Compliance Connection

Illinois Housing Development Authority

Rental Housing: Multifamily Management

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Introduction

The Illinois Housing Development Authority (IHDA) is responsible for the effective and efficient program administration and long-term compliance for the largest portfolio of affordable multifamily rental housing in the state of Illinois. This work encompasses physical, financial, and operational compliance oversight for a portfolio of 1,920 properties and 104,200 units managed by 436 unique management companies that utilize a variety of state and federal financial instruments including debt, equity, and operating subsidies. IHDA takes a structured and strategic approach to compliance and monitoring, working in partnership with property developers, owners and managers as well as other funders, interagency groups and others. Because once an affordable housing property is built, responsible management becomes a critical component of the long-term viability of the property and the stability of its residents.

For years, IHDA's Asset Management staff has offered substantial training and education to ensure affordable housing properties meet their funding compliance requirements. However, in light of IHDA's consistently growing portfolio and increasing complexity of compliance and operations, IHDA began to explore new channels to make the regulatory process more efficient for both Authority staff and its management partners.

The Compliance Challenge

Since 2015, IHDA's Asset Management staff would prepare and distribute an annual communication known as the Compliance Package to property owners and managers of IHDA-assisted properties. Sent every January, this postal and email-based communication consisted of a static Microsoft Word document summary sent on a property-by-property basis outlining what the specific regulatory requirements were for that individual property for that year, what documentation owners and managers needed to submit, who they needed to submit it to, and by when. This was a very manual approach that required hundreds of work hours each year from several staff to prepare, issue, and troubleshoot. Furthermore, the process was often hampered by out-of-date contact information and required ongoing outreach and reminders from IHDA's Asset Management staff to enforce requirements and deadlines.

Compliance Connection

With the arrival of the COVID-19 pandemic in early 2020, IHDA and the owner/manager staff handling compliance operations for IHDA-assisted affordable rental housing had to immediately pivot to remote operations. Furthermore, the pandemic resulted in significant new emergency Federal and State funding for programs to be developed and administered by IHDA in condensed timeframes, all while still maintaining existing operations. These radical but necessary shifts posed many challenges; however, they also created a unique opportunity to rethink approaches and innovate where possible for the dual benefit of IHDA and its owner/manager partners.

Towards this end, IHDA reevaluated its informational interface with property owners and managers. Recognizing an imperative to maximize limited staff resources while enhancing related customer service for property owner and managers, Compliance Connection was born.

Launched in 2021 compliance season, Compliance Connection is a web-based tool with dynamic search features that allow users to search, access, and download information on annual compliance requirements and options for IHDA-assisted properties in active monitoring. Anyone, including IHDA staff, property owners and agents, and the general public can access the site and search, filter, and download data on compliance requirements, deadlines, and IHDA points of contact based on a project identification number (PID), development name, development location, and/or property owner/agent name. The search is sensitive, meaning that even by entering partial wording, the relevant data will populate.

Data from IHDA's Asset Management systems populates the tool and can be retrieved for individual developments or for a set of properties in a portfolio based on the search criteria selected. Once the desired data has been brought up based on the search criteria, it can also be downloaded into various formats, including CSV which is applicable with any spreadsheet software, allowing the user to filter and format as desired for their specific use. This approach is far more user friendly and allows for self-service retrieval and preferred formatting of specifically relevant information. Overall, this tool vastly improves data accessibility, transparency, and efficiency while also creating a strong base for future technical enhancements to further improve customer service and ensure compliance.

In addition to the web tool, supplemental resources including updated and linked compliance forms and related guidance, answers to frequently asked questions, and an instructional video were prepared and published to improve ease of use. The availability of the tool was promoted via email notification to contacts on file as well as prominent featuring on the IHDA website. Use was also encouraged through direct email outreach from assigned AM staff to their owner/manager contacts utilizing standard scripts.

Results

IHDA issued Compliance Connection prior to calendar year end in 2021, immediately eliminating past delays for contingent compliance efforts including monitoring, scheduling, and initiation. Engagement with the web-based tool based on site metrics has been higher than expected and Asset Management staff have consistently report fewer year-over-year compliance issues with more on-time and complete compliance submissions.

Achieving Strategic Objectives

Asset managers who oversee the compliance of a state's affordable housing stock face a complex task. Unlike market rate housing developments, affordable housing operates on thin margins and represents a significant investment of state and federal resources, meaning any improvements that reduce costs or staff time can produce benefits that far outweigh any initial expenses. Towards this end, Compliance Connection is a replicable best practice that can be implemented to streamline compliance monitoring for HFAs across the country. While versatile, it does not require technical resources beyond embedding a spreadsheet with basic search functions within an existing website platform. Once published, the tool ensures access to critical compliance information is not dependent upon having up-to-date contact information for property owners and agents (an ongoing challenge). Surprisingly, the improved transparency provided by Compliance Connection has also reduced the volume of compliance related FOIA requests submitted to the Authority.

This effort represents a significant modernization of approach to engaging and sharing information with key HFA stakeholders. The benefits related to internal workload reduction and improved customer service have far exceeded the historical cost of time to prepare compliance communications under the previous system, yielding a more effective use of limited agency resources.

Finally, these efforts help IHDA to achieve its strategic goals. This work aligns with IHDA's Asset Management focus on stakeholder engagement, process improvement, communications modernization, and technological transformation. By enhancing the accessibility and versatility of the data available, IHDA has improved its support of property manage stakeholders, built agency capacity, improved compliance, facilitated efficient knowledge transfer, and forged stronger connections between IHDA and its stakeholders.
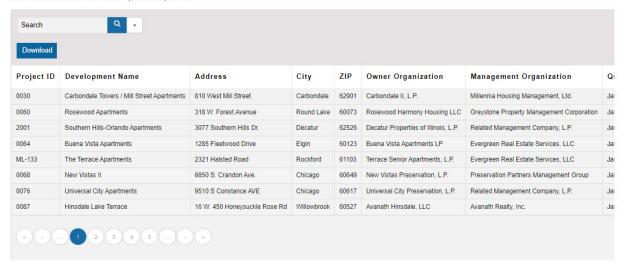
Compliance Connection Landing Page

2023 Compliance Connection

Power at your Fingertips!

SEARCH ➤➤ DOWNLOAD ➤➤ COLLECT ➤➤ SUBMIT

Compliance Connection Webtool (2023)

Please utilize the embedded tool below to search, access, and download data on a particular property or portfolio of properties. Search and filter by entering: Project ID, Development Name, Address, City, Owner Organization, or Management Organization. Use the scroll button at the bottom of the table to move from left to right to view all data. Click download once search is complete to export file.

Project ID	Development Name	Address	City	ZIP	Owner Organization	Management Organization	Q
0030	Carbondale Towers / Mill Street Apartments	810 West Mill Street	Carbondale	62901	Carbondale II, L.P.	Millennia Housing Management, Ltd.	Ja
0060	Rosewood Apartments	318 W. Forest Avenue	Round Lake	60073	Rosewood Harmony Housing LLC	Greystone Property Management Corporation	Ja
2001	Southern Hills-Orlando Apartments	3077 Southern Hills Dr.	Decatur	62526	Decatur Properties of Illinois, L.P.	Related Management Company, L.P.	Ja
0064	Buena Vista Apartments	1285 Fleetwood Drive	Elgin	60123	Buena Vista Apartments LP	Evergreen Real Estate Services, LLC	Ja
ML-133	The Terrace Apartments	2321 Halsted Road	Rockford	61103	Terrace Senior Apartments, L.P.	Evergreen Real Estate Services, LLC	Ja
0068	New Vistas II	6850 S. Crandon Ave.	Chicago	60649	New Vistas Preservation, L.P.	Preservation Partners Management Group	Ja
0076	Universal City Apartments	9510 S Constance AVE	Chicago	60617	Universal City Preservation, L.P.	Related Management Company, L.P.	Ja
0087	Hinsdale Lake Terrace	16 W. 450 Honeysuckle Rose Rd	Willowbrook	60527	Avanath Hinsdale, LLC	Avanath Realty, Inc.	Ja

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Compliance Connection Instructional Video