



Asset Management Notice

To: All Owners and Managers

Notice # 2021-01

From: Bob Conroy, Director of Asset Management

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I. HUD Multifamily Questions & Answers – Updated 1/4/21

HUD has issued an update to their Q&A effective 1/4/21. There are a number of areas within the document receiving updated guidelines and/or extensions. A few we would like to highlight:

“PBCA’s have been granted an extension until 5/31/2021 to continue meeting its contract obligations related to conducting the on-site physical plant inspections without entering residents units. A physical on-site visit to the property must still occur to document the physical conditions, general appearance, and security of the property, and the visit should include a visual assessment of each building, including the common areas, and the grounds of the property.”

Another key update we feel needs to be highlighted relates to Owner/Agent annual inspection requirement. Under the Asset Management Section –

“Q4: During tenant file reviews, owners are concerned about being penalized on MORs for not having conducted annual unit inspections due to COVID-19. Will HUD forgo annual inspections for the tenant files represented at Addendum A, Section C, question 7 of form HUD-9834?”

A: HUD will not waive the requirement for an owner to perform annual unit inspections at this time. Per HUD Handbook 4350.3, REV-1, paragraph 6-29.A.3, owners perform unit inspections on at least an annual basis to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced. If local or state health department COVID-19 guidance prevents owners from entering a unit, the owner should consult with the tenant to confirm if there are any issues with appliances, equipment, or other components in the unit and document the tenant’s reporting. Owners may also consider utilizing electronic means to perform remote or virtual unit inspections and as a means of submitting work orders to minimize in-person interactions during the pandemic, when possible.”

(Added 1/4/2021)



To see the full Q&A Update – please visit:

https://www.hud.gov/sites/dfiles/Housing/documents/HUD_Multifamily_Corona_QA_FINAL.pdf

II. IRS Notice 2021-12

On January 15th, the IRS issued Notice 2021-12 which extends COVID-19 relief measures originally provided under Notice 2020-53, along with the addition of new measures.

Under the section Grant of Relief for Operational Provisions the following extensions apply:

A. Income Recertifications

An Owner of a low-income building is not required to perform income recertifications for the period beginning on April 1, 2020 and ending on September 30, 2021. The Owner must resume the income recertifications due after September 30, 2021 or as required by the Agency.

MaineHousing will require a Tenant Self Certification Form to be completed for each tenant file during this period of time unless the project is exempt from recertification requirements (i.e. 100% LIHTC with no other funding or deeper income targeting). **Please note** that this is for recertifications only, new move-ins require a full Tenant Income Certification.

Note: IRS staff has clarified that the waiver applies to income certifications only, and does not apply to annual certification of student status. Households must continue to certify student status during the April 1, 2020 - September 30, 2021 timeframe.

This waiver does not apply to Tax Exempt Bond properties – these require full certifications each year.

B. Compliance Monitoring

MaineHousing is not required to conduct compliance monitoring inspections or file reviews in the period beginning on April 1, 2020 and ending on September 30, 2021. The Agency must resume compliance monitoring inspections and reviews starting October 1, 2021 or sooner as required by the Agency.

Note: Although the IRS does not require the review/inspection to be conducted or made up, other funding requirements may supersede the IRS and require it to be completed. MaineHousing has elected to proceed with tax credit management and occupancy reviews (MORs) for properties with FedHOME, HTF, or bond financing. We have elected at this time, for the safety of our staff, management staff and residents – to delay any inspections of tax credit properties.

All delayed inspections and any MORs not completed in 2020-21 due to COVID-19, will require a make-up inspection and/or review as soon as deemed appropriate.

C. Common Areas and Amenities

If an amenity or common area in a low-income building or project is temporarily unavailable or closed during some or all of the period from April 1, 2020, to September 30, 2021, and if the unavailability or closure is in response to the COVID-19 pandemic and not because of other noncompliance for § 42 purposes, then this temporary unavailability or closure does not result in a reduction of the eligible basis of the building.

The Notice can be read in its entirety at: <https://www.irs.gov/pub/irs-drop/n-21-12.pdf>

III. HUD issues Revision, Extension and Update of April 2020 Memorandum-Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID -19 Pandemic

MaineHousing's Asset Management Department has requested permission from HUD to utilize the waivers outlined in this newest revision as follows (excerpts taken directly from the memo):

Income Documentation

1) Source documentation for Income Determinations

Property managers may use self-certification of income, as provided at 24 CFR 92.203(a)(1)(ii), in lieu of source documentation to determine eligibility for HOME assistance of persons requiring assistance where source documentation does not accurately reflect current income and/or where social distancing measures make submission of source documentation unduly difficult.

This waiver applies to individuals and families who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program, and individuals and families that are existing tenants of HOME rental projects or current recipients of tenant-based rental assistance, who would be placed at risk or experience hardship by submission of source documentation, as determined by the PJ, in consideration of national, state or local health authorities' COVID-19 guidelines.

Additionally, the Department has determined FPUC benefit was temporary in nature and excluded from income under 24 CFR 5.609(c)(9) and the Lost Wages Supplemental Payment Assistance is excluded from income under the Stafford Act, in accordance with 24 CFR 5.609(c)(17). The FPUC benefit and Lost Wages Supplemental Payment Assistance therefore must not be taken into consideration when determining eligibility.

2) Source Documentation for Income Re-examinations

Property managers may use self-certification of income, as provided at §92.203(a)(1)(ii), in lieu of source documentation to re-examine the income of

tenants residing in a HOME multifamily project with a period of affordability of 10 years or more, if the reexamination of tenant income required in every sixth year of the project's period of affordability occurs on or before September 30, 2021.

It is recommended that the Owner/Agent use either the MaineHousing approved self-certification of income form found at: https://mainehousing.org/docs/default-source/asset-management/forms/low-income-housing-tax-credit-forms/form---lihtc-self-certification.pdf?sfvrsn=4071d015_22 or HUD's revised sample self-certification of income form that can be found at: https://www.hudexchange.info/resource/6069/home-sample-self-certification-of-annual-income-form/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=36d2eda815-Updated-HOME-Sample-Self-Cert_2020_12_18&utm_medium=email&utm_term=0_f32b935a5f-36d2eda815-19265677

On-Site Inspections of HOME-assisted Rental Housing

Under this newest memorandum, HUD has extended the waiver of its requirement to perform on-site inspections through September 30, 2021. The waiver is applicable to ongoing periodic inspections and does not waive the requirement to perform initial inspections of rental properties upon completion of construction or rehabilitation. Within 120 days of the end of this waiver period, PJs must physically inspect units that would have been subject to on-going inspections during the waiver period.

The waiver is also applicable to on-site reviews to determine a HOME rental project's compliance with rent and income requirements if the project owner is unable to make documentation available electronically.

The Memorandum can be read in its entirety at:

<https://www.hud.gov/sites/dfiles/CPD/documents/HOME-General-Susp-and-Waivers-Revisions-Final.pdf>

IV. LIHTC Allocating Agency Utility Allowance Schedule Updated

The **LIHTC Allocating Agency Utility Estimates** have been updated, effective 1/1/2021 and are published here: <http://www.mainehousing.org/partners/partner-type/asset-management>

It is important to note that the standard offer rate decreased by 12% for CMP and there was also a 20%+ decrease in fuel oil prices which has impacted the UAs causing a reduction in UA amounts.

If you have questions concerning this information, please contact your Asset Manager.

Please note that MaineHousing provides notices as a service to our partners. Notices are not intended to replace ongoing training and do not encompass all compliance and regulatory changes that may occur on the wide arrange of housing programs in which we work. MaineHousing recommends partners establish an ongoing training program for their staff.

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