



Multi Layered Program Compliance

Arizona Dept of Housing Forum 2024

WELCOME!

- This training was created to discuss the complexities of multilayered program compliance.
- Each attendee will be given a copy of the Power Point Presentation if emailed and requested.
- Please silence your cell phones.



Let's Meet
Your Trainers!



GREG COOPER, ASSISTANT DEPUTY DIRECTOR OF SECTION 8 AND COMPLIANCE

Greg Cooper is the Assistant Deputy Director of Section 8 & Compliance for the Arizona Department of Housing (ADOH), where he has been a proud to call Arizona and ADOH home since 2013. Greg currently serves as the leader of the Compliance Division, the Performance-Based Contract Administration Division, and the Arizona Public Housing Authority. He leads these Divisions where continuous improvement is at the forefront to ensure that programs, projects, and contracts are meeting or exceeding federal, state, and local requirements.

For the Compliance Division, Greg develops and mentors this high-performing team to ensure compliance with Low Income Housing Tax Credits, HOME, Housing Trust Fund, and the Neighborhood Stabilization Program requirements. This team performs on-going audits of approximately 40,000 units and 500 properties.

For the Performance-Based Contract Administration Division, his highly efficient team ensures compliance with Housing and Urban Development and Section 811 Project Rental Assistance requirements. This team successfully administers and ensures on-going audits, contractual, financial, and customer service aspects of over 8,000 units and 120 properties.

For the Arizona Public Housing Authority Division, Greg continuously seeks improvements and growth that resulted in 74% increase in the number of Housing Choice Vouchers. This team has achieved and sustained a High Performer rating and administers just over 300 housing vouchers.

Greg recently celebrated his 20th Year Performance-Based Contract Administration and 23 Years of experience in affordable housing which show his true passion for those in need and dedication to all that serve in affordable housing.





ANNA DISABATO, PRESIDENT, CELTIC PROPERTY MANAGEMENT CPM, ARM, COSP, CMM, YARDI AMBASSADOR, LICENSED REAL ESTATE AGENT AND ARTHUR CROZIER PARTNER IN HOUSING AWARD WINNER

Anna DiSabato is President of Celtic Property Management, LLC. She began her career in the mid '90s as a Leasing Agent, spending the next 25 + years devoted to asset management, and in large part to the mission of creating and sustaining safe, suitable and affordable housing for all.

Anna's extensive experience has given her immeasurable real-world, hands-on knowledge in all aspects of property operations and asset management, as well as procured her the expertise in numerous affordable housing programs. She has knowledge of governmental regulations and policies along with industry standards and best practices. Anna has cultivated countless partnerships with infinite numbers of non-profit organizations, government officials and colleges alike. She continually educates herself on current affairs and prides herself on being a servant leader.

Compounding her industry experience Anna is amassed with numerous certifications, as well as spent countless hours adding her perspectives and input to associations and industry related board participation. Anna was the recipient of Arizona Department of Housing's prestigious Arthur Crozier Partner in Housing Award which celebrates the knowledge, dedication, and lifetime commitment to affordable housing and ending homelessness.

JENNA JUNIPER GHISOLFO

BOMS, COSA, CS-PHM, C4P, FHS, HCCP, HCS, MORS, & RAD-PBV
CERTIFIED HEARING OFFICER

Jenna Juniper Ghisolfo is the President and CEO of Housing Consultants of America. She brings extensive knowledge of federally subsidized housing programs and over a decade of experience in property management, development, training, and auditing, as well as a keen aptitude for analysis, informed perspective on housing issues, and superb communication and presentation skills. She has in-depth knowledge of HUD's Multifamily programs, including Rental Assistance Demonstration (RAD), Low Income Tax Credit (LIHTC), Public Housing, Section 8, and much more.

She is an experienced EIV Coordinator and Certified Hearings Officer providing quality case resolution. Jenna has assisted many Housing Authorities, Tribes, and Management Companies in development oversight, writing policies and procedures, preparing for Management and Occupancy Reviews (audit), and conducting routine file audits to ensure quality control and program compliance. She has spent the past 17 years dedicated to end homelessness and truly has a passion for working with tribes, housing authorities, and property management companies to provide quality affordable housing.




**Why don't affordable housing units
ever win at hide and seek?**

Because good luck finding them!

Quick Survey

Raise Your Hand





How many years of affordable housing experience do you have?

- A - less than 1 year
- B - 2 years-5 years
- C - 6 years-10 years
- D - 11 years-15 years
- E - 16+ years

What type of programs do you oversee?

(Select all that apply)

- A – LHTC (Tax Credit)
- B – HOME, HTF, NSP, CDBG, AHP, etc.
- C – Section 8
- D – Public Housing
- E – Rural Development (RD)
- F – Other (Please state)



**Do you
currently do
work in
Arizona?**





Keys to Success

- **Communication:** Clear and effective communication is a key to success as it ensures everyone is on the same page, reduces misunderstandings, and facilitates smooth workflow.
- **Collaboration:** Collaboration is essential for success because it combines the strengths and perspectives of different team members, leading to more innovative and effective solutions.
- **Continuity:** Continuity is crucial for success as it provides stability and consistency, allowing long-term goals to be met and ensuring sustained progress.



Qualified Allocation Plan

(QAP)

Each year, the Housing Finance Agency (HFA) is required to publish a Qualified Allocation Plan (QAP) describing the process for allocation of the housing credits. Each QAP must spell out a housing finance agency's (HFA's) priorities and specify the criteria it will use to select projects competing for tax credits. This can change from year to year as the HFA, agency, state, and county's housing needs change on an annual basis. The priorities must be appropriate to local conditions.

- Drafts are published for public review and comment before the final plan is put together.
- A public hearing is required to allow for public comment.
- Definitions and requirements can change year to year.



Sample of QAP changes from one year to the next.

2018 QAP Chronically Homeless Definition (ADOH)

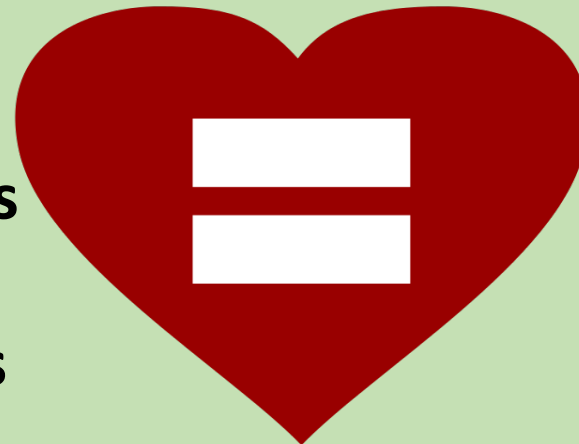
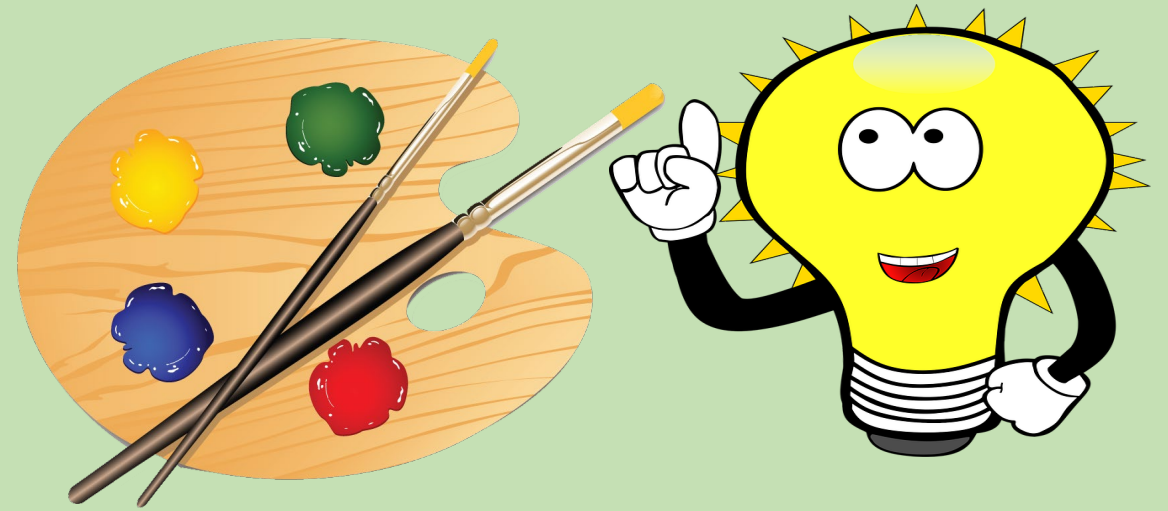
“Chronically Homeless” means an individual and/or family who has experienced at least two (2) episodes of shelter living and has a substantiated need for long term Case Management and Supportive Services as demonstrated by a SPDAT score of eight (8) or higher. The individual must be registered in the Homeless Management Information System (“HMIS”), with the exception of domestic violence victims.

2016 QAP Chronically Homeless Definition (ADOH)

“Chronically Homeless” means an individual and/or family who has experienced at least two episodes of shelter living and has a substantiated need for long term Case Management and Supportive Services as demonstrated by a SPDAT score of 10 or higher. The individual must be registered in the Homeless Management Information System (“HMIS”), with the exception of domestic violence victims.



- ❖ 2023 - Nationwide, only 36 affordable & available homes for every 100 extremely low-income renters (National Low Income Housing Coalition - NLIHC)
- ❖ Arizona 24 per 100 ELI or 133,684 short
- ❖ Evolving market = need for creative strategies
 - Rising costs of construction & land
 - Shortage of government resources
 - Tailored solutions special populations
- ❖ Begins with visionaries - a developer has an idea & thinks innovatively



WHY?

- **Rising housing costs**
- **Prevent homelessness**
- **Economic stability & mobility**
- **Public Health**
- **Well-being**
- **Addressing inequality**
- **Sustainability & urban planning**
- **Responding to changing demographics**





Remember, we are
housing families,
seniors, individuals
with special needs

Understanding Layered Financing...

It's **Advantageous**



- 1. Pooled capital; combined funding sources = ability to undertake larger, more complicated projects**
- 2. Mitigation of financial risk; spread financial risk across multiple stakeholders**
- 3. Enhanced project feasibility; filling funding gaps**
- 4. Leverage public & private resources**
- 5. Address social goals; pursue projects with significant social benefits**

Overcome These Obstacles



- **Financing can be difficult – combining so many sources**
- **Regulatory compliance – affordable housing mandates, environmental reviews & local zoning laws**
- **Longer development timelines – complexity of financing & construction challenges**
- **Stakeholder Coordination – multiple stakeholders**

Who Are These Stakeholders?



- **Developers – private & non-profit**
- **Government entities**
- **Financiers & investors**
- **Non-profit organizations & community groups**
- **Architects, planners & construction firms**



- **Legal & compliance professionals**
- **Residents**
- **Policy makers & elected officials**
- **Property management companies**
- **Utility providers**
- **Service agencies**



Knowledgeable
Team



Builds Strong
Partnerships



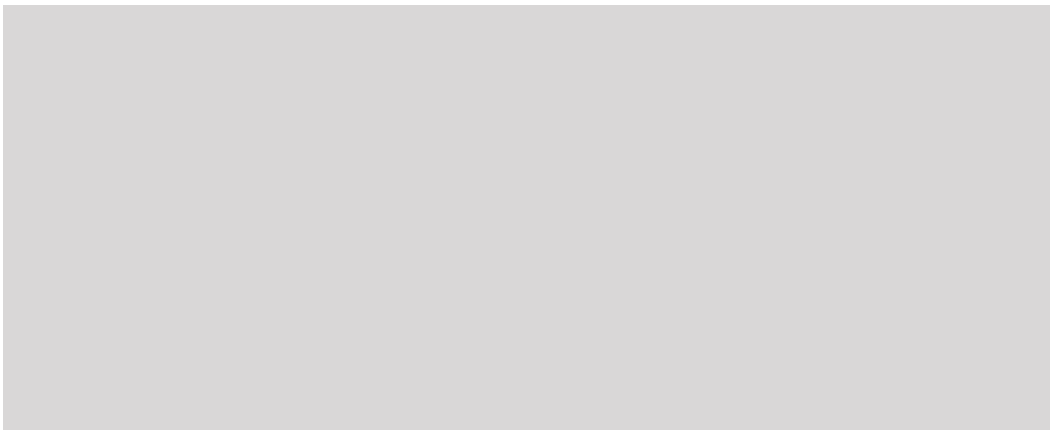
Maintaining
Consistent
Communication



- Outsourcing departmental tasks to 3rd parties
- Training & turn-key companies; employment service & compliance consulting
- Ensure protection of asset
- Staffing challenges



- **Look for company with a detailed set-up process**
- **Establish clear timelines & metrics**
- **Demand transparency**
- **Perform audits & risk assessments**
- **Consider reporting requirements & monitoring agency responsibilities**
- **Ensure policies & procedures are clear & to the main points**



FUNDING SOURCE	PHASE 1	PHASE 2
1st Mortgage - Northmarq Capital LLC (hard)	\$ 7,200,000	\$15,500,000
LIHTC Equity - Federal	\$18,798,280	\$22,997,700
Solar Equity	\$ 7,800	\$ 6,760
City of Phoenix HOME Loan	\$ 1,000,000	\$ 1,000,000
National Housing Trust Funds (ADOH)	\$ 1,000,000	
State Housing Trust Funds (ADOH)	\$ 1,000,000	\$ 1,000,000
AI-CCCS HTF Loan (via ADOH)	\$ 1,000,000	\$ 1,000,000
Deferred Developer Fee (cash flow)	\$ 1,300,000	\$ 2,500,000
GAP - Charter Oak Mortgage, LLC	\$ 2,282,298	\$ 677,353
TOTAL SOURCES	\$33,588,218	\$44,681,813

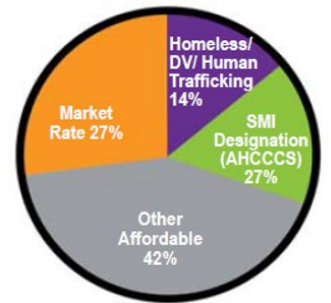
Affordable Housing for Families with Children - A New Beginning

Community Amenities

- Playgrounds, Splash Pad and BBQ Picnic Area
- Outdoor Exercise Area and Dog Park
- No Smoking in any Building
- Designated Smoking Area
- One Covered Parking Per Unit
- Free Wifi in All Units
- On-site Supportive/Wraparound Services



artwork credit: Clyde Thompson. and Muta Santiago



PSH Target Population(s)	Phase 1	Phase 2	Total
Homeless/DV/Human Trafficking (City of Phoenix PBV HCVs)	17	17	34
SMI Designation (AHCCCS PBVs)	16	24	40
Total	33	41	74

Set-Asides	Phase 1	Phase 2	Total
30% AMI	5	41	46
40% AMI	28	0	28
50% AMI	33	0	33
60% AMI	32	37	69
Market Rate	10	56	66
Total	108	134	242

Project Model

1. Partnership

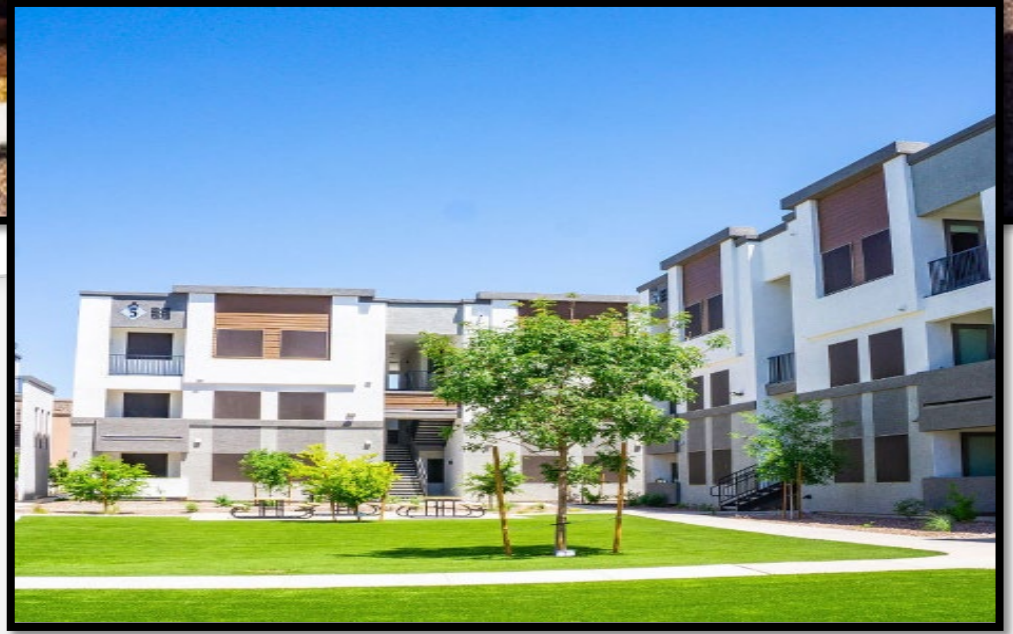
1. For Profit Project Sponsor/Owner/Developer/Management Agent & Non-Profit Service Providers including **Community Bridges, Inc.**, **Greater Phoenix Urban League, Inc.**, and **St. Mary's Food Bank, Inc.**

2. Mixed Income, Integrated Permanent Supported Housing Project

1. "Housing as Healthcare - Social Determinants of Health"
2. Decentralize poverty and expand housing and economic opportunities

3. Two-phase project totaling 242 total housing units, including:

1. 74 units permanent supportive housing serving: homeless, survivors of domestic violence and/or human trafficking, or those with an SMI designation (41 of these units set aside at 30% AMI)
2. 102 non-PSH affordable units (60% AMI or less)
3. 66 market rate units





Questions?

Multi layered properties can be complicated. Let's review some best practices to ensure continued compliance.





Lease Ups

Layered finance deals can be complicated, so it is important to have a good understanding of the agreements in the development stage. Let's go over some ways to ensure compliance during a lease up.

1. Be sure to have all regulatory documents collected and reviewed before beginning a lease up.
2. Develop a Master List/Set Aside List before the lease up begins.
 - a) Ensure you understand how each of the layered programs work with one another.
 - b) Ensure you understand which units/programs have fixed or floating units.



Lease Ups (Continued)

1. Train your staff on their Affirmative Fair Housing Marketing Plan (AFHMP), Tenant Selection Plan (TSP), Master List/Set Aside List, etc. prior to beginning a lease up.
2. Watch and track the 120-day effective date on applicant forms as sometimes forms will expire due to construction delays.
3. Have a third-party audit your initial files for accuracy.
4. Scan full file to a thumb drive or secured server upon lease up completion for safety and first year record retention.



Survey

Please raise your hand if you have ever undergone a lease up?

Was the property completed on time?

Lease Ups & Communication

Good communication with vendors, contractors, applicants, inspectors, housing authorities, etc. is critical during a lease up.

1. Ensure you are in constant communication with your contractor in case there is a change in the delivery schedule.
2. Ensure you are in constant communication with your applicant to reduce the number of times they come into the office to complete and/or redo their paperwork. This will reduce frustration on everyone's part and ensure a smoother process.



Training

Training and education is critical for any layered finance deal. Here are some compliance training tips.

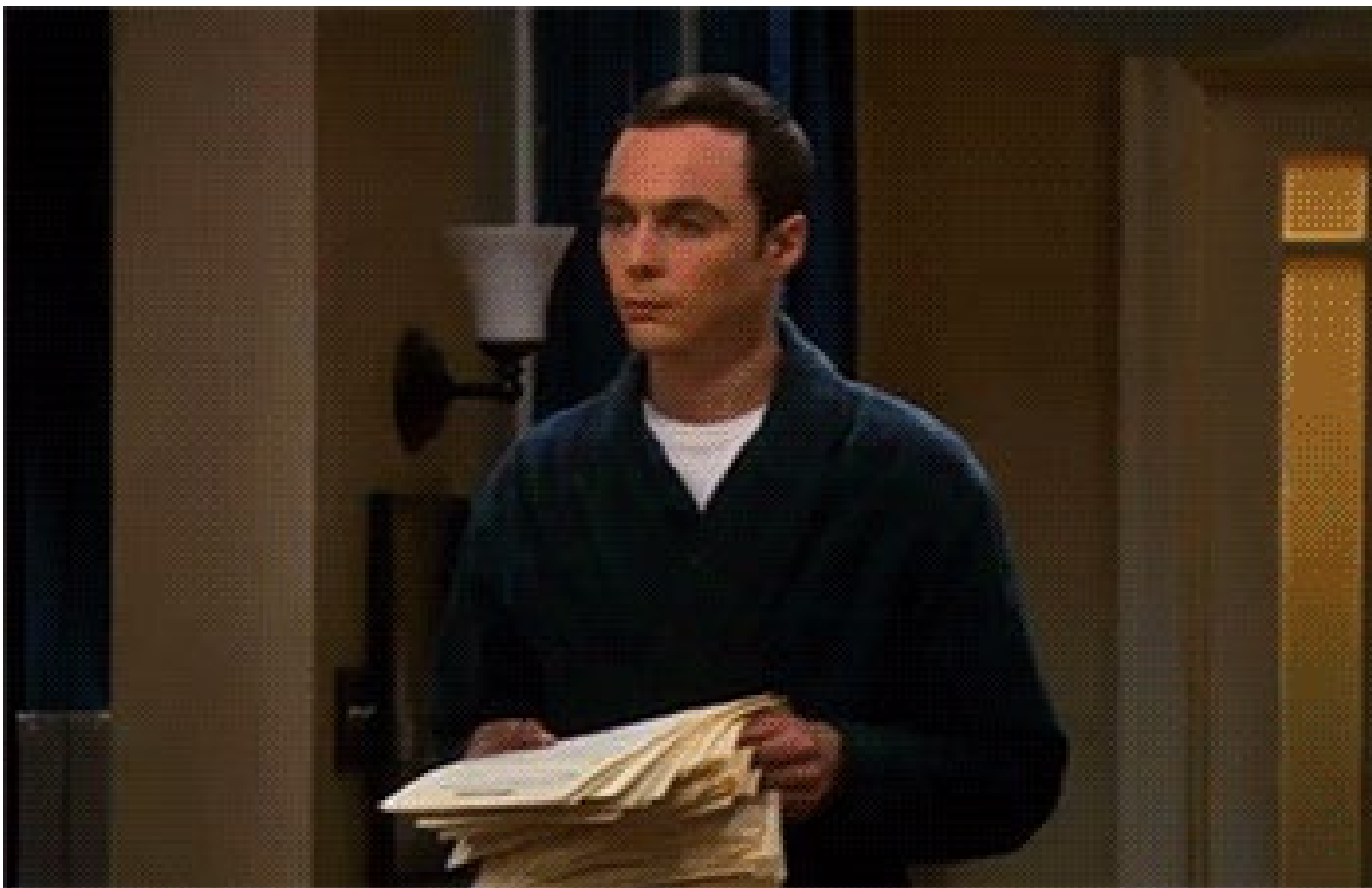
- Train your staff on the proper protocol for conducting applicant/resident interviews as many have never conducted an in-person interview.
 - Demonstrate the interview.
- Train staff on your forms so they know when to use specific forms.
 - Sample forms binder with blank versions of the forms and completed samples of the forms.
- By training your staff to ask the right questions you are preventing miscommunication and ensuring the applicant/resident is given accurate information.
- Training helps prevents fraud.



Renewals

- Continual late renewals should be a cause for concern.
- Industry standard is 3% or less for late recertifications for your entire portfolio, not per property.
- Train staff on the programs and the renewal requirements so they are confident in the process.
- Ask for help early.





**Don't feel
like this...**

**We are here
to help!**

Importance of Internal Audits



IMPORTANCE OF REGULAR INTERNAL AUDITS

Regular internal audits are crucial for ensuring that affordable housing programs are operating effectively and efficiently, complying with regulations, and providing quality services to residents. By conducting regular audits, affordable housing programs can prevent fraud, improve transparency, and promote financial stability.



INTERNAL AUDITS IN AFFORDABLE HOUSING

Most management companies, housing authorities, and investors conduct an internal audit of their own resident/client files to ensure full compliance.

Typically, 10-25% of your portfolio is audited and reviewed on a monthly or quarterly basis.

These results are then analyzed by management, provide an opportunity to review policies and procedures and make necessary improvements.





"It went pretty well. The auditor took one look at my files and retired!"



ANY FINAL QUESTIONS?

Contact Information

Jenna Juniper Ghisolfo

Jenna@HousingConsultantsOfAmerica.com

480-382-0821

Anna Di Sabato

ADiSabato@CelticPropertyManagement.com

480-256-0504

Greg Cooper

Greg.Cooper@AZHousing.gov

602-771-1051



Would you like this presentation?

- Jenna Juniper-Ghisolfo

- Email:

Jenna@HousingConsultantsOfAmerica.com

- Phone: 480-382-0821

Thank you again for attending our training session. We wish you all the best in your housing career and hope to see you at future trainings!

The End