



The HOME 4-Year Project Completion Deadline

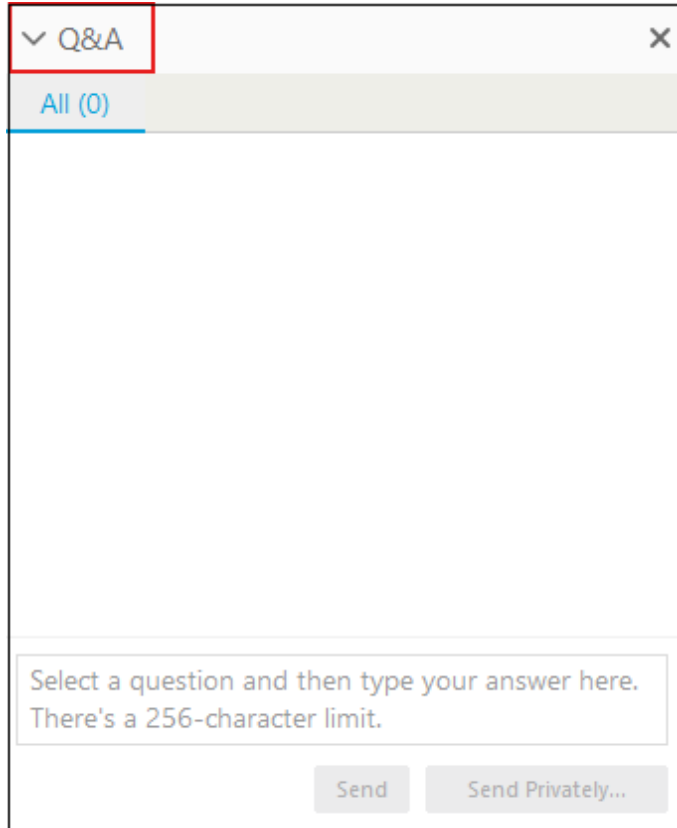
September 16, 2020

Webinar Instructions

- PowerPoint and webinar recording will be available on the HUD Exchange
- Participants in 'listen only' mode
- Submit content related questions in Q&A box on right side of screen



Questions?

A screenshot of a Q&A interface. At the top, there is a tab labeled 'Q&A' with a downward arrow and a close button (X). Below the tab is a header 'All (0)'. The main area is a large empty box for questions. At the bottom, there is a text input field with the placeholder text 'Select a question and then type your answer here. There's a 256-character limit.' Below the input field are two buttons: 'Send' and 'Send Privately...'.

Q&A

All (0)


Select a question and then type your answer here.
There's a 256-character limit.

Send Send Privately...

- Please submit your content related questions via the Q&A box
- Send to Host, Presenter and Panelists



At the end of this training you will understand:

- 
- 1 HOME's 4-year project completion deadline
 - 2 How to track projects to comply with the deadline
 - 3 How and when to request an extension from HUD
 - 4 How to resolve noncompliance issues





Background

What Is the 4-Year Project Completion Requirement?

- HOME projects must be completed within 4 years of the commitment date
- HUD terminates projects that do not comply with this deadline
- When a project is terminated, PJs must repay HOME funds
 - PJs can request a one-year extension to complete projects, in some situations



What Is the 4-Year Project Completion Requirement (cont.)

- Applicability of the 4-year deadline
 - What is a project?
 - To what projects does the 4-year deadline apply?
- Clock “starts ticking” on date PJ commits HOME funds to the project
 - What is a commitment?
 - When does a PJ make a commitment to a project?
- Project must be completed four years after the commitment date
 - What is a completed project?



Applicability of Project Completion Deadline

- 4-year deadline applies to all HOME projects
 - Special attention needed for rehabilitation and new construction projects since these may be blocked in IDIS
 - TBRA activities are not blocked in IDIS because they are regulatorily limited to 24 months
 - Predevelopment loans for CHDOs are not subject to the deadline since they do not meet the definition of commitment to a specific local project

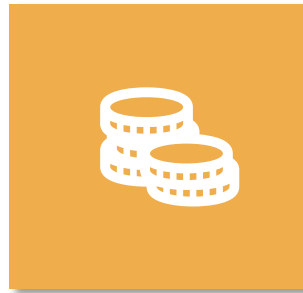


Definition of a HOME Project

- Definition of project for new construction and rehabilitation



Site(s) with
one or more
buildings



Common
ownership /
financing



Carried out
as single
undertaking



*ALL the tasks
associated
with the site
and building
are part of
project*

- Note, in IDIS a HOME project is called an *activity*



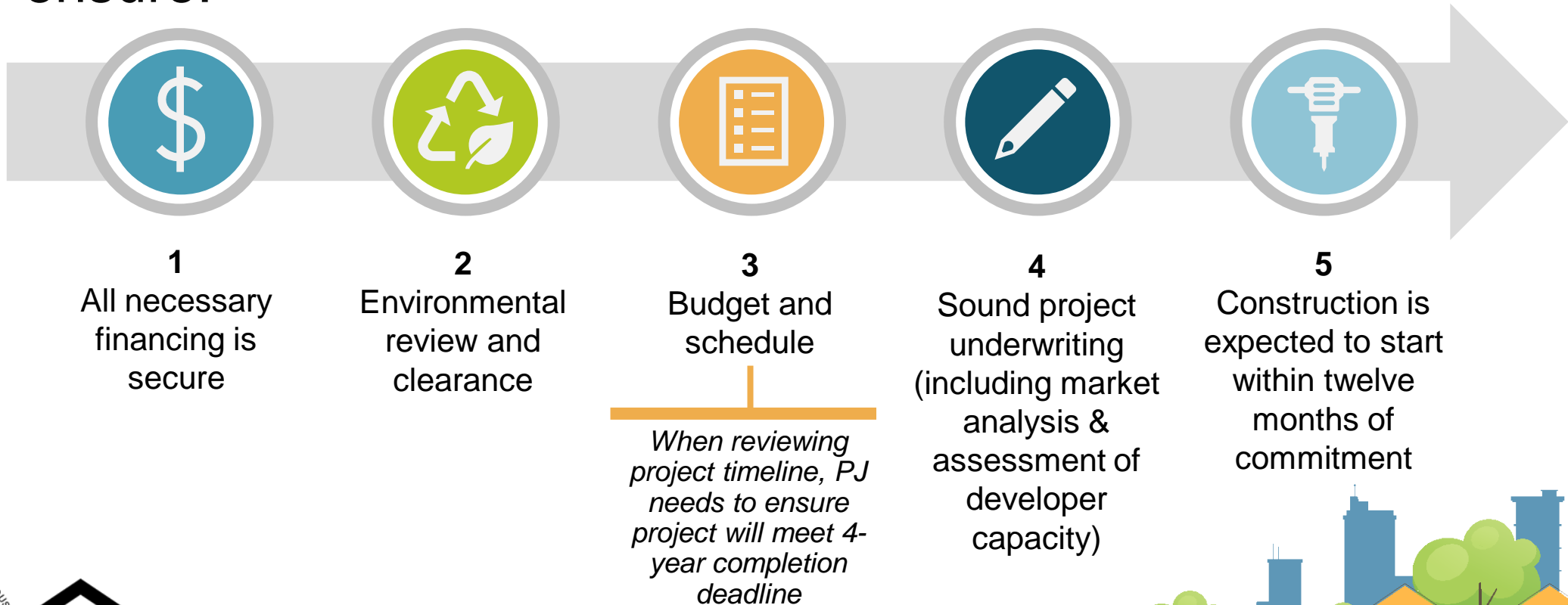
Definition – When Is the Commitment Date

- When does a PJ commit HOME funds to a project?
 - After the PJ has met the HOME pre-commitment requirements
 - The date of commitment is the date that the PJ and owner sign the written agreement
 - As a proxy, HUD uses the project's initial funding date in IDIS to track compliance with the project completion deadline



PJ Review Prior to Project Commitment

- Remember, before making a project commitment, PJ must ensure:



PJ Review Prior to Project Commitment (cont.)

- For CHDO projects, PJ must also ensure the nonprofit:
 - Meets all qualification requirements to be a CHDO
 - Has capacity to carry out proposed project based on the CHDO's role as owner, developer or sponsor
- For projects owned by the PJ or State recipient, PJ must also:
 - Set up project in IDIS (date of commitment, since there is no written agreement)
 - Determine construction expected to start within 12 months

For more information, see CPD Notice 15-09
Requirements for Committing HOME Funds.



PJ Review Prior to Project Commitment (cont.)

- If PJ commits to a project BEFORE it meets the pre-commitment requirements:
 - Project is out of compliance
 - HUD may take corrective actions to rectify
 - Commitment triggers the 4-year timeline
 - Starting prematurely may mean the PJ will not have sufficient time to complete project
 - The 4-year “clock” starts when agreement is signed (proxy is initial funding date in IDIS)
 - Common reason that PJs don’t meet the 4-year completion deadline



Definition of Project Completion

- A project is complete when:
 - Construction work is completed and project complies with all HOME requirements, including property standards
 - Title is transferred (for homebuyer, title to home is transferred to the buyer)
 - Final draw of HOME funds is disbursed
 - Beneficiary data is entered into IDIS and the project is marked “Complete”
 - Exception for rental housing



Definition of Project Completion (cont.)

- For rental projects, beneficiary data is not needed for project completion
 - PJ can mark project completed, with units marked as “vacant”
 - PJ must enter beneficiary data when the units are occupied
 - HOME-assisted units must be occupied within 18 months of completion, or HOME funds for vacant units must be repaid





Tracking Compliance with the 4-Year Completion Deadline

PJ Tracking of the 4-Year Deadline

- PJs need to track project progress against the timelines in the written agreement with owner/developer
- Best practice: Project timelines should be realistic and based on time needed to complete project
 - Do not build all four years into timeline
 - Budget ample time for PJ to intervene if things go off track
 - Consider including PJ-imposed completion deadline (such as 18 or 24 months) in written agreement, to allow additional time if the project is delayed



Using IDIS to Track the 4-Year Deadline

- HUD uses IDIS activity data to track compliance
- Activity's IDIS initial funding date = proxy for commitment date
 - Actual commitment date = the date the written agreement is executed
- Proxy is used to track the project against the 4-year deadline
 - For projects that may be noncompliant, HUD uses actual written agreement date



Post-2011 HOME Activities Report and the PR48

Post-2011 HOME Activities Report

- Primary purpose is to track activity's compliance with the 4-Year Completion Deadline
- Generated and posted monthly on HUD Exchange

IDIS Report PR48 Post-2011 HOME Activities Report

- Very similar report to Post-2011 HOME Activities Report
- PJ generates this report itself, so it is more current



Post-2011 HOME Activities Report and the PR48 (cont.)

- For each of PJ's open activities, these reports show:
 - Each activity's annual action plan year
 - Initial funding date
 - Amount of funds committed and disbursed
 - Date of last draw
 - Post-2011 HOME Activities report shows IDIS status – open (OP), final draw (FD) or completed (CP)
 - Projected 4-year project completion deadline



Post-2011 HOME Activities Report and the PR48 (cont.)

- PJ managers should:

- 1 Use reports to track progress of projects, in relation to project timeline
- 2 Identify any projects in final draw status that are near completion deadline
- 3 Follow up with staff on any projects that are nearing completion to ensure compliance
- 4 Identify projects that may need an extension so that advance requests can be made to HUD



Warning Flags

- For projects nearing completion deadline (but not complete) HUD issues 90-day and 30-day warning flags

PR46 - HOME Flagged Activities Report

Page by:

Field Office: CARIBBEAN

Grantee Name Flag	State	Program Year/Project ID	IDIS Activity ID	Activity Name	Initial Funding Date	Date of Last Draw	Flag Type	Block status	Date Action Taken	Login ID	Reason	Justification/Explanation	Date Reason Entered	Date Activity Flagged for Infrequent Draws
VIRGIN ISLANDS	VI	2012/21	1343	D.SUMAYAH	09/26/2016		Involuntary Termination status coming within 30 days	Unblocked					8/28/2020 5:00:11 AM	8/28/2020 5:00:11 AM
VIRGIN ISLANDS	VI	2015/23	1346	K. SONNY	12/05/2016		Involuntary Termination status coming within 90 days	Unblocked					9/7/2020 5:00:24 AM	9/7/2020 5:00:24 AM
VIRGIN ISLANDS	VI	2012/21	1348	S. VENTURA	12/05/2016		Involuntary Termination status coming within 90 days	Unblocked					9/7/2020 5:00:24 AM	9/7/2020 5:00:24 AM



Warning Flags

- Flag is called “Involuntary Termination Status Coming within 90 (30) days”
- PJ sees the flag(s):
 - On the HOME Activities screen in IDIS, or
 - In the *PR46 HOME Flagged Activities Report*
- PJ can take actions in IDIS while an activity has warning flag



Involuntarily Terminated Activity

- When an activity is open 4 years after its initial funding date:

IDIS automatically flags and
blocks the activity



Flagged activity is
blocked in IDIS: PJs
cannot take any action
on the activity



The flag is called
“Involuntarily Terminated -
Activity Not Completed within
4 Years of Initial Funding
Date”



Resolving an Involuntarily Terminated Activity

- Once an activity is flagged in IDIS as an Involuntarily Terminated Activity, the project may be noncompliant
- PJ must take steps to resolve the flag
- Which steps to resolve depend on the status of the activity:
 - Construction and/or title transfer have NOT been completed
 - Construction and title transfer have been completed, but activity is not “Complete” in IDIS
 - Completed projects that are re-opened in IDIS after the completion date and get flagged by IDIS





Resolving Noncompliance – *Construction and Title Transfer Are Not Complete*

Resolution when Construction or Title Transfer Are Not Complete

- PJ has two choices:



Option 1

Repay HOME funds
expended for the
project

Option 2

If deadline has **not** passed, request an
extension from HUD to complete project



Option 1: Repay HOME Funds

- Repayment is the only option if the 4-year completion deadline has passed
 - ✓ Best option when project not likely to be completed within one year
- Contact CPD Rep for instructions
 - PJ repays all HOME funds disbursed for the project
 - Deposit repayments into local HOME account and record in IDIS
 - Repayments must be non-Federal funds
 - PJ may request a voluntary reduction in future HOME grant, in lieu of repayment



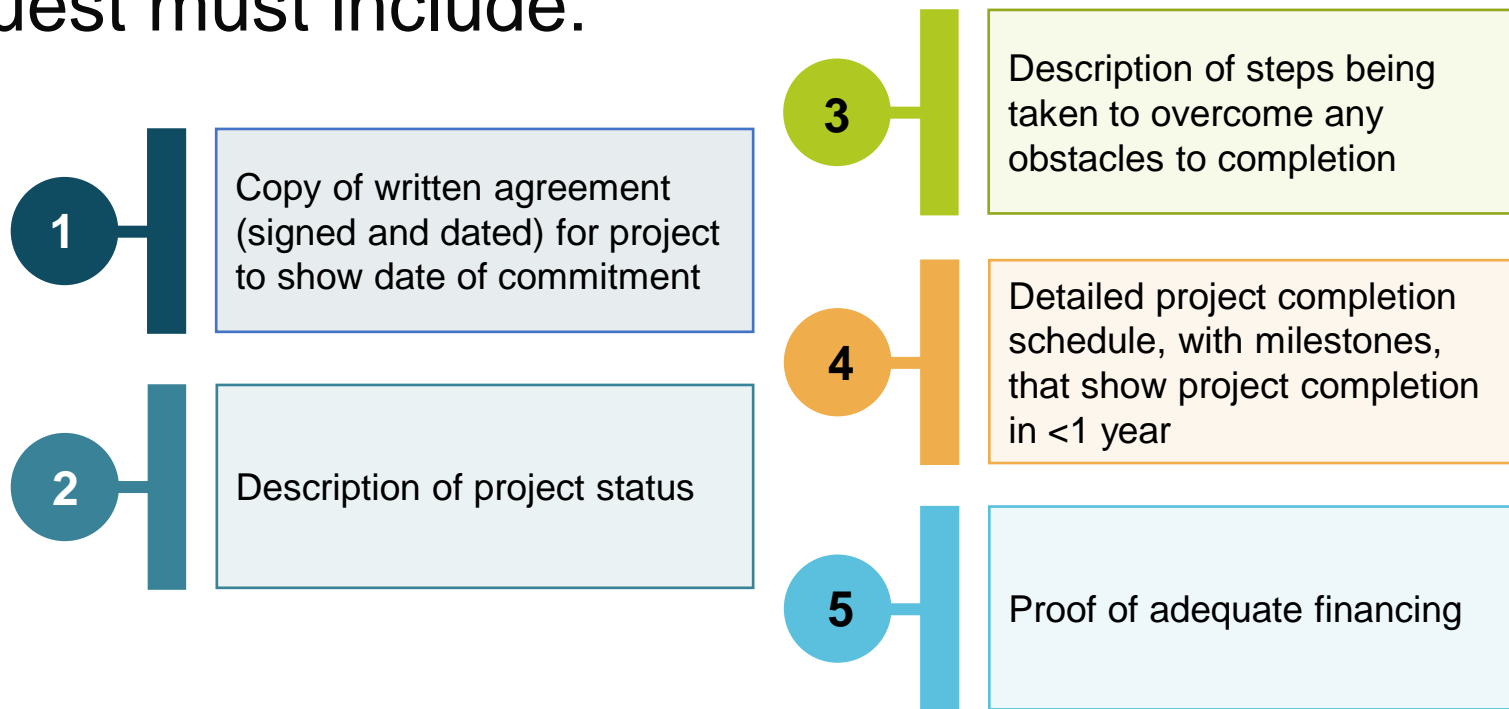
Option 2: Request One-Year Extension

- Extension is an option ONLY if it is made BEFORE the 4-year deadline has passed
 - Ideally, PJ gives HUD 90 days to review the request
 - ☑ Best option when project can be completed within one year
- Remember, project completion deadline and the one-year extension are *based on the date the written agreement was executed*, not the initial funding date in IDIS

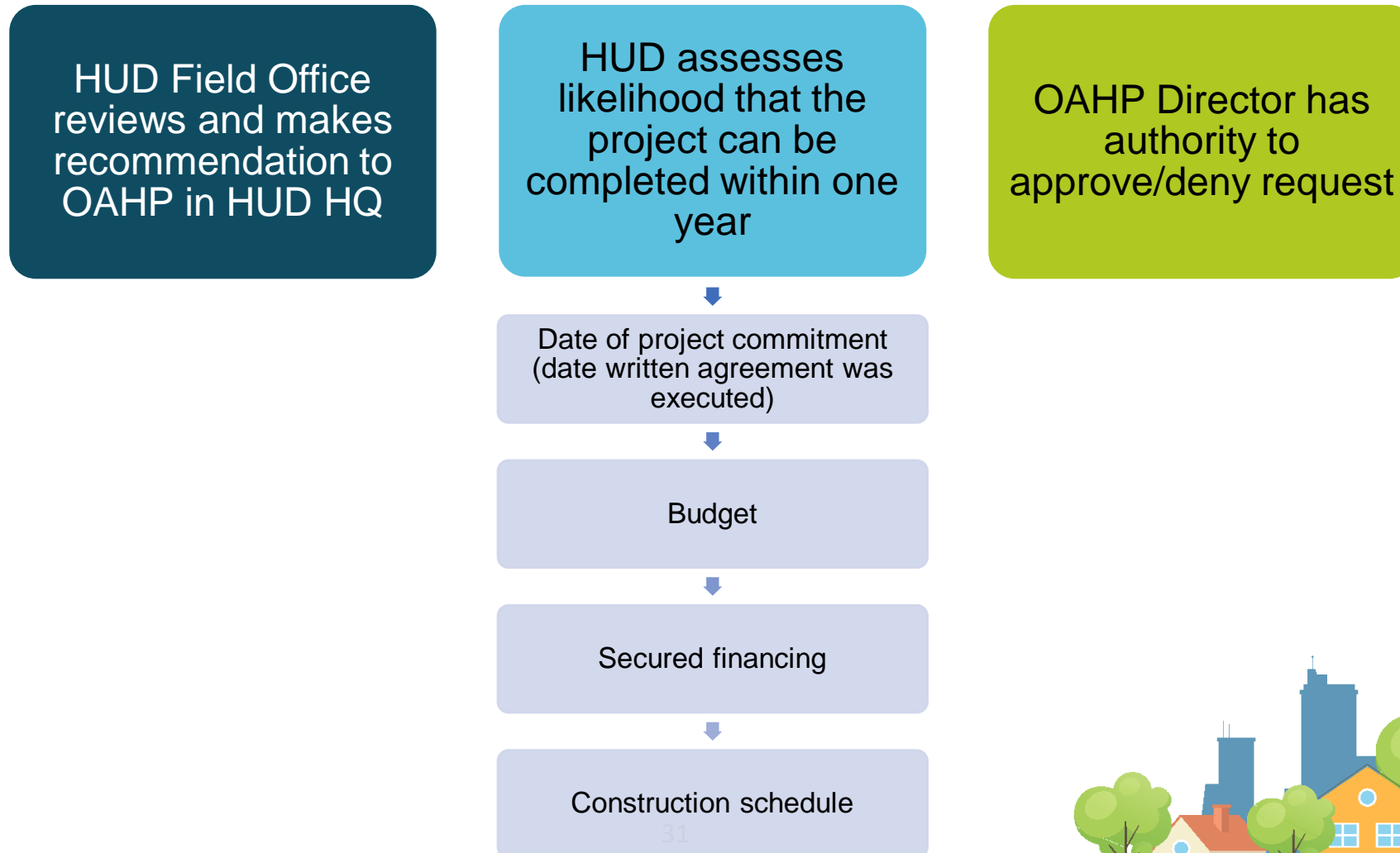


Process for Requesting a One-Year Extension

- PJ makes formal request – letter to CPD Director in Field Office
- Request must include:



Process for HUD Approval of One-Year Extension





Resolving Noncompliance –

***Activity Not Complete in IDIS, but
Construction and Title Transfers Complete***

Resolving Noncompliance – Construction and Title Transfers Complete

- These projects meet only part of the definition of project completion – construction and title transfer are completed
- One or more of these is likely:



PJ did not enter completion data



Activity has funds that have not yet been drawn

- Since project is not complete, it is not compliant with 4-year project completion requirement



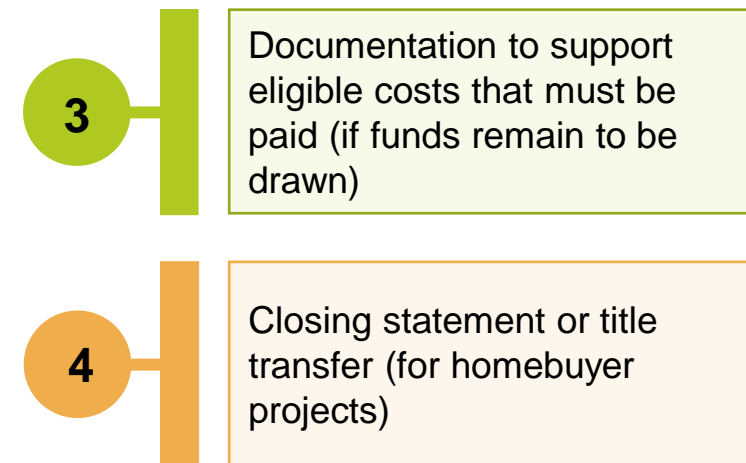
Resolving Noncompliance – Construction and Title Transfers Complete (cont.)

- To bring project into compliance, PJ must request an extension from HUD to complete the project in IDIS

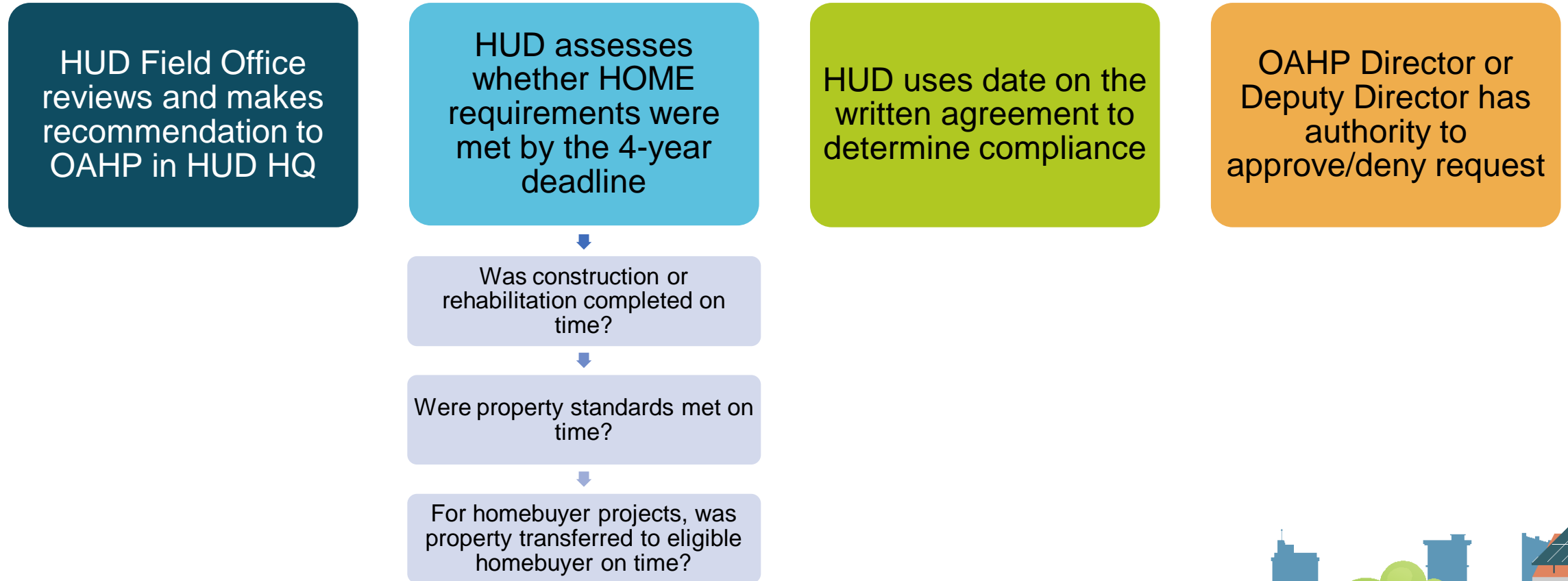


Process for Requesting a One-Year Extension

- PJ emails request to CPD Division in HUD Field Office
- Request must include:



Process for HUD Approval of One-Year Extension



Updating IDIS upon Receipt of Extension

- If HUD approves the extension the following steps must happen ASAP
 - HUD unblocks the activity in IDIS
 - PJ completes the project, as needed
 - Immediately draw remaining funds for the eligible costs, if needed
 - Reduce the funding level, if the project costs are below budgeted amount
 - Enter completion data
 - Change status to “Completed” in IDIS





Resolving Noncompliance –

***Project Completed and Reopened in IDIS After
Completion Date***

Reopened Projects that are Blocked by IDIS

- PJs are able to reopen an activity in IDIS after it is marked as completed
 - To add beneficiary data (rental only)
 - To add additional HOME funds within 12 months of completion, as permitted
 - In error (accidentally open the wrong activity)
- IDIS flags and blocks activities that are opened AFTER the 4-year deadline, with Involuntarily Terminated Activity flag



Resolving Flags for Reopened Projects

- PJ must ask HUD to release the block in IDIS
- Email to CPD Division in HUD Field Office
 - Include explanation of what happened and relevant information
 - Original IDIS completion date
 - Reason activity was reopened
 - If adding new funds to project, explanation of what funds will be for
- HUD FO makes recommendation to OAHP in HUD HQ
- OAHP Director or Deputy Director approves or denies request to remove the flag/block



Resolving Flags for Reopened Projects (cont.)

- If approved, HUD removes the IDIS flag
- As soon as possible, PJ takes needed steps (e.g., enter beneficiary data)
- PJ returns the activity to completed status in IDIS as soon as possible
 - Set the original completion date in IDIS or IDIS will default to that day's date; important because the completion date triggers the start of the affordability period



Entering Rental Housing Beneficiary Data

- For rental housing, PJs can mark projects as Complete with vacant units
- PJ reopens the activity to enter beneficiary data
- To avoid the Involuntarily Terminated Activity flag, PJs should enter beneficiary data and mark as “Complete” on the same day



- This prevents IDIS from flagging these rental activities, even if the activity is reopened more than 4 years after the IDIS initial funding date





Questions?