



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Mr. Bill Rumpf
Chair
Mr. Steve Walker
Executive Director

memorandum

To: WSHFC Multifamily Ownership and Property Management Stakeholders

From: Valeri Pate, Director, and Melissa Donahue, Manager, Asset Management & Compliance Division, Washington State Housing Finance Commission

UPDATED: [July 20, 2020](#)

RE: **UPDATED: COVID-19 Pandemic and Affordable Housing Compliance**

In light of the disruptions caused by the COVID-19 pandemic, the Commission's Asset Management division is issuing guidance on tax credit/bond compliance for owners and managers. We want to emphasize that your first priority is the health and safety of your residents and staff. To that end, we are making the following suggestions, and have updated this memo based on the latest guidance from the IRS:

Implement alternate ways for applicants/residents (A/R) to fill out and sign paperwork and submit the forms to you.

- You can collect forms electronically, by postal mail or by having folks drop off paperwork at your office or another location.
- It is fine for A/Rs to sign forms electronically.
- If you encounter a **problem** with getting an A/R to **sign** a required compliance form, please email your property's Portfolio Analyst and discuss the situation with them to try to come up with a solution.
- On compliance forms that require a manager witness signature, have your managers sign the form after you've received it back from the A/R. When they sign, they should sign their name, put the actual date of signature, and the comment "Did not sign in the presence of applicant/resident due to COVID-19 risk."
- Managers can also sign forms electronically. Again, if they are signing a form that requires a manager witness, they should add a comment about not being able to sign in presence of A/R due to COVID-19 risk.

Keep track of any recertifications that are delayed due to A/R not sending in their recertification documentation on time and complete them when you are able to. We understand there will be a lot of delays and there will be situations where you are unable to get verification of something because a third-party is unable to respond.

- Do NOT evict residents based solely on their inability/refusal to complete the recertification process.
- Be sure you are making notes in your resident files **and in WBARS** to document which households' recertifications are being delayed as a result of COVID-19.
- If you import your data to WBARS, remember that you'll need to add notes about recert delays due to COVID-19 *AFTER* you complete your imports so you don't wipe out your notes in WBARS if you do a new import after entering comments in resident records. So, you may need to keep track of those notes elsewhere for now and then enter them in WBARS at the end of the year after your final Table 1 data import.
- Do not back-date recertification information or signatures. Sign off on documents and use effective dates that represent the actual dates you received information, signed a document and/or made a recert effective.

Implement inspection and unit turn policies that make the most sense for you operationally and in light of the populations you serve. We understand there are going to be significant vacancies and offline units in 2020 as a result of COVID-19.

- Again, please keep track of all your extended vacancies and units that are offline throughout the year. When you submit your **Extended Vacancy/Rent-Ready Report** next year, make sure you've completed the form with comprehensive notes about which units were vacant/offline as a result of COVID-19 and when/if they were leased or finally made rent-ready. Also make notes in WBARS as warranted.
- If you have already had an inspection, please do your best to repair any outstanding deficiencies. If you are unable to repair some or all deficiencies due to COVID-19 risk, please keep track of all items that will need fixing at a later date and keep your WSHFC Portfolio Analyst informed.

[Additional guidance based on IRS Notice 2020-53, which provides waivers for certain compliance activities](#)

Inspections:

- As of July 1, 2020, WSHFC is waiving all remaining inspections for 2020.
- We intend for inspections to resume in 2021. We are not sure how we are going to structure our inspection schedule going forward, but it is clear that most projects from this year's schedule will see a delay of a year or more in the scheduling of their next LIHTC inspection.

File Reviews:

- WSHFC is NOT waiving our review of 2019 annual reports.
- For properties originally scheduled for 2020 inspection, staff will continue requesting 2019 resident packages on all those properties throughout the

remainder of this year so we can complete a full desk review of all our properties.

- Since all paperwork we are reviewing was completed in 2019 and submitted prior to the start of the pandemic, staff will continue to expect responses to questions resulting from our review of 2019 annual reports/resident packages.
- For noncompliance related to 2019 annual reports and resident file reviews, staff will issue notices of noncompliance per usual.
- If you have difficulty resolving a noncompliance issue due to the pandemic, please discuss the issue with your property's monitoring Portfolio Analyst so they can provide the best guidance to you on how/when to resolve the noncompliance.

Household Recertifications:

- Per our previous guidance, WSHFC encourages owners and managers to do their best to complete household recertifications throughout 2020, particularly **first year** recertifications.
- If a recertification is completed late, please make notes in the file and in WBARS. If certifying paperwork is completed late, you may need to adjust the recertification date for that household going forward. Be sure to put the actual date the recertification is effective in WBARS.
- As long as you put related notes in the Comments field on tab 4 of the household record, we will understand why there is a compliance validation message related to any late recertification date.
- If you are unable to complete a recertification, please make notes in the file and in WBARS to alert us. Doing this will result in our taking less of your time next year to explain any discrepancies we find when reviewing 2020 annual reports and resident files.
- For any recertification that is **not** completed by the end of 2020, please leave the 2019 recert date in the 2020 current cert date field. Do not delete the 2019 recert date as WBARS will not allow the current cert date field to be blank. Be sure you note why the 2020 recertification was not completed in the Comments field of tab 4 in the household record.
- Please keep in mind that failure to complete recertifications at a **mixed income** property (i.e., a property with market rate units) could create applicable fraction problems that could result in reportable noncompliance in a future year.
- Also note that failure to review student status annually could delay your ability to find and correct fulltime student rule violations, which could result in reportable noncompliance in a future year.