



Office of Portfolio Management Updates

Don't miss the latest Compliance and Asset Management Updates!

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The **BLAST**

August 15, 2022

What's New?

Please join us in congratulating Mingnyon Melson on her promotion to Manager, Asset Management! Our Asset Management team reviews and recommends action in regard to Requests for Project Concept Changes, Preliminary Eligibility and Final approval for Qualified Contracts, and reviews and assesses property financial audits. The dynamic Asset Management Team also processes requests for disbursements from various reserve accounts related to properties in our portfolio, and works closely with our loan servicing team.

Compliance

Physical Inspections

Re-inspections

DCA may elect to conduct follow-up inspections under certain conditions. If it is deemed necessary to complete a re-inspection, fees may apply as outlined [here](#). See applicable QAP for billing and payment process.

Compliance FAQ

Q: If we are a third party verifying assets, is the Under \$5,000 Asset form also required?

A: You can use the Over \$5,000 Asset Certification form. Georgia has no requirement to complete the Under \$5,000 Asset form. You can access the [Asset Verification form](#) or any other suggested forms on the Compliance Monitoring - Forms page [here](#).

Need guidance on completing your TIC? Check our [Simple Guidance for Understanding How to Complete your TIC](#).

Q: Should we consider properties overseas as an asset?

A: The HUD Occupancy Handbook, Chapter 5: Determining Income &

OPM
YouTube
Page

File Audit &
Physical
Inspections

Reporting to
DCA

Calculating Rent, provides detailed guidance about determining which individuals have ownership of an asset and the requirements for collecting as much information as is available and making the best judgment possible based on that information (see pages 5-24). Assets are items of value, other than necessary personal items, and are considered along with verified income to determine a household's eligibility.

Friendly Reminders:)

>>Compliance Questions

Property managers and on-site staff should consult with their internal Compliance department before reaching out to DCA with questions. The owner is responsible for creating policies and procedures for processing applications and qualifying households according to program requirements. The owner would need to consult with an industry expert for specific questions regarding income certifications and processing tenant files.

>>FDIC Properties

Please ensure to designate each unit according to their respective set-aside on the Rent-roll or Property Status Reports. That's low-income (LI), very-low-income (VLI), over-income (OI) or market-rate (MKT).

>>Cure Responses Best Practice

When you submit the cure response, please consider the following:

- Use a [Compliance Finding Coversheet for Cures](#) for EACH deficiency shown on the Finding Report.
- Submit the cures in the order listed on the Finding Report.
- The supporting invoice and work order should use the exact verbiage cited in the Finding description.
- Ensure the repair completed date and signature of the person making the repair are clearly printed or written.
- Ensure the entire submission is legible; this includes work orders, applicable invoices, receipts, and any comments/descriptions.
- Pictures for accessibility issues must be attached, especially if there are disputed items.

Asset Management

Poor property conditions invites crime

It is widely agreed that clean, well-lit properties, that are well maintained, and have proper security measures and mechanisms in place, deter criminal activity. According to criminologists and law enforcement officials, crime in complexes can be a byproduct of a disregard for a property's physical condition. Properties that are not well-lit and neglected/not maintained can contribute to the occurrence of criminal activity on a property. "If you have a complex that's in disarray and disrepair, it just kind of welcomes the criminal element there," said Deputy Chief Carven Tyus of the Atlanta police, a former zone commander in the city's southwest quadrant. "Because they think that that property is in neglect and no one's paying any attention." **Source AJC**

Owners and Managers: It is best practice to perform regularly scheduled preventative maintenance inspections.

Ownership Transfers and Sales of DCA properties

Please be reminded that owners are responsible for filing a formal request for DCA's approval of GP transfers of interest and/or the sale of a GHFA/DCA funded and monitored property. No GHFA/DCA monitored properties are exempt from notifying DCA at least 30 days in advance of a proposed sale or transfer. Currently, you may contact DCA's Asset Management team for specific instructions for filing these transfer requests for properties that have already been placed in service. Please email:

From DCA's Management Company Approval Policy – Real Estate Licenses

DCA will deny approval or revoke current approval status to manage DCA monitored property if a *“management company is performing third-party management without a licensed brokerage in Georgia. Georgia Law requires that all third-party property management companies be a licensed brokerage in Georgia or perform all leasing activity under a licensed Georgia real estate broker...If DCA discovers management companies providing fee management that are not licensed in Georgia, DCA will notify the Georgia Real Estate Commission and the Owner, and the management company's DCA approval status will be revoked. DCA may reinstate approval upon receiving evidence of the management company obtaining a brokerage license.”*

If you've not done so already, email a copy of the Georgia Real Estate License that your company operates under to the assigned DCA Pod Team for your property, or to Compliance@dca.ga.gov. Please ensure your email include the property name, Georgia DCA ID number and “GA RE License”. Self-managed properties should send an email stating they are not providing a GA RE Broker's License because they are not providing third-party management services for any DCA properties.

Penalty Fees - Management Company Approvals/Changes

Owners that do not submit requests for DCA's approval of a change in management company at least 30 days in advance, are subject to a \$250 penalty for failure to timely file a request and notify DCA. This fee is covered under the DCA's Management Company Approval Policy; for the policy document click [here](#).

Extended Use Period properties – Are you ready?

Properties in the LIHTC Extended Use Period (EUP) are subject to a physical inspection at DCA's sole discretion. Please be advised, unlike physical inspections performed during the Compliance Period, DCA does not provide advance notice for these inspections. Note: an owner's refusal to provide DCA staff or an inspection consultant access to a DCA monitored property for physical inspection is considered a major finding of non-compliance.

Properties in the EUP (meaning properties in years 16-30) are required to report Tenant transactions to the Emphasys Certification Portal (CP) by the 10th of each month, just like properties in the LIHTC Compliance Period and/or HOME Affordability period. Failure to file these monthly reports is considered a major finding of non-compliance.

Georgia Housing Search (GHS) – Affordable Housing Listing Website

This is a friendly reminder that all Georgia DCA monitored properties **are required to be listed on the GHS website**. It is a great resource for listing available units. Please be sure that your listings have the required photos of the following: bedroom(s), kitchen and dining areas, living room for each unit size/floorplan, as well as photos of the main entrance and monument/signage. You can check GHS to be certain your properties are listed by city or zip code using the link below:

<https://www.georgiahousingsearch.org/>
