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DATE: March 26, 2020

TO: Owners/Agents of Properties with MHDC Funding and Low Income Housing Tax Credits

FROM: Scott Hanak, Director of Asset Management Department, MHDC

RE: Guidance on COVID-19 (Coronavirus) - Update #3

The Missouri Housing Development Commission (MHDC) thanks you for your patience as we continue to monitor the Covid-19 situation and how it continues to impact the health, safety, and well-being of our employees, residents, and owners/agents, and the financial disruption that this virus is causing for our partners, the Affordable Housing Industry, and Housing Finance Agencies across the Country. MHDC has been inundated with calls and concerns and is committed to making the necessary adjustments to our operations. Below are the most recent and up to date changes MHDC is making during this difficult time:

Physical Inspections: MHDC has proactively cancelled all inspections through April 30, 2020. MHDC will continue to cancel incrementally as deemed necessary to protect the health and safety of our staff, partners, and residents.

Corrective action deadlines: If your property is currently under a corrective action period and can demonstrate a need for an extension, please complete an Exhibit T-Request for Extension. Please send the completed form to tdouglas@mhdc.com. The form can be found at http://www.mhdc.com/program_compliance/LIHTC/forms-documents.htm. Without federal guidance, extension requests are not granted for missing file documentation or file corrections.

Without federal guidance, MHDC cannot extend the corrective action period beyond six months.

Resident Files: MHDC is temporally allowing all applications, leases, addendums, verification of income and assets, and student status to be signed electronically with digital signatures. While MHDC does not usually allow for these documents to be signed electronically, we are temporarily lifting this restriction to allow for these documents to be completed as timely as possible while still adhering to all CDC and local health recommendations as well as IRS regulations.

If your company is not set up to complete paperwork electronically, please use social distancing to get signatures and forms completed.

Recertifications: Electronic certification is temporarily allowed for all recertifications. If you are not set up to complete paperwork electronically, it is acceptable to retroactively recertify residents for all certifications that expire during the period of disruption. The effective date for recertification continues to be the anniversary of the actual date of move in. While the recertification has been performed retroactively, the recertification documents should be dated with the current date. All the adult members of the household should sign the recertification using the current date. Please note the file indicating why the file was retroactively recertified. Once physical inspections resume, you will be expected to begin recertifying residents where the recertification was delayed.

Reporting: The March 31, 2020 COL resident data reporting and April 15, 2020 Exhibit A Owner's Certificate of Continuing Program Compliance and/or Exhibit K HOME Annual Certification of Continuing Program Compliance deadlines have been extended to June 30, 2020 and July 15, 2020, respectively. MHDC will monitor and communicate if deadlines for other submission periods need to be extended.

Resident Services: MHDC is approving the postponement of any residential service that requires public gatherings. This approval will be granted until physical inspections are reinstated. Other required services as outlined in the LURA or regulatory agreement must receive MHDC permission before suspending any resident social service, service enriched and/or special needs activity. Please contact Remona Miller at rmiller@mhdc.com. There will be a form on MHDC's website www.mhdc.com outlining the required information needed.

Annual Financial Statements: MHDC has extended the annual financial statements submission deadline until April 30, 2020.

Replacement Reserves: MHDC will temporarily relax the minimum balance requirements for the replacement reserve account allowing balances to drop to a minimum balance threshold of 18 months instead of the required 24 months. In addition, MHDC is waiving all useful life requirements and allowing owners/agents to submit requests for lost revenue and expenses incurred to provide extra cleaning and sanitation during the Covid-19 outbreak. However, if a property has available operating reserves, operating reserves will need to be used first. Lastly, MHDC will waive the required three bid requirement for all advance reviews. Energy Star and supporting documentation requirements still apply. These relaxed reserve requirements will apply through December 31, 2020.

MHDC staff is committed to continuing normal business operations remotely. We are working to adjust timelines and policies to keep our programs on track. Should you have questions about any specific timelines or deadlines you are facing, please reach out to your MHDC contact directly who can advise you as to your particular deadlines and changes to policies relevant to your specific business need. Working directly with your MHDC contact will allow us to serve you more quickly and will ensure you receive accurate and up-to-date information. Thank you for working with us during this difficult time.

Please continue to notify the MO Department of Health and Senior Services and the Centers for Disease Control (CDC) immediately if they become aware of any resident that is diagnosed with the virus.

Helpful sources of accurate information include:

- MO Department of Health and Senior Services <https://health.mo.gov/>,
- Centers for Disease Control (CDC) <https://www.cdc.gov/>, and
- Institute of Real Estate Management (IREM) <https://www.irem.org/>.

Please refer to the following previously issued Asset Management Updates:

[Covid-19 Asset Management Update #1](#) dated March 13, 2020.

[Covid-19 Asset Management Update #2](#) dated March 19, 2020.