; see finding.

f. Is the owner/agent properly disposing of tenant records (shred, burn, pulverize etc.)? Yes No

Comments:

22. Summary of Tenant File Review

This section applies only to subsidized projects and should be completed after the tenant file reviews (See Addendum A.) The minimum file sample should include review of tenant files of new move-ins, re-certifications (annual, interim, initial), at least one applicant reject file, and at least one terminated/move-out file. In order to review specific functions (EIV usage, utility reimbursement, pet rules/deposits, minimum rents, etc.) it may be necessary to target a portion of the files reviewed to specific tenant families. The reviewer should adjust the tenant file sample to meet the needs of the review.

| Number of Units | Minimum File Sample |
|-----------------|--|
| 100 or fewer | 5 files plus 1 for each 10 units over 50 |
| 101-600 | 10 files plus 1 for each 50 units or part of 50 over 100 |
| 601-2000 | 20 files plus 1 for each 100 units or part of 100 over 600 |
| Over 2000 | 34 files plus 1 for each 200 units or part of 200 over 2,200 |

For each question, only answer "Yes" if the files reviewed are acceptable. Answer "No" if the files are not acceptable and note the number of files with deficiencies utilizing the tenant file worksheet, Addendum A

Number of Files Reviewed = 13

(Please note: There is no maximum number of files to be sampled)

a. Tenant Files and Records

i. Are the tenant files organized and properly maintained? Yes No

Number of Files with Deficiencies: 0

On-Site Review (Continued)

Comments: MO file for Streeter could not be found by O/A and had to be substituted. Two other files were initially missing but later located. Addressed in E21e.

ii. Do the files contain all documentation as required in Handbook 4350.3 REV-1, applicable HUD Notices, and any changes to the CFR?

Yes No

Documents Missing from Files: Correctly filled out declarations, Family Summary Sheets and Owner Summary Sheets.

Comments: [redacted] #624E; [redacted] #06E; [redacted] #810E; [redacted] #626E; [redacted] #701E; [redacted] #416E; [redacted] #920E; [redacted] #431E; [redacted] #504E; [redacted] #924E

b. Application/Tenant Selection

i. Are the applications in the files signed and dated by applicant?

Yes No

Number of Files with Deficiencies: 2

Comments: [redacted] #624E; [redacted] #06E application not in file; [redacted] #810E; [redacted] #431E; [redacted] #626E; [redacted] #701E; [redacted] #416E date/time received by O/A not on application.

ii. Is screening conducted in accordance with the Tenant Selection Plan?

Yes No

Number of Files with Deficiencies: 2

Comments: [redacted] #626E; [redacted] #624E

iii. Are the unit sizes appropriate for household composition at the time of this tenant file review?

Yes No

Number of Files with Deficiencies: 0

Comments:

iv. If a household was ineligible at move in, were exceptions granted?

Yes No N/A

Number of Files with Deficiencies: 0

Comments:

c. Lease

i. Are the correct model leases used?

Yes No

Number of Files with Deficiencies: 5

Comments: Not filled in correctly. [redacted] #504E; [redacted] #624E; [redacted] #626E; [redacted] #701E; [redacted] #920E

ii. Are the leases signed and dated by all required parties?

Yes No

Number of Files with Deficiencies: 1

Comments: [redacted] #924E

iii. Are HUD issued lease addenda properly signed and in the file?

Yes No

Number of Files with Deficiencies: 4

Comments: [redacted] #431E; [redacted] #504E; [redacted] #701E; [redacted] #624E

iv. Are the applicable addenda attached to the lease?

Yes No

Number of Files with Deficiencies: 0

Comments:

v. Are security deposits collected in the correct amount for the program?

Yes No N/A

Number of Files with Deficiencies: 0

Comments:

vi. Are pet deposits within acceptable range and payment installments allowed?

Yes No N/A

Number of Files with Deficiencies: 0

Comments:

On-Site Review (Continued)

vii. Do the tenant files contain signed acknowledgement(s) and/or copies of the following documents indicating receipt by the tenant?

- | | | | |
|--|---|-----------------------------|---|
| HUD-9887 Fact Sheet | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | |
| Number of Files with Deficiencies: <u>4</u> | | | |
| Lead Based Paint Disclosure | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| Number of Files with Deficiencies: <u>0</u> | | | |
| Resident Rights and Responsibilities Brochure | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | |
| Number of Files with Deficiencies: <u>0</u> | | | |
| EIV & You Brochure | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | |
| Number of Files with Deficiencies: <u>0</u> | | | |
| Fact Sheet How Your Rent is Determined | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | |
| Number of Files with Deficiencies: <u>0</u> | | | |
| Race/Ethnicity Form | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | |
| Number of Files with Deficiencies: <u>3</u> | | | |

Comments: 9887/9887 not properly signed/dated. [REDACTED] #920E, [REDACTED] #701E, [REDACTED] #624E, [REDACTED] #416E
R/E codes don't match 50059, and form not completely filled out. [REDACTED] #701E, [REDACTED] #624E, [REDACTED] #706E,

d. Certification/Re-Certification Activities:

i. Are re-certification notices issued in accordance with HUD requirements? Yes No N/A
 Number of Files with Deficiencies: 4

Comments: [REDACTED] #504E, [REDACTED] #920E, [REDACTED] #701E, [REDACTED] #624E

ii. Are certifications completed on time? Yes No N/A
 Number of Files with Deficiencies: 0

Comments:

iii. Are all necessary verifications completed and properly documented? Yes No N/A
 Number of Files with Deficiencies: 2

Comments: [REDACTED] #624E, [REDACTED] #701E, [REDACTED] #920E

iv. Are EIV Income Reports used for third party verification of employment and income? Yes No N/A
 Number of Files with Deficiencies: 8

Comments: [REDACTED] #810E, [REDACTED] #504E, [REDACTED] #920E, [REDACTED] #701E, [REDACTED] #624E, [REDACTED] #416E, [REDACTED] #706E, [REDACTED] #431E

v. If the tenant disputed the EIV employment and/or income reported in EIV, was a third party verification obtained from the source? Yes No N/A
 Number of Files with Deficiencies: 0

Comments:

vi. Are appropriate actions being taken for income discrepancies reported on the EIV Income Discrepancy Report, and is the action documented? Yes No N/A
 Number of Files with Deficiencies: 4

Comments: [REDACTED] #624E, [REDACTED] #701E, [REDACTED] #416E, [REDACTED] #431E

vii. Are income and deductions calculated correctly prior to data entry? Yes No N/A
 Number of Files with Deficiencies: 2

Comments: [REDACTED] #920E, [REDACTED] #626E, [REDACTED] #701E, [REDACTED] #810E, [REDACTED] #624E, [REDACTED] #416E, [REDACTED] #706E

viii. Does income information on the tenant certifications agree with verified file information? Yes No N/A
 Number of Files with Deficiencies: 2

Comments: Addressed in E22vii.

ix. If tenants were granted a hardship exemption as part of the minimum rent, was the exemption applied correctly? Yes No N/A
 Number of Files with Deficiencies: 0

Comments:

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- x. Are Repayment Agreements in accordance with HUD requirements? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- xi. Are notices provided to tenants in accordance with HUD tenant notification requirements when their portion of rent has increased? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- xii. Are the correct contract rents used when determining the subsidy to be paid on behalf of tenants? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- xiii. If tenants are paying their own utilities, are the current certifications reflecting the correct utility allowances? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- xiv. Are utility reimbursement checks distributed within 5 business days of receipt of the housing assistance payments? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

e. Voucher Billing

- i. Are there any deficiencies noted in the tenant file review that results in over payment or under payment of the subsidy? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- ii. For the move-in/move-out tenant file review, does the owner/agent make appropriate voucher adjustments? Yes No N/A
Number of Files with Deficiencies: 1

Comments: [REDACTED] #506E

f. Move-In Files

- i. Are proper income limits used for determining eligibility at move-in? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- ii. Do the files contain move-in inspections? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- iii. If the files contain move-in inspections, have the owner/agent and the tenant signed and dated the inspection? Yes No N/A
Number of Files with Deficiencies: 2

Comments: [REDACTED] #920E, [REDACTED] #701E

- iv. Do the move-in files created after January 31, 2010 indicate that the owner/agent utilizes the EIV Existing Tenant Search for all household members and applicants? Yes No N/A
Number of Files with Deficiencies: 2

Comments: [REDACTED] #624E, [REDACTED] #416E

g. Move-Out Files

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- i. Do tenants provide written notice of intent to vacate in accordance with the HUD model lease? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- ii. Are move-out inspections conducted? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- iii. Are security deposits refunded in 30 days or less if required by state law? Yes No N/A
Number of Files with Deficiencies: 2

Comments: [REDACTED] 10E, [REDACTED] #506E

- iv. Are tenants provided an itemized list of charges against the security deposits? Yes No N/A
Number of Files with Deficiencies: 2

Comments: [REDACTED] 710E, [REDACTED] #506E

- v. If charges exceed the security deposit, are the tenants billed for the balance due? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

h. Application Rejection Files

- i. Are applicants denied admittance in accordance with the Tenant Selection Plan? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- ii. Do rejection letters provide applicants the right to appeal? Yes No N/A
Number of Files with Deficiencies: 1

Comments: James – FH logo was not on rejection letter and vawa notice and certification form not attached.

- iii. If applicant appealed an application rejection, was the appeal reviewed by someone other than person who made the original decision to reject? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

- iv. Were appeals processed and applicants notified of the appeal decision within 5 days of the meeting? Yes No N/A
Number of Files with Deficiencies: 0

Comments:

CATEGORY F. TENANT/MANAGEMENT RELATIONS (This Category does not apply to Mortgagees)

23. Tenant Concerns

- a. Is there a written procedure for resolving tenant complaints or concerns? Yes No
If yes, review a copy.

Comments:

- b. Does the procedure adequately cover appeals? Yes No
Comments:

- c. Is there an active tenant organization at this project? Yes No

Comments:

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d. Is tenant involvement in project operations encouraged? Yes No

Comments:

24. Provision of Tenant Services

a. What social services are provided by the project, or the neighborhood, which meet the tenants' needs? Below, indicate services that are available, and identify the entity providing the service (i.e., city/county/state, church/school, community groups, etc.) and enter the cost to the project, if any.

| Service | Provider | Financial Source |
|---|----------|------------------|
| <input type="checkbox"/> Child Care | | |
| <input type="checkbox"/> Recreation | | |
| <input type="checkbox"/> Health Care | | |
| <input type="checkbox"/> Energy Conservation | | |
| <input type="checkbox"/> Vocational Training/Job Training | | |
| <input type="checkbox"/> Meals | | |
| <input type="checkbox"/> Financial Counseling | | |
| <input type="checkbox"/> Substance Abuse Counseling | | |
| <input checked="" type="checkbox"/> Service Coordinator | | |
| <input type="checkbox"/> Neighborhood Networks Center | | |
| <input type="checkbox"/> Other (please specify) | | |

b. Is there a Service Coordinator for the project? Yes No
If there is no Service Coordinator, proceed to question 24.f.

Comments:

c. Is the Service Coordinator's office clearly identifiable and private? Yes No

Comments:

d. Are the Service Coordinator's files kept secure and confidential? Yes No

Comments:

e. Does the Service Coordinator maintain a directory of service agencies and contacts, and make the information available to all parties? Yes No

Comments:

f. If there is a Neighborhood Networks Center as indicated on the Desk Review, what is the status of operations?
If there is no Neighborhood Networks Center, proceed to question 24.h.

- Open for Business
- Temporarily Closed – State the date the center will reopen: _____
- Permanently Closed – State the date the center closed: _____

Comments:

g. What programs are offered at the Neighborhood Networks Center?

- GED Adult Basic Education Computer Classes Job Training Job Placement
- Homework Assistance English as a Second Language Other (please specify) _____

Comments:

h. The Department allows owners and their agents to provide services related to renter's insurance products. Does the owner/agent offer such services?
If the owner/agent offers no such service, proceed to question 25. Yes No

Comments:

i. HUD policy prohibits an owner/agent from evicting tenants for delinquent renter's insurance payments.
How does the owner/agent deal with unpaid renter's insurance?

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Please explain the process:

Comments:

j. Review the renter's insurance information provided to tenants. Does the information provided to tenants clearly indicate that purchasing insurance is optional, and not required as a condition of occupancy? Yes No N/A

Comments:

CATEGORY G. GENERAL MANAGEMENT PRACTICES

25. General Management Operations

a. Have the complaints, as noted on the Desk Review, been satisfactorily resolved? Yes No N/A

Comments: All complaints except the life-threatening complaint for the HVAC system not working were resolved at the time of the review, see finding.

b. Is the project staff able to adequately perform management and maintenance functions? Yes No

Comments: See Finding

c. How does the owner/agent implement HUD changes in policies and procedures?

Describe the process: 30 day notice to tenants, training for staff

d. Does owner/agent have a formal ongoing training program for its staff? Yes No

If yes, indicate types of training used and the frequency.

| Type | Frequency | Type | Frequency |
|--|-----------|---|-----------|
| <input checked="" type="checkbox"/> On-Site | Monthly | <input checked="" type="checkbox"/> Industry/Association Training | Annually |
| <input type="checkbox"/> HUD Seminars | | <input type="checkbox"/> Local Colleges | |
| <input type="checkbox"/> Energy Conservation | | <input type="checkbox"/> Other (please specify) | |

Comments:

e. Are reports submitted to the owner from the management agent? Yes No N/A

This question applies only to HUD Staff and Mortgagees.

Comments:

f. Are there signs enabling persons to locate the office? Yes No

Comments:

g. Are after hours and emergency telephone numbers posted? Yes No

Comments:

h. List the current insurance coverages (property, liability, Directors and Officers, workman's compensation, automobile). (Check to make sure that HUD is listed as an additional loss payee, if applicable. Also, check to make sure that the insurance policy is in the name of the mortgagor entity.)

This question applies only to HUD Staff and Mortgagees.

| Type | Basic Coverage | Annual Premium |
|------------------------|----------------|----------------|
| Property | | |
| Liability | | |
| Other (please specify) | | |
| Other (please specify) | | |

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Comments:

i. Does the owner/agent have a fidelity bond? Yes No N/A
This question applies only to HUD Staff and Mortgagees.

Comments:

26. Owner/Agent Participation
This question applies only to HUD Staff and Mortgagees. CAs may proceed to question 27.)

a. If the project is owned by a cooperative or a nonprofit entity, does the Board of Directors meet regularly and record minutes? Yes No N/A

Comments:

b. Review copies of the minutes. Does a review of the minutes indicate compliance with HUD's business agreements? Yes No N/A

Comments:

c. Does the owner/agent have a system or procedure for providing field supervision of on-site personnel? Yes No N/A

Comments:

27. Staffing and Personnel Practices

a. Has management made an effort to employ tenants in accordance with Section 3 of the Housing and Community Development Act of 1968? Yes No

Comments: Property has one tenant receiving a stipend.

b. List all on-site staff charged to the project. (Use additional sheets if necessary).

| Staff Person / Title | Date Hired | % of Time Charged to Site | Annual Salary | Unit Size | Is the Employee Receiving Subsidy? | Is the Employee occupying a Non-Income Producing Unit? |
|---------------------------|------------|---------------------------|---------------|-----------|---|---|
| [REDACTED] Janitorial | 9/21/21 | 100% | 33280 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| [REDACTED] Maintenance | 2/16/22 | 100% | 43680 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| [REDACTED] Maintenance | 2/28/22 | 100% | 43680 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| [REDACTED] Maintenance | 5/4/22 | 100% | 33280 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| [REDACTED] Maintenance | 35360 | 100% | 35360 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| [REDACTED] Maintenance | 36504 | 100% | 36504 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| [REDACTED] Office | 37440 | 100% | 37440 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| / | 37440 | 100% | 37440 | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| | | % | | 0 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

Comments:

c. Does the staffing chart above match Part D of the Rent Schedule, form HUD-92458 as it relates to non-income producing units? Yes No
HUD staff only.

Comments:

State Lifetime Sex Offender Statistics

Project Name: Serenity Housing

FHA /Project Number: 800020375

Section 8/PAC/PRAC Number: TN40L000009

Instructions: Reviewers should record the below statistics on households that include a household member who is subject to a state lifetime sex offender registration requirement.

- 1. Number of households where, in accordance with the owner’s policies and procedures, a household member subject to a state lifetime sex offender registration requirement was identified at re-certification. 0
Of the households identified at re-certification:
 - a. How many were admitted prior to June 25, 2001, the effective date of the Screening and Eviction for Drug Abuse and Other Criminal Activity final rule, and who had a household member subject to a state lifetime sex offender registration requirement at the time of admission? 0
NOTE: These households (admitted prior to June 25, 2001) must not be evicted unless they commit criminal activity while living in the federally assisted housing or have other lease violations.
 - b. How many were erroneously admitted? 0
 - c. How many households include a member that became subject to a state lifetime sex offender requirement after admission? 0
- 2. Number of evictions due to the erroneous admission of a household with a member subject to a state lifetime sex offender registration requirement? 0
Number of such evictions upheld in court. 0
- 3. Number of evictions due to a household member becoming subject to a state lifetime sex offender registration requirement after admission. 0
Number of such evictions upheld in court. 0