ODMSD PROGRAM VACANCY PAYMENT POLICIES

I. Background

OHFA will provide vacancy payments to owners participating in the Ohio Department of Medicaid Subsidy Demonstration Program (ODMSD) in two distinct cases: (1) at initial occupancy when an ODMSD-eligible tenant (ODMSD Tenant) is unable to be matched with a unit and (2) after tenant move-out when a new ODMSD Tenant is unable to be matched with the unit.

The following policies outline the two vacancy payment scenarios.

II. Vacancy Policies

a. Initial Occupancy Vacancy

1. At least ninety (90) days before an ODMSD Qualified Unit (ODMSD Unit) is placed in service, the owner/property manager must notify the OHFA Waitlist Manager and Socialserve of the available unit. The notification will trigger a match with an ODMSD Tenant for the available unit.

2. If a tenant match has not been made and (1) the ODMSD Unit has been placed in service for at least 30 days and (2) the Operating Assistance Agreement has been executed for at least 30 days, the Owner may make a claim for a vacancy payment for the 30-day period following its placed-in-service date.

3. The vacancy payment is calculated as 80% of the daily contract rent for that unit multiplied by the number of days that the unit remains vacant, up to a maximum of sixty (60) days.

4. The OHFA Waitlist Manager, in coordination with Socialserve, will continue to find qualified ODMSD Tenants during the vacancy. The owner/property manager must make a good-faith effort to lease the unit to a prospective ODMSD Tenant as quickly as possible.

5. An ODMSD Unit that remains unleased to a qualified ODMSD Tenant after 60 days of vacancy payments may then be rented to any tax credit qualifying tenant according to the owner/property manager’s Tenant Selection Plan. If the number of ODMSD Units falls below that required by the project as defined in the Contract, the next available unit must be held as an ODMSD Unit until the required number of ODMSD Units is met.

b. After Tenant Move-Out

1. The owner/property manager must notify Socialserve and/or the OHFA Waitlist Manager of the date when an existing tenant will vacate the unit immediately after the date is made known to the owner/property manager. The notification will trigger a match with an ODMSD Tenant for the available unit. The owner/property manager must also notify Socialserve and/or the OHFA Waitlist Manager when the unit is rent ready.

2. If 30 days have elapsed after the vacancy notice has been received, the unit is rent ready, and a tenant match has not been made, the owner may make a claim for a vacancy payment for the 30-day period following rent readiness.
a. The owner must provide a copy of the security deposit disposition notice provided to the vacating tenant which indicates the move-out date, amount of security deposit collected, amount of security deposit returned and any charges withheld from the deposit for unpaid rent, tenant damages or other charges due under the lease, and any additional information required and requested by OHFA to verify that the owner is entitled to the vacancy payment.

3. The vacancy payment is calculated at 80% of the daily contract rent for that unit multiplied by the number of days that the unit remains vacant, up to a maximum of sixty (60) days.

4. The OHFA Waitlist Manager, in coordination with Socialserve, will continue to find qualified ODMSD Tenants during the vacancy. The owner/property manager must make a good-faith effort to lease the unit to a prospective ODMSD Tenant as quickly as possible.

5. An ODMSD Unit that remains unleased to an ODMSD Tenant after 60 days of vacancy payments may then be rented to any tax credit qualifying tenant according to the owner/property manager’s Tenant Selection Plan. If the number of ODMSD Units falls below that required by the project as defined in the Contract, the next available unit must be held as an ODMSD Unit until the required number of ODMSD Units is met.

6. The owner/property manager must certify that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed.