

Section 42 LIHTC and Tax Exempt Bond Funded Properties Virginia Disaster Relief Guidance

The guidance in Revenue Procedures 2014-49 and 2014-50 apply when a Major Disaster has been declared by the President. The sections on Emergency Housing Relief apply when a Disaster has been designated by FEMA as eligible for *Individual Assistance*.

VHDA Approval for providing Temporary Emergency Housing Relief

Owners/Managers of a property having received a LIHTC allocation and/or that is funded through a tax-exempt bond issuance must request and receive VHDA's approval to provide Temporary Emergency Housing Relief. That approval will be provided in an email in the format below:

"Owners and/or managers of the following-named property: _____
_____ may provide temporary emergency housing according to Revenue Procedure 2014-49 and 2014-50, which allow temporary relief from certain requirements of Sec. 42 and Sec. 142 of the Internal Revenue Code for owners of low-income housing buildings and housing credit agencies of states in Major Disaster areas declared by the President.

This relief only applies during a Temporary Housing Period not to exceed 12 months. The Revenue Procedures contain the requirements and restrictions for Temporary Emergency Housing Relief. This serves as the "Agency Approval" referred to in the Revenue Procedures for owners/managers of tax credit and/or tax-exempt bond funded properties to provide Temporary Emergency Housing Relief to families displaced by the federally declared disaster.

The Temporary Housing Period ends MM/DD/YYYY.

If an owner chooses to provide Temporary Emergency Housing Relief to a Displaced Individual that cannot establish eligibility for Sec. 42 or Sec. 142, the owner may perform any normal qualification activities relating to credit, criminal convictions, etc. specified in the Tenant Selection Plan (including obtaining documentation of the household's actual displacement from their primary residence), but may disregard the income of the Displaced Individual's household during the Temporary Housing Period. The unit retains the status it had prior to occupancy by the Displaced Individual. The rent cannot exceed the applicable section 42 rent limit (if applicable), and the owner must obtain a statement signed by the Displaced Individual under penalties of perjury containing the following information (see Displaced Household Certification form, attached):

- (1) The name of the Displaced Individual (including the names of all household members);
- (2) The address of the Displaced Individual's principal residence at the time of the Major Disaster;
- (3) The Displaced Individual's social security number; and
- (4) A statement that s/he was displaced from his or her principal residence as a result of a Major Disaster and that the residence was located in a city, county, or other local jurisdiction that is covered by the President's declaration of a Major

Disaster and that is designated as eligible for Individual Assistance by FEMA because of the Major Disaster.

Owner must retain a record of this approval and the Displaced Household Certification form in its property files as both may be subject to review by VHDA and/or the Internal Revenue Service.

Within 30 days after occupancy, Owner must provide VHDA a list of the names of Displaced Individuals and the dates the Displaced Individuals covered by this relief began occupancy.

No existing low-income household may be evicted or otherwise have his or her occupancy terminated solely to provide temporary emergency housing relief for a Displaced Individual.”

If a Displaced Individual wishes to continue to occupy a low-income unit after the end of the Temporary Housing Period, the household must be initially qualified for Section 42 or Section 142 and all documentation rules apply. Owner must then complete a full and complete initial qualification, signing a Tenant Income Certification and Student Certification. The effective date must be no later than the day following the end of the above-identified Temporary Housing Period.

If you have any questions regarding the above, please contact the VHDA Compliance Officer assigned to the property.

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Displaced Household Certification

I, _____, Social Security # ____ - ____ - ____
(representing the "eligible household") am applying for temporary emergency housing relief at
_____ (property name) on _____ (date) due to
_____ (name of the "Major Disaster") which affected my residence at
_____ (address). I hereby certify
that:

My household consists of the following persons (include self):

1. My household was displaced as a result of the Major Disaster listed above.
2. The address listed above is/was my primary place of residence.
3. The affected address listed above is located in a city, county or local jurisdiction that is covered by the President's declaration of the Major Disaster and that is designated as eligible for Individual Assistance from FEMA because of the Major Disaster.
4. I understand that the housing being offered is temporary emergency housing assistance and will end no later than _____ (insert date that is 12 months from _____, date which is the date the President declared the Major Disaster).
5. I understand that if my household chooses to remain in the unit after the temporary emergency housing assistance ending date above, all household members will be expected to be certified as eligible under all program rules that apply to the property. If my household is not eligible, I/we will promptly vacate the unit.

Under penalties of perjury, I certify that the information in this certification is complete and accurate to the best of my knowledge.

Applicant _____ (date)

Management Representative _____ (date)

Unit Occupied: _____

Date Occupancy Began: _____

Date Occupancy Ended: _____

No existing low-income household may be evicted or otherwise have his or her occupancy terminated solely to provide temporary emergency housing relief for a Displaced Individual.

Retain a record of the VHDA approval to provide housing and this Displaced Household Certification form in the property files as both may be subject to review by VHDA and/or the Internal Revenue Service.