

Interim Guidance For Multifamily Partners

*In use during the COVID-19 State & National emergency
Last updated March 26, 2020*

Overview

Due to the COVID-19 State of Emergency declared by Kentucky Governor Andy Beshear on March 6, 2020 and the National Emergency declared by President Donald Trump on March 13, 2020, KHC issues interim guidance to our multifamily developers, property owners, and management companies.

KHC Guidance for Multifamily Partners

What will the next 9% LIHTC Application Deadline be?

KHC anticipates approval of the QAP in March and signature by Governor Beshear in April. The next 9% LIHTC application will open May 2020 and the application deadline will be August 2020. The application deadline may be extended at a later date.

Projects Recently Awarded 9% LIHTC or TEB Financing

If your project was recently award tax credits or bond financing, please continue working on technical submission (due May 1st for recent LIHTC awardees). KHC understands some required documents will not be ready by the deadline as a result of the COVID-19 emergency and will allow additional time to submit missing documents.

Meeting LIHTC Project Deadlines

KHC awaits guidance from the IRS on flexibility. Along with our industry association, [NCSHA](#), we have asked the IRS to provide 12-month extensions on many LIHTC deadlines.

Loans Held by KHC (*Risk Share, HAF, TCAP, SMAL, HOME, AHTF, NHTF, Exchange loans*)

Properties financed by KHC should make every effort to remain current on their loan payments. Should the loss of rental income impact your ability to operate a property, contact your asset management representative. KHC will consider case-by-case situations and will work with our multifamily partners on a solution.

Thresholds for Future Applications

Future applications thresholds will be adjusted due to the pandemic we are experiencing. We will continue to monitor projects to determine what are fair thresholds at the time of application.

Maintenance & Repairs

KHC understands that the safest approach is for only emergency or life-threatening maintenance issues to be addressed at this time. KHC cannot offer a comprehensive definition of what constitutes an emergency maintenance request, but we offer the following examples:

1. Heating problems when the temperature is below 55 degrees outside
2. Air-conditioning problems when the temperature is above 80 degrees outside
3. Flooding or unstoppable leaks
4. Plumbing stoppage in a residence with one bathroom
5. Lack of food refrigeration or running water.
6. Fire (the local fire department should be called first)

Your lease contracts or other policies may provide guidance as to what constitutes an emergency. KHC expects owners and management companies to exercise good judgement. It may be appropriate to postpone non-emergency work orders. Owners should log these requests and respond appropriately once it is safe to do so. KHC will be mindful of this postponement when responding to tenant complaints.

Income Recertifications

For properties required to complete recertifications of income, KHC will allow delayed recertification for all tenants at the current time. Once physical inspections resume, KHC expects recertifications to resume & properties will need to catchup.

Electronic Signatures

Kentucky Housing Corporation is authorizing the use of electronic signatures by tenants and managers on documents necessary for certifications. The electronic signature, printed name, and date must be clearly visible when the document is viewed electronically and when printed.

Acceptable forms of electronic signatures may include:

- Scanned or Faxed images of documents containing handwritten signatures.
- Digital signatures that provide a method to confirm the authenticity of the signature. (Identifies a software vendor used to execute the signature (such as Adobe DocuSign).

Vacant Units

Vacant program units must be leased to qualified households. At this time, there is no relief to use program units for any other purpose, even if it is related to COVID-19.

What KHC Asks of Partners

Please follow Governor Beshear's directives, including closing your doors to the public, avoiding being in close proximity to others, and shifting your staff to teleworking if possible.

Notify KHC of any organizational changes such as an agency shut down, furloughing of staff, a confirmed case of COVID-19 that halts work, or any other changes that will impact projects.

Construction Progress/Completion Inspections

If the activity is new construction or rehab with NO residents in place, KHC will continue conducting inspections as usual. If the activity is rehab with residents in place, NO on-site inspections will be conducted. KHC will accept video, FaceTime (or equivalent format), and adequate photo documentation submitted by partners instead of conducting an on-site inspection (through April 30th).

Affordability/Compliance Period Inspections & File Monitoring

KHC staff will NOT conduct physical inspections. All file monitoring will be completed as desktop reviews. Multifamily project/property staff will upload all requested files through TDCS for KHC to review remotely. There will be no interruption in review of 2019 Annual Owner Certifications.

All other program regulations, guidance and agreements must be adhered to as usual unless otherwise modified by Kentucky Housing Corporation in subsequent notices.

As this situation is fluid, this guidance is subject to changes that will be announced via KHC [eGrams](#).