



TO: Property Owners and Management Agents
FROM: Compliance and Asset Management
DATE: August 3, 2020
SUBJECT: UPDATE: IRS COVID-19 Compliance Monitoring Guidance for Owners and Management Agents

This guidance supersedes previous guidance related to compliance monitoring activities for properties in the Virginia Housing portfolio for calendar year 2020.

Virginia Housing remains open for business, but working remotely. Our mission is to help all Virginians attain a quality affordable home.

All Tax Credit and Tax Exempt Bond properties in the Virginia Housing portfolio can rely upon the guidance in [IRS Notice 2020-53](#), which provides project owners and Virginia Housing, the monitoring agency, temporary relief of certain program requirements in response to the Coronavirus Disease 2019 (COVID-19).

COVID-19 Temporary Emergency Housing (IRS Notice 2020-53)

Question: Can my property provide emergency housing as permitted in the notice?

Answer: Yes. All properties in the Virginia Housing portfolio may provide temporary, emergency housing to individuals affected by the COVID-19 pandemic.

March 13, 2020 a [Presidential Disaster Declaration](#) was provided for all states and U.S. territories for the COVID-19 pandemic. [IRS Notice 2020-53](#) confirms that properties are provided relief from certain requirements under [Revenue Procedure Ruling 2014-49](#) for Tax Credit and [2014-50](#) for Tax Exempt Bond properties to provide temporary, emergency housing to individuals displaced due to the COVID-19 pandemic. <https://www.fema.gov/coronavirus/disaster-declarations>.

Approval is required from Virginia Housing **before** providing temporary emergency housing. Please review the [Virginia Disaster Relief Guidance](#) and document the tenant file with the [Virginia Displaced Household Certification Form](#).

Major Disaster: **COVID-19 Pandemic**; End Date: **3/12/2021**, This date is 12 months from the date of the Presidential Declaration of Federal Disaster. <https://www.fema.gov/coronavirus/disaster-declarations>

The tenant file should also contain documentation proving that the individual is directly affected and displaced as a result of the COVID-19 pandemic. Individuals employed in the following positions may be provided relief under 2014-49 and 2014-50. The list below is not all inclusive, and may not be limited to:

- Medical personnel, including research and testing positions, pharmacy employees, or mortuary or funeral service workers
- Law enforcement or military personnel, and public safety employees, including security at hospitals or other critical industries
- Grocery stores, food production, agricultural workers, food banks, food delivery
- Building maintenance, janitors, trash collection and disposal
- Mass Transit, employees, public services, mail and shipping centers
- Teachers, childcare personnel,
- Other essential positions may include Human resource professionals

On-Site Property Management Operations for Calendar Year 2020

IRS Notice 2020-53 **does not** provide relief from other program requirements. The project owner must ensure that all tenant files are fully documented for:

1. Annual certifications due between 1/1/2020-3/31/2020
2. Full-time student status
3. Household composition changes
 - a. **Adding** a new household member may require a review of income
 - b. **Removing** an initial, adult household member requires an update to the Tenant Income Certification and online Tenant Certification system

Online Tenant Certification Updates Required - Virginia Housing relies upon the information entered in this system to monitor the property requirements. All tenant activities, including move-in, move-out, annual certifications, applicable, and change in unit designation, must be updated in the online Tenant Certification system as the activity occurs.

Online Self-Certification is Required for annual certifications due between 4/1/2020-12/31/2020. Doing this will reduce reports of noncompliance where it does not apply when we review tenant activity reports.

Annual Certifications due beginning January 1, 2021 must be completed by the due date. The waiver only covers annual certifications due between 4/1/2020 and 12/31/2020.

Electronic Storage of Records and E-Signatures: The use of electronic storage of records, including tenant applications, lease documents, and electronic signatures **is permitted** for our affordable housing portfolio. Written approval from Virginia Housing is **not required** before implementing storage systems or records.

Electronic record keeping and e-signature systems must meet the guidelines included in the E-Sign Act, as well as the new HUD Electronic Signature guidance published May 26, 2020. At a minimum, the system must validate signatures, and the property must provide consents and disclosures, and allow the tenant to opt-out of using E-signatures. Most importantly, records must be made available to Virginia Housing upon request.

Note: The owner is ultimately responsible for ensuring that the tenant files are maintained in accordance with IRS and/or HUD rules and regulations, and confirming signatures and required documents for the tenant file.

Utility Allowances – Virginia Housing will continue to review all alternative utility allowance requests and provide written approval. Copies of the proposed utility allowances must be submitted to Virginia Housing (the agency) **and** to all tenants **at the** beginning of the 90-day period **before** the utility allowances are used in determining the gross rent. Visit our website for instructions on submitting utility allowance requests.

<https://www.vhda.com/BusinessPartners/PropertyOwnersManagers/LIHTCCompliance/Pages/LIHTCCompliance.aspx>

Note: Our office reviews the Occupancy and Demographics report to confirm that tenant activities are properly updated in our online Tenant Certification system. For the remainder of this calendar year, our response will continue to include notes on late annual certifications identified in our review of your property records. **See the guidance for online Self-Certification updates above.**

Management Operations Policy & Procedure Changes: Project owners and managers must document all efforts and policy changes implemented as a result of the COVID-19 pandemic, and provide information upon request. Maintain all documentation of action taken to notify tenants of changes in policies, procedures, or property operations, which affects the tenant and owner commitments included in the written lease agreement, the EUA, or Regulatory Agreement.

Onsite Property Inspections/Preventative Maintenance/Completing Work Orders are necessary in maintaining daily property operations, improving property conditions.

Contact Compliance & Asset Management - Regional Compliance Officers and Asset Managers are available by email during normal business hours if you have questions. Contact information for the Compliance & Asset Management regional teams is on our website.

See the Contact Us page on our website,

<https://www.vhda.com/BusinessPartners/PropertyOwnersManagers/Pages/Compliance-AM-Staff.aspx>