



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

Emergency Housing Relief Authorization- Response to Tornado Damage in Tennessee

In accordance with Revenue Procedures [2014-49](#) and [2014-50](#), the Tennessee Housing Development Agency is permitting all owners of low-income housing credit ("LIHC") properties within the State of Tennessee to provide temporary emergency housing to Displaced Individuals affected by tornadoes, straight-line winds, and flooding in Tennessee. Tennessee received a [MAJOR DISASTER DECLARATION](#) on [April 24, 2020](#) with a FEMA "incident period" beginning on [April 12, 2020](#).

I: BACKGROUND

Revenue Procedure 2014-49 provides temporary relief from certain requirements of Section 42 of the Internal Revenue Code for owners of LIHC buildings after the declaration of a Major Disaster by the President. Revenue Procedure 2014-50 provides temporary relief from certain requirements of Section 142 of the Internal Revenue Code for owners of LIHC projects. Specifically, Section 12 of Rev Proc 2014-49 and Section 6 of Rev Proc 2014-50 ("Emergency Housing Relief") allow the owners of LIHC properties to provide temporary housing for Displaced Individuals for a period of 12 months with approval from the state housing credit agency. THDA hereby authorizes all LIHC owners/management agents in Tennessee to utilize the emergency housing relief authorized in the applicable Revenue Procedures for the duration of the Temporary Housing Period, as defined below.

II: KEY DEFINITIONS

- **DISPLACED INDIVIDUAL:** An individual who is displaced from his or her principal residence as a result of a Major Disaster and whose principal residence was located in a Major Disaster Area designated as eligible for Individual Assistance by FEMA.
- **MAJOR DISASTER:** An event for which the President has declared a Major Disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.
- **MAJOR DISASTER AREA:** Any city, county, or other local jurisdiction for which a Major Disaster has been declared by the President and which has been designated by FEMA as eligible for Individual Assistance, Public Assistance, or both.

- **TEMPORARY HOUSING PERIOD:** The period, if any, beginning on the first day of the incident period, as determined by FEMA, and ending on the date determined by the Agency under section 12.02 of Revenue Procedure 2014-49 or section 5.02 of Revenue Procedure 2014-50. The Temporary Housing Period cannot exceed 12 months from the end of the month in which the President declared the Major Disaster. ****The relevant Temporary Housing Period for this emergency housing relief begins on April 24, 2020 and ends on April 30, 2021.****

III: EMERGENCY HOUSING RELIEF FOR DISPLACED INDIVIDUALS

If a Displaced Individual applies for residency at a Tennessee LIHC property, the Owner may allow the Displaced Individual to move into an income-restricted unit regardless of income qualification. The Displaced Individual may be treated in one of two ways:

1. If a Displaced Individual qualifies as a low-income household under the applicable LIHC income limits, then the Owner may either move the household in as a LIHC qualified household or may apply the emergency housing relief rules described in this notice.
2. If a Displaced Individual does not qualify as a low-income household under the applicable LIHC income limits, then the Owner may move the household into an available market rate unit or may move the household into a LIHC unit by applying the emergency housing relief rules described in this notice.

If a Displaced Individual is provided emergency housing relief during a time that is within both the Temporary Housing Period and the first year of the LIHC property's credit period, then during the Temporary Housing Period the unit is treated as a low-income unit for purposes of meeting the LIHC property's minimum set-aside and qualified basis.

If a Displaced Individual is provided emergency housing relief during the Temporary Housing Period but after the first year of the LIHC property's credit period, then the unit retains the status it had immediately before occupancy by the Displaced Individual. The unit does not affect the LIHC property's minimum set-aside or a building's applicable fraction.

If a Displaced Individual remains in a LIHC unit after the Temporary Housing Period ends, then the status of the unit must be reevaluated. At that time, the Owner must obtain all required income qualification documents to support the household's continued status as a qualified low-income household. The household is treated as a new move-in and must go through an initial qualification. The effective date of the initial qualification must be no later than the day after the Temporary Housing Period ends.

IV: REPORTING AND DOCUMENTATION REQUIREMENTS

To comply with the emergency housing relief provisions under the applicable Revenue Procedures, the owner must obtain and maintain certain information concerning each Displaced Individual temporarily housed. The

information must be contained in a statement signed by the Displaced Individual under penalties of perjury. THDA will provide a mandatory form to use for this purpose. The information gathered must include:

- Name of the Displaced Individual(s)
- The address of the principal residence at the time of the Major Disaster of the Displaced Individual(s)
- The Displaced Individual(s) Social Security Number
- A statement that he or she was displaced from his or her principal residence as a result of a Major Disaster and that his or her principal 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.

The Owner must maintain in the tenant file a copy of THDA's approval to provide emergency housing relief (i.e. a copy of this notice) **and** a copy of the Displaced Individual's certification/affidavit. At the end of the Temporary Housing Period, the Owner must report to THDA a list of the names of all Displaced Individuals who were housed, including the dates that their occupancy began and ended. THDA will provide a form for this reporting purpose.

V: MISC. COMPLIANCE REQUIREMENTS

RENT RESTRICTIONS

Rents for any low-income housing tax credit units used to house Displaced Individuals must not exceed the maximum gross rent allowable for compliance under Section 42(g)(2).

PROTECTION OF EXISTING TENANTS

Existing tenants in occupied Low-Income Housing Credit units may not be evicted or have their tenancy otherwise terminated solely to provide emergency housing relief for a Displaced Individual.

SUSPENSION OF NON-TRANSIENT REQUIREMENTS

The non-transient use requirement of Section 42 (i)(3)(B)(i) shall not apply to any unit providing temporary housing to a Displaced Individual.

NEXT AVAILABLE UNIT RULE

During the Temporary Housing Period, for purposes of determining compliance with the next available unit rule under Section 42(g)(2)(D)(ii), the Owner disregards any unit occupied by a Displaced Individuals.

****THDA requires owners and management companies of properties in the affected areas to consider listing all rental vacancies with TNHousingSearch.org. TNHousingSearch.org is a free marketing resource which is connecting displaced households with vacant housing units.**

Questions about this notice should be directed to Chuck O'Donnell, Program Compliance Manager at codonnell@thda.org.