
Arizona Department of Housing 2021 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. 35-21 UPDATE

ISSUED: September 29, 2021

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 2021-12, published January 15, 2021 and HUD CPD’s Availability of HOME Waivers updated September 27, 2021:

On-Site Visits – No change

While the IRS and HUD Community Planning and Development (CPD) have allowed for site visits to be delayed, the Arizona Department of Housing, has elected to continue with its current schedule through December of 2021. There are currently no waivers that would exempt an owner/agent from their requirements to ensure a project is meeting Uniform Physical Inspection Standards (UPCS). It is of great importance that we ensure projects are being kept in compliance with UPCS Protocol. Owners/Agents for projects that are due for an on-site inspection will be contacted individually with further instructions.

Site Visit response deadlines – No change.

ADOH may grant extensions if there is good cause. Please submit any extension requests, via email, to the Officer in Charge of the visit. 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 – UPDATE

On January 15, 2021 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 September 30, 2021, and if the unavailability or closure is in response to the COVID-19 pandemic, and not because of other noncompliance for § 42 purposes, then this temporary closure does not result in a reduction of the eligible basis of the building.*

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.

Please note, in the absence of any extensions to this waiver, owner/agents must plan on re-opening any common area beginning October 1, 2021. Resident services can resume in a safe manner in accordance with local, state and CDC guidelines taken into consideration.

Recertifications - UPDATE

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.

LIHTC:

On January 15, 2021 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 September 30, 2021. The Owner must resume the income recertifications as due under § 1.42-5(c)(1)(iii) no later than October 1, 2021.*

Please note, in the absence of any extensions to this waiver, owner/agents must plan on resuming recertification policies in place prior to March of 2020. ADOH will not require any Self-Certifications completed between March of 2020 and September 30, 2021 to be “made up” in any way. Please ensure that beginning October 1, 2021 recertifications are being completed as outlined in Section 4.11 of the most recent Compliance Manual. Recertification can continue to be completed electronically as needed.

Compliance Manual (2019) - <https://housing.az.gov/sites/default/files/documents/files/2019-Compliance-Manual.pdf>

HOME / State HTF / NSP:

ADOH has required annual full source document recertifications for HOME assisted units. On December 10, 2020 the Office of Community Planning and Development issued an extension and expansion of previous waivers offered to HOME assisted units. One of those expansions was the ability to utilize self-certifications for HOME assisted units. This applies to communities with affordability periods of 10 or more years. Effective immediately ADOH will align with this waiver to allow the use of self-certifications for all HOME/State HTF/NSP assisted units. You may use the sample self-certification found at the link below. ADOH is in the process of creating a HOME Self-certification form and will provide once completed. Questions regarding your community's eligibility for this waiver can be sent to ADOH Compliance & PBCA Administrator.

Please note, this waiver has not been extended. Owner/agents must plan on resuming full recertification on October 1, 2021. Recertifications can be completed electronically as needed.

Other federal laws – No Change

At this time, there are no waivers of the requirements under 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. The IRS requires vacant unit to be made rent ready in a reasonable timeframe. ADOH considers 30-days to be reasonable time. Any unit found to be vacant and not rent ready within 30-days must be reported to the IRS via form 8823. Please submit any requests for additional time in making a unit rent ready to the Compliance & PBCA Administrator.

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



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