

MEMORANDUM

TO: Owners and Managers of Tax Credit Properties
FROM: Kimberly A. Roy, Director of Asset Management & Compliance
DATE: April 9, 2020
RE: **COVID-19 – President Declared Vermont a Major Disaster**

On **April 8, 2020**, President Trump declared **COVID-19** a major disaster. As of **April 8, 2020**, the Federal Emergency Management Agency (FEMA) designated **Vermont** as a major disaster area. Review the list of eligible counties here: <https://www.fema.gov/coronavirus/disaster-declarations>.

Under **Internal Revenue Procedure 2014-49** and **Internal Revenue Procedure 2014-50**, the IRS provides housing tax credit owners temporary relief from income requirements for individuals displaced by a major disaster. Households are eligible for emergency housing in tax credit properties if their principal residence was located in an area eligible for individual assistance. Units leased as emergency housing are subject to the program rent limits. The Internal Revenue Procedure 2014-49 and 2014-50 allow units to be used on a transient basis and relieves the owner and household from providing evidence of income eligibility. The emergency relief period ends **April 7, 2021**. After this date, displaced households that cannot document eligibility for the housing tax credit program cannot occupy program units.

Here are some of the highlights of the Revenue Procedure:

- Suspension of income limitations
- 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 designated areas to be 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

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