

## IHCDA Updates: Keeping up with COVID-19 Policies

By Matt Rayburn

IHCDA has issued several notices with policy changes and program updates over the past three months in response to the COVID-19 pandemic. The goal of these notices has been to provide transparent, up-to-date information, to acknowledge the need for flexibility during these difficult times, and to proactively address concerns to eliminate the need for partners to request extensions and modifications. Many of these policy changes were the result of partner feedback through listening sessions and public input.

The IHCDA [COVID-19 Resources](#) webpage contains a comprehensive list of those notices as well as other useful materials. This article summarizes the key updates that affect IHCDA partners that develop and manage affordable housing.

IHCDA took the following actions related to the allocation of tax credits, bonds, and HOME funds:

- Changed the application deadline for 2021 9% tax credits from July 27, 2020 to September 18, 2020. IHCDA will consider supporting documents dated within six months of the original application due date of July 27 as current documents. [See RED Notice 20-23](#).
- Temporarily suspended submission of bond applications. Developers may resume submitting Form Cs on June 18, 2020. [See RED Notice 20-23](#).
- Granted a six-month extension for meeting the 10% test for developments that received an allocation of 2019 tax credits, in accordance with IRS Revenue Procedure 2014-49. [See RED Notice 20-22](#).
- Granted a 12-month extension on the placed in service deadline for developments that received an allocation of 2018 tax credits. The new deadline is December 31, 2021. [See RED Notice 20-22](#).
- Announced that the tax credits available under the 2021 General Set-aside would be allocated through the 2021 competitive tax credit round, not through a special initiative or RFP. [See RED Notice 20-31](#).
- Waived the match requirements for the 2020 and 2021 HOME rental funding rounds, as well as for HOME funds allocated as gap financing through the 2021 tax credit round. [See RED Notice 20-25](#).

IHCDA took the following actions related to its multifamily loan portfolio, as announced in [RED Notice 20-26](#):

- Issued a debt service relief policy for Development Fund, HOME, and CDBG-D loans that have converted to permanent financing. Borrowers may defer any or all principal payments due between May 1, 2020 and April 30, 2021. Deferred principal is added to the balloon payment due at maturity. Interest payments remain due on the scheduled date.
- As a result of this policy, along with decreased allocations to the fund, IHCDA announced that the Development Fund would remain closed for stand-alone applications until at least 2021. However, developers may continue requesting Development Fund as gap financing on tax credit, bond, and HOME applications.

IHCDA took the following actions related to inspections and monitoring, as announced in [RED Notice 20-18](#):

- Suspended tax credit progress inspections and closeout inspections for the HOME, CDBG, and HTF programs. These inspections resumed under Stage 3 of the Back on Track Indiana plan.
- Suspended pre-8609 inspections, ongoing compliance period inspections, and Management and Occupancy Reviews (MORS) for project-based rental assistance. These inspections will resume under Stage 5 of the Back on Track Indiana plan. As a precaution, onsite reviews at age-restricted properties will be delayed to the extent possible.
- Announced that all 2020 file monitoring would be conducted remotely via electronic files submitted to IHCDA for review.

IHCDA issued guidance on the following compliance requirements, as announced in [RED Notice 20-19](#):

- Applicability of the federal and state eviction moratoriums, including the prohibition on charging late fees under the federal moratorium
- Exclusion of housing stimulus payments and temporary CARES Act unemployment from the calculation of household income
- Process for documenting late recertifications
- Allowance of electronic signatures on income verification and lease documents
- Owner's discretion to temporarily close common spaces without IHCDA considering this to be an event of noncompliance
- Specific waivers for compliance with project-based vouchers including a waiver of the HQS inspection at unit turnover and allowance of self-certifications for interim income certifications. [See RED Notice 20-24](#).
- While not related to COVID-19, it is also important to note that HUD released the 2020 tax credit income and rent limits on April 1, 2020 with an implementation deadline of May 16, 2020. See [RED Notice 20-27](#).

Finally, IHCDA worked with the Indiana Apartment Association, Indiana Bankers Association, Indiana Mortgage Bankers Association, Indiana Credit Union League, and the Department of Financial Institutions to release a [Coronavirus Eviction & Foreclosure Prevention Guide](#). I strongly recommend you review the guide and share with your residents.

Thank you all for your hard work and diligence to keep your residents safe and your properties running. Please feel free to reach out to IHCDA to share any concerns or best practices and to let us know how we can assist you. We are #INthistogether.

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