

Chapter 4. Compliance Monitoring Review and Housing Quality Standards (HQS) Inspection Summary Letters

4.1 Compliance Monitoring Review Summary Letter

- After reviewing the information on the monitoring review forms, and the notations made during the onsite monitoring, Agency staff will prepare a summary letter to the Borrower and/or Management Company identifying file documentation and property management errors, as well as, outlining any non-compliance issues and the corrective actions that must be taken. The summary letter will also acknowledge property management and staff accomplishments throughout the year.
- The Borrower or Management Company is responsible for:
 - Correcting all deficiencies within the allowed time period on the summary letter;
 - Letter of Corrections: Notifying the Agency in writing of the specific procedures taken to resolve the noncompliance issues with copies of the corrected and/or lacking documentation, etc.; and
 - Placing the original or a copy of the corrected documents noting corrective actions taken into the resident's file.
- In the event a Borrower and/or Management Company has not made corrections, within the allotted time, to one or more of the file documentation noncompliance, file documentation errors, property management noncompliance, and/or property management errors found during the monitoring review, the Agency will require an Action Plan to identify the specific procedures taken to resolve the errors and/or noncompliance issues. The Action Plan is due within thirty days of receiving the letter.

4.2 Housing Quality Standards (HQS) Inspection Summary Letter

- When the HQS inspection is complete, Agency staff will send the Borrower and/or Management Company a summary report, identifying failed and/or notable items, and/or general analysis of the interior units and exterior elements of the project.

- As indicated in Chapter 3, there are several timelines for repairs of failed and notable items found, and
 - All items are subject to re-inspection by Agency staff for verification.
- The Borrower or Management Company is responsible for:
 - Correcting all deficiencies within the allowed time period on the summary letter;
 - Letter of Corrections: Notifying the Agency in writing of the corrected and completed of repairs with copies of maintenance work orders, bids, vendor contracts, etc.; and
 - Placing a copy of the completed inspection report noting corrective actions taken into the resident’s file.
- In the event a Borrower and/or Management Company has not made corrections, within the allotted time, to the deficiencies found during the inspection, the Agency will require an Action Plan to identify the specific procedures taken to resolve the noncompliance issues. The Action Plan is due within thirty days of receiving the letter.

4.3 Unresolved Compliance Issues, Compliance Violations and Actions

- After receiving a project’s Action Plan, if noncompliance issues remain, where applicable, the Agency will impose the Compliance Violations and Actions (Exhibit 29) to the Borrower.
- In the case where the Borrower or Management Company demonstrates a consistent trend for noncompliance reporting, the Agency may require monthly reports to be submitted identifying new-move-ins, recertifications, or other regulatory requirements.

Note: The Agency may provide technical assistance, training, and on-going monitoring. Agency staff will work with the Borrower and/or Management Company on a continuing basis until the noncompliance issues are resolved.

- If a Borrower or Management Company refuses to resolve the noncompliance issues, the Agency may declare the project to be in default of the loan agreement and proceed with remedies granted to it by the default provisions under the terms of the loan and regulatory agreements.

4.4 Affirmative Marketing Noncompliance

- The Agency uses an Affirmative Marketing Compliance Loan Program Assessment Questionnaire to determine:
 - Compliance with the affirmative marketing requirements; and
 - How the Borrower or Management Company markets available units, including affirmative marketing activities to reach those groups of people in the market area least likely to apply; and
 - If the marketing plan as outlined in the Management Plan is used.
- If a project is not in compliance, the Agency will require the Borrower to complete the following procedures:
 - Contact the Info-Line Sacramento to market all vacancies to low-income families (Phone: 916-447-7063 or go to the following website: <http://www.communitycouncil.org/level-3/infoline-sacramento.html>).
 - Place advertisements in newspapers of general circulation. (e.g., Sacramento Bee, Pennysaver, etc.)
 - Place advertisements for vacancies in minority newspapers. (e.g., Sacramento Observer, El Informe Libre, Carmichael Times, El Hispano, Philippine Fiesta, Hải Vân News, Anons Russian Community Newspaper, Elk Grove Citizen, etc.)
 - Create flyers per the Agency's approval, and place them in churches, shelters, and community centers that are located in low-income areas.
 - Keep a list of all applicants that are responding to the affirmative marketing efforts.