

Section 42 Disaster Guidance for Temporary Housing Relief

Hurricane Irma DR-4337

This disaster guidance is for owners of Low-Income Housing Tax Credit (“LIHTC”) properties in Tennessee who may receive inquiries for housing from households displaced by Hurricane Irma. 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**. Displaced households from the following counties in Florida meet the **Individual Assistance** requirement as defined by FEMA, DR-4337:

Charlotte	Collier	Hillsborough
Lee	Manatee	Miami-Dade
Monroe	Pinellas	Sarasota

In an effort to assist households displaced by Hurricane Irma as described in FEMA, DR-4332, the Internal Revenue Service (“IRS”) has removed qualifying income and transiency requirements for vacant units at LIHTC properties. Effective September 10, 2017, all vacant units at LIHTC properties in Tennessee can be leased to these displaced households. Consequently, THDA is issuing the following guidance for owners to follow when leasing vacant LIHTC units to displaced households:

1. Owners shall notify THDA of their intent to lease to displaced households as defined by FEMA, prior to entering into any leasing arrangements.
2. All units leased to displaced households must have a file that contains documentation that the household previously resided in one of the effected counties according to FEMA’s website (fema.gov/disasters). The preferred method of documentation is the certificate number the displaced household received through FEMA processing.
3. The lease term restriction is waived for units leased to displaced households. These households can be allowed to initially enter into month to month tenancy due to their evolving circumstances. Fees charged for month to month tenancy are considered rent for purposes of the LIHTC program.
4. Verification of income for displaced households is not required; however, self-certification of household income is required. This is for tracking purposes only, not a qualification requirement. Remember, all rent restrictions remain applicable for these units.

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5. Eligible applicants on current waiting lists must be served prior to leasing units to displaced households. Current households must not be displaced to provide housing for displaced households.
6. Owners shall maintain and certify the following information:
 - a. Names of Displaced Household (including the names of all household members);
 - b. Address of the Displaced Individual's principal residence at the time of the Major Disaster;
 - c. The social security number(s) for the head of household of the displaced household including all other household members;
 - d. 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;
 - e. Owner's certification of the date the displaced household began temporary occupancy and the date the project will discontinue temporary housing, as established by THDA; and
 - f. The household information must be transmitted to THDA via the Housing Credit Management System using the special needs code "Displaced individual(s)".
7. All other requirements of Section 42 remain applicable to displaced households residing in LIHTC units. THDA monitoring will ensure:
 - a. Units meet the Uniform Physical Condition Standards (UPCS);
 - b. Affirmative and continuing marketing efforts are taking place to reach low-income Tennesseans;
 - c. Eligibility standards are equal for all applicants; and
 - d. All other requirements of IRC Section 42 and the state specific requirements contained in the Land Use Restrictive Covenant are being met.

THDA encourages owners and agents to consider listing rental vacancies with TNHousingSearch.org. TNHousingSearch.org is a free marketing resource that connects people and communities to information that supports the resolution of their affordable housing issues and the needs of those displaced by Hurricane Irma. Additional information on federal disaster assistance and resources can be found at FEMA's website at <https://www.fema.gov/disaster/4337>.

This guidance is issued in accordance with Revenue Procedures 2014-49 and 2014-50. The expiration of this waiver is September 30, 2018. All questions regarding the guidance should be directed to Donna Duarte, Director of Multifamily Programs at (615) 815-2210 or dduarte@thda.org.