



## **COMPLIANCE MONITORING GUIDANCE DURING COVID-19 PANDEMIC**

The Hawaii Housing Finance and Development Corporation (HHFDC) continues to monitor the situation with the COVID-19 pandemic and as additional information becomes available, reserves the right to update or modify the guidance below.

In response to concerns related to COVID-19 and HHFDC's operations, HHFDC is implementing the following process for compliance monitoring for the safety of residents, affordable housing partners, staff, and consultants:

### **ANNUAL AUDITED FINANCIAL STATEMENTS**

Certain Declarations and/or Regulatory Agreements require the submission of Annual Audited Financial Statements (AFS). These are typically due within 90 days after the end of the fiscal year.

Please submit electronically in pdf format to Donna Ho, Compliance Specialist, at [donna.m.ho@hawaii.gov](mailto:donna.m.ho@hawaii.gov). If there are delays in completing the AFS, please inform Compliance Specialist to request an extension.

### **CERTIFICATION AND APPLICATION FOR RENTAL PAYMENTS UNDER THE RENTAL ASSISTANCE PROGRAM (RAP)**

The Certifications and Applications for RAP are due by the 7th day of the prior month for which RAP is being requested. Provide RAP reports with supporting Tenant Income Certifications (TIC) electronically to [donna.m.ho@hawaii.gov](mailto:donna.m.ho@hawaii.gov). Please do not send hard copies.

### **ANNUAL REPORTS FOR LIHTC, RHRF AND DURE**

Annual Reports with attachments are due to Spectrum and HHFDC electronically by February 1<sup>st</sup> of each year. Please do not send hard copies. Current forms and instructions are available for download from [www.spectrumlihtc.com](http://www.spectrumlihtc.com).

### **HULA MAE MULTIFAMILY (HMMF) BOND REPORTS**

The Quarterly HMMF Bond Reports are submitted to Spectrum electronically by the following dates:

- 1st Quarter: JAN-MAR, Due APR 15th
- 2nd Quarter: APR-JUN, Due JUL 15th
- 3rd Quarter: JUL-SEP, Due OCT 15th
- 4th Quarter: OCT-DEC, Due FEB 1st (submitted to Spectrum and HHFDC electronically)

Current form and instructions are available for download from [www.spectrumlihtc.com](http://www.spectrumlihtc.com). The reports must be signed by the owner/authorized representative. A notarized signature is no longer required. The notary page has been removed. Please do not send hard copies.

## COMPLIANCE MONITORING GUIDANCE DURING COVID-19 PANDEMIC (continued)

### **COMPLIANCE MONITORING FEES**

Submit compliance monitoring fee payments with separate checks by program to HHFDC by February 1<sup>st</sup> of each year or by deadline if specified by HMMF Declaration.

### **FUNDS AUTHORIZATION REQUESTS FOR REPLACEMENT RESERVE**

Provide Funds Authorization Requests electronically to [donna.m.ho@hawaii.gov](mailto:donna.m.ho@hawaii.gov). Please do not send hard copies.

### **REAL PROPERTY TAX LOW-INCOME RENTAL HOUSING EXEMPTION WITH CITY & COUNTY OF HONOLULU**

If requesting HHFDC to certify compliance, send owner request letters by email in pdf format to [donna.m.ho@hawaii.gov](mailto:donna.m.ho@hawaii.gov). Please do not send hard copies.

### **COMPLIANCE REVIEWS**

Continue to provide responses electronically to Spectrum and/or Compliance Specialist.

### **PHYSICAL INSPECTIONS**

Physical inspections by Spectrum and Compliance Specialist have currently been suspended until October 1, 2021. Please refer to IRS Notice 2021-12 for more details. (<https://www.irs.gov/pub/irs-drop/n-21-12.pdf>)

### **ELECTRONIC SIGNATURES**

**With the current COVID-19 situation, e-signatures on leases and TICs are allowed.** In addition, if owners/agents cannot complete documentation, the reason should be noted in the file. When the pandemic is over, owners/agents should complete their documentation as soon as possible.

### **VERIFICATIONS OF INCOME AND ASSETS**

Management may not be able to obtain 3rd party verifications with some businesses closed. Therefore, alternative forms of verification may be obtained (i.e., pay stubs, bank statements, etc.). Such alternate documentation must adequately verify that the households being placed meet the income and asset qualifications.

### **TENANT INCOME RECERTIFICATIONS FOR APRIL 1, 2020 AND ENDING SEPTEMBER 30, 2021.**

The Internal Revenue Service (IRS) published Notice 2020-53 (<https://www.irs.gov/pub/irs-drop/n-20-53.pdf>) and Notice 2021-12 (<https://www.irs.gov/pub/irs-drop/n-21-12.pdf>) that included specific provisions that adjust LIHTC compliance requirements for the period beginning April 1, 2020, and ending September 30, 2021.

These provisions include Owners are not required to perform tenant income recertifications for the period beginning April 1, 2020 and ending September 30, 2021. Owners will not be penalized for not performing tenant income recertifications during this time frame.

As HMMF, RHRF, 1602, TCAP, and DURF follow the LIHTC guidelines in many areas of compliance, these provisions will extend to these programs.

## COMPLIANCE MONITORING GUIDANCE DURING COVID-19 PANDEMIC (continued)

### **RAP Compliance**

Please note that annual recertifications are still due annually for the RAP program. The justification for the assistance must be continually verified.

### **HOME/NSP Program Compliance**

The following memorandum updates and revises the memorandum, *Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19 Pandemic*, issued on April 10, 2020. The memorandum revises and extends certain statutory suspensions and regulatory waivers outlined in the April 2020 Memo through September 30, 2021.

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

The Sample Self Certification, updated on December 4, 2020 may be used for HOME Certifications due between **April 10, 2020 and September 30, 2021** if the individuals or families have lost employment or income either permanently or temporarily due to the COVID-19 pandemic.

<https://www.hudexchange.info/resource/6069/home-sample-self-certification-of-annual-income-form/>

### **NOTE: City & County of Honolulu – HOME Program Compliance**

For HOME projects under the City & County of Honolulu, please contact your HOME Coordinator. You will need to seek authority from the PJ to implement any waivers.

Please note, a full move-in and annual certification must be completed for all HOME assisted households that have not incurred a financial hardship due to the COVID-19 pandemic.

Ensure that tenants have been informed of your existing procedures regarding management office closures and emergencies.

Owners/agents need to keep informed of CDC guidelines and the direction of local health officials. Owners/agents need to determine their steps and procedures to keep their staff and tenants safe.

Reports and requests are submitted electronically to HHFDC by emailing to [donna.m.ho@hawaii.gov](mailto:donna.m.ho@hawaii.gov). Please contact Compliance Specialist if you have any questions.