

CHAPTER 8

PHYSICAL CONDITIONS CRITIQUE

The Agency's Technical Services Division is responsible for the physical observation of all Agency-funded properties. The review is known as the Physical Conditions Critique (PCC).

The Technical Services Representative (TSR) conducts an initial construction warranty inspection in the eleventh month following the completion of construction. This review includes 100 percent of units, buildings, common areas, and grounds. Thereafter, the PCC is performed annually for properties with 12 or more units and biennially for properties with 11 and under units. A minimum 20 percent of units are selected as well as 100 percent of all buildings, including common areas and grounds. This critique is conducted throughout the term of the mortgage and/or the affordability period, whichever is longer.

The owner/agent is encouraged to perform their own periodic inspections of the property, including occupied units, during the course of the year. This is an opportunity to monitor the conditions prior to the PCC.

The PCC is conducted by the Agency TSR in conjunction with the owner, agent, and manager to ensure that the property is being maintained in accordance with the Agency minimum housing standards and HUD Housing Quality Standards (HQS). The management agreement requires that residents be given a minimum of 48 hours prior written notice of the PCC.

The TSR will send a report summarizing the results of the PCC to the owner, agent, and manager. This report includes a building and grounds report and a unit-by-unit critique. The Agency requires a written progress report on a stated time schedule identifying plans for repair of all outstanding items until completion.

Properties with tenant paid utilities, please reference Exhibit 8 for detailed instructions regarding the submission of utility allowance information.

NOTE: Major health and safety issues must be corrected immediately. Properties with an allocation of tax credits are subject to LIHTC noncompliance when applicable.

Contact the TSR assigned to your property for further information and guidance.