

# MEMORANDUM

**TO:** Owners and Managers of Tax Credit Properties

**FROM:** Kimberly A. Roy, Director of Asset Management & Compliance

**DATE:** September 6, 2017

**RE:** Hurricane Harvey

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As you likely know, Hurricane Harvey hit Texas on Friday, August 25, 2017. I am attaching IRS Revenue Procedure 2014-49, which allows owners to provide emergency housing relief for displaced individuals affected by the Hurricane. In this Revenue Procedure, the IRS issued formal guidance suspending certain requirements under Section 42 of the Internal Revenue Code for tax credit projects in order to aid these displaced individuals.

Here are some of the highlights of the Revenue Procedure:

- Suspension of income limitations
- Period of temporary housing not to exceed August 24, 2018
- Vacant units in the first year of the credit period can be leased to displaced households and still continue to maintain the qualified basis and the set aside test (20/50 or 40/60)
- The status of the unit (low-income unit, market unit, or never previous occupied unit) prior to leasing to a displaced household, will continue its status after they vacate
- Suspension of non-transient requirement
- To qualify for relief, the following requirements must be met:
  1. Displaced individual must have resided in one of the 18 counties in Texas eligible
  2. Project owner must get approval from VHFA (attached)
  3. Must maintain and certify the following information: Name, address of damaged residence, social security number, and a statement signed by displaced individual.
  4. Displaced individuals must fill out "Displaced Household Certification" (attached)
  5. Certify the date the displaced individual began temporary occupancy
  6. Rents must remain restricted
  7. Cannot evict existing tenants to house displaced individuals
  8. If displaced individual wishes to continue occupancy after the 12 month temporary housing period, the household must initially qualify for Section 42 and all documentation rules apply.

For further details, please refer to the attached Revenue Procedure.

Lastly, please be sure that you are posting your vacancies on the Directory of Affordable Rental Housing (DOARH) at [www.housingdata.org](http://www.housingdata.org).