

Multifamily Unit Conversion Checklist

ATTACHMENT 6

U.S. Department of Housing
and Urban Development
Federal Housing Administration

Exempt from OMB approval requirements under
5 CFR 1320.3(c). HUD use only; form does not
collect information from the public.

PLEASE READ THE PUBLIC REPORTING INFORMATION AT THE END OF THIS DOCUMENT

Date of Review		Project Number:		Contract Number:	
Name of Owner:		Project Name:		Project Address:	
Total Number of Units:		Total Number of Subsidized Units:		Total Number of Efficiency Units:	
				Total Number of Efficiency Units to be converted to One-Bedroom Units:	
Loan Status:		Type of Subsidy		Type of Housing	
<input type="checkbox"/> Insured <input type="checkbox"/> HUD-Held <input type="checkbox"/> Non-Insured <input type="checkbox"/> Co-Insured		<input type="checkbox"/> Section 8 <input type="checkbox"/> PAC <input type="checkbox"/> Section 236 <input type="checkbox"/> Section 221(d)(3) BMIR		<input type="checkbox"/> Rent Supplement <input type="checkbox"/> RAP <input type="checkbox"/> PRAC <input type="checkbox"/> Use Restriction	
				<input type="checkbox"/> Family <input type="checkbox"/> Disabled <input type="checkbox"/> Elderly <input type="checkbox"/> Elderly/Disabled <input type="checkbox"/> Other (please specify)	

Instructions: This form is to be completed by HUD staff only when reviewing a request for multifamily housing unit conversion. Indicate "Yes" or "No". Provide explanations and/or use additional sheets as necessary in order to document the administrative record for conditional approvals or rejections.

	YES	NO	N/A	Explanation/Comments
1. Does this project meet the eligibility requirements under Applicable Programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, reject the request.
2. Is the Owner in compliance with all outstanding business agreements? (i.e. Loan Agreement, Capital Advance Agreement, Regulatory Agreement, Housing Assistance Payment Contract (PRAC), Project Rental Assistance Contract, Rent Supplement Contract, Project Assistance Contract (PAC) and Rental Assistance Payments (RAP) Use Agreement, or any other HUD grant or contract documents)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please list document and outstanding issue(s) to be addressed.
3. Is the Owner and Management Agent in compliance in the APPS System? Project Manager to run flag report and a participant audit..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, document and explain each finding.
4. Does the Owner have any material adverse financial or managerial actions or omissions with regard to any project that is federally assisted and/or financed with a loan or capital advance from or mortgage insured by an agency of the federal government? (i.e. outstanding IG Audits, LDP, Debarment, Civil Money Penalties, etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If Yes, document and explain each adverse situation.
5. Have all findings from the last management review been addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, summarize findings, summarize corrective action plan, and all outstanding issues that the owner has not mitigated.
6. Did the last REAC inspection produce a score of 60 or above?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please list score, summarize findings, summarize corrective action plan, and all outstanding issues that the owner has not mitigated.

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7. Is the Owner in compliance with all excess income reporting requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, indicate deficiencies
8. Have all required annual audited financial statements, and if applicable, monthly accountings been submitted and reviewed by HUD? In addition, have all outstanding issues resulting from these reviews been addressed by the Owner? Yes <input type="checkbox"/> No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, notate outstanding findings.
9. Does the project file contain all controlling business agreements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, notate missing agreements and obtain from the Owner prior to recommendation.
10. Does the Owner's conversion request fully describe the proposed conversion? Note: Conversion of units must be restricted to the same subsidy type. (i.e. 202 with 202, 236 with 236, and Section 8 with Section 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, notate missing components.
11. Has the Owner submitted the required prior written consent of all Lenders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
12. Has the average vacancy of the efficiency units been at least 25% for 24 months over the three year period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please provide vacancy percentages that have been documented.
13. Does the Owner's submission demonstrate extensive marketing efforts to reduce vacancies? Consider requested age and income waivers, contacts to the local housing authority and housing organizations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
14. Does the Owner's submission demonstrate the need for the one bedroom unit that is being requested?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
15. Has the owner provided turnover documentation for at least the past 24 months? Yes <input type="checkbox"/> No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
16. Has the Owner submitted the current and proposed rent structures by unit type, unit size, unit square footage, total, and subsidy type?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
17. Project Manager needs to analyze the financial impact of the unit conversion being requested. This includes a review of the Pro Forma and an analysis of the property's compliance, performance and risk indicators, a 1.1 debt service coverage ratio (if the project is an insured loan, direct loan, or a HUD held loan). Does the analysis ensure that the conversion and change in unit configuration will not have an adverse impact on the project financially?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.

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18. Does the review of the sources and use of funds identify the source of funds for the unit conversion? Are these sources acceptable to HUD and are commitments for funding attached if applicable? Yes <input type="checkbox"/> No <input type="checkbox"/> Has HUD concluded that all estimated costs for the proposed conversion have been identified and that the costs estimates are reasonable and no older than 6 months? Yes <input type="checkbox"/> No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
19. Is the review of the Project Capital Needs Assessment (PCNA) acceptable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
20. Is the review of the scope of work acceptable? (i.e., states that work will be completed by licensed contractors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
21. Have all environmental issues been addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
22. Will all 504 requirements be met?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
23. Did the Owner comply with the tenant notification requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
24. Has the Owner submitted a certification that tenants will not be permanently displaced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
25. Has the Owner submitted a temporary relocation plan, if applicable? Even if no relocation is proposed, does the owner describe any procedures that will mitigate the effects of such reconfiguration activities on the tenants? Yes <input type="checkbox"/> No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
26. Are there Local Government Letters of Support that certify this unit conversion will not negatively impact the community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
27. If applicable, does the Owner's amended Tenant Selection Plan give right of first refusal to a resident that was displaced by the unit conversion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If No, please explain.
28. /Is the conversion request for Section 236 units?				If Yes, compute the new Interest Reduction Payment explained in paragraph I and complete attachment 4.
29. Are there any projects with efficiency units in the production pipeline in the same market area of similar square footage as the units to be converted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If Yes, provide information.

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30. Has the Project Manager analyzed the historical data of the waiting list of the project, surrounding projects with similar unit configuration, and local housing authorities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Provide narrative.
31. Are there any outstanding issues from other HUD reviews?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If Yes, list reviewer and outstanding issues.
Project Manager Recommendations:				
<input type="checkbox"/> Approval <input type="checkbox"/> Approval with Conditions <input type="checkbox"/> Modify <input type="checkbox"/> Rejection				
Name of Project Manager (please type or print)	Date		Signature of Project Manager	
Name of Supervisor (please type or print)	Date:		Signature of Supervisor	