

Integrity Monitor Report

Category 3

Integrity Monitor (“IM”) Firm Name: CohnReznick, LLP
Quarter Ending: 03/31/2025
Expected Engagement End Date: 06/08/2025

A. General Info

1. Recovery Program Participant:

New Jersey Housing and Mortgage Finance Agency (HMFA)

2. Federal Funding Source (e.g., CARES, HUD, FEMA, ARPA):

Coronavirus State Fiscal Recovery Fund (SFRF) under the American Rescue Plan (ARP)

3. State Funding Source (if applicable):

N/A

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

The funds appropriated for this program must be obligated by December 31, 2024, and expended by December 31, 2026.

5. Accountability Officer:

Tina Vignali

6. Program(s) under Review/Subject to Engagement:

Four multifamily programs:

- Affordable Housing Gap Subsidy Program (AHGS)
- Affordable Housing Production Fund (AHPF) and Affordable Housing Production Fund Set-Aside (AHPFSA)
- Urban Preservation Program (UPP)
- Workforce Housing Program (WHP)

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

To fulfill its obligations under Executive Order (E.O.) 166 regarding the appointment of independent Integrity Oversight Monitors (“Integrity Monitors” or “IOM”) for any New Jersey State Agency receiving \$20 million or more in COVID 19 Recovery funds and per the IOM guidelines, the NJHMFA engaged CohnReznick LLP (the IM, CR) to perform the Integrity Monitoring services for four multifamily programs.

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The purpose of this Integrity Monitoring engagement is to:

- Monitor each program for fraud, waste and misuse of funds and to help ensure that the Agency is adhering to applicable federal and state regulations and consistent with the SFRF guidelines, comply with the terms of each Program's Memorandum of Understanding (MOU) with DCA, federal LIHTC Program criteria, and Internal Revenue Code (IRC) in administering these programs;
- Assess risks of NJHMFA's existing controls and processes implemented for the administration of the Programs;
- Perform sampling and reviewing a sample of applications for each program for eligibility, payment, and proper documentation;
- Review expenditures for proper documentation, authorization, and approvals;
- Analyze program and applicant data using data analytics to identify anomalies, patterns and discrepancies that would identify duplicative and improper payments;
- Promptly reporting issues as they arise.

8. Amount Allocated to Program(s) under Review:

- AHGS: \$40,000,000
- AHPF/AHPFSA: \$345,000,000 and \$60,000,000, respectively
- UPP: \$80,000,000
- WHP: \$50,000,000

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

- AHGS: \$10,414,644
- AHPF/AHPFSA: \$41,602,079
- UPP: \$0
- WHP: \$0

10. Amount Provided to Other State or Local Entities:

N/A

11. Completion Status of Program (e.g., planning phase, application review, post-payment):

In progress

12. Completion Status of Integrity Monitor Engagement:

In progress

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B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e., activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

- Conducted kickoff call on 01/9/2025
- Conducted status calls on 01/17/2025, 1/30/2025, 02/13/2025, 2/27/2025, 3/13/2025, and 3/27/2025
- Compiled and sent the initial document request to HMFA
- Cataloged the received supporting documentation and communicated open items
- Submitted January, February, and March monthly reports
- Identified additional document requests that are currently in process
- Reviewed document retention policies and procedures to ensure compliance with HMFA policies, as well as state and federal regulations
- Submitted Risk Assessments to HMFA

b) Recovery Program Participant Comments

N/A

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

HMFA provided and the IM reviewed various documents relevant to the AHGS, AHPF/AHPFSA, UPP, and the WHP programs (“the programs”) such as applicable policies and procedures, applications, and guidelines. The IM also walked through the programs processes and controls with HMFA management and assessed the risks for the programs. HMFA key stakeholders also attended regular status calls to provide context for requested documentation.

b) Recovery Program Participant Comments

N/A

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16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

The IM performed risk assessment procedures by conducting meetings with Program Administrators to walk through their processes and internal controls and reviewing HMFA's documentation related to their policies and procedures for internal controls and prevention and detection of waste, fraud, and abuse.

b) Recovery Program Participant Comments

N/A

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

N/A

b) Recovery Program Participant Comments

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20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

For the period December 12, 2024 (start of the engagement), through December 31, 2024, the following individuals have expended a total of 771.1 hours:

Name:

- Anna Fomina: 21.5 hours
- Dominique Morris: 188.2 hours
- Eliane Kabre: 118 hours
- Jessie Kome: 8.3 hours
- Julie Mitchell: 267.1 hours
- Katie Wilson: 20.5 hours
- Kristin Plews: 52 hours
- Nate Kessler: 20 hours
- Ron Frazier: 34.5 hours
- Shih-Hsien Yang: 41 hours

No billable expenses were incurred.

b) Recovery Program Participant Comments

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N/A

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response
N/A

b) Recovery Program Participant Comments

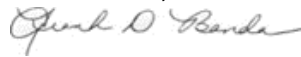
Name of Integrity Monitor:

CohnReznick, LLP

Name of Report Preparer:

CohnReznick, LLP

Signature:



Date:

03/31/2025