



## Missouri Housing Development Commission Non-Compliance Fee Notice

Noncompliance is defined as a period of time a property, specific building, or unit, or management agent is failing to satisfy program requirements. Owners/Managers are strongly encouraged to make every effort to meet MHDC requirements and maintain properties in compliant status or bring properties back into compliant status within the time frame granted. If a property/management agent is not brought back into compliance within the time frame specified, beginning July 1, 2014, MHDC will charge a noncompliance fee in accordance with the following amounts and circumstances:

1. A fee, the greater of (a) \$250 or (b) \$35 per unit/file will be charged if staff must return to the property to review deficiencies or errors noted during the initial inspection after the issuance of an 8823, or if a subsequent inspection determines that deficiencies noted in the previous inspection were not actually corrected as reported by management.

If there are repeated, subsequent, open, noncompliance issues from previous inspections the fee will be \$500/month until corrected. This fee will be retroactive from the first inspection where noncompliance was reported.

For example:

1. First incident of noncompliance = no fee
2. Return visit/second incident = \$250
3. All subsequent incidents/months of noncompliance you are charged \$500 per month until the noncompliance is corrected.

2. A fee of \$35 per hour will be charged if staff must return to the property to verify unrepaired deficiencies discovered during a Latent Defect Inspection (LDI).

3. A fee, the greater of (a) \$250 or (b) \$35 per unit/file will be charged if an initial inspection is rescheduled because the owner/management representative was not onsite at the designated time and location or if residents did not receive proper notice of inspection.

4. A fee of \$250 per occurrence will be assessed for failure to submit any of the required documentation in the time frame requested (see Exhibit A-20 for published schedules). The following list is not comprehensive but offers examples of when the fee will be applied: annual utility allowance documentation, annual owner certification, resident income; and rent report with any supporting documentation, financial documents, budgets, 8609s, COL submissions, physical needs inspections; and/or documentation responding to findings.

5. A \$1,000 fee will be assessed if there is a change in the owner or the limited partnership, such as a transfer of the ownership interest of one or more limited partners or general partners without prior notice and/or approval from MHDC. Please note the partnership may not delete, amend or modify any provision of the partnership agreement or organizational documents, voluntarily dissolve the partnership, or convert the partnership to another form of entity.

6. A \$1,000 fee will be assessed if there is a complete transfer of the management agent of the property from the current owner to an entirely different management agent without prior notice and/or approval from MHDC. Please note that MHDC retains the right to require replacement of the management agent; this includes a management agent that has not been approved by MHDC prior to taking over management of a property.

7. A fee of \$250 will be charged for failure to report: 1) casualties or crimes that result in damage to the property or serious bodily injury or death such as, on-property homicides, rapes; or 2) resident-initiated law suits (excluding rent-related matters or failure to return a security deposit) within 30 days of the event.

8. A fee of \$250 will be charged for failure to recertify as a Certified Management Agent before the submission deadline. The \$250 fee will increase by an additional \$250 each month that the recertification application is late. For example, an application that is three months late will result in a \$750 noncompliance fee.

The above list is not conclusive, and MHDC reserves the right to remove or include additional circumstances and fees when deemed necessary.

Properties will be billed for noncompliance fees which are to be paid within 30 days. If the property has an MHDC loan, MHDC will debit the appropriate reserve account.

The owner/manager has the right to appeal non-compliance fees. All appeals of non-compliance fees must be made in writing within 30 calendar days from the date of the non-compliance assessment letter or email. MHDC will respond to an appeal within 45 days of the date an appeal is received. All fees assessed are to be paid immediately if the Director of Asset Management determines the fees are warranted.

Appeals should be sent to:

Scott Hanak  
Director of Asset Management  
Missouri Housing Development Commission  
505 N. 7th Street, Suite 2000  
St. Louis, MO 63101