

# **MEMORANDUM OF UNDERSTANDING**

**BY AND BETWEEN**

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**AND**

**STATE OF OHIO, Ohio Department of Development**

**AND**

**OHIO HOUSING FINANCE AGENCY**

**AND**

**UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT**

**WHEREAS**, this Memorandum of Understanding (MOU) establishes the framework for a continued working relationship by and between the United States Department of Housing and Urban Development (HUD) and the State of Ohio, Ohio Department of Development and the Ohio Housing Finance Agency (OHFA) and the United States Department of Agriculture, Rural Development (RD), collectively, the parties, in connection with a pilot program developed at the request of HUD, RD and the US Department of the Treasury to establish a protocol for one federally-sponsored physical inspection of a property, at an agreed-upon interval, for certain properties with multiple sources of federal funding. The sources of funding include: HUD's Section 8 Project-Based Rental Assistance Program authorized under 42 U.S.C. §1437f and properties authorized under Section 8(o)(13) of the Act, HUD's Section 9 Public Housing program assisted under 42 U.S.C. § 1437g, HUD's Multifamily Mortgage Insurance Program authorized under 12 U.S.C. §1713 and HUD's Capital Advance under 12 U.S.C. §1701q, HUD's HOME Investment Partnerships Program (HOME) authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (1990) (42 U.S.C. §12701 et seq.), and OHFA's low-income housing tax credit allocation which is authorized under Section 42 of the Internal Revenue Code; and RD's Section 515 Rural Rental Housing Program authorized under 42 U.S.C. §1485;

**WHEREAS**, the pilot program will include the attached list of multifamily housing properties funded under two or more of the programs identified above (aligned properties);

**WHEREAS**, HUD, the State of Ohio, OHFA and RD recognize that they share mutual interests in ensuring that the public interest is served by enabling HUD, the State of Ohio, OHFA and RD to timely share certain on-site review reports related to aligned properties;

**NOW THEREFORE**, the parties hereby agree to cooperate as follows:

## **I. PURPOSE**

## **A. Purpose of the MOU**

The purpose of this MOU is to set forth the conditions, safeguards and procedures among the parties regarding the physical inspections to be performed on aligned properties.

## **B. MOU Parameters**

In order to effectuate the objectives of the MOU, the parties agree as follows:

### **1. Lead Agency to Perform Inspections**

For all projects involving the Section 8 Project-Based Rental Assistance Program, Section 9 Public Housing program, Multifamily Mortgage Insurance Program, and/or Capital Advance, HUD Real Estate Assessment Center (REAC) will be the lead agency to perform the inspection.

For projects involving only Low Income Housing Tax Credits and the Section 515 Rural Rental Housing Program, RD will be the lead agency to perform the inspection.

### **2. Follow-up on Inspection Deficiencies**

For aligned properties inspected by HUD REAC, OHFA will follow up with the owner on REAC-reported inspection deficiencies to ensure noncompliance is corrected within required IRS timeframes. OHFA will forward via email results of the follow-up to HUD and RD. HUD or Project Based Contract Administrator (PBCA) contracted staff will audit completion of corrections as certified by the owner at the next annual Management and Occupancy Review (MOR) visit. For aligned properties inspected by RD, OHFA will follow up with the owner on RD-reported inspection deficiencies to ensure noncompliance is corrected within required IRS timeframes.

### **3. Property Inspection Frequency**

The parties agree that aligned properties should be inspected at least once every three years, or as otherwise required by law. The parties reserve the right to perform follow-up inspections at any time to confirm compliance with program requirements.

The parties agree to establish a date to determine pilot program inspection scheduling within two weeks of signing of the MOU.

### **4. Property Inspection Protocol**

The lead agencies agree to use a mutually-acceptable inspection standard, at a minimum the Uniform Physical Condition Standards (HUD REAC Inspection), or the RD inspection (between RD and OHFA), as appropriate. Further, the parties will agree on a sample size acceptable to all, in accordance with any waivers provided by the lead agencies.

### **5. Program Requirement Stipulations**

To facilitate participation in the pilot program, certain program requirements must be waived so that property owners are not penalized due to pilot program requirements.

As provided in HUD's September 22, 2011 memorandum waiving select HOME property standard requirements for grantees involved in the pilot program, aligned properties funded under the State of Ohio's HOME program will not be subject to the housing quality standards requirements under 24 CFR §92.251(c) and the ongoing on-site unit



inspection requirements under 24 CFR §92.504(d) for the one-year period beginning November 1, 2011, provided that the State of Ohio participates in the pilot program and informs HUD regarding (1) the current property standards the State of Ohio uses for inspecting HOME-assisted units; (2) the HOME projects included in the pilot program, including the name, address and IDIS activity number; and (3) the number of HOME-assisted units affected by the waiver.

In general, physical inspections performed by HUD or a HUD contractor on properties with FHA insurance or a project-based Section 8 contract include vacant units in the random sample of units to be inspected only when the property has a vacancy rate of 15% or more. However, other federal agencies taking part in the pilot require that vacant units be inspected.

As a result, HUD stipulates that, during this pilot, physical inspections performed by HUD or a HUD contractor on properties participating in the pilot will inspect all vacant units included in the inspection sample. However, if a property with FHA insurance or a project based Section 8 contract has a vacancy rate less than 15%, the HUD REAC report of such an inspection will note all deficiencies in the vacant units inspected (for use by the other parties), while for HUD purposes, REAC will automatically restore any points deducted from the final REAC score based on any vacant units inspected.

In addition, the parties may be responsible for performing certain tasks that, under this MOU, may be delegated to another one of the parties.

6. Reporting format consistency

HUD will use the REAC Inspection Report, and RD will use the RD Physical Inspection Report.

7. Information sharing commitment

The parties agree to share information for the purpose of ongoing project oversight. The parties agree that owners will receive prompt written notice of the inspection results. Inspection reports will be provided to the owner and the parties promptly after the inspection. The reports will be packaged and emailed at least once every two weeks between the parties. Property owners are expected to respond to the lead agency, and that lead agency agrees to share the owners' response with the other parties. Follow-up action by the lead agency does not prevent the other parties from pursuing corrective measures.

8. Universe of programs/projects included in pilot

See Attachment A.

9. Commitment of staff resources to pilot.

The parties agree to commit staff resources to the pilot effort in order to ensure communication and data sharing.

**C. Disclosure of Information and Reports**

1. The shared information and reports shall be disclosed to third party requesters in accordance with applicable State and Federal laws and regulations, including but not limited to the Freedom of Information Act (FOIA), 5 U.S.C. §552, and the Privacy Act, 5 U.S.C. §552a.
2. Requests from the public for copies of physical inspection reports from REAC:

- a) REAC reports are HUD records; and are, in some circumstances, non-public information.
- b) Requests from the public that are made to RD or OHFA for copies of REAC reports will be referred to HUD for processing in accordance with applicable Federal law and regulations, including but not limited to the Freedom of Information Act (FOIA), 5 U.S.C. §552, and the Privacy Act, 5 U.S.C. §552a.
- c) Such referrals should be forwarded to HUD's FOIA Public Liaison for their geographical region as listed below:

Region V (Ohio, Michigan, Minnesota, Wisconsin)

Deputy Regional Director  
U.S. Department of Housing and Urban Development  
77 W. Jackson Blvd., Suite 2608  
Chicago, IL 60604  
(312) 353-5680

#### **D. Limitations on Obligation and Financial Commitment**

Notwithstanding any other provision of this MOU, this MOU does not obligate funds, personnel, services, or other resources. This MOU is an expression of intent only. Each of the parties acts as an independent party with respect with performance of duties under the MOU and does not represent that it is an employee or agent of another party of the MOU. This MOU does not give a third party any benefit, legal or equitable right, remedy, or claim under this MOU.

## **II. TERM OF MOU**

This MOU shall be effective as of the date of execution by all parties, and shall remain in effect for at least one year or until the all parties agree to amend or terminate it.

## **III. GENERAL TERMS**

1. This MOU may only be amended by mutual written agreement of all the parties involved.
2. Any party may terminate the MOU upon written notice to the other parties, in which case termination shall be effective no sooner than 30 days after the date of that notice, except as required by law.
3. The parties shall adhere to applicable State and Federal law and regulations in accessing the data and ensuring that the data is stored securely.
4. This MOU may be executed in counterparts, each of which shall be deemed to be an original, and all counterparts, when taken together, shall constitute one and the same MOU.
5. The invalidity or unenforceability of any provision of this MOU shall not affect the validity or enforceability of the remaining provisions of this MOU.
6. This MOU is not intended to, and does not, restrict the authority of any one of the parties to act as required by State and Federal law, statute or regulation.

7. This MOU shall be governed by and construed in accordance with the laws of the State of Ohio and the federal laws of the United States of America. In the event of any conflict, federal law will prevail.

#### **IV. CONTACT PERSONS/AUTHORIZED OFFICIALS**

- A. The primary contact at HUD for all matters related to transmittal of data is:

Vera Howard, Multifamily Project Manager  
U.S. Department of Housing & Urban Development  
200 N. High Street 7<sup>th</sup> floor  
Columbus, OH 43215

- B. The primary contact at the State of Ohio for all matters related to transmittal of data is:

Mike Hiler, Deputy Chief  
Office of Community Development  
Ohio Department of Development  
77 S. High Street 24th floor  
Columbus, Ohio 43215

- C. The primary contact at OHFA for all matters related to transmittal of data is:

Brian Carnahan, Director  
Office of Program Compliance  
Ohio Housing Finance Agency  
57 E. Main Street  
Columbus, OH 43215

- D. The primary contact at RD for matters relating to transmittal of data is:

Gerald Arnott, Housing Director  
U.S. Department of Agriculture, Rural Development  
200 N. High Street, Room 507  
Columbus, OH 43215

#### **V. APPROVALS**

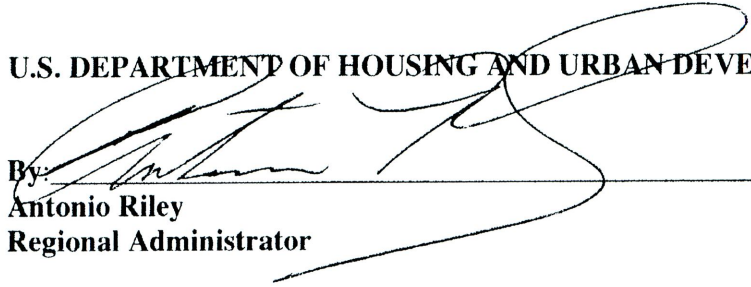
Now, therefore, the parties hereto consent to the provisions of this MOU.



**MEMORANDUM OF UNDERSTANDING  
BY AND BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND THE STATE OF OHIO AND THE  
OHIO HOUSING FINANCE AGENCY AND THE  
U.S. DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT**

**SIGNATURE PAGE**

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

By:   
Antonio Riley  
Regional Administrator

  
Date

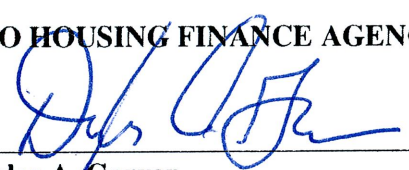
**STATE OF OHIO, OHIO DEPARTMENT OF DEVELOPMENT**

By:   
Christiane Schmenk  
Director  
BY

Kevin Potter  
Assistant Director

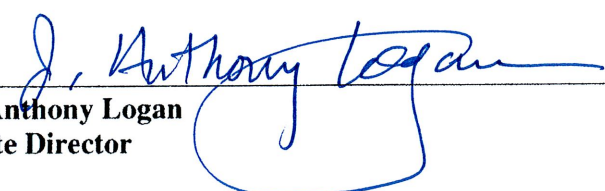
  
Date

**OHIO HOUSING FINANCE AGENCY**

By:   
Douglas A. Garver  
Executive Director

  
Date

**U.S. DEPARTMENT OF AGRICULTURE/RURAL DEVELOPMENT**

By:   
J. Anthony Logan  
State Director

  
Date

## Attachment A

### HUD with Tax Credit and HOME

Property ID	Property Name	Total Unit Count	
800016238	Argus Court, NCR Vision Center	25	HOME
800032004	Country Ridge Apartments	96	HOME
800016724	HUNTERWOOD PARK, LTD	100	HOME
800112368	KRYSTAL RIDGE	8	HOME
800016473	NELA MANOR	35	HOME
800016354	NEW CANTERBURY WAY, LTD.	46	HOME
800016398	New Charleston Court	51	HOME
800016882	New Manorview	30	HOME
800017014	NOTRE DAME APARTMENTS	52	HOME
800017126	PROSPECT HOUSE	66	HOME
800017462	WELLS MANOR CORPORATION	50	HOME
800017491	WHISPERING HILLS	66	HOME

### HUD with Tax Credit

800016218	ALBRIGHT APARTMENTS	112
800218509	ARBOR PARK VILLAGE - PHASE II	206
800016255	Beechwood Villa (046-105NI)	184
800016256	BELLA VISTA ESTATES	251
800016337	BINGHAM TERRACE	56
800016291	BOARDWALK APARTMENTS	123
800016293	BOOKER T WASHINGTON	40
800016997	Burnet Place	65
800016323	Burney View Apartments	51
800016327	BYRNEPORT APARTMENTS II LIMITED PARTNERSHIP	100
800016392	Callis Tower	277
800016341	Cambridge Arms I	108
800016344	CAMBRIDGE HEIGHTS	65
800016375	CEDAR CENTER APARTMENTS	82
800216553	Chesnut Grove	75
800016415	CHEVY CHASE PARK	232
800112193	COLUMBUS COLONY II	49
800016447	CONCORD APARTMENTS	50
800061204	Courtyards of Kettering	104
800016456	COVENANT HOUSE	156
800017052	Cutter Apartments	40
800016488	DELAWARE VILLAGE	40
800016494	Dublin House of Middletown OH	40
800016536	EUCLID BEACH CLUB RESIDENCE	252
800016537	EUCLID BEACH VILLA	559
800016538	EUCLID VILLA	505
800016578	FORESTHILL TERRACE	420
800224872	Girard Manor Apartments	40
800017009	Greenbelt Place Apartments	176
800016645	GRIGGS VILLAGE APARTMENTS	44
800016673	HERITAGE APARTMENTS	52
800016672	HERITAGE APARTMENTS	60
800017314	HERITAGE PLACE aka MARKET SQUARE	100
800233643	Horizon House Apartments	50
800209641	Hunter's Hill Apartments	96
800016729	IDE CENTER APARTMENTS	8

## Attachment A

Property ID	Property Name	Total Unit Count
800016759	Jaycee Towers	204
800059738	Jennings Manor Apartments	61
800016783	KENMORE GARDENS	66
800017413	KIRBY MANOR	202
800016795	KIWANIS VILLAGE	45
800016698	Kno-Ho-Co Hillside Apartment Associates, Ltd.	45
800016811	LAKESHORE BEACH APTS.	108
800016831	LIBERTY COMMONS	80
800223168	Lyons Place	55
800226491	Marigold Hill	107
800016896	MARION VILLAGE	50
800016917	MELFORD VILLAGE	38
800016918	MELROSE APARTMENTS	106
800016944	MOUNTAINGATE APARTMENTS	40
800016964	Nazareth Towers	208
800016968	NEAL TERRACE	48
800224488	New Warren Heights Apartments	188
800017503	NEW WILLIAMSBURG SQUARE, LTD	71
800016989	NEWARK TOWNHOMES	51
800016988	NEWARK GREEN APARTMENTS	38
800217035	Oak Hill Village Apts.	182
800017044	Ottawa Cove Apartments II Limited Partnership	100
800017055	PALMER GARDENS	75
800017061	PARK PLACE, LTD.	82
800223134	Peachtree III	6
800017053	PENDLETON III	78
800017098	PINEWOOD GARDENS	80
800017101	PIQUA VILLAGE APARTMENTS	65
800078813	RAINBOW GROUP	181
800017163	RIDGEWOOD APARTMENTS	110
800215519	Rose Acre Manor	10
800017231	SETON LANCASTER, INC.	33
800227681	Seton Square Dover I & II	90
800017235	SETON SQUARE EAST, INC.	100
800017236	SETON SQUARE MARION, INC.	102
800017200	Seton Square Wellston, Inc.	48
800017243	SHAKER PLACE APARTMENTS	81
800017262	SILVER MEADOWS	363
800023845	SPRING HILL APARTMENTS	351
800017289	Spring Valley Apartments AKA Eastcare III	15
800017302	St. Clair Manor	31
800017300	St. Paul Lutheran Village II	65
800017299	St. Paul Village I	124
800017206	Stratford Place	100
800017327	SUMMIT SQUARE	154
800017347	Terrace Ridge	167
800016429	THE NEW CLIFTON PLAZA	108
800017356	THE PLAZA	160
800211442	The Woods	30
800016786	Trails of Oak Creek	165
800017401	VALLEYVIEW VILLAGE	50



## Attachment A

Property ID	Property Name	Total Unit Count
800017403	VANDALIA APARTMENTS	35
800017424	VISTULA HERITAGE II	165
800221459	Wade Chateau Apartments	42
800017448	WARRENSVILLE COMMUNITY APTS	100
800017450	Washington Courthouse I	60
800017463	West Alex Village	30
800017475	WESTERN MANOR	102
800017478	Westgate Gardens	72
800017489	WESTWAY GARDENS	300
800017493	WHITE POND VILLA	173
800017495	WHITNEY YOUNG ESTATES	100
800016393	WILLIAMS TOWER	148
800017504	WILLOW CREEK VILLAGE	68
800017519	WINDY ACRES	36

## RD with HUD

Property ID	Property Name	Total Unit Count
800016276	Bellevue Rotary Commons	39
800016325	BYESVILLE GARDENS	40
800016369	CASA NUEVA	64
800016406	Chautauqua Park	36
800016676	Heritage Court	40
800016805	LAFAYETTE COMMONS	48
800016819	LANSING GARDENS	54
800016841	LINCOLN PLACE	48
800016854	LOUDON BLUFFS	40
800016957	MYSTIC APARTMENTS	56
800017042	ORR VILLA MANOR I	50
800017168	RIVER PARK MANOR, LTD.	32
800017277	SOUTH RIDGE VILLAGE	40
800017203	Springwood Commons	43
800017359	The Village Apartments	50
800017414	VILLAGE GARDEN	30
800017457	WASHINGTONVILLE APARTMENTS	23

## RD/OHFA

Property ID	Property Name	Total Unit Count
	Fawn Haven Apts.	30
	Albany Arms Apts	46
	Arlene Apts.	48
	Bainbridge Manor Apts.	48
	Blossom Hills Apts	30
	Bolivar Terrace Apts.	36
	Brookhaven Apts.	30
	Cardington Place (HDAP)	32
	Carrollton Crest Apts.	44
	Church Street Apts.	24
	City Forest of Clark Co.	9
	Clay Meadows	48
	Clermont villa	46
	Clough Commons	46

## Attachment A

Property ID	Property Name	Total Unit Count
	Colonial Park Apts.	48
	Concord Square Apts.	54
	Continental Gardens	30
	Crawford Manor Apts.	48
	Crestwood Village	48
	East Towne Village	48
	Engel Terrace Apt.	40
	Evergreen Place Apts	48
	First Holzer Apts	53
	Fountainhead Apts.	24
	Hokolesqua Apts	24
	Huron Manor Apts	44
	Indian Creek Apts	48
	Jackson Family Apts	42
	Jackson Retirement	42
	Jackson View apts	48
	Kelli apartments	32
	Kenton Meadows	24
	Kingston Senior Village	35
	Lakeview Village	40
	Lincoln Place 3 Apts	44
	Logan Place Apts	40
	Meadow Glen Apts	50
	Millersbrug Villas	40
	Morningside Villa	32
	New Devonshire II	28
	New Devonshire West	19
	Orchard Grove Apts	24
	Pembrook Greene	18
	Pleasant Valley Apts	24
	Pleasant Valley Garden Apts.	32
	Pleasantville Comm	32
	Riverbend I Apts.	50
	Riverbend II Apts.	40
	Rockford Villa	24
	Sebring Villa Apts	40
	Settler Mills Apts	36
	Shawnee Meadows Apts.	24
	Springbrook Apts	46
	Stonecrest Apts.	60
	Summer Tree Terrace	24
	Thornville Manor	24
	Village Greene South (Buckeye 8)	48
	Village Manor	30
	Vinton Manor	39
	Walnut Hill Apts.	28
	Wheelsburg Senior	42
	Woda Apartments	4
	Wood Village Apts	52
	Yorktown Village	30