

CHAPTER 15 – MONITORING

Chapter Overview

Goal

Objectives

Conducting On-Site Monitoring Visits

In-Office Review

The Department's monitoring plan for HOME includes the following:

Goal

Ensure the success of HOME-funded activities designed to increase the availability of decent and safe housing affordable to low-income families in Nebraska.

Objectives

- Track and evaluate program/project performance
- Ensure timely completion
- Document compliance with program rules
- Prevent fraud and abuse
- Identify technical assistance needs
- Identify innovative program designs and approaches

Homeowner Rehabilitation Programs

Resources: Chapter 3 of the Nebraska HOME Manual, Chapter 4 of the Building HOME Manual and Chapters 4 and 8 of the Monitoring HOME Program Performance Manual.

Checklists: 4-A,B,C,D and 8-A,B,C,D,E,F,G,H,I and the Nebraska HOME Program Property Standards Certification

Homebuyer Programs

Resources: Chapter 4 of the Nebraska HOME Manual, Chapter 5 of the Building HOME Manual and Chapters 5 and 8 of the Monitoring HOME Program Performance Manual.

Checklists: 5-A,B,C,D and 8- A,B,C,D,E,F,G,H,I and the Nebraska HOME Program Property Standards Certification

| TYPE | FREQUENCY | AREAS OF REVIEW |
|--|--|--|
| Homebuyer and Homeownership Rehabilitation | At least one on-site visit prior to project closeout | Fair Housing, Affirmative Marketing, Labor Standards, Environmental Reviews, Lead-based Paint, Relocation, Program Review, Client-file Review, Property Standards, Financial Management, Eligible Costs, Contractor Selection, Construction Management, Loan Processing and Servicing, Income Verification, On-site Inspection |

Rental Housing Projects

First Visit Resources: Chapter 5 of the Nebraska HOME Manual, Chapter 6 of the Building HOME Manual, Chapter 6 and Chapter 8 of the Monitoring Home Program Performance Manual.

First Visit Checklists: 6-A,B and 8- A,B,C,D,E,F,G,H,I and the Nebraska HOME Program Property Standards Certification

On-going Visit Resources: Chapter 5 of the HOME Manual, Chapter 6 of the Building HOME Manual, Chapter 6 and Chapter 8 of the Monitoring Home Program Performance Manual.

Ongoing Visit Checklists: 6-C and the Nebraska HOME Program Property Standards Certification.

| TYPE | FREQUENCY | AREAS OF REVIEW |
|----------------------|--|---|
| Rental – First Visit | At least one on-site visit prior to project closeout | Fair Housing, Affirmative Marketing, Labor Standards, Environmental Reviews, Lead-based Paint, Relocation, Property Standards, Fair Housing Design Standards, Financial Management, Eligible Costs, Contractor Selection, Construction Management, On-site Inspection, Rent Requirements, Occupancy Requirements, Tenant Eligibility and Leases |

| TYPE | FREQUENCY | AREAS OF REVIEW |
|------------------|---|---|
| Rental – Ongoing | During the length of a project's affordability period on-site reviews are done every year for 25+ unit projects; every two years for 5 to 25 unit projects; and every three years for less than 5 unit projects | Property Standards, Fair Housing Design Standards, On-site Inspection, Rent Requirements, Occupancy Requirements, Tenant Eligibility and Leases |

Rental Affordability Periods

| ACTIVITY | HOME INVESTMENT PER UNIT | AFFORDABILITY PERIOD |
|--|--------------------------|----------------------|
| Rehabilitation or acquisition of existing structures | < \$15,000 | 5 years |
| Rehabilitation or acquisition of existing structures | \$15,000 - \$40,000 | 10 years |
| Rehabilitation or Acquisition of Existing Structures | > \$40,000 | 15 years |
| Refinance of Rehabilitation Project | Any Amount | 15 years |
| New Construction, including Acquisition of New Units | Any Amount | 20 years |

Conducting On-Site Monitoring Visits

On-site monitoring is a structured review conducted at the locations where project activities are being carried out or project records are being maintained.

The Department or it's monitoring contractor will:

1. Call the HOME grantee to schedule a site-visit at least three weeks prior to visit.
2. Send a letter at least two weeks prior to visit confirming date and time, the checklists that will be used, and the people and files needed during the visit.
3. Conduct site-visit, review files, inspect property, complete checklists and write report.
4. Submit monitoring report to the grantee within 60 days of visit.
5. Review any follow-up documentation sent by the grantee addressing issues contained in the monitoring report.
6. Work with the grantee until monitoring has been cleared.

File Preparation

The Department expects the grantee to have all documents needed for review to be available at the site of the visit. All grant records must be maintained and under the control of the grantee.

The records must be readily accessible by the Department. Furthermore, all documentation should be well organized for easy review. The Department recommends basing the organization of grantee files on the monitoring checklists attached to this chapter.

Monitoring Report

The monitoring report issued to the grantee following a review contains the following as applicable:

1. Compliance areas reviewed, files reviewed, who conducted the review and the date it occurred;
2. A brief description of the specific statute, regulation or requirement examined;
3. The conclusion (i.e. Satisfactory Performance, Concern, Finding) and basis for the conclusion reached.

- a. A Satisfactory Performance determination is a conclusion that the grantee is meeting its statutory and regulatory responsibilities.
- b. A Concern raises an issue that does not involve a statute, regulation or requirement, but may involve a management suggestion or program improvement.
- c. A Finding is a clear, specific and identifiable violation of a statute, regulation or requirement about which there is no question. The action normally requested is for the grantee to explain, within a 30-day period, what steps it will take to remedy and/or prevent a recurrence of the violation.

In-Office Review

The Department's program representatives along with the Functional Area Specialists are always on the look out for red flags throughout the project from time of award to closeout and through the affordability periods. Additional on-site visits will be conducted if deemed necessary by the Department.

Rental projects are required to submit a Rental Housing Project Compliance Report by January 31st of each year during the affordability period documenting rents charged and income of occupants.

Program income reports are required twice a year for as long as a grantee is earning program income.

File Retention

Rental Records:

- General records must be kept for five years after project completion.
- Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period ends.

Homebuyer and Homeowner Rehabilitation Records:

- General records must be kept for five years after project completion.
- Resale/Recapture records must be kept five years after the affordability period ends.

Monitoring Checklists

The checklists provide guidance to grantees on the areas of HOME projects the Department reviews through the monitoring process.