

## Chapter 2

### OHFA's Responsibilities

In accordance with Section 42 of the IRS Code, OHFA Chapter 36 Program Rules, and the Regulatory Agreement, the following are OHFA's responsibilities:

At least once every three (3) years, OHFA will conduct on-site inspections of all buildings in each low-income housing project and, for each tenant in at least 20 percent of the project's low-income units selected by OHFA, review the low-income certification, the documentation supporting such certification, and the rent record.

OHFA will inspect new projects by the end of the second calendar year following the year the last building in the project is placed in service.

NOTE: The on-site inspection may be separate from any review of the Quarterly Owner Certifications, the Annual Owner Certifications, or any request from OHFA for tenant income certifications, the supporting documents, and rent records.

The above mentioned audits/inspections will be performed on not less than 20% of the tax credit units in each selected Development.

The file review may include, but is not limited to:

- a. Tenant qualifications, certifications, income calculations and appropriate supporting documentation;
- b. Rental Application(s), Dwelling Lease(s), and Addendum(s);
- c. The gross rent payment and its components, including utility allowance, and the source.
- d. The vacancy history of both low-income and market-rate units;

## **OHFA's Responsibilities, con't**

- e. Promises documented in the Regulatory Agreement or other applicable documentation; development characteristics attested to in the initial application for which ranking points were awarded; i.e.:
1. Contract agreement with service providers.
  2. Tenant Advisory Committee.
  3. Homeless Unit.
  4. Security Issues.
  5. Any other item listed in the Regulatory Agreement.

OHFA may inspect first year files, inactive files, active files, vacant units, occupied units and common spaces.

The physical inspection may include, but is not limited to:  
Exterior:

- Grounds, walkways, and steps
- Play areas and equipment
- Storm drainage
- Common areas (i.e. laundry room, pools)

The physical standards of the above must meet the following:

- a. Buildings must be free from severely cracking, chipping paint, missing siding, or missing bricks.
- b. Buildings must be free from all potentially hazardous conditions (i.e. open electrical boxes, broken windows, or tripping hazards).
- c. There should be no deferred maintenance
- d. There must be a wheelchair accessible route to ground floor of buildings and common areas
- e. Main entrance for each building must be a minimum of 32" wide
- f. Common hallways must be a minimum of 36" wide

Interior:

- a. All doors / windows leading to the outside must be airtight.
- b. All doors leading to the outside must lock securely.
- c. Ceilings and walls must be in good condition.
- d. Units must be free from any electrical hazards which includes missing cover plates, light switch plates and receptacles, or protruding electrical boxes.
- e. All units must have working faucets with proper water pressure, hot and cold running water, and be free from leaks.
- f. All commodes must flush properly and be secured to the floor.
- g. The water heater must be enclosed unless it is in a garage, basement, or an enclosed utility room, and free from any hazardous materials stored around it.
- h. The unit must be equipped with at least one working smoke detector on each level of the unit.
- i. There cannot be any tripping hazards (i.e. cords running across thresholds/walkways, a wrinkled, loose, or torn carpet, torn linoleum, bulges in the floor, and obstructions.)
- j. All appliances must be in working order (stove, disposal, fridge, etc.).
- k. Stove burners must be working (check by staff)
- l. Refrigerator seals must be tight
- m. All Ground Fault Interrupter's must be in working order.
- n. Housekeeping: must be free of any severe health or sanitary concerns.

- o. There must be no evidence of vermin or bug infestation.
- p. Fair Housing Poster must be posted in view of applicants / residents

OHFA has the right to perform audits, including site visits and inspections, on any tax credit development during the full term of the compliance period. These reviews may be performed with at least seven (7) days prior written notification to the owner unless circumstances warrant immediate action. Even though we encourage owners and representatives to be present, it is not mandatory. There must be at least one staff person available to accompany the inspector during the physical review and if needed for the file review.

OHFA will no longer report issues of noncompliance that have been identified and corrected by the owner **prior to notification** of an upcoming compliance review or inspection by OHFA. Prior to notification means prior to the date of the inspection letter, telephone notification, or email notification.

Upon arrival for an inspection, OHFA requires the following items:

1. Copy of the notice sent to residents informing them of inspection.
2. Copy of current Unit Data Sheet **AND** a rent roll (*effective 1-1-2010*)
3. Copy of the current Utility Allowance used. OHFA must be provided with documentation on evidencing the methodology used to arrive at a particular amount, not just the dollar amounts.
4. Copy of documentation proving the fulfillment of any extra commitments or development characteristics promised in the application.
5. Vacant unit history (what units are vacant and when was the last move-out).
6. Documentation of the application fee, if any, charged to

- tenants, along with proof of actual cost.
7. The ownership documentation and material participation by the non-profit involved, if the site was funded out of the non-profit set-aside (see chapter 22 of the Guide For Completing Form 8823).
  8. Assure ownership and management entity are the same as previously reported on the last Annual Owner Certification submitted to OHFA (*effective 1-1-2010*).

OHFA will report to the Internal Revenue Service (IRS) any instances of noncompliance (whether corrected or not) on Form 8823 “Report of Noncompliance”, after the correction period has elapsed. OHFA is required to file a ‘back in compliance’ Form 8823 if the compliance is remedied within three years.

**Examples of the most common noncompliance issues are:**

- a. Unit Data Sheets not updated or not available
- b. TIC’s not updated with current rent or UA
- c. over-income tenants
- d. rents too high when utility allowance rise
- e. building code violations (windows blocked)
- f. incomplete or late forms filed
- g. the under 5K asset certification incorrect
- h. smoke alarms not working
- i. improper income certification or verification
- j. not asking the felony and student question annually
- k. housekeeping (severe health and sanitary issues)
- l. utility allowance documentation not available on site