

**Appendix I**  
**Monitoring Plan**

## **MaineHousing Monitoring Plan**

The Maine State Housing Authority is the Participating Jurisdiction (PJ) and recipient of the State of Maine's allocation of funds from the federal HOME Investment Partnerships (HOME) program and the Emergency Shelter Grant (ESG). As a result, MaineHousing is responsible for compliance monitoring of all projects funded through these HUD programs.

The following pages outline MaineHousing monitoring procedures for HUD funded programs.

## **MaineHousing Monitoring Plan Rental Loan Program (including CHDO/FedHOME funds)**

### **Monitoring Goals:**

Compliance with program guidelines and loan requirements, i.e. reserves are properly funded, residents are income eligible and paying the correct rent, mortgage is current.

### **Monitoring Activities:**

An onsite Management Review is performed covering the specific loan and program requirements to ensure that program guidelines are being met.

MaineHousing Technical Services physically inspect these projects. This procedure is documented in the mortgage and security agreement.

Properties with delinquent mortgages are monitored on a monthly basis. Any projects with delinquent mortgages over 60 days are subject to more extensive scrutiny and the possibility of a foreclosure action.

Annual financial reports and budgets are reviewed as required by mortgage documents.

Annual owner/tenant certifications are required for all Rental Loan Program properties.

### **Who conducts the monitoring?**

The Asset Manager conducts the Management Review and reviews submitted documentation including owner/tenant certifications and annual progress reports.

The Financial Officer and Asset Manager review the financial reports and budgets.

The Technical Service Inspector conducts the onsite physical inspection.

### **How frequently do you monitor and what is your sample size?**

A Management Review is completed every one to three years depending on funding type (CHDO, fedHOME, Tax Credits, bonds, project based Section 8), more frequent Management Reviews may also be triggered when the property is noted as troubled. The following activities are monitored and may trigger a troubled status:

1. Violations of loan documents
2. Repeated mortgage delinquencies
3. Repeated delinquent funding of reserve and escrow accounts
4. Budget deficit
5. Deficit cash position at year end
6. Physical plant/habitability issues
7. Liens
8. Short-term HAPs (five years or less)

9. Other at the discretion of the Asset Manager

Physical Inspections are performed every one to three years. Troubled projects are visited more often.

**Follow-up:**

Management Reviews, financial reports, budget and Inspections are tracked in the Asset Management database. The Program Analyst will monitor any item requiring a response and follow up with the Asset Manager or the owner/manager directly as needed.

## **MaineHousing Monitoring Plan Supportive Housing Program**

### **Monitoring Goals:**

Compliance with program guidelines, i.e., reserves are properly funded, residents are income eligible, target population served and continued use is as originally intended.

### **Monitoring Activities:**

A Management Review is performed via tele-conference a questionnaire is completed with the Supportive Housing Operator that covers the specific loan and program requirements and requests back up documentation as needed to ensure that program guidelines are being met.

MaineHousing Technical Services physically inspect these projects. This procedure is documented in the mortgage and security agreement.

Properties with delinquent mortgages are monitored on a monthly basis. Any projects with delinquent mortgages over 60 days are subject to more extensive scrutiny and the possibility of a foreclosure action.

Annual financial reports/statements are reviewed as required by mortgage documents. Budgets are requested and reviewed for projects deemed necessary. Loan documents and funding sources also require the owner submitted (1) owner/tenant certifications, (2) Statement of Continued Use, or (3) annual progress reports for SuperNOFA projects.

### **Who conducts the monitoring?**

The Program Analyst conducts the Management Review and reviews submitted documentation including owner/tenant certifications, Statement of Continued Use and annual progress reports.

The Technical Service Inspector conducts the onsite physical inspection.

### **How frequently do you monitor and what is your sample size?**

A Management Review is completed every three years, more frequent Management Reviews may also be triggered when it is determined the facility is being used contrary to the original commitment or is otherwise noted as troubled.

Physical Inspections are performed every three years unless more frequent inspections are required as a result of the loan funding sources. Troubled projects are visited more often including those with mortgage delinquencies, or threatened with the loss of licensure from another state agency.

### **Follow-up:**

Management Reviews and Inspections are tracked in the Asset Management database. The Program Analyst will monitor any item requiring a response and follow up as needed.

**MaineHousing Monitoring Plan  
TBRA – Stability Through Engagement Program (STEP)**

**Monitoring Goals:**

Monitoring goals include assurance of applicant eligibility, that the family income, size and composition are verified, that rents are reasonable, that rental units pass an HQS inspection and that 90% of program participants have incomes at or below 60% of area median income.

**Monitoring Activities:**

Monitoring procedures include review of initial inspections of rental units, review and approval of rents to ensure rent reasonableness, examination of family income, family size and family composition is also reviewed for compliance of eligibility. New participant household data is compiled monthly for IDIS. The STEP Program is also monitored for compliance with HOME regulations as well as STEP Program policies and procedures as set forth in the STEP Administrative Plan.

**Who conducts the monitoring?**

Program Administrator

**Follow-up:**

If non-compliance in any area is found, the Program Administrator requires documentation to ensure the issue is brought into compliance.

## **MaineHousing Monitoring Plan Home Repair Program**

### **Monitoring Goals:**

Fiscal Monitoring – review to ensure the proper use of federal funds; that there is adequate supporting documentation to support all charges to the grant; and that proper procurement procedures were followed.

Technical/Field monitoring – review work completed on home to ensure good workmanship; that home meets HQS (as required of the federal grant) and local codes; and that billings reflect actual work completed on the home.

Program monitoring – review project paperwork to ensure it meets federal and MaineHousing program requirements – i.e. loan paperwork is processed correctly, mortgage properly filed, all required documents received.

### **Monitoring Activities:**

Fiscal – visit each agency once a year to conduct a review which includes a review of the financial records which are tied out to a sample of supporting documentation (timesheets, invoices, approved indirect rate- agreement with HHS). Also during this time, the bidding process and bid documentation are reviewed.

Technical – conduct an inspection on a random sample of completed projects each month. A minimum of 10% of completed projects are reviewed each month. In addition, in-progress inspections are completed sporadically each month as time allows or the need arises.

Program – do a 100% review of all project files prior to purchase to ensure all program requirements are met.

### **Who conducts the monitoring?**

Fiscal review – Grants Management Compliance Specialist

Technical review – Technical Services Specialist

Program review– Housing Services Program Officer

### **How frequently do you monitor and what is your sample size?**

Fiscal – once a year

Technical – monthly (10% minimum)

Program – as files received – 100% REVIEW

**Follow-up:**

All noted concerns are noted and tracked until resolved. Inspections are input into a database with reports generated on outstanding issues. These are sent monthly until items are resolved.