

Agency 2020 Emergency Response Report
Indiana Housing and Community Development Authority

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Report Summary

IHCDA has continued most of its work throughout the COVID-19 pandemic without interruption. This has been accomplished primarily through using various forms of technology to allow staff meetings, board meetings, document execution, and all forms of communication from remote locations. Suspension of any particular service was implemented with the health and well-being of IHCDA’s constituents, partner agencies, and staff in mind. In many cases, extensions and leniency were granted, where appropriate and allowable, to limit the risk of COVID-19 exposure to staff, partner agency staff, constituents, and program participants.

In preparation for future emergencies, IHCDA has made significant strides in adopting technology and processes that will allow continued ability for remote and online processes, as well as engaged in planning efforts with its partners across the state. This report makes several recommendations for legislation that would prepare IHCDA and its partners to be even more prepared and would further promote housing stability during times of emergency.

I. Operations or Services Reduced or Suspended

From Legislative Council Resolution: **“Overview of which, if any, operations or services were reduced or suspended during the COVID-19 pandemic, including the following information: (a) Whether the suspension or reduction was required by an Executive Order or an internal agency decision? (b) To**

the extent applicable, include citations for the laws, rules, and policies affected by or authorizing the reduction or suspension.”

A. Suspended Programs and Services

IHCDA suspended certain services to protect the health and safety of its staff, partners, and constituents. All changes were determined by an internal agency decision unless otherwise noted.

- 1. Conventional loan financing.** IHCDA normally offers conventional financing for home loan purchasers meeting certain income requirements. Conventional loan financing entails mortgages guaranteed by the Federal National Mortgage Association (Fannie Mae) or the Federal Home loan Mortgage Corporation (Freddie Mac). Because of the COVID-19 pandemic, forbearance agreements on mortgages have increased. As a result of this increase, the Federal Housing Finance Authority (Fannie and Freddie’s government regulator) added Loan Level Price Adjustments to new conventional financing, creating additional costs. IHCDA, like many other Housing Finance Authorities across the country, decided to suspend its conventional financing program due to the additional costs and risk these adjustments created. IHCDA continues to offer other loans for qualified first-time home buyers.
- 2. My Community My Vision program.** The program was suspended for the 2020-2021 program year. My Community My Vision is a youth community planning program sponsored by IHCDA that engages high school youth and college students in Indiana with their local communities.
- 3. CreatINg Places.** Crowdfunding campaigns for the program were delayed but began again in May. IHCDA is still not supporting or attending in-person project launch events. The CreatINg Places program allows citizens and communities to raise funds through crowdfunding and receive a matching grant from IHCDA for projects that improve public community spaces.
- 4. 4% LIHTC/ tax-exempt bond applications.** Submission of applications was suspended beginning April 7, 2020 to encourage developers and their partners to stay out of the field and avoid risk of exposure ([IHCDA RED Notice 20-23](#)). Developers could resume submitting Form Cs, which are notices of intent to apply, on June 18, 2020.
- 5. Development Fund stand-alone applications.** IHCDA’s Development Fund, which provides gap financing for affordable housing projects, has been closed for stand-alone applications since February 2019. IHCDA has further delayed re-opening the fund partly because of the debt service relief policy described in Section II. C. 5 below. (Developers may continue requesting Development Fund as gap financing on tax credit, bond, and HOME Investment Partnerships Program applications.)
- 6. On-site or in-person work for various programs.** IHCDA has suspended on-site work, inspections of properties and other in-person monitoring activities for its programs in order to protect the health and safety of its staff, partners, and constituents. Many of these activities, if conducted, would require IHCDA staff or partners to enter constituents’ homes. IHCDA utilized the Roadmap to Reopening Indiana set forth in [Executive Order 20-26](#) and the Back on Track Indiana stages to guide its decisions on when to begin allowing certain activities. On-site activities that were suspended include but are not limited to the following:
 - **Suspended until Back on Track Stage 3 began:** Tax credit development progress inspections and closeout inspections for the HOME, Community Development Block Grant (CDBG), and Housing Trust Fund (HTF)
 - **Suspended until Back on Track Stage 4 began:** Weatherization Assistance Program work

- **Suspended until Back on Track Stage 4.5.** The following activities began during Stage 4.5:
 - Work in homes under the Owner-Occupied Rehabilitation, Ramp Up, and lead hazard reduction grant programs
 - Tax credit pre-8609 (construction completion) inspections
 - In-person site checks of completed lots for the Blight Elimination Program (BEP) and in-person BEP closeout audits. When site checks resume, only one individual will conduct the checks instead of a group of individuals, as was done previously, and only when it is safe to do so. The in-person site inspection component for closeout audits is being replaced with a remote inspection process that will begin in September.
- **Suspended until Back on Track Stage 5 begins:** Ongoing compliance period inspections for project-based rental assistance and HOME programs. For age-restricted properties, on-site reviews are being delayed to the extent possible.
- Management and Occupancy Reviews (MORS) for the Section 8 Project-Based Rental Assistance Program were suspended until July 1, 2020. This suspension was due to guidance issued by the U.S. Department of Housing and Urban Development's (HUD's) Office of Multifamily Housing Programs which required MORS to be suspended until local conditions would allow MORS to be performed safely ([HUD's Federal Housing Administration Questions and Answers for Office of Multifamily Housing Stakeholders: Coronavirus](#)). HUD subsequently instructed that MORS should resume on July 1, 2020.
- Housing Choice Voucher program Housing Quality Standards (HQS) in-person inspections were suspended as authorized by [HUD Notice PIH-2020-05](#).

B. Changes from In-Person to Remote Operations and Activities

IHCDA managed a swift and successful transition from in-person operations and activities to remote whenever possible during the pandemic to continue regular operations and services while protecting the health and safety of its staff, partners, and constituents. Changes were internal agency decisions unless otherwise noted.

1. Staff Telework and Offices Closed

IHCDA implemented full agency telework in which the entire staff was set up to work from home and IHCDA's offices were closed to the public beginning March 16. This included holding new staff onboarding, group trainings, and all other meetings remotely. On June 15, corresponding with Back on Track Indiana Stage 4, IHCDA began a re-opening plan allowing staff to work in the office two days a week with social distancing precautions in place. IHCDA continues to meet with its partners and constituents over the phone or virtually through programs like Microsoft Teams.

2. Board Meetings Held Telephonically

Beginning March 26, IHCDA monthly Board meetings have been conducted telephonically as authorized by [Executive Orders 20-04 and 20-09](#), which together suspended the requirements for board members to be physically present at meetings and allowed notices and agendas to be posted solely by electronic means during the public health emergency. IHCDA posts an electronic notice and agenda for each meeting and provides the public with a call-in number to listen to the meetings so that Board meetings may continue and remain open to the public. Remote Board meetings will continue until further notice as authorized.

3. Monitoring Activities Conducted Remotely

IHCDA transitioned monitoring activities which have always been conducted in-person to be conducted remotely when possible, including the following activities:

- BEP closeout audits
- 2020 file monitoring for tax credits, HOME, CDBG, and HTF conducted as desktop review
- Housing Choice Programs monitoring

C. Program Deadline Extensions and Waivers

As outlined below, IHCDA extended deadlines and modified program requirements for several programs to ease administrative burden on its constituents and partners during the pandemic. Many modifications were made as authorized or required by federal agencies overseeing programs IHCDA administers, including the Internal Revenue Service (IRS), HUD, and the U.S. Department of Health and Human Services. [Executive Order 20-06](#) requested, but did not require, public housing authorities (PHAs) to extend deadlines for housing assistance recipients or applicants to provide eligibility documents, as was within the PHAs' discretionary authority. Unless otherwise noted, these changes were internal agency decisions made at IHCDA's discretion.

1. Extended the application deadline for people applying to the Low-Income Home Energy Assistance Program (LIHEAP) to July 31 due to the statewide moratorium on utility shutoffs. Most recently, [Executive Order 20-33](#) prohibited utility shutoffs through August 14, 2020.
2. Extended deadlines for Housing Choice Voucher applicant and participant eligibility paperwork.
3. Established a process for accepting and documenting late income recertifications from tenants for Real Estate Department programs including HOME and the Rental Housing Tax Credit program.
4. For the Rental Housing Tax Credit program:
 - Extended the application deadline for 2021 9% tax credits from July 27, 2020 to September 18, 2020. However, IHCDA will accept supporting documents submitted with the application that are dated within six months of the original July 27 due date as current documents ([IHCDA RED Notice 20-23](#)).
 - Extended the deadline for meeting the 10% test for developments that received a 2019 tax credit allocation and the placed-in-service deadline for developments that received a 2018 tax credit allocation in accordance with [IRS Revenue Procedure 2014-49](#) ([IHCDA RED Notice 20-22](#)). IRS Revenue Procedure 2014-49 specifically allows but does not require these extensions during a declared federal disaster.
 - Allowed property owners the discretion to temporarily close common spaces without IHCDA considering it to be an event of noncompliance. Per IRS Notice 20-53, common areas and amenities may be "closed during some or all of the period from April 1, 2020 to December 31, 2020."
 - Ongoing compliance period inspections for Rental Housing Tax Credit properties have been waived for 2020 as authorized by [IRS Notice 2020-53](#).
5. For the HOME program:
 - Waived federal 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 ([IHCDA RED Notice 20-25](#)). The [HUD Community Programs and Development memorandum entitled "Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19"](#) and dated April 10, 2020, authorized but did not require these waivers.

- Implemented HOME Tenant-Based Rental Assistance (TBRA) program waivers for implementation by TBRA recipients. The HUD Community Programs and Development memorandum entitled “[Suspensions and Waivers to Facilitate Use of HOME-Assisted TBRA for Emergency and Short-Term Assistance in Response to COVID-19 Pandemic](#)” and dated April 10, 2020, authorized but did not require these waivers.
6. Issued a debt service relief policy for Development Fund, HOME, and CDBG-D loans that have converted to permanent financing. The policy allows borrowers to defer any or all principal payments due between May 1, 2020 and April 30, 2021. IHCD A instituted the policy in order to ease the burden on landlords and encourage them to work out payment agreements with tenants who cannot pay rent instead of evicting tenants.
 7. For project-based vouchers, IHCD A allowed waivers accepting self-certification in lieu of HQS inspections at unit turn-over and self-reporting for interim income certifications, as authorized by [HUD Notice PIH-2020-05](#), which allowed but did not require these waivers ([IHCD A RED Notice 2024](#)).
 8. IHCD A additionally provided support to its subrecipients in transitioning to remote services as feasible, including the following:
 - Encouraged subrecipients to accept electronic signatures on documents from applicants/participants as already allowed by IHCD A policy
 - Allowed additional administrative costs to pay for equipment that would enable subrecipient staff to work remotely and continue providing services to the public, as allowed by federal requirements
 - Allowed remote access to data entry systems maintained by IHCD A, including the Homeless Management Information System (HMIS), to enable partners’ staff to work remotely

II. Agency Preparations to Address Future Emergencies

From Legislative Council Resolution: **“Overview on preparations to address future emergencies and recovery from emergencies based on the state agency's experience with the COVID-19 pandemic. To the extent applicable, include citations for the laws, rules, and policies that are affected by or authorize the preparations.”**

In addition to the items discussed in Section I, IHCD A is reviewing its agency Continuity of Operations Plan and is refining standard operating procedures to be better prepared for future emergencies. Additional preparations are listed below.

- A. **Continuum of Care (CoC) disaster recovery plan.** IHCD A has developed a disaster recovery plan in conjunction with the CoC Board for CoC programs, which provide services to people experiencing homelessness or at risk of homelessness. Many CoC programs and policies require approval of the full CoC Board before they may be implemented pursuant to HUD mandated policies and rules. Under the new disaster recovery plan, because of its role in the CoC program, IHCD A will be authorized to make temporary policy changes during emergencies. This will allow any necessary policy changes to be made more quickly during emergencies and will ensure housing and other services are delivered to constituents.

- B. FSSA Partnership.** IHCDCA has built a partnership with the Indiana Family and Social Services Administration regarding care and housing for people experiencing homelessness during pandemic situations.
- C. Staff Telework.** IHCDCA remains able to support full staff telework in the event of another emergency. IHCDCA has adopted Teams, Cisco Jabber, Cisco AnyConnect, and other applications into its everyday processes so that a transition to full telework can be made as needed. IHCDCA is also moving to the Cloud for agency-shared file storage and is exploring migrating its accounting software to a web client so that staff can work more effectively from home.
- D. Board Member Participation by Electronic Communication.** At March's Board meeting, the IHCDCA Board adopted a policy allowing for board member participation by electronic communication in accordance with Indiana Code 5-14-1.5-3.6. IHCDCA and its Board have also adopted an internal process to ensure Board members may electronically sign resolutions immediately after Board meetings.
- E. Check and payment processes.** IHCDCA is transitioning all check printing and mailing to third party vendors so the check process can continue seamlessly and is working to move the receipt of incoming payments to an electronic payment portal. As an alternative to the electronic payment portal, IHCDCA is also establishing remote check deposit capabilities with its banking institution so that agency staff do not have to physically go to a branch to deposit a check.
- F. Program Documents and Applications.** IHCDCA is transitioning to accepting electronic documents and signatures from partners and constituents to the extent possible. IHCDCA's use of electronic signatures is authorized under Indiana's Uniform Electronic Transactions Act (Ind. Code 26-2-8). Process changes include:
- Application intake processes for multiple programs have been adjusted to allow for electronic applications.
 - Electronic signatures will be obtained from Hardest Hit Fund applicants.
 - Real Estate Department documents from partners as well as participants will be allowed to be submitted electronically instead of delivered in person or by mail.
 - Professional services contracts, Memoranda of Understanding, and other agreements are being transitioned to electronic signatures to the extent possible. Handwritten signatures are still required for certain documents, including insurance checks IHCDCA signs for the Homeownership program.
- G. Document Recording.** IHCDCA files certain documents, such as mortgages and liens, for recording when a title company is not available to record the documents. IHCDCA has traditionally mailed documents to recorder's offices for recording but is now in the process of contracting with a third-party vendor to e-record documents on its behalf in the Indiana counties which allow e-recording.
- H. Document Notarization.** IHCDCA handles mortgages, liens, and other documents that require acknowledgement of the document signer before a notarial officer. For times when all staff are teleworking, IHCDCA has adopted a process in which an IHCDCA staff licensed as a notary public and the person signing a document would meet in person to sign and notarize documents when required. IHCDCA has explored adopting remote notarization processes but has determined that the service is too costly. The change to Indiana Code 32-21-2-3(a), effective July 1, 2020, which additionally requires the proof of a witness, will likely produce additional barriers during an emergency, as discussed further in Section III below.

III. Legislative Recommendations

From Legislative Council Resolution: **“Recommendations (if any) for Legislation that May Be Needed to Help Ensure the Agency Is Prepared to Address Future Emergencies” and “Recommendations (if any) for legislation to permanently repeal or modify any regulations or laws that were partly suspended due to the COVID-19 pandemic.”**

During the pandemic, IHCDCA has continued to promote housing stability through its existing housing and utility assistance programs as well as expanded assistance with funding from the federal CARES Act. IHCDCA also established the temporary Indiana COVID-19 Rental Assistance Program through CARES Act funds designated by the State, with an initial \$25 million and an additional \$15 million allocated to IHCDCA totaling \$40 million to assist Indiana renters. People facing housing crises during the pandemic are one particularly hard-hit segment of the population. People who are homeless on the street, living in congregate shelters, or temporarily living with friends and family all face an increased risk of contracting and spreading COVID19. Increases in the occurrence of COVID-19 lead to additional economic consequences, which lead back to an increase in housing crises. The legislative recommendations IHCDCA makes below will even further equip IHCDCA to support housing stability in future emergencies.

A. Support increased information sharing among housing assistance providers.

IHCDCA recommends legislation that would create a network to enable Indiana housing assistance providers including public housing authorities, township trustees, entitlement communities, and faith-based organizations to share information in order to improve coordination and transparency of services. Coordination could include and expand services provided by Indiana 211. Better coordination would save time and resources, make services more readily available to constituents, and help housing service providers avoid the duplication of benefits. Though IHCDCA currently communicates with other providers in the state, there is no established structure for coordinating services and assistance, and IHCDCA does not have the statutory authority to establish such a structure.

Expanded coordination would be especially beneficial during widespread emergencies. During COVID19, IHCDCA was able to work with other housing service providers to link constituents to appropriate services. However, because of COVID-19, IHCDCA and other providers have encountered a high volume of housing needs and requests for assistance from Hoosiers. Emergency situations require providers to work quickly while also ensuring that constituents are not receiving duplicate benefits. Establishing a collaborative network of housing service providers would better position IHCDCA and its counterparts to provide this quick response.

B. Repeal the 2020 change to Indiana Code 32-21-2-3(a) which requires a witness to the acknowledgement of mortgages and other documents.

Senate Enrolled Act 340, passed during the 2020 legislative session, changed an “or” to an “and” in Indiana Code 32-21-2-3(a). Though the change was not intentional, it effectively created an additional requirement for mortgages, liens, and other documents that need recording. The change, effective July 1, 2020, will now require the proof of a witness to the signing before a notarial officer, in addition to the current requirement of the signer’s acknowledgement before a notarial officer. The new witness requirement will require a third person to be present when documents are signed. During a time where staff are working remotely, the new requirement creates additional burden, requiring a third person to be physically present to properly complete the process. If a remote option for the

witness requirement is allowed, there will likely be additional costs for the remote services. IHCD recommends that legislation repealing the change become effective immediately upon passing and not be delayed until July 2021.