



Home Investment Partnerships and National Housing Trust Fund: Construction Closeout

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Our Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

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Overview of Tutorial

- Overview of Federal Programs
- Construction Closeout Process – Six Easy Steps!



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Overview of Federal Programs

Home Investment Partnerships (HOME)

- Production or preservation of rental housing affordable and available to low-income households
- 24 CFR Part 92

National Housing Trust Fund (NHTF)

- Production or preservation of rental housing affordable and available to extremely low-income households
- 24 CFR Part 93

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Construction Closeout Process

- **Step 1:** Complete and submit the Rental Completion Report
- **Step 2:** Physical property inspection and tenant file reviews
- **Step 3:** Complete all other due diligence
- **Step 4:** Corrections, if any
- **Step 5:** Final draw
- **Step 6:** Effective Period Certificate

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Review of Final Construction Budget

- Final construction numbers
- Cost analysis for federal funds

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Step 1: Rental Completion Report

- Tips for efficient processing:
 - Fill out all fields accurately and completely
 - Verify the tenant rents and incomes against the program rents and incomes listed on Minnesota Housing's website
 - Ensure utility allowance information complies with program requirements
 - Enter the rental assistance code accurately
 - **Code 1** – Use for project-based Section 8
 - **Code 3** – Use for tenant-based vouchers

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Step 2: Inspection and Tenant File Reviews

Property inspection

- 20% of assisted units

Tenant file reviews

- Files for the units being inspected

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Step 3: Due Diligence

HOME and NHTF construction closeout due diligence

- Rental Completion Report
- Davis Bacon Compliance with Labor Standards (when applicable)
- Section 3 HUD Summary Reports
- Updated Contract Compliance Activity Report
- Uniform Relocation Act (URA) files (when applicable)

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Step 4: Corrections

- Physical inspection findings
- Tenant file findings
- Due diligence corrections

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**Steps 5 and 6:
Final Draw and Effective Period Certificate**

- Release of the final withholding of federal funds
- Signing and recording the Effective Period Certificate
- Begin the affordability period

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Thank you!

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