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Policing vs. Partnering: The Compliance Monitor Function

By Brian Carnahan, HCCP, Ohio Housing Finance Agency

I am often challenged in my role as the leader of a compliance monitoring team. I occasionally joke that it is funny how I have trouble following rules yet spend my days enforcing rules. This personal “struggle” reflects – I hope – the challenge faced daily by persons who are in a regulatory role such as affordable housing compliance. Each day we must make interpretations and decisions about when and how the rules apply. This leads to an important question: “Do you work to find mistakes and non-compliance, or do you look for ways to help others perform at a higher level and solve problems?” This is a difficult question as it involves some self-reflection. The answer may not be one that pleases you. I often confront the issue of what I call “policing versus partnering;” one philosophy creates an environment of confrontation, while the other creates an environment of collaboration. I find that generally, those with a “policing” or “gotcha” philosophy and attitude are very passionate about their work. They care about the housing programs and want to achieve the right outcomes. Unfortunately, that philosophy is not the most effective. It impacts how we deliver services, it affects the way owners and managers respond, and it influences how residents are served. Property managers take their cues, in part, from those who regulate them. They will enforce the rules for residents in the same manner the rules are applied



to them because of the potential consequences in a policing - or “gotcha” - environment.

Policing Environment

How do you know if you are in a policing monitoring environment? Some characteristics that I have observed in these types of environments include:

1. Problems are hidden, not shared, and owners and managers appear to reluctantly engage you with questions. In a “partnership” environment, owners and managers can approach the monitor with questions and issues.
2. The relationship with many owners and managers is

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- contentious when problems are identified during reviews; there is no sense that the problem can be solved together.
- Monitoring staff seek out problems rather than using the monitoring visit as an opportunity to educate and inform.
 - Customers seek to have everything in writing, not trusting that advice or recommendations will be honored in the future.

The difference in philosophies is not in standards, it is how those rules and standards are applied.

The difference in philosophies is not in standards, it is how those rules and standards are applied. I would argue that owners and agents can and should be held to very high standards in a partnership environment. As entities benefiting from public programs and financing, they have an obligation to provide the best possible housing to their residents, and at the same time meet other critical public policy objectives. We must ensure that occurs as affordable housing compliance regulators. The difference is in approach, attitudes and behavior.

One question that may be posed is: What about the influence of prior performance? Have some owners and managers “earned” greater scrutiny? The easy answer is yes, some have. Nonetheless, that should not change the philosophy or approach to monitoring.

Partnership Environment

As a compliance monitor or regulator, if you are in a policing environment and would like to work toward a partnership environment, consider the following recommendations that may create the right conditions:

- Be open to questions and feedback from customers. Regulators always have to be cautious about being “captured” – this is the idea that regulators are controlled or overly influenced by members of the industry they monitor, such that the decisions rendered are overly favorable to the industry.
- Survey customers and follow up on reviews by calling and talking to project owners and agents. There are many free and easy-to-use web-based survey tools.
- Conduct regular training to ensure staff is up to date on the programs, but also to provide an opportunity to discuss situations. This can give you a better understanding of what staff in the field is experiencing and how they might be interacting with customers.
- Implement customer service standards/expectations and enforce them. Do you set the stage by using the term “customer”?
- Challenge staff on gotchas - real or perceived. It is not just the actions that have to be monitored, but attitudes and words as

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well.

- ♦ Model the attitudes and behavior you expect. If you use gotcha type language everyone will think it is okay. It is an easy trap to fall into, especially if you care about your work and witness customers taking actions that appear intentionally designed to be non-compliant.
- ♦ Strategize ways for customers and stakeholders to interact with you. One avenue is through conferences, another is through advisory committees. The Ohio Housing Finance Agency (OHFA) has had an advisory committee for more than a decade. This group has helped the agency develop trainings, and often serves as a sounding board during the development of policies.

What if you are a manager or owner? What steps can you take to maintain or help build a partnership environment? These same steps can also help you survive a policing or gotcha environment:

- ♦ Recognize that monitors often have limited flexibility in making decisions about non-compliance. Some rules simply must be enforced.
- ♦ Participate in trainings and meetings sponsored by the monitor. Not only are these learning opportunities, but they are also networking opportunities. Relationships matter.
- ♦ Implement clear processes and procedures for maintaining compliance. Doing your best to avoid non-compliance will help no matter what environment you are working in.
- ♦ Know the rules and regulations of the programs assisting your projects.
- ♦ Implement a stringent quality control process.
- ♦ Have high expectations for customer service.
- ♦ Avoid gotchas with your own staff.

The role of a monitor or regulator is difficult; the job of the owner and manager is not simple either. Monitoring agencies are asked to enforce rules and monitor the performance of complicated housing programs intended to benefit low- to moderate-income households. We do it in an environment with many and varied players who all have an interest in our decisions and actions. Doing this work with wisdom, compassion and common sense is not easy. Nonetheless, by creating the right environment of partnership and collaboration, we can make the work of the monitor, owner and manager more effective - and dare I say more enjoyable - while at the same time achieving high performing affordable housing portfolios. ♦

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