

Public Notice



Oregon Housing and Community Services

September 15, 2020

Re: Wildfire Emergency Response and IRS Waiver Information Update

Dear Partners,

A federal emergency has been declared due to Oregon wildfires in the counties of Clackamas, Douglas, Jackson, Jefferson, Klamath, Lane, Linn, Lincoln, Marion, Tillamook, and Washington. <https://www.fema.gov/disaster/3542>

OHCS is working diligently to respond to the emergency needs of our partners, tenants, and Oregon families that have lost their homes due to the on-going wildfires throughout the state. In order to provide OHCS with information that will enable us to assist you in housing displaced families and assess the damage to OHCS funded publicly supported housing, we have created a form for owners and managers to provide key data to OHCS that can be shared with emergency management and recovery efforts. As such, we are asking owners and property managers to provide project information on this form:

<https://app.smartsheet.com/b/form/3179a1d8205a4de88f372f48c2a8f41d>

Governor Kate Brown has requested that the President issue a Major Disaster Declaration for the State of Oregon due to the wildfires. When this relief is issued we will be able to offer an LIHTC/Bond waiver for partners who wish to provide housing to individuals or families that have been displaced by a fire who resided in the counties above. Under this expected waiver, the income of the displaced family occupying an LIHTC or Bond unit does not affect the building's applicable fraction.



Until the Major Disaster Declaration is signed by the President and federal LIHTC/BOND relief can be offered, OHCS is prepared to allow compliance restrictions to be less restrictive for placement in vacant units funded with OHCS state (grant) resources and Post-15 LIHTC properties.

Projects that are funded with Riskshare, HOME and National Housing Trust Funds **are not** able to waive compliance restrictions but can modify tenant selection plans to accommodate a preference for displaced applicants whose income qualify.

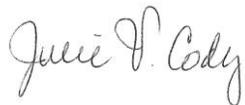
The details for the expected LIHTC/BOND federal relief are described in the following technical advisory document, which also includes the link to the needed tenant waiver form. As soon as federal relief is able to be utilized, OHCS will send out an immediate notification to all partners.

In the meantime, if you have OHCS funded properties that contain grant resources, and/or LIHTC Post-15 properties that have availability to house displaced Oregonians, please indicate that on the Smart Sheet referenced above. We will work with you to navigate compliance restrictions including potential modifications for a temporary period.

We recognize these are extraordinary and unprecedented times and we are grateful for your continued efforts to house Oregon families in need.

If you have any questions about this advisory, or would like to raise additional questions, please submit them via email to ARH.Portfolio@oregon.gov

Best Regards,



Julie V. Cody
Director of Affordable Rental Housing



Technical Advisory



Oregon Housing and Community Services

September 15, 2020

Technical Details: Wildfire Emergency Response and IRS Waiver Information

Revenue Procedure 2014-49 (Rev. Proc. 2014-49) addresses guidelines for LIHTC housing in response to Presidential declarations of Major Disasters. (Similar guidance for tax-exempt bond properties can be found in Rev. Proc. 2014-50).

When a Presidential declaration of a Major Disaster occurs, OHCS as an allocating agency has the right to issue a statewide approval to qualify displaced individuals or households. In order for a project to use this waiver authority, projects will need to notify OHCS of this intention through submission of project information found in this form:

<https://app.smartsheet.com/b/form/3179a1d8205a4de88f372f48c2a8f41d> or by reaching out to ARH.Portfolio@oregon.gov.

In order to use this waiver, there are certain compliance requirements that must be considered when renting to displaced individuals or households.

- 1) Displaced individuals or households must complete the [Displaced Households Certification form](#).
- 2) It is best to income qualify households whenever possible. However, if a household cannot provide sufficient documentation, e.g. paperwork / verifications are unavailable or the household must be housed immediately, the household can be placed for a temporary housing period of up to one year from the date of the presidential declared major disaster without meeting general LIHTC qualifications.
- 3) The maximum housing expense must comply with the applicable property LIHTC limits.



- 4) Current tenants cannot be evicted or displaced in order to house displaced victims.
- 5) Occupancy by displaced households satisfied the non-transient use requirement.
- 6) During the temporary housing period, the next available unit rule applies based solely on occupancy by those not displaced.
- 7) At the end of the temporary housing period, the household must be qualified for the unit or must vacate the unit. There is a 60-day grace period allowed per regulation. Leases offered to displaced households should have the appropriate provision in them to meet this requirement.
- 8) If the property is in its first-year, the unit is treated as low-income for purposes of determining the qualified basis and meeting the minimum set-aside (e.g., 40 percent of the units at 60 percent of area median income). If the move-in takes place after the first year, "the unit retains the status it had immediately before" (i.e., LIHTC eligible, market-rate, or never occupied).
- 9) The income of the Displaced Individual occupying the unit does not affect the building's applicable fraction under § 42(c)(1)(B) for purposes of determining the building's qualified basis under § 42(c)(1), nor does it affect the satisfaction of the 20-50 test under § 42(g)(1)(A), 40-60 test under § 42(g)(1)(B), or 25-60 test under §§ 42(g)(4) and 142(d)(6) for New York City, as applicable.
- 10) The emergency housing of displaced Individuals in low-income units during the Temporary Housing Period (and, if applicable, the 60-day correction period under section 13.07 of the revenue procedure) does not cause the building to suffer a reduction in qualified basis (which would cause the recapture of low-income housing tax credits).
- 11) In addition to the required OHCS displaced household certification form, the Owner must maintain a record of both the OHCS approval of the Project's use for Displaced Individuals and of the approved Temporary Housing Period. The Owner must report to OHCS at the end of the Temporary Housing Period a list of the names of the Displaced Individuals and the dates the Displaced Individuals began occupancy. The Owner must also provide any dates Displaced Individuals ceased occupancy and, if applicable, the date each unit occupied by a Displaced Individual becomes occupied by a subsequent tenant. This information must also be available and shared with OHCS and the IRS upon request.

Please send all additional questions regarding compliance with presidential declared disasters to ARH.Portfolio@oregon.gov

