

## COMPLIANCE NEXT STEPS (CNS) MEETING

- Ensure all parties responsible for compliance at Ohio Housing Finance Agency (OHFA)-funded properties are aware of federal and state regulations. The meeting fosters partnerships between OHFA and property contacts.
- Before placing the project in service, the owner/management agent must schedule the next steps meeting based on these timeframes:
  - **New Construction and Housing Development Assistance Programs (HDAP):** It must be held no later than OHFA being notified that the property is at 50% construction completion. It may be held earlier when needed.
  - **Acquisition/Rehab Projects:** Meeting held generally within three weeks of notification of the ownership transfer
- OHFA's Multifamily Training and Technical Assistance team will schedule the meeting with the owner entity and other parties generally within 45 days of OHFA being notified.
- A developer or owner agent(s) who fails to attend a Compliance Next Steps Meeting will not be issued IRS Form 8609 and may be placed in "Not in Good Partnership Status" with OHFA.
- Review the [Compliance Next Steps](#) process for additional details.

## ORGANIZATION ON-BOARDING AND PARTNER RELATIONSHIP BUILDING

- This program is for ownership entities and/or management agents that are new to OHFA (i.e., never received OHFA funding) or have little to no experience with OHFA's multifamily programs. OHFA requires completion of the On-Boarding Program. Onboarding may be needed at any point during the life of a property.
- The On-Boarding Process is comprised of a training program and at least one partner meeting.
- It is at OHFA's discretion to determine which entities involved with a property will be required to complete the On-Boarding Program.
- Review OHFA's [On-Boarding and Partner Relationship Building Policy](#).

## COMPLIANCE TRAINING

- Starting with the 2016-2017 Qualified Allocation Plan (QAP), a representative of the owner and/or management company is required to attend the tax credit training once every two years. Completion of the [OHFA Low Income Housing Tax Credit Program \(LIHTC\) Essentials Compliance Training](#) is required in order to obtain IRS Form 8609. A representative of the owner and/or management company also must attend the [OHFA Compliance Policies and Regulations Training](#) every two years.
- The Training and Technical Assistance team continues to add additional training materials and course offerings.
- Review the [Training Resources and FAQs](#), [On-Demand and Video Series](#), and [Compliance & DevCo FAQs](#) webpages for more details on current offerings.

## OHFA'S SUBSCRIPTION LISTING

- [Sign up](#) for the OHFA email list to receive compliance and training updates. Receiving these notices will help owners and management agents stay up to date on policy changes, trainings, and regulatory notices.

## OHIO HOUSING LOCATOR

- OHFA-funded rental housing property owners or owner agents are required to register their properties and/or dwelling units on [OhioHousingLocator.org](#). Listings for properties must also be updated on a frequent basis.
- Direct questions to Socialserve: Toll free: 877.428.8844 or [info@socialserve.com](mailto:info@socialserve.com).

## DEVCO AND OHFA INSPECTION

- DevCo is OHFA's online database system that allows organizations working with OHFA to manage and enter information about their projects and respond to file and site audits.
- There are two areas for ongoing record keeping: DevCo Compliance and OHFA Inspection.
  - DevCo Compliance is used to generate Tenant Income Certifications (TICs), record Utility Allowances (UAs), submit preparation documents for audits, and submit yearly tenant data and Annual Owner Certification (AOC).
  - OHFA Inspection allows OHFA's Compliance staff to conduct physical and file audits using tablets. Owners and/or management agents are able to review and respond to reports directly in OHFA Inspection.
- **Owners must request access** to a property in DevCo Compliance prior to qualifying residents. Once owners gain access, they must approve access for other DevCo users. Owners ensure property managers and the appropriate on-site staff register and have access to necessary projects in DevCo.
  - The owner/management agent must have the building and unit breakdown information ready to share with OHFA for new projects.
  - Review the [Accessing and Registering](#) or [Viewing and Adding Additional Projects](#) sections of the [DevCo Management System Compliance Guide](#) for details on steps to access DevCo. Once access has been granted, the owner should verify that the buildings and units are correctly set up within DevCo.
  - If access is needed for OHFA Inspection, contact the [Compliance and DevCo Helpdesk](#).
- Any issues with DevCo Compliance or OHFA Inspection should be submitted to the Compliance and DevCo Helpdesk.

## ANNUAL OWNER REPORT (AOR) REQUIREMENTS

Owners of projects funded by OHFA's multifamily programs must annually submit certifications and reports to remain in compliance with program requirements. Owners are required to submit the Annual Owner Certification and Tenant Data in DevCo. Owner reports are due March 1 of each year. A property's funding and age determine the required reporting. Please visit our [Compliance Policies](#) webpage in the Annual Reporting section for current information and requirements.

## Broker's License Requirements



Projects that are third-party managed must hold active Ohio Broker's Licenses in accordance with real estate license law: [Chapter 4735 - Ohio Revised Code | Ohio Laws](#).

OHFA's AOC has a question regarding Ohio Broker's License requirements. Fee management companies must hold active Ohio Broker's Licenses in accordance with real estate license law: [Chapter 4735 - Ohio Revised Code | Ohio Laws](#).

## UTILITY ALLOWANCES

OHFA's UA Procedures are applicable to any multifamily project assisted by OHFA. On March 3, 2016, the IRS issued a final UA regulation ([IRS Regulation §1.42-10](#)). The final regulation provides clarification on the available methods for calculating UAs, incorporates IRS Notice 2009-44 relating to sub-metering, and provides guidance on energy obtained directly from a renewable source ([§1.42-10T](#)).

- Projects Initially Placing in Service - The IRS does not require owners to review the UAs or implement new UAs until the building has achieved 90% occupancy for 90 consecutive days or the end of the first year of the credit period, whichever is earlier.
  - However, OHFA requires owners to submit UA information during final application. This information must be implemented for projects to qualify initial households.
- Review OHFA's UA section on the [Compliance Policies](#) webpage to stay up to date with guidance.

### PROPERTY AUDITS

- OHFA uses the Uniform Physical Conditions Standards (UPCS) to conduct site inspections.
- Review samples and frequency vary based on funding for a particular project:

#### LIHTC

- New LIHTC projects: Initial audit must be conducted by the end of the second year after the last building is placed in service.
- LIHTC projects must have an audit every three years during the compliance period.
- OHFA policy is to conduct audits every three or five years for LIHTC projects in the extended use period.
- The IRS permits agencies to monitor the lesser of 20% of the units on a project or the number provided in the minimum unit sample size reference chart. The chart listed below shows the required unit sample size. [IRS/Treasury REG-123027-19](#)

#### HDAP

- HDAP (HOME Investment Partnerships Program [HOME], National Housing Trust Fund [NHTF], Ohio Housing Trust Fund [OHTF]) requires that a reasonable sample is reviewed on a cycle of one to three years. Within 120 days of HDAP closeout, **all** initial qualifying household files must be audited and units inspected.

Number of Low-Income Units in the Housing Project	Number of Low-Income Units Selected for Inspection or File Review (Minimum Unit Sample Size)
1	1
2	2
3	3
4	4
5 - 6	5
7	6
8 - 9	7
10 - 11	8
12 - 13	9
14 - 16	10
17 - 18	11
19 - 21	12
22 - 25	13
26 - 29	14

Number of Low-Income Units in the Housing Project	Number of Low-Income Units Selected for Inspection or File Review (Minimum Unit Sample Size)
30 - 34	15
35 - 40	16
41 - 47	17
48 - 56	18
57 - 67	19
68 - 81	20
82 - 101	21
102 - 130	22
131 - 175	23
176 - 257	24
258 - 449	25
450 - 1,461	26
1,462 - 9,999	27

- OHFA will provide no more than a 30-day notice to the owner when a site audit will occur. This notice is subject to revert back to 15 days beginning January 1, 2023, pending IRS guidance.
- OHFA utilizes OHFA Inspection software for conducting physical inspections and generating compliance audit reports (CARs). OHFA staff will conduct reviews utilizing a tablet and have the ability to issue Exigent Health and Safety (EHS) violations electronically.
  - Corrections must be submitted through OHFA Inspection for each finding individually.
  - Owners will have 30 days to submit corrections of review findings.



If there is a mitigating circumstance in which an owner needs to request an extension, it must be requested prior to the end of the 30-day correction period.

## VIOLENCE AGAINST WOMEN ACT REQUIREMENTS

The Violence Against Women Act (VAWA) requires [U.S. Department of Housing and Urban Development \(HUD\) 2013 VAWA Final Rule](#) be applied for all OHFA-funded projects. *The VAWA Reauthorization of 2022 was signed into law on March 11, 2022.* Even though the basic provisions of VAWA did not expire, authorization for funding VAWA programs had expired in 2018. Here are some of the requirements you need to know, including significant fair housing penalties:

- Makes VAWA violations at covered housing essentially equivalent to fair housing violations
- Changes the 14-day notice period to a 30-day period (or generally the period of one rent cycle) for a person seeking VAWA protection to provide documentation when there is conflicting information
- For a full list of all 2022 reauthorization requirements refer to the notice [here](#).

Projects must stay in compliance with all VAWA requirements, such as:

- ▶ All adult household members must sign the VAWA lease addendum ([HUD form 91067](#)) at move-in.
- ▶ Owners must provide all tenants and applicants with the HUD Notice of Occupancy Rights under VAWA ([HUD form 5380](#)) and the Certification of Domestic Violence ([HUD form 5382](#)) at move-in, notice of eviction, termination of assistance, or when an applicant is denied tenancy or assistance.
- ▶ Owners must adopt a VAWA Emergency Transfer Plan using [HUD form 5381](#).
- ▶ Refer to [OHFA's VAWA Policy](#) for any additional guidance.

## ELECTRONIC SIGNATURE POLICY

OHFA now offers the ability for partners to submit eligible program documents with electronic signatures. Project sponsors and partners must receive initial approval from OHFA and a recertification on an annual basis to use this policy. Please review the [Electronic Signature Policy](#).

## OHFA HDAP-, HOME-, NHTF-, AND OHTF-FUNDED PROJECTS

- The 2013 HOME Final Rule requires participating jurisdictions (PJs) to review and approve rents annually for all multifamily HOME- and NHTF-assisted projects during their affordability periods. HDAP recipients must certify that the HOME rent used at the property will not exceed the maximum HOME limits as published by HUD.
- To comply with [24 CFR 92.252](#) and [24 CFR 93.302 \(c\) \(2\)](#), HOME- and/or NHTF-funded project owner(s)/owner agent(s) must submit the [Annual HOME/NHTF Rent and Occupancy Report](#), a copy of the newly published HOME or NHTF Rent and Income Limits, a copy of the minimum 30-day written notice to tenants, and a copy of the current UA form within 30 days of the effective date of the HOME and NHTF rent limits each year. Owners must submit this information by emailing it to: [HOMERA@ohiohome.org](mailto:HOMERA@ohiohome.org).

## Utility Allowances

- The 2013 HOME Final Rule requires PJs to determine an individual UA for each HOME rental project either by:
  - using the HUD Utility Schedule Model, or
  - determining the allowance based upon the specific utilities used at the project.
- OHFA will require owners of projects that received HOME funds on or after August 23, 2013, to request a UA from OHFA. Owners of these projects will no longer be able to use the Public Housing Authority (PHA) allowance for any HOME units in the project.

## LIHTC/HOME Units with Housing Choice Voucher Assistance Established After August 23, 2013

The HOME program does not allow the PHA UA to be utilized when determining gross rent. When the household also resides a housing choice voucher (HCV) tenant, the owner must use an OHFA-approved UA for HOME and the PHA UA for LIHTC. This means gross rent for a HCV unit that is also a LIHTC unit layered with HOME funds established after August 23, 2013, needs to be calculated two different ways. For further information, review OHFA's [Utility Allowance Request Procedure](#).

## AFFORDABILITY PERIOD

### HOME/NHTF

The start of the affordability periods for HOME and NHTF are based upon when a project is completed.

Project completion means that all necessary title transfer requirements and construction work have been performed, the project complies with the requirements (including the property standards under §92.251), the final drawdown of HOME/NHT funds has been disbursed for the project, and the project completion information has been entered into the disbursement and information system established by HUD (e.g., the Integrated Disbursement and Payment System or IDIS).

OHFA will use a project's IDIS start date or the last building's placed in-service date as the affordability start date for HOME/NHTF units.

### OHTF

The affordability start date for an HDAP OHTF project is the construction completion date. OHTF will use a project's construction completion date or the last building placed in-service date as the affordability start date.

### Recertifications

Owners must conduct full third-party recertifications every six years of the affordability period for HOME, NHTF, and OHTF units. On the in-between or interim years (i.e., years two through five), OHFA allows the household to complete a self-certification. For all certifications, regardless if they are third party or a self-certification, all household members age 18 or older must complete an [OHFA Sworn Income and Asset Statement](#), an [OHFA Student Certification](#), and a [Tenant Income Certification](#).

## OHIO RENTAL ASSISTANCE PROGRAMS

### The Ohio 811 Project Rental Assistance Program

- The Ohio 811 Project Rental Assistance (PRA) Program (811 Program) is a project-based rental subsidy demonstration funded by HUD.
  - 811 Program units can be part of new and existing multifamily housing that receive housing tax credits from OHFA.
  - Rental assistance covers the difference between 30% of a tenant's income and the unit's 50% area median gross income (AMGI) rent level calculated for the LIHTC program.
  - Non-elderly (ages 18 - 61) individuals with disabilities who are eligible for Medicaid are eligible for the 811 Program.
  - To initiate the tenant referral process, projects being built must give notice 90 days prior to placing in-service. For existing properties, notice must be given once a vacancy is anticipated for an 811 Program eligible unit.
- Notices and questions may be sent to [811Program@ohiohome.org](mailto:811Program@ohiohome.org).
  - For more information review the [Ohio 811 Project Rental Assistance Program](#) webpage.

### The Ohio Department of Medicaid Subsidy Demonstration

- The Ohio Department of Medicaid Subsidy Demonstration (ODMSD) expands affordable housing opportunities to persons with disabilities:
  - targets extremely low-income people with disabilities who are exiting facility-based settings and require accessible housing
  - provides a 15-year operating subsidy for accessible units developed under the 2016, 2017, and 2018 QAPs
  - Persons at least 18 years old with disabilities who are eligible for Medicaid are eligible for the ODMSD program.
  - The operating assistance covers the difference between 30% of a tenant's income and the unit's 50% AMGI rent level calculated for the Housing Tax Credit program.
  - Notices and questions may be sent to [MedicaidSubsidy@ohiohome.org](mailto:MedicaidSubsidy@ohiohome.org).
  - For more information, review the [Ohio Department of Medicaid Subsidy Demonstration](#) webpage.

## PROJECT CHANGES AND ASSET MANAGEMENT

### Project Changes

Throughout the operational life of a property, owners may decide to change property management companies, sell their interests, or seek financial relief from deep rent skews enforced through the restrictive covenant. OHFA must review all such requests from current owners. Such requests that occur after the property is placed in service are reviewed by the Asset Management team in the Office of Multifamily Investments. Questions or requests may be sent to [OHFAProjectChanges@ohiohome.org](mailto:OHFAProjectChanges@ohiohome.org).

### Asset Management

The Division of Asset Management requires many OHFA-funded properties to submit periodic financial information. This may include internally prepared and/or independently audited financial statements and other property-level information. Questions related to this should be sent to [AssetManagement@ohiohome.org](mailto:AssetManagement@ohiohome.org).

For more information regarding project changes or financial reviews, please visit the [Asset Management and Project Changes](#) webpage.