

## Interim Guidance For Multifamily Partners

*In use during the COVID-19 State & National emergency  
Last updated May 15, 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

*(Subject to changes and/or extensions pending federal guidance and pandemic conditions.)*

#### What will the next 9% LIHTC Application Deadline be?

The 2021-2022 QAP was signed by Governor Beshear in April. The next 9% LIHTC application will open May 2020 and the application deadline will be August 2020. This application deadline—or the deadline for certain required documents—may be extended at a later date, if necessary.

#### Meeting LIHTC Project Deadlines

The Commonwealth of Kentucky received a Major Disaster Declaration on March 28, 2020 as a result of the COVID-19 pandemic. The Internal Revenue Service has indicated that the relief outlined in [Revenue Procedure 2014-49](#) is available to jurisdictions with these declarations. This allows KHC to grant extensions to both the 10% test requirement deadline (up to 6 months) and the placed in-service deadline (up to 12 months) for projects whose owners cannot reasonably satisfy the deadlines of IRC 42(h)(1)(E) because of a major disaster. KHC will review these requests on a case-by-case basis.

KHC awaits guidance from the IRS on additional 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 unstopable 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. Timely recertifications can be completed remotely (via phone, mail, drop box, email, etc.) through June 30, 2020. Resident(s) signature(s) must be obtained within 120 days of the original due date, and a clarification statement must be added to the resident file explaining the process by which the recertification was delayed and completed. Once physical inspections resume, KHC expects all recertifications to resume & properties will need to catch up on delayed documentation.

## 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

Follow Governor Beshear's directives available at [kycovid19.ky.gov](https://www.ky.gov/covid19), including recent [Healthy at Work](#) guidance. 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.

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

**Changes to program policy will be announced  
via KHC [eGrams](#) and KHC's [COVID-19 Response webpage](#).**