

AUDIT IMPLEMENTATION PLAN
Housing Preservation and Development
Vacancies at the Clinton Towers Mitchell Lama Housing Development-Report # 2017-N-1
March 8, 2018

Audit Finding	Audit Recommendation	Corrective Action Plan & Agency Response
Historical Vacancies at Clinton Towers	<p>1. Recommendation: Implement policies and procedures for staff to follow when conducting audits or reviews of housing company operations, including processes for monitoring and acting on extended vacancies.</p>	<p>1. Corrective Action: HPD has an established process for staff to monitor vacancies within the City Mitchell-Lama portfolio. We are enhancing our periodic site visits to include more detailed review of extended vacancies, which will help to ensure that management is in compliance with the directive on timeliness of filling apartments.</p> <p>Agency Response: HPD property managers sent out a revised Vacancy Report form in September 2017 to the managing agents. HPD provided training at that time to the managing agents regarding filling vacancies and completing the revised vacancy form. We are tracking vacancies and following up by email or telephone when reports are not filed or are deficient.</p>
Current Vacancies at Clinton Towers	<p>2. Recommendation: Formally establish and clearly communicate a timeframe for housing companies to fill vacant units.</p>	<p>2. Corrective Action: On June 23, 2017, HPD sent a directive to all managing agents requiring them to fill their Mitchell-Lama vacancies within 120 days. This timeframe is based on our experience with the Mitchell-Lama portfolio and the numerous steps that must occur before a new tenant moves into a unit. Those steps include: making the apartment ready, which can include extensive repairs; mailing letters offering the unit to the applicant(s) at the top of the waitlist; the applicant is then given sufficient time to respond to the letter and express interest. The time applicants are given to respond varies by development; at Clinton Towers, applicants have two weeks to respond to an Offer Letter. Since an applicant may have applied and been placed on the waitlist years before they are offered an apartment unit, they may no longer be interested in obtaining the Mitchell-Lama unit. Therefore, this process repeats until an applicant responds to management stating that they are interested in the apartment. The interested applicant must be vetted first by management and then by HPD to ensure that they meet the Mitchell-Lama requirements.</p> <p>Agency Response: Implemented on June 23, 2017. After a concerted effort by management and using the revised rent up processes recommended by HPD, only six units were vacant as of March 8, 2018 and none have been vacant for more than 120 days. We continue to very closely monitor this site to ensure the prompt rental of vacant units.</p>

HPD's Oversight Issues	<p>3. Recommendation: Obtain and review quarterly vacancy reports from Clinton Towers to ensure that vacancies are filled within the established timeframe.</p>	<p>3. Corrective Action: HPD is working with Clinton Towers' management to ensure that vacancies are filled, and that accurate and complete vacancy reports are submitted quarterly.</p> <p>Agency Response: Clinton Towers has significantly improved its process. At this time, no vacancies are older than 120 days and there are only six vacancies. We continue to very closely monitor this site to ensure the prompt re-rental of vacant units.</p>
	<p>4. Recommendation: Follow up on the specific longstanding vacancies identified in this report and ensure that they are filled promptly.</p>	<p>4. Corrective Action: HPD is working with Clinton Towers' management to ensure that the longstanding vacancies are filled, and will ensure that all other vacancies are filled promptly as well.</p> <p>Agency Response: All of the longstanding vacancies have been filled and management has improved its ability to fill new vacancies. We have been in constant communication with management and they now have vacancies that fall within, rather than beyond, the 120-day timeframe. They have also been instructed to alert HPD if any of the units are left in very poor condition and will take a longer time to repair.</p>