

COVID-19 and Minnesota Housing Multifamily Portfolio: Additional Guidance from Asset Management for Property Owners and Property Management Staff

General Questions and Minnesota Housing Operations

1. How is Minnesota Housing practicing social distancing?

In accordance with the <u>CDC guidelines on workplaces, schools, and community facilities</u>, most Minnesota Housing staff are working remotely and any staff required in the office have staggered work schedules. Staff are most available through email but are also checking voicemails throughout the day. Please watch for auto-replies to emails and outgoing voicemail greetings with details about specific schedules.

2. What are recommended best practices for site and property management to implement social distancing and healthy management practices at this time?

Please refer to the <u>CDC guidelines on workplaces</u>, <u>schools</u>, <u>and community facilities</u> for the most current recommendations around site management protocols. The CDC also has <u>resources</u> that are appropriate to share in common spaces, bulletin boards, or property newsletters to promote social distancing and healthy practices. The Minnesota Department of Health maintains a <u>state specific webpage with COVID-19</u> <u>materials</u>, available in several languages, to share with your tenants and property management staff.

Recommended best practices include:

- Conduct annual recertification interviews or other in-person appointments during this emergency
 through the mail, over the phone, over a video chat platform, or remotely through another secure
 online method. HUD has provided a <u>Q & A document for Multifamily properties</u> and addresses
 extenuating circumstances for recertifications in more detail.
- Follow CDC guidelines for cleaning/disinfecting common areas in multifamily properties.
- Consider the <u>National Multifamily Housing Council's recommendations</u> that provide several resources and links available for operating your business including: general preparedness, handling packages and OSHA and Department of Labor resources that may apply to your situation.

3. Is Minnesota Housing conducting physical inspections and site visits at this time?

Physical inspections and site visits have been postponed until further notice. The current priority is supporting our staff and our property owner/management partners in maintaining their day-to-day business as much as possible and focusing on the new and unprecedented questions and scenarios during this public health emergency.

If you have property-specific questions related to site visits, physical inspections, or other reporting requirements, please contact your assigned staff at Minnesota Housing.

HUD has also postponed REAC inspections until further notice and will release further guidance and direction on site visits required for HUD programs on their website.

Evictions and Lease Terminations

4. On March 23, 2020, Governor Walz signed Emergency Executive Order 20-14 suspending evictions and writs of recovery for the term of the COVID-19 peacetime emergency. The purpose of this order is to keep people stably housed and prevents displacement during this health emergency. Can I file an eviction in court or move to terminate/not renew a lease during the public health emergency?

No. Please consult the agency's <u>COVID-19 webpage</u> for the latest resources and information, including Frequently Asked Questions. This order temporarily suspends the ability to file an eviction or terminate a lease during the public health emergency, except in limited circumstances set out in the order. Property owners/lenders are encouraged to seek legal counsel with questions about specific situations.

ADDED TO THIS DOCUMENT ON 4.13.20: The Frequently Asked Questions document is now available in Spanish, Hmong, and Somali.

5. Does the Executive Order mean that tenants are not required to pay rent or that Owners/Agents shouldn't charge/collect rent right now?

Tenants are still required to pay rent as agreed and Owners/Landlords/Property Managers are not prohibited from collecting rent. Nothing in the order relieves a tenant's obligation to pay rent. We encourage management to develop a plan that can be applied consistently and to work with tenants that may be unable to pay rent in full, which may include developing a repayment plan, waiving late fees, or accepting partial payments.

If late fees are charged, they must be in accordance with <u>statute</u>. It is recommended that files and decisions are documented in the tenant files and property records.

Owners that choose to forego rent collection and/or waive late fees will not be considered in noncompliance with agency-monitored program rent limits and requirements.

Project-based Section 8 Properties and Section 811 PRA

ADDED TO THIS DOCUMENT ON 4.16.20: HUD recently released more <u>guidance</u> on the COVID-19 impact on tenant annual and interim recertification, obtaining signatures, applications, vacancies, move-ins, RCS during contract renewal and a the Moratorium on Evictions under the CARES Act.

6. ADDED TO THIS DOCUMENT ON 4.29.20:

Should Stimulus payments and/or the Federal Pandemic Unemployment Compensation be included as income for purposes of calculating rent?

On April 16, 2020, HUD released guidance that one time household stimulus payments and the temporary \$600 per week federal enhancement to unemployment provided by the CARES Act are not to be included in calculations of income. However, HUD notes that regular payments of unemployment insurance (issued by states) are treated as income, as is customary under program rules.

7. How should interim recertification/decreases in household income be handled at properties with Project-based Section 8 rental assistance?

ADDED TO THIS DOCUMENT ON 4.29.20: HUD has a new resource for tenants and families living in multifamily properties. It addresses the steps tenants can take in case of lost income during the COVID-19, provides local contact information, and explains the eviction moratorium in the CARES Act.

HUD recommends that owner/agents <u>distribute this brochure</u> directly to tenants via email and also post it in the common areas of your properties.

8. Will there be any changes to how Section 8 Housing Assistance Payments are processed?

Minnesota Housing continues to process all Section 8 subsidy payment requests and special claims within the required HUD timeframes. At this time there are no changes to these processes or timelines, but please reach out to your assigned TRACS Analyst if you have questions about your property's payment requests or special claims for vacancy/damages.

9. Will there be any changes to how Section 8 contract renewals, rent adjustments, and other subsidy contract processing requests are handled?

Minnesota Housing continues to process all Section 8 contract processing requests within the required HUD timeframes. At this time there are no changes to these processes or timelines anticipated, but please reach out to your assigned HAP Contract Officer if you have questions about your property's Section 8 contract.

Properties with Minnesota Housing Financing/Funding or Asset Management Oversight

10. Can agency borrowers defer any debt service/mortgage payments?

None of the requirements in our repayment agreements, legal documents, regulatory agreements, or other binding documents have been universally waived at this time. Our asset manager HMOs are reviewing questions related to reserves, expenses, rents, and financial performance of our portfolio on a case-by-case basis, so please reach out to discuss any property specific questions. We want to work together on both the short and long term health and stability of the property.

HUD has provided guidance for HUD-financed and assisted properties in a Q & A document for multifamily owners/agents.

11. Can an Owner use reserves to cover unexpected shortfalls/expenses or debt service payments during this public health emergency?

None of the requirements in our repayment agreements, legal documents, regulatory agreements, or other binding documents have been universally waived at this time. Our asset manager HMOs are reviewing questions related to reserves, expenses, rents, and financial performance of our portfolio of properties on a

case-by-case basis, so please reach out discuss any property-specific questions. We want to work together on both the short and long-term health and stability of the property.

HUD has provided guidance for HUD-financed and assisted properties in a Q & A document for multifamily owners/agents.

12. Have there been changes made to Minnesota Housing's procedure for processing draw requests?

Draw Requests will continue to be processed timely via email. Please email your assigned asset manager HMO with the draw request and required back-up documentation for review, approval, and payment. If you need to mail your draw request, we do have members of our team checking mail boxes as needed.

13. Are properties required to continue deposits to Replacement Reserves during this public health emergency?

None of the requirements in our legal documents, regulatory agreements, or other binding documents have been universally waived at this time. Our asset manager HMOs are reviewing questions related to reserves, expenses, rents, and financial performance of our portfolio of properties on a case-by-case basis, so please reach out discuss any property specific questions. We want to work together on both the short and long-term health and stability of the property.

HUD has provided guidance for HUD-financed and assisted properties in a Q & A document for multifamily owners/agents.

Property Management and Property Operations

14. Are there any requirements or obligations for a property owner if a property management staff or multifamily tenant is diagnosed with COVID-19?

There are no requirements or programmatic obligations of a property owner if a property management staff or multifamily tenant has a confirmed case of COVID-19. The Minnesota Department of Health has information and <u>resources for businesses and employers</u> that address some additional questions and topics, including resources for <u>managing the stress of the COVID-19</u> public health emergency for property management staff and multifamily tenants.

15. Can properties restrict visitors during this time?

On March 25, Governor Walz signed Emergency Executive Order 20-20, Directing Minnesotan to Stay Home. You can find more information about this order here. Nothing in the Governor's executive orders gives properties authority to enact or enforce more stringent policies that restrict the right for tenants to have visitors in their individual units.

NEW AS OF 4.29.20: The CDC has <u>safety guidance</u> for communal rooms in facilities, including laundry rooms and shared recreational facilities.

Minnesota Housing also encourages properties to distribute and share information from the <u>CDC</u> that promote and recommend staying home except for necessary trips, social distancing, and cleaning/hygiene recommendations.

16. What is recommended Personal Protective Equipment (PPE) for site and maintenance staff?

From the <u>CDC's recommendations</u> for housing service providers, it is suggested to have supplies on hand for staff such as soap, alcohol-based hand sanitizers that contain at least 60% alcohol, tissues, trash baskets, and disposable facemasks for people who request or need them and plan to have extra supplies on hand during a COVID-19 outbreak.

17. Are Owners/Agents required to continue performing annual unit inspections or entering units?

A temporary lapse in performing routine and annual unit inspections will not be considered noncompliance by our staff during this emergency. None of the requirements in our legal documents, regulatory agreements, or other binding documents have been universally waived at this time. We encourage clear and frequent communication (notices, signage, flyers) to make sure all tenants are informed as to what unit emergencies or critical concerns to report to staff so the appropriate action can be taken.

Some recommended best practices to consider:

- Self-certified unit inspection reports from tenants to identify any urgent work orders/maintenance needs.
- Maintenance staff can provide instructions and some common tools for tenants to perform basic tasks as needed i.e. a unit reports a clogged toilet or sink and maintenance/property management staff provides a plunger and some basic instructions from a safe distance outside the unit for the tenant who can possibly address the clog on their own, without maintenance entering the unit.
- Develop a plan to resume routine, including annual unit inspections, when it is appropriate based on the local conditions at the site.

18. Is there guidance on what supportive housing staff and services are considered essential during this public health emergency?

It is up to each individual property management and service provider organization to determine how supportive services can continue to be safely provided. Minnesota Housing is not issuing any specific guidance about essential activities and staff within our portfolio of properties. The Corporation for Supportive Housing (CSH) has authored resources specifically geared towards supportive housing sites and providers that offer best practice recommendations to consider, including case management services, home visits, and promoting health and safety for providers that serve vulnerable populations who critically need support during this time.

19. What resources can I share with tenants with children who are considered essential/emergency workers?

Under the <u>Governor's Emergency Executive Order 20-02</u>, free school age care for the children of emergency workers (including providers of healthcare, emergency medical services, long-term and post-acute care; law enforcement personnel; personnel providing correctional services; public health employees; firefighters and other first responders; and court personnel) was addressed. The orders directed schools to provide care to,

at a minimum, district-enrolled students aged 12 and under. This <u>link</u> clarifies the work that falls within each of the identified emergency workers categories that may include supportive services staff.

20. If maintenance employees who need to enter tenant units for service calls are concerned that tenants may be ill with COVID-19, may they ask tenants if they have COVID-19 symptoms before entering a unit? Can non-essential repairs be postponed?

Maintenance employees and other staff can ask a tenant if it is safe to enter a unit before entering. Owner/management staff who do not feel safe should not enter a tenant's unit. The deferral of non-essential or non-health and safety repairs should be made on a unit-by-unit basis. If the repair is necessary for health and safety of tenants and the staff person is not comfortable entering the unit as a result of a potential COVID-19 exposure, owners/management should consult <u>local health guidance</u> about the appropriate precautions to take.