OHFA Inspection Software- New Compliance Technology during COVID-19 and Beyond

Ohio Housing Finance Agency
Management Innovation: Technology

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Ohio Housing Finance Agency

Category: Management Innovation
Subcategory: Technology
New Technology/Practices
Entry: OHFA Inspection Software - New Compliance
Technology During COVID-19 and Beyond

EXECUTIVE SUMMARY

Low Income Housing Tax Credit compliance divisions have faced significant challenges in recent years. The Ohio Housing Finance Agency met the challenges with innovative, replicable solutions. OHFA identified the need to streamline processes to create efficiencies and standardize compliance audits and partnered with an outside vendor to build a new software system to address emerging compliance needs.

Initially developed under the name Allita 360 and later rebranded to OHFA Inspection, the vendor worked with OHFA's Information Technology department to integrate the new software with its existing DevCo platform to perform physical and file audits on site using an iPad. The new software interfaces with the existing system and was a customized build using a two-phased approach for the physical and file inspections. OHFA Inspection allows the auditors to complete LIHTC compliance audits using Uniform Physical Conditions Standards for physical inspections, and perform file inspections using an iPad.

The entire audit may be scheduled, performed, completed, and sent electronically to an OHFA manager for approval before an auditor leaves a property, eliminating the need for additional data entry back at the office. With the emergence of the COVID-19 pandemic, the modular and customizable nature of the software permitted a rapid response from the Agency to create and implement a new feature within 60 days: Tenant File Uploads. The feature facilitated secure tenant file transmissions from remote locations to the OHFA auditors.

All relevant project and tenant level data required for the audit is pulled from DevCo and populated in OHFA Inspection. The random sample size is also generated from OHFA Inspection. The day of the audit, the random sample size of units and files are sent to the project without advanced notice.

OHFA Inspection also shows the availability of auditors on a given day, bringing efficiency to scheduling. Additionally, when multiple auditors are on site, the lead auditor can track the progress of physical inspections in real time. And if a unit or file is inadvertently missed, the lead auditor can easily identify any incomplete units and perform the physical inspections before leaving the property.

OHFA management has access to the status of all projects in the pipeline. Using multiple filters in OHFA Inspection, management can evaluate the progress of each audit and identify potential bottlenecks. This allows managers to take a proactive approach to pipeline management with the flexibility to re-assign audits throughout any stage of the audit process.

Managers review Compliance Audit Reports for accuracy and completeness and approve, approve with changes, or decline the report. Upon approval, the auditor is notified through the OHFA Inspection system, and the CAR is sent directly to the owner and property manager(s) listed on the Contacts tab, which integrates with DevCo contacts. The owner responds and communicates with the auditor directly on the CAR or Findings tab by uploading documents and work orders into OHFA Inspection.

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RESPONSE TO MANAGEMENT CHALLENGES WITH SOLUTIONS - SAMPLE SIZE & COVID-19

Two primary factors strongly contributed to management challenges were the new IRS sample size requirement and the COVID-19 pandemic. In February 2019, the IRS released new sample size requirements for the Low-Income Housing Tax Credit program, which increased the sample selection size by approximately 60% for Ohio LIHTC properties. With limited existing staff to perform LIHTC inspections and budgetary constraints in place preventing the hiring of new staff, the efficiencies gained in the OHFA Inspection software were necessary to meet the increased sample size requirements. Because the new software was so agile in making changes, the compliance team updated the increased random sample size selection for units and files to reflect the new requirement.

In March 2020, the COVID-19 pandemic forced a halt to all physical inspections in Ohio. The vendor created the customized Tenant File Upload and had it fully implemented within 60 days. The component was essential in navigating the COVID-19 pandemic limitations that occurred for the compliance division. The Tenant File Upload feature allows compliance to receive full tenant files from the projects, without advanced notice, through a secure portal. This Tenant File Upload feature also allows auditors to work from home and maintain continuity of the LIHTC program for file audits.

INNOVATIVE AND REPLICABLE

OHFA Inspection is innovative and replicable because it allows seamless integration with existing platforms to streamline and standardize compliance audits for maximum efficiencies. The customizable components of OHFA Inspection is applicable to various existing platforms and permits different levels of usage. In addition, the ability to turn on, turn off and modify certain functions within the software is paramount to navigating today's changing regulatory environment.

The modular capabilities of the software allow auditors and management to use only the components their specific program requires. It's not a one-size-fits-all software system. It can be used as the entire system of record or to fill in the gaps of existing systems.

OHFA Inspection is innovative by achieving the flexibility for front end, as well as back end processes in compliance. Auditors can prepare, schedule, and conduct the physical and file audits using one system. OHFA Inspection is performed on site using iPads; however, it may also be used on a desktop to receive the file uploads, owner responses and reports. The iPad and desktop are interchangeable.

MEASURABLE IMPROVEMENTS IN AGENCY OPERATIONS

Using technology to strengthen agency operations by creating efficiencies to better serve our constituents was the main goal behind the creation of OHFA Inspection. The new software is a measurable improvement over prior processes because it eliminates the need to have multiple systems to track the progression of audits. OHFA Inspection also eliminates duplicating efforts by capturing the audit findings in real time, without using paper. Auditors no longer need to manage sensitive paperwork between the project site and the office; CARs are generated quickly and efficiently, saving the Agency time and money.

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OHFA Inspection also standardized findings between auditors, enhancing the communication between OHFA and our external partners. The projects know what to expect, exactly what needs fixed or clarified and have access to their audit reports throughout the process. This is a marked improvement over multiple emails for clarification regarding different findings between auditors. The Communication log within OHFA Inspection contains email correspondence in one place, instead of scattered in an inbox.

OHFA Inspection also streamlined reporting capabilities and decreased the time needed while on site for an inspection. Because auditors complete the process on iPads, fewer auditors are required, allowing staff to move more quickly through the units for physical inspections.

The speed and efficiency of the processes in OHFA Inspection have allowed the Agency to shorten the timeline for owner responses to 60 days. By shortening the response window and using the tools in OHFA Inspection, the auditors can more efficiently manage their audit pipeline, enabling them to add additional inspections if needed.

EFFECTIVE USE OF RESOURCES & BENEFITS OVER COST

OHFA Inspection is an effective use of resources and has both short-term and long-term benefits over cost. Implementation of the new software and practices for the audits save significant staff and travel time for the Agency. There are fewer strains on resources, such as general automobile operation and maintenance costs, because fewer auditors are required per inspection. It allows the Agency to do more with less and provide better internal and external partner communication.

OHFA Inspection saves significant time for the auditors by generating a CAR after the audit is complete. Previously, manual entry of all physical and file findings was necessary, often taking several hours when the auditor returned to the office. Now, the auditor creates a CAR in a few minutes using OHFA Inspect. And because the system is secure, tenant level data can be transmitted from the project site to the auditors – even if they are working from home. File-only audits no longer require physical travel to the site since OHFA Inspection allows remote file audits using the Tenant File Upload feature.

ACHIEVE STRATEGIC OBJECTIVES

OHFA's compliance division is housed within its Multifamily Housing department, depends on solid working relationships with a variety of stakeholders and partners. Tools that create opportunities for efficient use of time and resources assists in that relationship development and continuity. The OHFA Inspection software has proven to be an ideal technology innovation to achieve those goals. By reducing the time between inspection and report and addressing issues and concerns more quickly, OHFA staff have better opportunities to maintain strategic and positive relationships with our constituents.

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VISUALS

OHFA Inspection was created in a phased approach in order to avoid disruptions in the audit processes. The phases are outlined briefly below:

Description	Undertaken and/or Operational between 5/1/2019 – 6/30/2020	Percent Complete	In use by auditors between 5/1/2019 and 6/30/2020
Phase I – Physical Inspections	Yes	100%	Yes
Phase II – File Inspections	Yes	90%*	Yes
Tenant File Uploads	Yes	100%	Yes

Final completion requirement date for Phase II is 8/31/2020. File inspections are currently completed electronically in OHFA Inspection; however, the final file review form is pending.

Visuals on the following pages display how the OHFA Inspection system works and what various modules look like.

Compliance Audit Report: This view lists the total number of inspections for files and physicals, as well as listing the total number of findings for each by building and unit.

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Expansion of Individual Finding: When expanded, the auditor can approve, deny and/or leave comments on the finding to communicate to the property manager after an audit to correct deficiencies. While this example is for a physical finding, the same process is used for file findings, too.

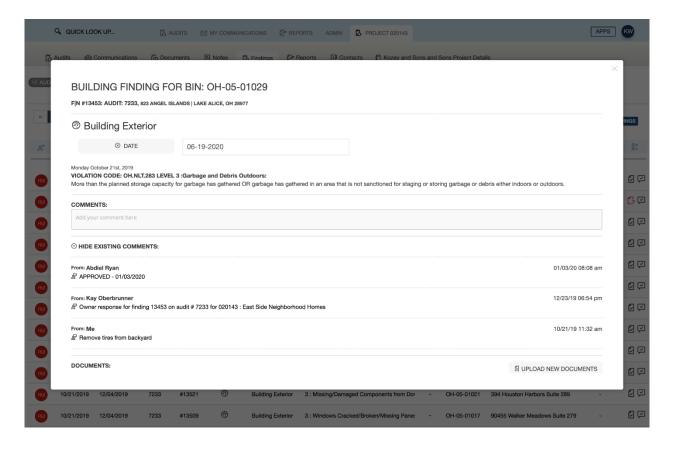# Ohio Housing Finance Agency

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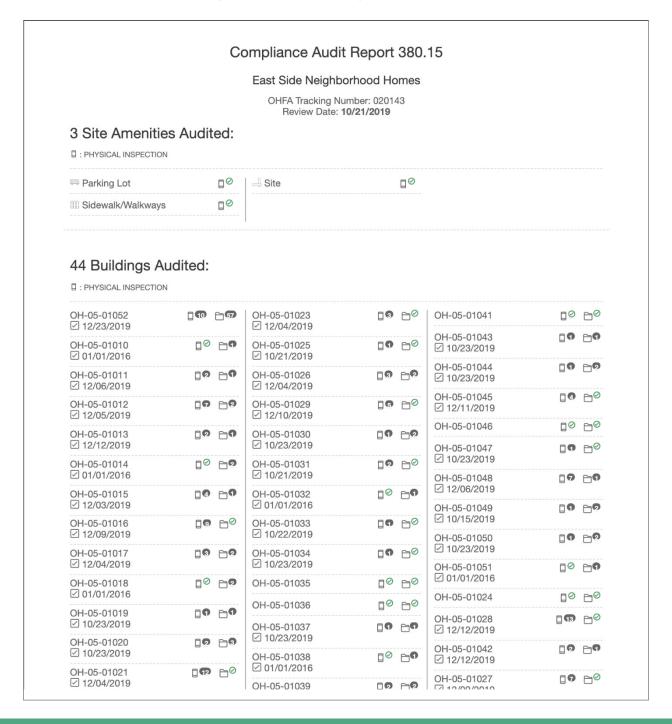Subcategory: Technology
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Compliance Audit Report: Example of the cleared and approved corrections on a CAR for a physical inspection audit. The date of the correction is listed with each finding, which assists in creating accurate Form 8823s.

Compliance Audit Report 380.15

East Side Neighborhood Homes

OHFA Tracking Number: 020143
Review Date: **10/21/2019**

3 Site Amenities Audited:

☐ : PHYSICAL INSPECTION

🚐 Parking Lot	☐⊘	🏛 Site ☐⊘
▥ Sidewalk/Walkways	☐⊘	

44 Buildings Audited:

☐ : PHYSICAL INSPECTION

OH-05-01052 ☑ 12/23/2019	☐❿ 🗁67	OH-05-01023 ☑ 12/04/2019 ☐❾ 🗁⊘	OH-05-01041 ☐⊘ 🗁⊘
OH-05-01010 ☑ 01/01/2016	☐⊘ 🗁❶	OH-05-01025 ☑ 10/21/2019 ☐❶ 🗁⊘	OH-05-01043 ☑ 10/23/2019 ☐❶ 🗁❶
OH-05-01011 ☑ 12/06/2019	☐❷ 🗁❶	OH-05-01026 ☑ 12/04/2019 ☐❸ 🗁❷	OH-05-01044 ☑ 10/23/2019 ☐❶ 🗁❷
OH-05-01012 ☑ 12/05/2019	☐❼ 🗁❷	OH-05-01029 ☑ 12/10/2019 ☐❻ 🗁⊘	OH-05-01045 ☑ 12/11/2019 ☐❹ 🗁⊘
OH-05-01013 ☑ 12/12/2019	☐❷ 🗁❶	OH-05-01030 ☑ 10/23/2019 ☐❶ 🗁❷	OH-05-01046 ☐⊘ 🗁⊘
OH-05-01014 ☑ 01/01/2016	☐⊘ 🗁❷	OH-05-01031 ☑ 10/21/2019 ☐❷ 🗁⊘	OH-05-01047 ☑ 10/23/2019 ☐❶ 🗁⊘
OH-05-01015 ☑ 12/03/2019	☐❹ 🗁❶	OH-05-01032 ☑ 01/01/2016 ☐⊘ 🗁❶	OH-05-01048 ☑ 12/06/2019 ☐❼ 🗁❶
OH-05-01016 ☑ 12/09/2019	☐❺ 🗁⊘	OH-05-01033 ☑ 10/22/2019 ☐❶ 🗁❶	OH-05-01049 ☑ 10/15/2019 ☐❶ 🗁❷
OH-05-01017 ☑ 12/04/2019	☐❺ 🗁❷	OH-05-01034 ☑ 10/23/2019 ☐❶ 🗁⊘	OH-05-01050 ☑ 10/23/2019 ☐❶ 🗁❷
OH-05-01018 ☑ 01/01/2016	☐⊘ 🗁❷	OH-05-01035 ☐⊘ 🗁⊘	OH-05-01051 ☑ 01/01/2016 ☐⊘ 🗁❶
OH-05-01019 ☑ 10/23/2019	☐❶ 🗁❶	OH-05-01036 ☐⊘ 🗁⊘	OH-05-01024 ☐⊘ 🗁⊘
OH-05-01020 ☑ 10/23/2019	☐❷ 🗁❸	OH-05-01037 ☑ 10/23/2019 ☐❶ 🗁❶	OH-05-01028 ☑ 12/12/2019 ☐⓭ 🗁⊘
OH-05-01021 ☑ 12/04/2019	☐⓬ 🗁⊘	OH-05-01038 ☑ 01/01/2016 ☐⊘ 🗁❶	OH-05-01042 ☑ 12/12/2019 ☐❷ 🗁❶
		OH-05-01039 ☐❻ 🗁❷	OH-05-01027 ☑ 12/09/2019 ☐❼ 🗁⊘

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Compliance Audit Report (CAR): View of the detail portion of the CAR, organized by buildings.

Findings & Notes:

🗀 : 96 FILE FINDINGS | ☺ : 75 NON LIFE THREATENING FINDINGS | ☹ : 45 LIFE THREATENING FINDINGS

BUILDING FINDINGS FOR BIN: OH-05-01015 7611 COLFAX ROAD | CLEVELAND, OH 44104

F|N #13507

RESOLVED ON
DECEMBER 03, 2019

☺ Garage | Monday October 21st, 2019
VIOLATION CODE: OH.NLT.268

⚖ Man door- insulation showing where trim is missing

⚖ APPROVED - 01/02/2020

F|N #13506

RESOLVED ON
DECEMBER 03, 2019

☺ Garage | Monday October 21st, 2019
VIOLATION CODE: OH.NLT.291

⚖ Spouting growing trees

⚖ APPROVED - 01/02/2020

F|N #13505

RESOLVED ON
DECEMBER 03, 2019

☺ Building Exterior | Monday October 21st, 2019
VIOLATION CODE: OH.NLT.291

⚖ Upper spouting growing trees.

⚖ APPROVED - 01/02/2020

UNIT FINDINGS FOR UNIT: AYS-0 IN BIN: OH-05-01015 7611 COLFAX ROAD | CLEVELAND, OH 44104

F|N #14304

RESOLVED ON
JANUARY 01, 2016

🗀 File | Thursday October 31st, 2019
VIOLATION CODE: OH.FILE.317

⚖ No student certification in file for 2019

⚖ APPROVED - 01/02/2020

PROGRAMS:

- LIHTC - Bond
- HDAP-LIHTC(OHTF)

F|N #13512   ☺ Living Room | Monday October 21st, 2019

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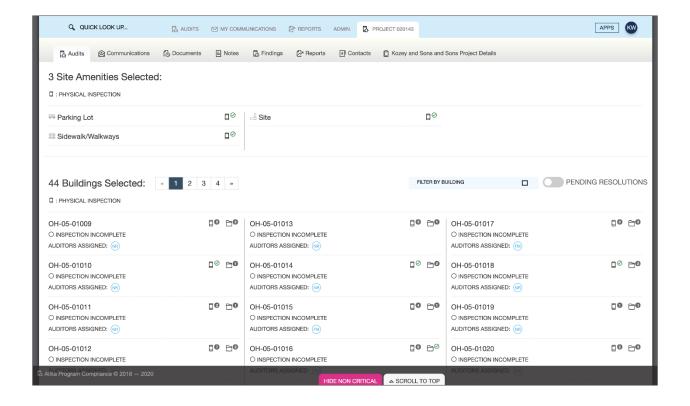   New Technology/Practices
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Detail of Lower Portion of Audit Tab: View from the Audit Tab of the project, listing the number of file and physical finding per unit. If a file or physical inspection is missed during an audit, the lead auditor can refer to this page to identify what was missed by looking at the 'Inspection Incomplete' selection. This is populated in real time and allows auditors in multiple locations to clearly identify the progress of the audit. If a file or physical inspection has been missed inadvertently, the auditors can correct the issue before leaving the site.

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Audit Tab: View of Audit Tab, which gives all pertinent information needed for the project review. The Audit Tab also automatically update the total number of findings by file and physical deficiencies at the top, as well as separating out life threatening findings. The Audit Tab also lists the randomly generated sample selections for units and