



COMPLIANCE REVIEWS

HOW TO PREPARE AND WHAT TO EXPECT

The Office of Program Compliance monitors the compliance of multifamily housing financed by the Ohio Housing Finance Agency (OHFA). Compliance analysts conduct regular reviews of resident files, units and buildings in accordance with IRS Regulation 1.42-5 and the Uniform Physical Conditions Standards (UPCS). Reviews occur at least every three years and are conducted for LIHTC, Gap Financing, and Multifamily Bond projects. A review may occur on a one, two or three-year cycle depending on the type of funding the project received. Staff will also inspect the project's common areas, building systems and the exterior of buildings. OHFA will conduct a review by the end of the second calendar year after residents begin living in the development. The Agency usually provides a written 30-day notification to the owner and property manager prior to a review. Generally, owners/managers will not know the specific resident files/units that will be reviewed until the day of the review.

The purpose of the review is to provide education and awareness of the various multifamily program rules and regulations and to ensure owners and property managers stay compliant with all of the program requirements.

Review Checklist

The compliance review is a very thorough regulatory and education process. Some examples of what analysts look for during a review include, but are not limited to:

Tenant Files

- Resident files, including files that originally qualified the unit. Files must contain (at a minimum) a lease (initial, addenda or subsequent years), OHFA Sworn Income and Asset Statement (I&A), documentation to verify the resident's income and assets, OHFA Tenant Income Certification (TIC) and any other documentation needed to support the eligibility of the household.
- Funding agreement, restrictive covenant and/or Tax Regulatory Agreement.
- Utility Allowance Documentation.
- Certificates for elevators, pools, sprinkler, alarm systems and boiler rooms as applicable.
- Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan.
- All annual unit inspections conducted by the owner or property manager including move-in and move-out documentation.

Unit/Building Inspections

Examples of what analysts review during a physical inspection include, but are not limited to:

- Unit deficiencies such as leaky or loose faucets and toilets, missing switch and breaker slots, ground fault interrupters (GFI) not testing correctly, missing screens, broken windows, blocked egress and inoperable smoke detectors.
- Vacant units. If a unit is vacant more than 60 days, owner/management must have an action plan (e.g. advertising, outreach to community organizations) to lease the unit, and reason(s) as to why the unit is vacant.
- All common areas such as community and laundry rooms, building exteriors and systems, and the project site (parking lot, walkways and play areas) will also be reviewed.
- Health and Safety hazards such as infestation, trip hazards, emergency/fire exits, garbage and debris, and missing/broken electrical cover plates. Smoke detectors will be tested to ensure they are operable.
- Compliance to Fair Housing requirements such as accessible building entrances, common areas and usable kitchens and bathrooms.

Keep in mind that the property manager and/or maintenance personnel should enter the unit first to greet the resident(s) and introduce OHFA staff.



Review Suggestions

To ensure your review goes smoothly, property managers must take the time to be prepared. Here are some compliance review suggestions.

- 1.** Timely submit all documents identified in the site inspection notification letter prior to the review date.
- 2.** Ensure all residents are provided a written and dated 24-hour notification of OHFA's physical review of the units.
- 3.** Have neat and complete resident files with all mandatory OHFA forms. You may download these forms from our website at www.ohiohome.org. Click on Housing Partners, Program Compliance Resources and then compliance forms.
- 4.** Ensure all resident files are available for review and adequate management staff is available to accompany OHFA staff during unit and building inspections.
- 5.** Display the Affirmative Fair Housing poster so that it is visible to staff and tenants. All advertisements (brochures, letters, flyers) must display the AFHM logo. Ensure the AFHM plan is updated every five years. Instructions on how to update this form are located on our website.
- 6.** Know the address/unit number of all assisted, handicap and vacant units.
- 7.** Ensure vacated units are rent ready within a timely manner.
- 8.** Ensure TICs and Sworn Income and Asset Statements are completed fully and signed by both the resident and management on the same day.
- 9.** Routinely review resident files to ensure compliance with multifamily program rules and regulations.
- 10.** Timely completion of work orders and maintaining a preventative maintenance schedule.

Noncompliance issues found during a review

The most common deficiencies found during a compliance review include:

Tenant Files

- 1.** TICs and Sworn I&A Statements are not signed by the resident and/or manager, or they are signed by the resident and manager on different dates.
- 2.** Inadequate or missing third-party verifications.
- 3.** Missing move-in unit inspection forms.
- 4.** Late recertifications.
- 5.** Incorrect Utility Allowance.
- 6.** Incorrect resident asset and income calculations.
- 7.** Income and asset verifications are over the 120 day requirement.

Physical Inspections

- 1.** Inoperable smoke detectors. Management must repair the inoperable detectors immediately and send repair verification to OHFA within 24 hours of the review date.
- 2.** Missing or cracked outlet and switch plate covers.
- 3.** Inoperable GFIs.
- 4.** Holes in unit walls.
- 5.** Carpet stains.
- 6.** Plumbing: leaky pipes, faucets, or toilets and/or the presence of water damage.
- 7.** Missing or damaged window screens.
- 8.** Infestation issues.
- 9.** Inoperable vehicles or graffiti located on the property.

