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May 29, 2020

Ms. Nicole Cimino  
Branch Chief  
Office of Chief Counsel  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

Mr. Michael Novey  
Associate Tax Legislative Counsel  
Office of Tax Policy  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

**Subject: Final Regulations: Amendments to the Low-Income Housing Credit Compliance-Monitoring (Feb. 2019); Request for Postponement of Physical Inspections through Year-end and Request for Temporary Suspension of 15-day Notification Timeframe**

Dear Ms. Cimino and Mr. Novey:

On behalf of the National Affordable Housing Management Association (NAHMA), our members strongly request the postponement of property inspections during the coronavirus pandemic through the end of calendar year 2020, except where there is a threat to health and safety at a property. Specifically, members are requesting relief from the February 26, 2019, Final Regulations that amended the compliance monitoring regulations concerning the low-income housing credit under section 42 of the Internal Revenue Code (RIN 1545-BL39). Since the beginning of the pandemic's outbreak, our members have been on the frontlines working to provide a safe home for residents to "shelter at home", as well as to provide safe working conditions for property employees, including maintenance staff. Many NAHMA members have faced significant numbers of COVID cases at their properties or on their staff, and all have had to suspend normal property management operations due to state and local public health emergency declarations and stay-at-home orders. With the exception of Exigent Health and Safety (EH&S) work orders, most maintenance work has not been addressed over the past few months due to the significant health risks for staff and residents of entering units. Even in cases of required emergency maintenance work, NAHMA members have reported that residents have expressed concern in allowing staff into their units. As the nation reopens, at different rates in different geographic areas, depending on how hard the area was hit by the pandemic, NAHMA members will need time to reopen their headquarters buildings, return to somewhat normal staff operational levels, assess their properties, and provide the necessary maintenance to bring all units up to appropriate standards.

To provide adequate time for NAHMA members to reopen, recover, assess and address maintenance needs across the entire portfolio across the country, we ask that you provide State Housing Finance Agencies (HFAs) the authority to postpone property inspections on all low-income housing credit properties through the end of calendar year 2020.

At a minimum, if an extension of the physical inspection moratorium through the end of 2020 is not possible, we would ask HFAs to consider other approaches that might mitigate the potential significant health risks and portfolio-wide negative assessment impacts resulting from operational disruptions caused by the pandemic. Such approaches could include, for the remainder of 2020, or even into early 2021:

- Scheduling physical inspections only for properties that scored 60 or below on their most recent REAC inspection;
- Applying a REAC's NSPIRE-demo-type approach to all housing credit physical inspections, in that properties would be inspected but not receive a specific score, but findings would be documented and work would need to be accomplished to address the findings;
- Phasing in the restart of physical inspections on a geographic basis, determined by how hard the area was hit by coronavirus cases, instead of having one "restart" date applicable at the same time across the country;
- Phasing in the restart of physical inspections on the basis of types of properties, with senior / special needs properties being last on the list of properties being scheduled for inspections.

On a separate but related issue, NAHMA strongly urges you to waive the drastically shortened physical inspection 15-day notification timeframe for low-income housing credit properties, as announced on February 26, 2019 through the Final Rule: Amendments to the Low-Income Housing Credit. To ensure the maximum safety of residents, management staff, and inspectors, we strongly urge a temporary return to scheduling a physical property inspection in the 30-day timeframe. HFAs should consider the health and safety risks of all parties involved and provide some flexibility given the logistical impacts of the pandemic. For example, many NAHMA members are multistate companies and travel options will likely not be readily available until well into 2021, according to recent reports from the airlines. Due to these logistical and remaining health and safety concerns, property owners and managers will simply not be able to meet the exact 15-day schedule for property inspections. What was an infeasible and burdensome requirement for both property managers and affordable housing residents before the pandemic will now be beyond tenable.

NAHMA's membership represents 75 percent of the affordable housing management industry, and includes its most distinguished multifamily owners and management companies across the country. NAHMA members take great pride in providing quality housing that offers a safe, healthy environment for their residents. As property owners and managers, NAHMA members understand the agency's efforts to ensure portfolio compliance during this time of crisis; however, we feel those efforts must be fair and realistic in light of the incredible negative impacts of the pandemic. Our membership shares the agency's goal of providing quality affordable housing to low-and moderate-income households, in particular by consistently maintaining subsidized properties in good physical condition and providing a quality of life for residents.

We thank you for your urgent consideration of these matters, and we look forward to working together to advance our shared goal of providing quality housing and improving economic opportunity for communities across the country.

Please do not hesitate to reach out with questions to Kris Cook, NAHMA's Executive Director, at 703-683-8630 x113, or Larry Keys, NAHMA's Director of Government Affairs, at ext. 111.

Sincerely,

A handwritten signature in black ink that reads "Kris Cook". The signature is written in a cursive, flowing style.

Kris Cook, CAE

Executive Director

CC:

U.S. Dept. of Housing and Urban Development: Office of Multifamily Housing Programs and the Real Estate Assessment Center (REAC)

U.S. Dept. of Agriculture, Rural Housing Service