

**MECKLENBURG COUNTY MH  
ON-SITE MANAGEMENT REVIEW**

**SUMMARY**

**AUGUST 12, 2010**

The County has not administered the SPC program in accordance with the SPC regulatory (24 CFR Part 582) requirements nor the County requirements. The contracts between Mecklenburg Open Door (MOD) and the County have not been followed. MOD has not provided support documents as required by the contract and County has failed to require MOD compliance.

The MOD deficiencies are so numerous that immediate contract suspension only allowing rent/utility payments only for the month of September since requisition for Sept. rent is due from them at any time. Thereafter, the contract is to be terminated.

Total administration of the SPC program should be moved in-house.

HUD needs a commitment that Housing (SPC) will get the attention it deserves or possible removal of the SPC grants from this Department to another County department or different agency (Public Housing Authority). Within 10 calendar days of today (8/12/10) County should submit notification (regular mail) to HUD of its decision. Please mail to the attention of Gary Dimmick, CPD Director, US Dept. of HUD, 1500 Pinewood Road, Suite 401, Greensboro, NC 27407.

If HUD's recommendations are accepted, County should submit a work-out plan within 30 days (by September 12, 2010) that contains the following:

How it plans to distribute responsibilities to ensure that all program requirements are met and payments to landlords will be made timely for all future payments

Estimate of staffing needs by title and time (FTE/PTE)

**Written procedures to describe how client files will be recertified and the files “rebuilt” with adequate income verification, rent calculations, fully-executed leases, and rent comparables**

**It is noted that homelessness and disability are verified prior to handing off to MOD**

**Implementation of time sheets and personnel activity reports that reflect eligible administrative duties**

**Internal procedures should reflect how program and financial staff will coordinate and oversee the program funding to ensure compliance, accuracy and timeliness. Processing payments to vendors should be done monthly at reimbursement requests from HUD (LOCCS) should be done at least quarterly**

**MOD Issues:**

**Lack of documentation in housing/client files**

**Incomplete Housing Quality Standards (HQS) inspections**

**Annual Re-certifications not processed timely: Income verification, HQS Inspections and Rent Calculations not processed by the anniversary date**

**Entry Dates Not Clear**

**Leases not in file**

**Rent Calculations not in file**

**Rent Comparables are missing or not “adequate” comps**

**Requests for Reimbursement reflect inaccurate Project #'s and Check Registers show incorrect Reporting Periods – County has to correct**

**County Issues:**

**Internal controls**

**Processing SPC draws timely/Corporate Finance process received to assure timeliness in future**

**Large amount of funds to be recaptured has decreased due to draws that were not made**

**Processing draws without adequate supporting documentation**

**Not complying with Contract for Services**

**Lack of oversight of contractor**

**Giving in to demands of contractor and not holding them accountable**

**RESULTS:**

**Possible repayment to HUD for Administrative funds drawn**

**Possible return visit in 30-days to review status/technical assistance**

**Possible removal of SPC from agency or department**

**POSITIVES:**

**COUNTY IS SERVING MORE HOMELESS PERSONS THAN PROPOSED**

**COUNTY STAFF ARE COMMITTED AND WILLING TO TAKE ON FULL RESPONSIBILITIES OF GRANT**

**GENERAL COMMENTS**

**NEED MORE INTERNAL MANAGEMENT LEVEL SUPPORT**

**MORE STAFF TO SUPPORT HOUSING SPECIALIST IMPLEMENT SPC PROGRAM (SPC ADMINISTRATIVE FUNDS AVAILABLE)**

**ALL INCOMING CORRESPONDENCE SHOULD BE DATE STAMPED AND SIGNED OR INITIALED AT EACH ENTRY POINT (REQUISITION FOR REIMBURSEMENTS)**

**RENT CALCULATION FORMS SHOULD CONTAIN SIGNATURE AND DATE OF THE PERSON COMPLETING THE FORM**

**AMH FINANCIAL SERVICES ACCESS LOCCS FOR "QUERY" ONLY**

**QUARTERLY MEETINGS BETWEEN AMH FINANCIAL, CORPORATE FINANCIAL AND HOUSING SPECIALIST TO DISCUSS STATUS OF FUNDS**

**CONTRACT COULD HAVE CONTAINED MORE DETAILS RELATED TO WHEN THINGS WERE DUE**