



U.S. Department of Housing and Urban Development

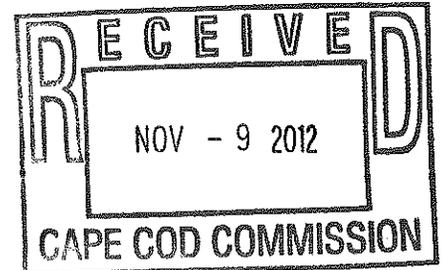
**MASSACHUSETTS STATE OFFICE, NEW ENGLAND AREA
Office of Community Planning and Development
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Boston, Massachusetts 02222-1092**

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CPD website: <http://www.hud.gov/offices/cpd/communitydevelopment/index.cfm>

Mr. William Doherty, Chair
County Commissioners
3225 Main Street,
P.O. Box 226
Barnstable, MA 02630

OCT 30 2012



Dear Mr. Doherty:

Subject: HOME Investment Partnerships Program
Monitoring Report

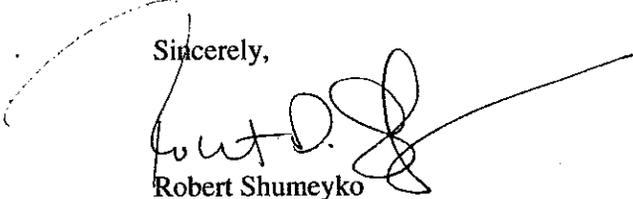
This letter report the results of HUD's monitoring of the HOME Investment Partnerships Program, which is administered by Barnstable County HOME Consortium. As stated in our letter to you of June 21, 2012, our monitoring of this program is part of HUD's effort to ensure that our local partners are delivering HUD funded programs and services to the intended beneficiaries and in compliance with applicable requirements.

The monitoring took place on July 17 and July 18, 2012 and was conducted by Cleonie Mainvielle and Amy Yuhasz, Community Planning and Development Representatives. We appreciate your staff's cooperation during the visit.

Overall, we found that the Consortium is providing services to the intended beneficiaries and using funds on activities that were approved in the Consolidated Plan. The monitoring resulted in four Findings. A Finding denotes deficient performance and non-compliance with requirements that must be corrected. Please advise us within 30 days from the date of this letter, with an electronic copy emailed to Cleonie Mainvielle and a paper copy mailed to this office, of the steps taken to address the Findings identified.

The attached report details our monitoring results and a discussion of HUD's Criteria and Regulations. If you have any questions or need assistance, please call Cleonie Mainvielle (617) 994-8520 or e-mail cleonie.mainvielle@hud.gov.

Sincerely,


Robert Shumeyko
Director

cc: Paul Ruchinkas

HOME MONITORING REPORT
Barnstable County HOME Consortium
Homebuyers' Program

The Barnstable County HOME Consortium's Homebuyer Program was administered by Housing Assistance Corporation (HAC) and provided a subsidy of up to \$11,000 for down payment and closing costs to low income households purchasing single family/single unit homes within Barnstable County. Staff interviews and file reviews were the methods used to conduct the monitoring.

Our review included a sample of seven (7) properties that were assisted through the Home Program Down Payment Closing Cost Assistance Program between 2010 and 2011, as follows;

Activity Name	Closing Date	IDIS completion Date	HOME Assistance
34 Albert Rd	10/15/2010	04/14/2011	\$8,735.00
60 Nauset Rd.	10/15/2010	01/27/2011	\$3,250.00
21 Yeoman Dr.	9/29/2011	05/11/2012	\$11,000.00
109 Compass Circle	4/1/2011	07/07/2011	\$3,250.00
17 Ship's Anchor Drive	6/3/2011	07/08/2011	\$11,000.00
6 Nelson Ave.	5/6/2011	07/07/2011	\$9,540.00
3 Hyda Way	6/6/2011	12/05/2011	\$4,871.00

Notwithstanding the issues set forth below, we wish to recognize HAC's superior manner in which the files for this program were both organized and maintained. Ms. Brenda Rocklage, Program Administrator with HAC, is to be commended for her efforts in this regard, which not only contributed to the orderly functioning of the program, but also facilitated this review.

Finding 1: The Consortium did not include the HOME Environmental checklist in project files

Condition:

As part of the monitoring, we reviewed a total of seven homebuyer project files to ensure compliance with environmental review standards. All seven failed to include documentation indicating that an environmental review had been performed.

Criteria:

According to 24 CFR 92.352 *Environmental review*. (a) *General*. The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

(b) *Responsibility for review*. (1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

Cause:

No evidence of an environmental review.

Effect:

Consortium is unable to ensure environmental protection of federally funded projects.

Required Corrective Action 1:

The Consortium must submit to this office, copies of the environmental reviews completed for the seven projects included in our monitoring within 30 days of this report.

Required Corrective Action 2:

The Consortium must develop an environmental review checklist that is comparable to the HUD recommended checklist available at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review.

Please submit a copy of this checklist to HUD within 30 days of this report.

Finding 2: Homebuyer project files did not consistently contain final property standard inspection reports.

Condition:

During the monitoring, HUD reviewed seven files to determine whether the properties were in compliance with applicable standards. The following project files did not contain passing final inspections:

Activity Name	Date of HQS	Status	Comments
21 Yeoman Dr.	10/3/2011	Failed	Owner to do repairs before closing
34 Albert Rd.	3/3/11	Failed	Re-inspected and passed 10/21/11, 6 days after closing.

Criteria:

According to 24 CFR 92.251 Property standards. (a) (2) All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

Cause:

No evidence to support that all properties met property standards at time of transfer to home buyer.

Effect:

HOME funds may be expended on structures that fail to meet applicable standard. Funding can then be subject to repayment by the Consortium from non-Federal sources.

Required Corrective Action:

Effective immediately, the Consortium must comply with the subject provisions and not proceed to closing for any property that had not been found (and documented) as being fully compliant with all applicable State and local standards and code requirements. Please submit, within 30 days from the date of this letter, written confirmation that both properties have since passed inspection as well as outline the procedures that will be used to avoid this issue moving forward.

Finding 3: Several activities were funded in IDIS before the execution of a legally binding agreement

Condition:

HUD reviewed files to determine if HOME-assisted activities were being funded in IDIS prior to the execution of a written agreement. The initial funding date in IDIS was reviewed in relation to the date the written agreement was executed. Several of the activities reviewed were funded in IDIS before date of execution of the agreement.

Activity Name	IDIS Initial Funding Date	Date of Written Agreement
6 Nelson Ave.	5/5/2011	5/6/2011
60 Nauset Rd	10/06/2010	10/15/2010
109 Compass Circle	03/14/2011	4/1/2011
17 Ship's Anchor Drive	04/21/2011	6/3/2011
34 Albert Road	03/02/2011	10/2/2011

Criteria:

According to 24 CFR 92.502 *Program disbursement and information system. (b) Project set-up. (1)* After the participating jurisdiction executes the HOME Investment Partnership Agreement, submits the applicable banking and security documents, complies with the environmental requirements under 24 CFR part 58 for release of funds and commits funds to a specific local project, the participating jurisdiction may identify (set up) specific investments in the disbursement and information system. Investments that require the set-up of projects in the system are the acquisition, new construction, or rehabilitation of housing, and the provision of tenant-based rental assistance. The participating jurisdiction is required to enter complete project set-up information at the time of project set-up.

Cause:

Lack of a procedure to ensure that activities are only funded in IDIS after the execution of a written agreement.

Effect:

HOME funds are being committed without having executed a written agreement.

Required Corrective Action:

Going forward, Barnstable County HOME Consortium must establish procedures to ensure that HOME activities are not funded in IDIS until after the execution of a written agreement. Please provide HUD with a copy of this procedure within 30 days of this report.

Finding 4: The affordability period was not provided to the homebuyer

Condition:

All seven agreements with Homeowners failed to include information of the affordability established for the project.

Criteria:

24 CFR 92.504 *Participating jurisdiction responsibilities; written agreements* (c) Provisions in written agreements. The contents of the agreement may vary depending upon the role the entity is asked to assume or the type of project undertaken. This section details basic requirements by role and the minimum provisions that must be included in a written agreement. (ii) Affordability. The agreement must require housing assisted with HOME funds to meet the affordability requirements of § 92.252 or § 92.254, as applicable, and must require repayment of the funds if the housing does not meet the affordability requirements for the specified time period.

Cause:

No written indication of the affordability period.

Effect:

The Consortium is unable to demonstrate that they have disclosed the affordability period to homeowners.

Required Corrective Action:

Going forward, the Consortium must incorporate the affordability period in their written agreement with the program participants. Please submit, within 30 days from the date of this letter, a copy of your revised Agreement.