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Subject: Update - Inspections, Compliance Monitoring, Site Visits & Insurance re: COVID-19

3/20/2020-Updated information on COVID-19 regarding Inspections, Compliance Monitoring, Site Visits and Insurance Invoices



To: Developers, Community Members, Housing Authorities, Property Owners and Management Agents

This update is to replace the previous E-Blast Notice sent on March 13, 2020.

Connecticut Housing Finance Authority (CHFA) continues to monitor the situation with COVID-19 in Connecticut and as additional information becomes available, reserves the right to update or modify the guidance below. Our objective is to ensure the highest degree of transparency in a rapidly changing environment.

In response to concerns related to COVID-19 (commonly known as novel coronavirus) and CHFA's operations, CHFA is implementing the following process for compliance monitoring for the safety of residents, affordable housing partners, CHFA staff and consultants:

Property Insurance Invoices

In support of Governor Lamont's executive order, many CHFA staff members will be working remotely during this public health crisis. Effective immediately, all insurance invoices are to be submitted electronically to CHFA so that timely payment can be made from the individual insurance escrow accounts. Failure to submit invoices electronically may result in a payment delay. Please share this information with your broker/insurance provider if needed. Invoices and any questions may be sent to MFInsurance@chfa.org. Thank you for your anticipated cooperation.

Audited Annual Financial Statement Submission

The CHFA Regulatory Agreement typically requires submission of an Audited Annual Financial Statement (AFS) 60 days after the end of the fiscal year. Due to the challenges presented by COVID-19, CHFA is granting a 30 day extension to this requirement. Please note that delays in submissions of an AFS can result in delay in CHFA's approval for owners to take permitted distributions. If you have any questions, please contact your asset manager.

Asset Management Multifamily Site Visits - CHFA and SSHP Portfolios

Routine site visits conducted by CHFA asset management staff are being suspended until further notice. However, site visits which are critical in nature or related to an emergency or immediate need as feasible will be addressed as required per current policies and procedures. Please contact your assigned asset manager if you have any questions.

Resident Complaint Site Visits / Inspections

These are unscheduled site visits or inspections that occur as a result of resident complaints received by CHFA asset management staff. The decision on whether to conduct a resident complaint inspection will be made on a case-by-case basis. Factors to be considered will include the severity of alleged issue (e.g. life and safety issue), occupancy of the building (e.g. is the building age-restricted or otherwise occupied by particularly vulnerable populations), etc. Please contact your assigned asset manager if you have any questions.

Tax Credit Compliance Monitoring and Pre-8609 Site Inspections - LIHTC

Spectrum site visits, as part of CHFA's ongoing monitoring, have been suspended until further notice as CHFA awaits more definitive guidance from the Internal Revenue Service on how to proceed with code required site inspections. For those owners and management agents providing electronic files, Spectrum has been performing file reviews remotely. If electronic files cannot be provided, Spectrum will reschedule the file review along with the physical inspection for a later date. Please contact Colette Slover at Colette.Slover@chfa.org if you have any questions.

Section 8 -REAC Inspections and MORs

HUD has postponed all REAC property inspections for all multifamily properties until further notice. Where there is an exigent circumstance or reason to believe that there is a threat to life or property at a specific location, inspections will be conducted by HUD quality assurance inspectors in compliance with CDC guidelines.

HUD is also suspending standard MORs until Contract Administrators determine that local conditions no longer limit or prevent them from performing the reviews safely. CHFA is awaiting additional guidance from HUD.

Housing Tax Credit Contribution Program (HTCC) - Site Visits

HTCC site visits occur quarterly once the awarded developments meet 25%, 50%, 75% and 100% complete in construction. These site visits will be suspended until further notice.

Construction Job Meetings and CHFA Field Observation

The weekly construction job meetings held at the construction site with the contractor and sub-contractors should continue as planned given the construction schedule for each project. CHFA field observers attend these meetings on a bi-weekly basis to assess the construction progress, review and approve payment requisitions for funding and review and approve change order requests.

* If the scheduled site visit is for new construction or rehabilitation with no residents in place, CHFA field observers will continue their work as planned.

* If the scheduled site visit is for rehabilitation with residents in place, CHFA field observers will be directed to coordinate their activities with each property manager/owner/housing authority, as appropriate, and where possible, limit their interaction with residents of the property.

In the event of a suspected case of a COVID-19 infection, CHFA recommends following the guidance of Governor Lamont, Connecticut health officials and the Center for Disease Control. This would include encouraging residents to self-quarantine in their living units and contact their health care provider as soon as possible. For more information visit: <https://portal.ct.gov/Coronavirus> and <https://www.hud.gov/coronavirus>

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