

## MEMORANDUM

**DATE:** September 6, 2017

**TO:** Owners of Housing Credit and Housing Credit/Multifamily Bond Projects

**FROM:** Internal Audit/Multifamily Compliance Division

**RE:** Disaster Relief

This memorandum is to inform owners of existing Housing Credit and Housing Credit/Multifamily Bond projects that they may provide temporary housing for individuals or households displaced due to a President's declaration of a major disaster. Listed below are the procedures and requirements needed to do so:

- **Approval from the Alabama Housing Finance Authority (AHFA).** Prior to housing any displaced individual or household, the owner **must** obtain written approval from AHFA to participate in temporary emergency housing relief.
- **Temporary Emergency Housing.** Temporary emergency housing means housing displaced individuals or households for a period not to exceed twelve months from the end of the month in which the President declared the major disaster. An individual or household is considered displaced if they have been displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other jurisdiction designated for Individual Assistance by FEMA as a result of the major disaster. A list of jurisdictions designated for Individual Assistance can be found at FEMA.gov.
- **Requirements for Owner.** The temporary housing of displaced individuals or households in low-income units without meeting certain requirements of Section 42 will not cause the building to suffer a reduction in qualified basis that would cause the recapture of Housing Credits or affect the tax status of the multifamily bond AHFA issued, provided the owner ensures the following requirements are met:

**(1) REQUEST TO HOUSE DISPLACED HOUSEHOLDS OF A FEDERAL DECLARED DISASTER FORM.** This form **must** be completed by the owner of a Housing Credit or Housing Credit/Multifamily Bond project. AHFA **must** approve this request before the owner may temporarily house a displaced individual or household.

**(2) DISPLACED HOUSEHOLD OF A FEDERAL DECLARED DISASTER CERTIFICATION FORM.** This form **must** be completed for every displaced individual or household housed by a project approved by AHFA under procedure (1) above.

**(3) Recordkeeping.** Owners **must** maintain certain information concerning each displaced individual or household temporarily housed in their project. This information includes:

- 1) The name of each displaced individual in the household;
- 2) The address of the principal residence at the time of the major disaster of the displaced individual or household;
- 3) Each displaced individual's social security number; and
- 4) 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 a record both of the AHFA's approval of the project's use for displaced individuals or households and of the approved temporary housing period. The owner **must** report to AHFA's multifamily compliance division at the end of the temporary housing period a list of the names of the individuals in each displaced household and the dates the displaced households began occupancy. The owner **must** also provide any dates displaced individuals or households ceased occupancy and, if applicable, the date each unit occupied by a displaced individual or household becomes occupied by a subsequent household. The owner **must** maintain the records described in this section as part of the annual compliance monitoring process with AHFA and provide this information to the Internal Revenue Service upon request.

**(4) Rent Restrictions.** Rents for the units housing displaced individuals or households must not exceed the existing rent-restricted rates for the low-income units established under Section 42(g)(2).

**(5) Protection of Existing Households.** Existing households in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals or households.

**(6) 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 or household during the temporary emergency housing period.

If you have any questions or need additional information, please contact the multifamily compliance division at [MFcompliance@ahfa.com](mailto:MFcompliance@ahfa.com).