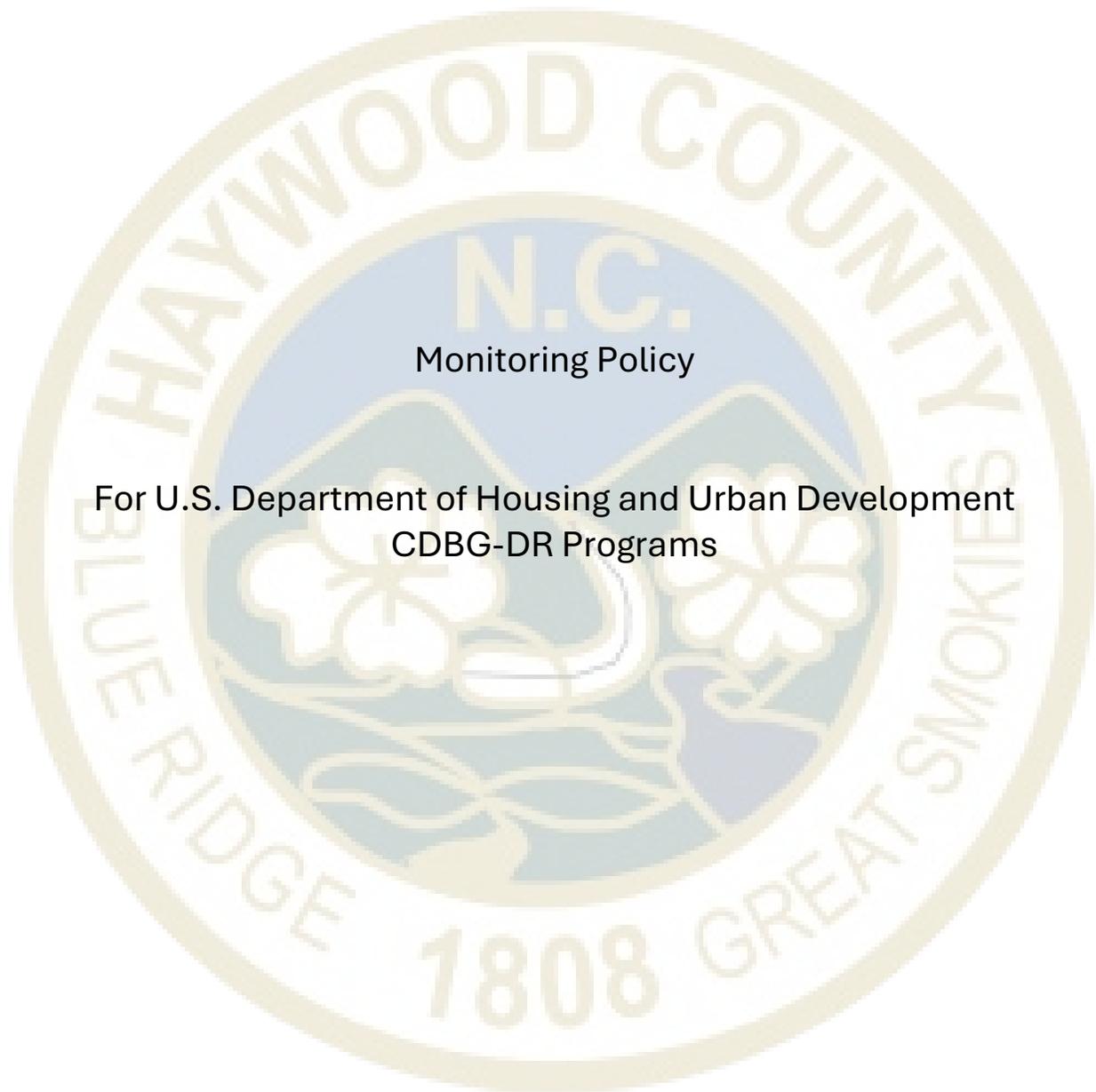


Haywood County, North Carolina



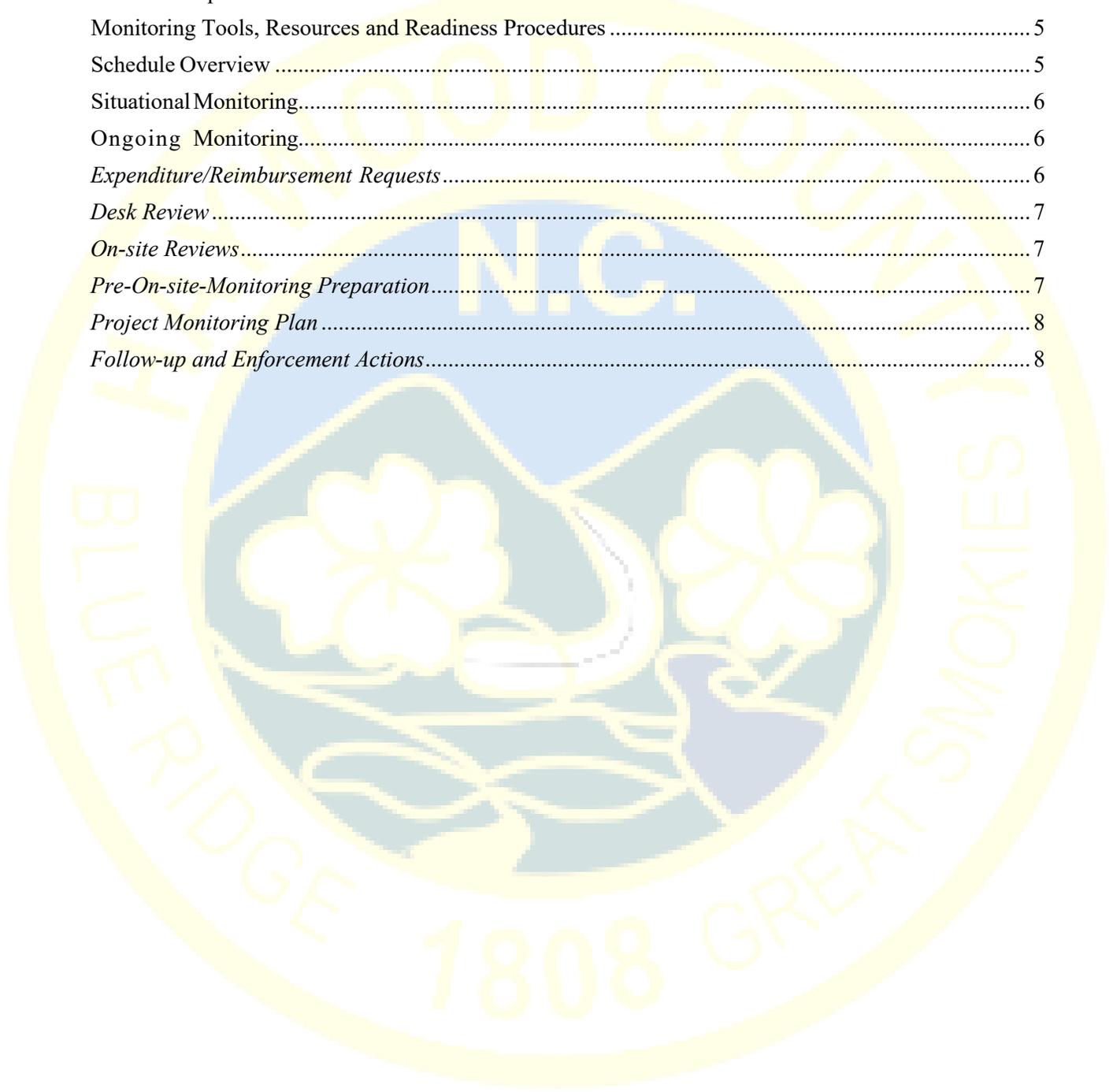
Monitoring Policy

For U.S. Department of Housing and Urban Development
CDBG-DR Programs

Last update: June 2025

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Revision History

Version Number	Date Updated	Summary of Changes
1.0	June 1, 2025	First version



Policy Overview

Haywood County program staff will review the proper maintenance, marketing, occupancy, rents, and utility allowances of housing funded with CDBG-DR/MIT funds. Haywood County program staff will also review any program delivery of public service activities funded with CDBG-DR/MIT funds. All monitoring activities will be consistent with CDBG-DR/MIT program rules and the NC Office of Recovery and Resiliencies' (NCORR) CDBG-DR/MIT program policies and procedures.

CDBG-DR/MIT activities will be evaluated on the basis of the following program areas:

- Adherence to CDBG-DR/MIT national objectives, guidelines, procedures, and regulations for programs as a whole and for individual projects.
- Haywood County policies and procedures and those of program partners.
- Overall administration and management.
- Fair Housing.
- Construction quality, ongoing housing condition and maintenance.
- Davis-Bacon, Lead Based Paint, and other federal requirements, as applicable.
- Cost reasonableness and financial accountability.
- Environmental review.

Haywood County program staff may withhold, reduce, or terminate funding to a developer or contractor where deficiencies have not been sufficiently corrected to Haywood County's and/or HUD's satisfaction.

Overall Approach and Project Selection for Monitoring

Project oversight will be provided on all active housing development and public service projects and will be similar to but generally more rigorous than ongoing monitoring.

Ongoing monitoring will be based primarily on the analysis of regular reports, reports from regular inspections, as applicable, and documents submitted for review as projects are developed and managed through the affordability period and/or agreement term. In addition, periodic reviews of market data and cost data may be undertaken for all housing/construction related projects. Ongoing monitoring will be supported by desk reviews and on-site reviews to funded organizations and examination of housing product and/or program activities.

The first line of approach for monitoring will be the maintenance of files and file checklists to assure that all required documentation is produced, reviewed and on hand as needed.

The selection and prioritization of documents, files, and organizations to be monitored will utilize a risk reduction approach. The following priorities will be considered:

Regarding all housing activities, the early part of a key project phase such as acquisition, construction or rent up will take absolute priority over other efforts, and all development projects will be monitored and inspected at these early phases.

Beyond that basic priority, the following factors will also affect priorities:

- New organizations and any organization with unresolved compliance issues.
- Duties being carried out by new staff.
- Any project that may have special compliance challenges or that is substantially different in terms of size, complexity, or other factors from other projects the developer has undertaken.
- Affordability period compliance.

Contract Requirements for Partners

All contracts and agreements include reporting requirements for developers and contractors and agreement to open records and open sites.

Terms include:

- Agreement to submit or open any and all records and sites upon request.
- Notification by inclusion in the funding agreement of required records.
- Reporting requirements specific to each project.
- Budgets and limitations on budget changes.

Monitoring Tools, Resources and Readiness Procedures

Haywood County program staff will maintain up to date files for the monitoring activity as a whole, each activity type, and each project. Tools and documents to be maintained in a ready state include:

- Portfolio Tracking spreadsheet (electronic file).
- Templates for File Checklists and document review checklists (attached).
- HUD required checklists.
- Relevant correspondence by contractor, developer or project.
- Previous monitoring reports and audits by contractor, developer or project.
- Project budgets and contractual performance requirements by project.
- Agreement templates.
- Current and historic files of CDBG-DR/MIT income, performance measures, and for all housing activities - rent, subsidy and sale price/valuation limits as regularly published by HUD.

Resources required for monitoring include Title I of the Housing and Community Development Act of 1974, as amended; applicable cross-cutting regulations; CPD Notices dealing with CDBG-DR/MIT; HOME and CDBG-DR/MIT-DR: Working Together to Create Affordable Housing training manual, and the Basically CDBG-DR/MIT for Entitlements manual.

Schedule Overview

Haywood County program staff will monitor on a situational and ongoing basis during the term of the developer agreement.

Situational Monitoring

Certain reviews and monitoring will be scheduled or carried out in response to events, especially for projects under planning and development, based on the specific stage or circumstances of the project. This will include:

- Acquisition and procurements.
- Disbursement requisitions.
- Relocation.
- Contracts prior to execution.
 - Design review; 504 compliance.
 - Environmental review.
 - Construction-related wages, hours, Section 3, Equal Opportunity, Debarment, and other labor related interviews and document reviews.

All critical construction phases will be inspected on site by Haywood County program staff including a pre- commitment inspection to determine deficiencies and reasonableness of the proposed construction and costs.

Any complaints by neighbors or parties to the project, or un-reconciled paperwork, may call for an on-site inspection, or in-person interview.

Monitors must also confirm that project underwriting has occurred. For rental projects, situational monitoring will also include:

- Review of initial affirmative marketing, tenant selection and screening, and lease contents.
- Review of initial income certifications and rents.

For homebuyer units, situational monitoring will also include:

- Review of initial affirmative marketing, homebuyer selection and screening.
- Review of initial income certifications and affordability for homebuyers.
- Review of Note and Deed of Trust.

Ongoing Monitoring

Haywood County program staff will conduct ongoing monitoring via reviews of expenditure requests, desk reviews, and on-site reviews.

Expenditure/Reimbursement Requests

All expenditure/reimbursement requests will be reviewed for proper documentation, verification of program expenses incurred, completion of construction costs charged, if

applicable, and reconciled with budget. On some projects, construction completion payments may be based on certification by supervising architect. Project schedule and timeliness of progress will also be monitored. Technical assistance will be provided by request and/or as needed based on Haywood County program staff recommendation.

Desk Review

During the agreement term, a desk review of the performance of all contractors and developers against goals and performance standards detailed in developer agreements will be conducted. Project Developers are required to submit biannual reports, policies, procedures, and any additional program-related documents timely and in the required format. Reporting data to be collected includes demographic and income information of all program and/or housing beneficiaries.

On-site Reviews

Various Haywood County program staff will conduct an on-site review of project developer's based on the type of program or project being implemented.

Program/Project Type	On-Site Monitoring Schedule
Public Services	Every 3 Years
Single Family Rental Housing (1-4 units)	Every 3 Years
Muli-Family Rental Housing (5-25 units)	Every 2 Years
Muli-Family Rental Housing (26+ units)	Every Year

Projects will be reviewed according to the following:

- Meeting national objective and eligibility
- Conformance to the developer agreement
- Fair Housing and Equal Opportunity
- Overall performance and financial health of the developer or contractor.
 - Accounting procedures and records;
 - Status and certification of CHDO, if applicable.
 - For rental property:
 - Condition of property;
 - Proper occupancy and rents according to CDBG-DR/MIT and other program regulations;
 - Affirmative marketing procedures;
 - Tenant selection;
 - Lease provisions;
 - Financial health of property.

Pre-On-site-Monitoring Preparation

Prior to an on-site monitoring visit, Haywood County program staff will provide written notification of the visit to recipient. The notice will provide the following information:

Dates and time of the monitoring visit;

- A copy of the CDBG-DR/MIT Monitoring Checklist;

- A list of files to be reviewed;
- A list of properties to be inspected.

The recipient will be asked to provide Haywood County program staff with the following:

- Disbursement and expenditure reports;
- Agreements/contracts;
- Policy guidelines and procedures, administrative plans, and operation manuals;
- Beneficiary data.

Project Monitoring Plan

A written report will be prepared and provided to the recipient following the completion of each monitoring review. The report will include the following information:

- An explanation of the purpose and scope of the review;
- A list of findings, comments, recommendations and corrective actions to be taken;
- A list of the files reviewed;
- A list of the houses/units inspected;
- A summary of the project funds expended to date;
- An evaluation of project performance to date;
- A time frame for taking corrective action.

Follow-up and Enforcement Actions

Failure by a developer or owner to carry out corrective action as specified within the specified timeline will result in notification to the Haywood County Attorney regarding next steps for enforcement or collection of funds.