



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.

If you have not submitted the required AFS, please submit electronically in pdf format to Donna Ho, Compliance Specialist, at donna.m.ho@hawaii.gov. If there are delays in completing the AFS, please also inform Compliance Specialist and 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 these RAP reports, along with supporting Tenant Income Certifications (TIC), electronically to donna.m.ho@hawaii.gov. Please only mail hard copies of pages 1-2 of the Certifications and Applications for RAP. Page 2 needs to include requestor's original signature.

HULA MAE MULTIFAMILY (HMMF) BOND REPORTS

The Quarterly HMMF Bond Reports must continue to be 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 (with Compliance Monitoring Fee enclosed)

The reports must be signed by the owner/authorized representative. If you are unable to notarize the signature, note on the notary page, "Due to COVID-19 pandemic the document has not been notarized".

COMPLIANCE MONITORING GUIDANCE DURING COVID-19 PANDEMIC (continued)

FUNDS AUTHORIZATION REQUESTS FOR REPLACEMENT RESERVE

Provide Funds Authorization Requests electronically to 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. Please do not send hard copies.

COMPLIANCE REVIEWS

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

PHYSICAL INSPECTIONS

Physical inspections by Spectrum and Compliance Specialist have currently been suspended for the remainder of 2020.

ELECTRONIC SIGNATURES

HHFDC's current policy allows electronic signatures on all forms except the lease and the TIC. Management is required to meet face-to-face with the tenant and obtain a wet signature on the lease and TIC before issuing keys.

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 DECEMBER 31, 2020.

The Internal Revenue Service (IRS) published Notice 2020-53 (<https://www.irs.gov/pub/irs-drop/n-20-53.pdf>) that included specific provisions that adjust LIHTC compliance requirements for the period beginning April 1, 2020, and ending December 31, 2020.

These provisions include Owners are not required to perform tenant income recertifications for the period beginning April 1, 2020 and ending December 31, 2020. 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.

RAP Compliance

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

COMPLIANCE MONITORING GUIDANCE DURING COVID-19 PANDEMIC (continued)

HOME/NSP Program Compliance

HUD has provided guidance for HOME projects. Please refer to the HUD Memorandum – Availability of Waivers and Suspensions (<https://www.hud.gov/sites/dfiles/CPD/documents/Availability-of-Waivers-and-Suspensions-of-the-HOME-Program-Requirements-COVID-19.pdf>).

The Sample Self Certification may be used for HOME Certifications due between **April 10, 2020 and December 31, 2020** 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.

Please contact Donna Ho at donna.m.ho@hawaii.gov if you have any questions.