
Arizona Department of Housing 2020 Information Bulletin

REGARDING PROGRAMS: Rental Compliance

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit (LIHTC), HOME, State and National Housing Trust Fund (HTF) and Neighborhood Stabilization Programs (NSP) Compliance

INFORMATION BULLETIN No. 17-20 UPDATED

ISSUED: August 13, 2020

RE: COVID-19 Compliance Guidance for ADOH Assisted Rental Properties

The Arizona Department of Housing (“ADOH”) has been monitoring the situation regarding COVID-19 and how it affects our business operations. For ADOH, that means understanding how it impacts our employees, residents, owners/agents, and then making the necessary adjustments to our operations.

Our priority is to keep you, your residents and our employees safe. For this reason, we are providing the following guidance below with updates from IRS Notice 2020-53, published July 1, 2020:

On-Site Visits – No change

All on site unit and property inspections have been postponed until December 31, 2020. ADOH Compliance will continue to conduct desk audits of resident and project files through the end of this year. Owners/Agents for projects that are due for a desk audit will be contacted individually with further instructions. ADOH will resume on site property inspection when the current situations improve and it is safe for all to do so. This could be prior to the current December 31, 2020 postponement. Any changes will be announced via an updated Information Bulletins.

Site Visit response deadlines – No change.

If the due date for any finding letter issued by ADOH is between March 19, 2020 and July 31, 2020 please submit a request, via email, to the Officer in Charge of the visit. ADOH may grant extensions if there is good cause. If applicable, please explain in your request how COVID-19 is preventing the correction of the issue and the date that you believe you can resolve the matter in order to provide a complete response to ADOH.

- Projects in the Compliance Period – In the absence of federal guidance, staff cannot grant extension beyond what is permissible under Section 42 for 8823 reporting purposes.
- Post-15 Projects - ADOH may have some flexibility in extending response deadlines further.

Resident Services/Common Areas – No change

June 29, 2020 AZ-Executive Order 2020-43 was issued effectively limiting public gatherings in excess of 50 individuals. The Executive Order also clarifies that multi-family pools can remain open provided you are following all safety precautions. ADOH's recommendation is to ensure you are abiding by all CDC, State and Local guidance pertaining to the proper operation and safety measures for common areas and amenities.

Pools:

https://azgovernor.gov/sites/default/files/guidance_for_pools.pdf

On July 1, 2020 the IRS issued common area guidance which states; *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 December 31, 2020, in response to the COVID-19 pandemic, and not because of other noncompliance for § 42 purposes, this temporary closure does not result in a reduction of the eligible basis of the building.*

It will be at the sole discretion of owner/agent to limit access to common area amenities. Please note: should you choose to limit access to the office, you must still keep the line of communication open with residents as much as possible during regular office hours. Please notify the Compliance Program Manager if you intend to limit access to these areas.

ADOH would highly recommend continuing conversation with your legal counsel concerning liability of any associated party who is not adhering to social distancing and/or any other COVID-19 safety precaution.

Recertifications - CLARIFICATION

ADOH has allowed various documents to be received and signed electronically. While we did not allow for the Tenant Income Certification or lease to be signed electronically, we are temporarily lifting this restriction to allow for recertifications to be completed as timely as possible while still adhering to all CDC and local health official recommendations as well as IRS regulations.

On July 1, 2020 the IRS issued recertification guidance which states; *An Owner of a low-income building is not required to perform income recertifications under § 1.42-5(c)(1)(iii) in the period beginning on April 1, 2020, and ending on December 31, 2020. The Owner must resume the income recertifications as due under § 1.42-5(c)(1)(iii) after December 31, 2020.*

While the guidance allows income recertifications to be delayed for the remainder of the year, it does not delay or exempt owners/agents from ensuring LIHTC households are still meeting student eligibility requirements. If an owner/agent chooses to utilize the income recertification delay allowed by the IRS, ADOH will require the following be in a resident's file to ensure household meets student status requirements under the LIHTC Program:

- The ADOH Self Certification TIC with Part IV – Student Status completed.
- Or owner/agent's company created Student Status form.

The waiver listed above only applies to recertifications for in place residents. Owners/Agents are still required to income qualify households at move in to ensure eligibility under the LIHTC Program.

Other federal laws – No Change

At this time, there are no waivers of the requirements of the Federal Fair Housing Act, the Violence Against Women Act, Section 504 of the Rehabilitation Act, or the Americans with Disabilities Act. Your property must continue to make reasonable accommodations and process transfer requests related to disabilities or VAWA protections.

Vacant units – No Change

Vacant low-income/state assisted units must be leased to qualified households. At this time, there is no relief to use low-income/state assisted units for any other purpose, even if it is related to COVID-19.

If you have any questions please contact Juan Bello, Compliance Program Manager, at 602-771-1074 or via email at juan.bello@azhousing.gov.



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