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To: Real Estate Department Partners **Notice: RED-20-18**  
From: Real Estate Department  
Date: March 11, 2020- UPDATED April 15, 2020- UPDATED May 21, 2020-  
UPDATED June 18, 2020- **UPDATED July 16, 2020**  
Re: **Inspection and Monitoring Policy re: COVID-19- UPDATE #4**

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***IHCDA continues to monitor the situation with COVID-19 in Indiana as circumstances change and additional information becomes available. To provide transparency and customer service, IHCDA will update this RED Notice on a weekly basis with any updates to policies or procedures. Red font below indicates new or amended information as of July 16, 2020.***

In response to concerns related to COVID-19 (commonly known as novel coronavirus), IHCDA is implementing the following policy for inspections and monitoring for the safety of tenants and IHCDA staff and contractors.

**Tax Credit Progress Inspections:** These inspections are conducted by IHCDA's Design and Construction Review Analyst Doug Newport at active construction sites.

- IHCDA will resume construction inspections during Stage 3 of the [Back on Track Indiana plan](#). An inspection may occur once the county the development is in has progressed to Stage 3.

**Tax Credit Pre-8609 Inspections:** These inspections are completed by IHCDA's Design and Construction Review Analyst Doug Newport after construction completion but before issuance of the tax credits via IRS Form 8609.

- IHCDA will resume pre-8609 inspections during Stage 5 of the [Back on Track Indiana plan](#). An inspection may occur once the county the development is in has progressed to Stage 5.

**HOME/CDBG/HTF Physical Inspections for Award Closeout:** These inspections are conducted by IHCDA's contractor Van Marter Associates at construction completion to begin close out of the award.

- Van Marter will resume construction completion inspections during Stage 3 of the [Back on Track Indiana plan](#). An inspection may occur once the county the development is in has progressed to Stage 3.



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EQUAL OPPORTUNITY EMPLOYER AND HOUSING AGENCY

State of Indiana  
Lieutenant Governor  
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**HOME/CDBG/HTF File Monitoring for Award Closeout:** These monitorings are conducted by IHCD's Compliance Auditor Anita Smith to close out the award.

- Until further notice, all closeout file monitoring will be completed as desktop reviews (files sent to IHCD).

**Affordability Period / Compliance Period Physical Inspections:** These inspections are conducted by IHCD's contractor Van Marter Associates for projects that are in their compliance period or affordability period based on a regular inspection schedule (generally once every three years).

- Per IRS Notice 20-53 and additional written guidance provided by the IRS thereafter, IHCD is cancelling all ongoing compliance physical inspections for LIHTC and Section 1602 properties for 2020. These inspections have been waived, not postponed, and will not be rescheduled.
- For all other programs, Van Marter will resume these inspection inspections during Stage 5 of the [Back on Track Indiana plan](#). An inspection may occur once the county the development is in has progressed to Stage 5. Van Marter will delay scheduling inspections of age-restricted properties.

**Affordability Period / Compliance Period File Monitoring:** These monitorings are conducted by IHCD's Compliance Division for projects that are in their compliance period or affordability period based on a regular monitoring schedule (generally once every three years).

- Until further notice, all file monitoring will be completed as desktop reviews (files sent to IHCD).
- No interruption in review of 2019 Annual Owner Certifications.

**Tenant Complaint Inspections:** These are unscheduled inspections that occur as a result of tenant complaints received by IHCD.

- The decision on whether to conduct a tenant complaint inspection will be made on a case-by-case basis. Factors to be considered will include, severity of alleged issue (e.g. is it a life and safety issue), occupancy of the building (e.g. is the building age-restricted or otherwise occupied by particularly vulnerable populations), etc.

**Local Subcontracting Agency Quality Assurance Inspections:** These inspections are conducted by IHCD's contractor Van Marter Associates for the Housing Choice Voucher program to perform quality assurance testing on inspections performed by Local Subcontracting Agencies:

- Van Marter has been instructed to not conduct any additional inspections until further notice.
- Van Marter will continue Quality Assurance Inspections beginning on November 1<sup>st</sup>, 2020.

**Initial HQS Inspection:** These inspections are conducted by either the Local Subcontracting Agency (LSA) or Van Marter Associates and must take place before a Housing Choice Voucher holder can move into a vacant unit to ensure the unit meets Housing Quality Standards.

- All initial inspections have been suspended. Alternatively, owners must self-certify compliance with HQS. Once an owner provides self-certification a HAP contract may be executed.
- Initial Inspections for unoccupied units may continue except for units located in age-restricted properties and supportive housing properties. LSAs may continue to use HQS self-certification for any unit if they choose. All units that use the self-certification process

must have a full HQS inspection conducted by October 31, 2020. Owners must be instructed to only allow one individual in the unit with the inspector during inspections.

**Annual HQS Inspection:** These inspections are conducted by the Local Subcontracting Agency to ensure units occupied by Housing Choice Voucher holders continue to meet Housing Quality Standards:

- Local Subcontracting Agencies have been instructed to not conduct any additional inspections until further notice. All units have been converted to biennial inspections. Owners already under biennial inspection must self-certify HQS Compliance if it has been more than 24 months since the unit last passed an HQS inspection.

**Local Subcontracting Agency Quality Assurance Monitoring:** These monitorings and technical assistance visits are conducted by IHCD's Housing Choice Voucher Quality Assurance Analyst to ensure that Local Subcontracting Agencies are properly administering the Housing Choice Voucher Program on behalf of IHCD.

- All visits are postponed until further notice.
- IHCD's contractor Engaging Solutions and IHCD's Quality Assurance Analyst will continue Quality Assurance Monitoring remotely. Carol Farzetta and Engaging Solutions will contact LSAs to share additional information about the remote monitoring process.

**Management and Occupancy Reviews ("MORs"):** These monitorings are conducted by IHCD's contractor Indiana Quadel for the Section 8 Project Based Rental Assistance program.

- In conjunction with policy issued from HUD's Office of Multifamily Housing on 3/13/20, all MORs are postponed until further notice.
- Indiana Quadel will resume MORs on July 6, 2020.

Questions about this notice can be directed to Matt Rayburn, Deputy Executive Director and Chief Real Estate Development Officer, via [mrayburn@ihcda.in.gov](mailto:mrayburn@ihcda.in.gov) or 317-233-9564.