

Guide for Review of NSP-1 Continued Affordability			
<b>Name of Program Participant:</b>			
<b>Staff Consulted:</b>			
<b>Activity Name, Number and Brief Description:</b>			
<b>Name(s) of Reviewer(s):</b>		<b>Date</b>	<input type="checkbox"/> <b>Limited Review</b> <input type="checkbox"/> <b>In-depth Review</b>

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

**Instructions:** Use this Exhibit for a review of compliance with the Neighborhood Stabilization Program (NSP) Continued Affordability requirements. It is divided into three sections: Homebuyer Programs; Rental Programs; and Summary. One Exhibit is to be completed for each Program Participant. It is important to note that under regular CDBG, "Continued Affordability" is not a recognized term. Under the requirements at 24 CFR 570.505, Use of Real Property, the subrecipient must maintain the identified use of the property from the time CDBG funds are first spent until at least five years after closeout of the grant from which the assistance to the property was provided. Nevertheless, the NSP Continued Affordability requirement resembles both the aforementioned CDBG use of real property regulation and the HOME Investment Partnership Program's periods of affordability requirements at 24 CFR 92.252(a), (c), (e), and (f), and 92.254. For the NSP program, continued affordability is defined as follows:

"Grantees shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties under this section remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) [of HERA], remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income." [73 Fed. Reg. 58334, II.B.3]

**Questions:**

**A. HOMEBUYER PROGRAMS**

1.

Has the program participant implemented the same continued affordability mechanism(s) that it identified in its substantial amendment? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			

2.

Is the mechanism being enforced appropriately, in that the program participant is demonstrating compliance with its own requirements? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>  	

3.

Does the mechanism remain effective throughout the continued affordability period?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>  	

4.

Does the program participant have a monitoring plan or policy in place for the continued affordability mechanism(s) and has it been implemented? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>  	

5.

Has the program participant documented the individual property file with its continued affordability mechanism? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>  	

**B. RENTAL PROGRAMS**

6.

Has the program participant implemented the same affordable rents definition that was included in its substantial amendment? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>  	

7.

Has the program participant “ma[d]e public its definition of affordable rents for NSP-assisted rental projects”? [73 Fed. Reg. 58336, II.E.2.c]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

8.

Has the program participant established an enforcement mechanism to maintain the affordable rent on individual properties/units? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

9.

Is the affordable rents mechanism being implemented and enforced appropriately, in that the program participant is demonstrating compliance with its own requirements? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

10.

a. Does the program participant have a monitoring plan or policy in place for the implementation and enforcement of affordable rents? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

b. If the answer to “a” above is “yes,” is the program participant following its own monitoring plan or policy? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

11.

Has the program participant documented affordable rents on the individual property/occupant file? [73 Fed. Reg. 58334, II.B.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

12.

Overall, does the program participant have in place effective enforcement and monitoring mechanisms to guarantee continued affordability and/or affordable rents for the duration of the affordability period?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>	

C. SUMMARY

13.

If the responses to any of the questions in this Exhibit indicate a need to go to another section of this Handbook for questions, or seek technical assistance or advice from another HUD staff person, please describe below.
<b>Describe Basis for Conclusion:</b>