



# Memorandum

To: Developers, Owners and Management Agents representing Owner's interest in Housing Tax Credit Developments

From: Dianne Bolen, Executive Director

Date: 9/12/2005

Re: Hurricane Relief Guidance for Housing Tax Credit Properties

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As you know, Hurricane Katrina has caused widespread and intensive damage or destruction of thousands of homes in our state. Because of its devastating impact, the Internal Revenue Service has issued guidance to assist in providing additional housing units for those victims displaced by the hurricane.

Please find attached for your reference **Program Bulletin #05-0912** and accompanying forms to assist you in your efforts to provide housing for these individuals. This bulletin is based on federal guidance provided by the Internal Revenue Service on September 2, 2005 and September 9, 2005.

Thank you for continual efforts to provide safe, decent and affordable housing for permanent and temporary residents of Mississippi.

Attachments



## **PROGRAM BULLETIN #05-0912**

**TO:** Developers, Owners and Management Agents representing Owner's interest in Housing Tax Credit Developments

**FROM:** Robert D. Collier, Vice President of Multifamily Program Operations

**DATE:** September 12, 2005

**SUBJECT:** Relief from Certain Housing Tax Credit Requirements in the State of Mississippi Due to Hurricane Katrina

The Internal Revenue Service has suspended certain income limitation requirements under Section 42 of the Internal Revenue Code for certain housing tax credit developments in Mississippi as a result of the devastation caused by Hurricane Katrina. This relief is being granted pursuant to the Service's authority under Section 42(n) and Section 1.42-13(a) of the Income Tax Regulations.\*

On August 29, 2005, the President declared a major disaster for the State of Mississippi as result of Hurricane Katrina. Subsequently, on September 2, 2005, the Service issued a Press Release, which, because of the widespread damage to housing caused by Hurricane Katrina, temporarily suspended certain income limitation requirements under Section 42 for qualified housing tax credit developments in the State of Mississippi. Recently, on September 9, 2005, the Service released Notice 2005-69 providing written instructions on how state agencies, owners and managers should handle the disaster relief efforts due to Hurricane Katrina.

### **Income Limitations Waiver**

The Internal Revenue Service has temporarily waived the maximum income eligibility requirement for individuals displaced as a result of Hurricane Katrina. This temporary waiver grants a tax credit development owner the ability to provide housing to families displaced by Hurricane Katrina without them having to meet maximum income eligibility requirements and/or acquire income support documentation. Likewise, this suspension applies to the applicable income limitations, the available unit rule, and the unit vacancy rule.

Key points of Internal Revenue Service Notice 2005-69 are as follows:

- The temporary suspension IS available to low-income housing developments that are in the first year of the credit period, as defined in Internal Revenue Code Section 42(f)(1);
- Projects providing temporary shelter must be registered on the National Emergency Resource Registry (NERR) maintained by the Department of Homeland Security;
- The displaced household (individual/family) must have resided in a county designated for Individual Assistance by FEMA as a result of Hurricane Katrina (*see attached map*);

- The assisted household shall provide a signed statement that it requires temporary housing because of damage to their home in a County designated for Individual Assistance by FEMA as a result of Hurricane Katrina. This statement should be obtained using a Temporary Housing Affidavit (*see attached form*).
- Rent for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under Internal Revenue Code Section 42(g)(2).

### **Status of Units**

The Internal Revenue Service has stated in Notice 2005-69 that a unit occupied by a displaced household ***DURING the first year of the credit period*** will be considered a qualified low-income household for the purpose of determining the project's qualified basis and for meeting the project's minimum set-aside. However, after the expiration date of the waiver (September 30, 2006), the displaced household will no longer be considered a qualified low-income household unless the household qualifies for a unit under the requirements of Internal Revenue Code Section 42. On the other hand, a vacant unit occupied by a displaced household ***AFTER the first year of the credit period***, shall maintain its status (i.e., market or low-income) prior to the displaced household's initial occupancy (move-in). Likewise, the status of the unit during the period of time in which it was occupied by the displaced household is not affected (i.e., building's applicable fraction, minimum set-aside, available unit rule, etc.).

### **Non-transient Housing Requirement Waiver**

Additionally, Internal Revenue Service Notice 2005-69 temporarily suspends the initial six (6) month lease term requirement as mandated under Section 42 of the Internal Revenue Code to those affected by Hurricane Katrina. This temporary waiver will allow a displaced household to take occupancy of a tax credit unit (whether the intent to reside there is for a matter of days, weeks, or months) so long as the term does not exceed that covered under this Notice. Thus, upon the end of the temporary housing period, the tenancy of displaced households whose income exceeds the applicable income limits must terminate and such individuals must vacate low-income units, unless the tenant qualifies for a unit under the requirements of Internal Revenue Code Section 42 and enters into a valid lease. Owners' failure to ensure that such displaced individuals vacate low-income units by the end of a development's period of temporary housing will cause IRS Form 8823 to be issued for buildings containing those units. ***Accordingly, owners should ensure that the lease agreement of a displaced family is structured to terminate on or before September 30, 2006.***

### **Shelter Designation Procedures**

Tax credit development owners wishing to provide temporary housing to an individual(s) displaced by Hurricane Katrina must submit an application for approval to MHC via fax to 601.718.4643 or by mail to MHC, P.O. Box 23369, Jackson, MS 39225. Upon receipt, MHC will review the application and respond to the owner in writing. MHC expects to process all requests within 48 hours. Once approval is received, the owner may begin leasing units to displaced households utilizing the MHC approved forms. All forms are available on the MHC web site.

Owners approved to provide temporary housing must maintain for MHC review the following documents upon housing a displaced household:

1. Executed lease agreement, including the Temporary Housing Lease Addendum.
2. Temporary Housing Self-Certification of Income

Program Bulletin #05-0912  
September 12, 2005

3. Affidavit of Displacement
4. "Award letter" or other documentation from the FEMA, OEMA, or another disaster relief agency

Additionally, the owner must submit a Temporary Housing Report. The owner must submit this completed report with the annual owner's certification on July 1, 2006. The report must list all households temporarily housed in 2005. ***For more information on specific compliance matters, please refer to the attached frequently asked questions (FAQ's).***

**Effective Date**

This notice is effective August 29, 2005 (the date of the President's major disaster declaration as a result of Hurricane Katrina).

Upon your review of the attached information, should you have any questions, please contact the Compliance Monitoring Division at 601-718-4642.

***\*Disclaimer:*** *This temporary waiver for displaced individuals applies only to Housing Tax Credits issued under Section 42 of the Internal Revenue Code. Approval by MHC of the relief provided under IRS Notice 2005-69 does not act to suspend or waive the income limitations or any other requirements or conditions of any program administered by a unit of local government or any other local jurisdiction. Temporary relief in connection with such programs must be independently obtained through the appropriate officials of such unit of local government or other local jurisdiction.*

Enclosures: Internal Revenue Service Notice 2005-69  
Application to House Displaced Households  
Temporary Housing Lease Addendum  
Affidavit of Displaced Household Form  
Temporary Housing Self-Certification of Income Form  
State of Mississippi Map of Designated Disaster Relief Counties  
State of Mississippi Hurricane Katrina FAQ's

## Part III-Administrative, Procedural, and Miscellaneous

### Relief from Certain Low-Income Housing Credit Requirements Due to Hurricane Katrina

#### Notice 2005-69

The Internal Revenue Service is suspending certain requirements under § 42 of the Internal Revenue Code for low-income housing credit projects in the United States as a result of the devastation caused by Hurricane Katrina. This relief is being granted pursuant to the Service's authority under § 42(n) and § 1.42-13(a) of the Income Tax Regulations.

#### BACKGROUND

On August 29, 2005, the President declared major disasters for the States of Alabama, Louisiana, and Mississippi as a result of Hurricane Katrina. These declarations were made under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Title 42 U.S.C. 5121-5206 (2000 and Supp. II 2002). Subsequently, the Federal Emergency Management Agency (FEMA) designated jurisdictions for Individual Assistance.

State housing credit agencies throughout the United States have requested that the Service allow owners of low-income housing credit projects to provide temporary housing in vacant units to individuals who resided in jurisdictions designated for Individual Assistance in Alabama, Louisiana, and Mississippi and who have been displaced because their residences were destroyed or damaged as a result of the devastation caused by Hurricane Katrina

(displaced individuals). State housing credit agencies have further requested that the temporary housing of the displaced individuals in low-income units without regard to income not cause the owners to lose low-income housing credits. Based upon these requests and because of the widespread damage to housing caused by Hurricane Katrina, the Service has determined that any housing credit agency of a state or a possession of the United States (state housing credit agency) may provide approval to project owners in their respective state or possession to provide temporary emergency housing for displaced individuals in accordance with this notice.

#### I. SUSPENSION OF INCOME LIMITATIONS

The Service has determined that it is appropriate to temporarily suspend certain income limitation requirements under § 42 for certain qualified low-income projects. The suspension will apply to low-income housing projects approved by the state housing credit agency, in which vacant units are rented to displaced individuals. The state housing credit agency will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2006 (temporary housing period).

#### II. STATUS OF UNITS

##### A. Units in the first year of the credit period

A displaced individual temporarily occupying a unit during the first year of the credit period under § 42(f)(1) will be deemed a qualified low-income tenant for purposes of determining the project's qualified basis under § 42(c)(1), and for meeting the project's 20-50 test or 40-60 test as elected by the project owner

under § 42(g)(1). After the end of the temporary housing period established by the state housing credit agency (not to extend beyond September 30, 2006), a displaced individual will no longer be deemed a qualified low-income tenant.

B. Vacant units after the first year of the credit period

During the temporary housing period established by a state housing credit agency, the status of a vacant unit (that is, market-rate or low-income for purposes of § 42 or never previously occupied) after the first year of the credit period that becomes temporarily occupied by a displaced individual remains the same as the unit's status before the displaced individual moves in. Displaced individuals temporarily occupying vacant units will not be treated as low-income tenants under § 42(i)(3)(A)(ii) (a low-income unit that was vacant before the effective date of this notice will continue to be treated as a vacant low-income unit even if it houses a displaced individual, a market rate unit that was vacant before the effective date of this notice will continue to be treated as a vacant market rate unit even if it houses a displaced individual, and a unit that was never previously occupied before the effective date of this notice will continue to be treated as a unit that has never been previously occupied even if it houses a displaced individual). Thus, the fact that a vacant unit becomes occupied by a displaced individual will not affect the building's applicable fraction under § 42(c)(1)(B) for purposes of determining the building's qualified basis, nor will it affect the 20-50 test or 40-60 test of § 42(g)(1). If the income of occupants in low-income units exceeds 140 percent of the applicable income limitation, the temporary occupancy of a unit by a displaced individual will not cause application

of the available unit rule under § 42(g)(2)(D)(ii). In addition, the project owner is not required during the temporary housing period to make attempts to rent to low-income individuals the low-income units housing displaced individuals.

### III. SUSPENSION OF NON-TRANSIENT REQUIREMENTS

The non-transient use requirement of § 42(i)(3)(B)(i) shall not apply to any unit providing temporary housing to a displaced individual during the temporary housing period determined by the state housing credit agency in accordance with section I of this notice.

### IV. OTHER REQUIREMENTS

All other rules and requirements of § 42 will continue to apply during the temporary housing period established by the state housing credit agency. After the end of the temporary housing period, the applicable income limitations contained in § 42(g)(1), the available unit rule under § 42(g)(2)(D)(ii), the non-transient requirement of § 42(i)(3)(B)(i), and the requirement to make reasonable attempts to rent vacant units to low-income individuals shall resume. If a project owner offers to rent to a displaced individual after the end of the temporary housing period, a displaced individual must be certified under the requirements of § 42(i)(3)(A)(ii) and § 1.42-5(b) and (c) to be a qualified low-income tenant. To qualify for the relief in this notice, the project owner must additionally meet all of the following requirements:

(1) Major Disaster Area

The displaced individual must have resided in an Alabama, Louisiana, or

Mississippi jurisdiction designated for Individual Assistance by FEMA as a result of Hurricane Katrina.

(2) Approval of State Housing Credit Agency

The project owner must obtain approval from the state housing credit agency for the relief described in this notice. The state housing credit agency will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2006.

(3) Certifications and Recordkeeping

To comply with the requirements of § 1.42-5, project owners are required to maintain and certify certain information concerning each displaced individual temporarily housed in the project, specifically: name, address of damaged residence, social security number, and a statement signed under penalties of perjury by the displaced individual that, because of damage to the individual's residence in an Alabama, Louisiana, or Mississippi jurisdiction designated for Individual Assistance by FEMA as a result of Hurricane Katrina, the individual requires temporary housing. The owner must list the project on the National Emergency Resource Registry (NERR) maintained by the Department of Homeland Security. The NERR assists coordination efforts between resources that are needed and resources that are available. The web site for listing the project is: [www.SWERN.gov](http://www.SWERN.gov).

The owner must also certify the date the displaced individual began temporary occupancy and the date the project will discontinue providing temporary housing as established by the state housing credit agency. The

certifications and recordkeeping for displaced individuals must be maintained as part of the annual compliance monitoring process with the state housing credit agency.

(4) Rent Restrictions

Rents for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

(5) Protection of Existing Tenants

Existing tenants 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.

EFFECTIVE DATE

This notice is effective August 29, 2005 (the date of the President's major disaster declarations as a result of Hurricane Katrina).

PAPERWORK REDUCTION ACT

Pursuant to 5 CFR 1320.18(d), the Office of Management and Budget has waived the requirements of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.) with respect to the recordkeeping requirements contained in this notice.

Books or records relating to a collection of information must be retained as long as their contents may become material to the administration of the internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

**DRAFTING INFORMATION**

The principal author of this notice is Jack Malgeri of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice contact Mr. Malgeri on (202) 622-3040 (not a toll free call).

**Request for Approval to Provide Temporary Housing  
as Authorized by the Internal Revenue Service**

Date of Request: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Name of Owner: \_\_\_\_\_  
MHC Project Number: \_\_\_\_\_

Because of devastation to housing caused by Hurricane Katrina, the Internal Revenue Service has temporarily suspended certain requirements under Internal Revenue Code Section 42 for projects participating in the Housing Credit Program administered by the Mississippi Home Corporation (MHC).

I request the MHC's approval for relief pursuant to the IRS waiver and hereby state:

1. I acknowledge that I have read and understand Internal Revenue Service Notice 2005-69;
2. I intend to rent vacant units temporarily to individuals displaced because of damage to or devastation of their home by Hurricane Katrina in an area designated for Individual Assistance by FEMA. Because low-income households are intended to be the primary beneficiary of units financed with low-income housing credits, such households will be given preference irrespective any relief granted by the IRS;
3. The household will present an award letter from FEMA, OEMA, or other disaster relief agency indicating the household's qualification for disaster relief assistance; the household will execute an affidavit attesting to the household's displacement;
4. The date the household began temporary occupancy and the date the project will discontinue providing temporary housing shall be certified in the household file by execution of the Temporary Housing Lease Addendum;
5. Tenant files for each assisted household shall be retained by the owner as part of tenant documentation for at least 6 years after the due date (with extensions) for filing the federal income tax return for the applicable years, pursuant to 26 CFR Section 1.42-5(b)(2). In a manner prescribed by MHC, the project will report to MHC households temporarily housed;
6. Rent for units leased to displaced households shall not exceed the existing rent-restricted rates for the low-income units as established under Internal Revenue Code Section 42(g)(2);
7. The status of a vacant unit (that is, market rate or low-income for purposes of Internal Revenue Code Section 42) that is temporarily occupied by a displaced households remains the same as the unit's status before the displaced household moved in;
8. Existing tenants in occupied low-income units shall not be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced households; and
9. I will register my project on the National Emergency Resource Registry (NERR) maintained by the Department of Homeland Security as required by IRS notice 2005-69.

\_\_\_\_\_  
Signature of Owner/Representative      Printed Name of Owner/Representative      Date

Contact Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

**Mississippi Home Corporation**

**Temporary Housing Lease Addendum as Authorized by IRS**

**Household:**

**Unit #:**

**Project Name:**

**MHC Project #:**

**Termination of Tenancy:**

The term of this Lease shall begin \_\_\_\_\_ and shall terminate \_\_\_\_\_.

**The maximum term of the lease is twelve months. In no event, regardless of the date of commencement of the lease, shall the term of the tenancy extend beyond September 30, 2006, unless the parties enter into a lease agreement conforming to Section 42 of the Internal Revenue Code.**

Due to the temporary and emergency nature of the lease, the tenant may terminate the lease prior to the end of the lease period stated above. To terminate the Lease, the Tenant must give the Landlord 30-days written notice before vacating the unit. If the Tenant does not give the full 30-day notice, the Tenant shall be liable for rent up to the end of the 30 days for which notice was required or the date the unit is re-rented, whichever is first.

The Landlord shall not assess the Tenant any fee or charge, other than rent due through the 30-day notice period, based on the Tenant exercising his right to terminate his tenancy under this Addendum. Failure of tenant to vacate at the end of the lease may result in an eviction action being filed against the tenant.

**IF THERE IS ANY CONFLICT BETWEEN THE TERMS OF THE LEASE AND THE TERMS OF THIS ADDENDUM, THE TERMS OF THIS ADDENDUM SHALL GOVERN.**

<b>Signature of Tenant</b>	<b>Printed Name of Tenant</b>	<b>Date Signed</b>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

<b>Signature of Owner/Agent</b>	<b>Printed Name of Owner/Agent</b>	<b>Date Signed</b>
_____	_____	_____

Mississippi Home Corporation

**Affidavit of Displacement**

*(For Use Only by Households Displaced by Hurricane-Related Flooding)*

(To be completed by adult household members only)

Household Name \_\_\_\_\_ Unit # \_\_\_\_\_

Project Name \_\_\_\_\_

Under penalty of perjury, I certify that I am an individual displaced because of damage to my home located in an area designated for Individual Assistance by FEMA as a result of flooding or damage caused by Hurricane Katrina:

- 1. Tenant Name \_\_\_\_\_  
 Prior Address \_\_\_\_\_  
 Social Security Number \_\_\_\_\_
- 2. Tenant Name \_\_\_\_\_  
 Prior Address \_\_\_\_\_  
 Social Security Number \_\_\_\_\_
- 3. Tenant Name \_\_\_\_\_  
 Prior Address \_\_\_\_\_  
 Social Security Number \_\_\_\_\_
- 4. Tenant Name \_\_\_\_\_  
 Prior Address \_\_\_\_\_  
 Social Security Number \_\_\_\_\_

The undersigned further states that the information presented in this certification is true and accurate to the best of their knowledge and understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

	Signature of Tenant	Printed Name of Tenant	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

**This section shall be completed and executed by management.**

<b>Date</b>	<b>Temporary Housing Period Shall Not</b>
<b>Temporary Occupancy Began:</b>	<b>Extend Beyond:</b>
_____	<b>September 30, 2006</b>

I certify that the occupancy dates stated immediately above are true and accurate. This affidavit shall be retained by the owner as part of tenant documentation for at least 6 years after the due date (with extensions) for filing the federal income tax return for the applicable years.

<b>Signature of Owner/Agent</b>	<b>Printed Name of Owner/Representative</b>	<b>Date</b>
_____	_____	_____

**Temporary Housing  
Self-Certification of Income**  
(To be completed by adult household members only.)

Household Name \_\_\_\_\_ Project Name \_\_\_\_\_

1.  I hereby certify that I am a victim of flooding or storm damage as a result of Hurricane Katrina.
  
2. I will receive income from the following sources over the next 12 months: (Circle Y (yes) or N (no) for each statement). For each yes statement provide source and amount:
 

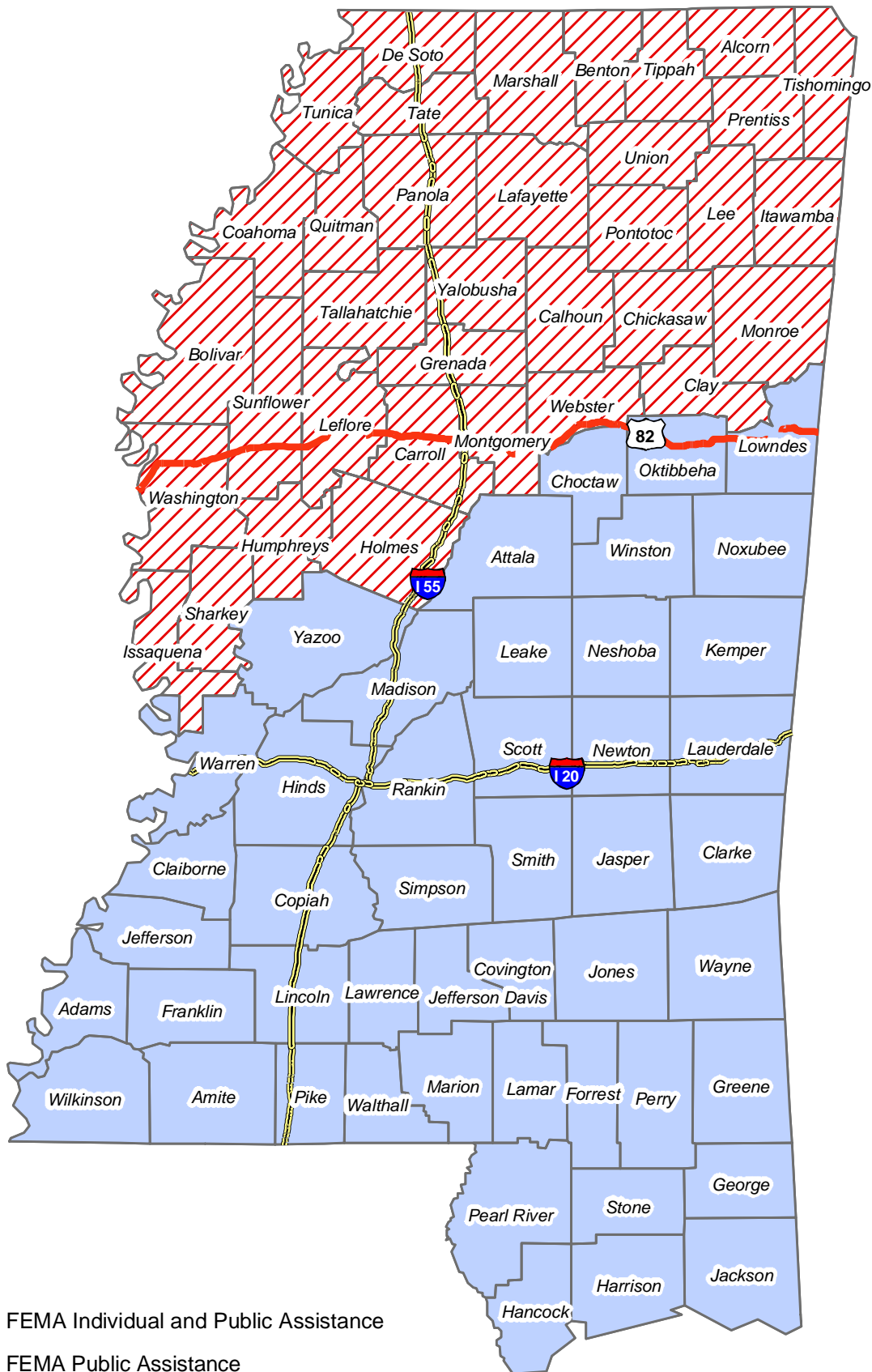
Y	N	Wages from employment (including commissions, tips, bonuses, fees, etc.);	
		Source:	Amount:
Y	N	Income from operation of a business;	
		Source:	Amount:
Y	N	Rental income from real or personal property;	
		Source:	Amount:
Y	N	Interest or dividends from assets;	
		Source:	Amount:
Y	N	Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits;	
		Source:	Amount:
Y	N	Unemployment or disability payments;	
		Source:	Amount:
Y	N	Public assistance payments;	
		Source:	Amount:
Y	N	Periodic allowances such as alimony, child support, or gifts received from persons not living in my household;	
		Source:	Amount:
Y	N	Any other source not named above.	
		Source:	Amount:
Y	N	I currently have no income of any kind and there is no imminent change expected in my financial status or employment status during the next 12 months.	
  
3.  I certify that I have provided income documentation for all income sources (For example: W-2 Forms, paycheck stubs, earnings statements, etc); or
- I certify that I am unable to provide complete 3rd party verification or income documentation.
  
4. I will be using the following sources of funds to pay for rent and other necessities: \_\_\_\_\_

**Therefore I certify my anticipated gross annual income for the next 12 months to be: \$\_\_\_\_\_.**

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

Signature of Applicant	Printed Name of Applicant	Date
Signature of Owner/Agent	Printed Name of Owner/Agent	Date

# Mississippi



- FEMA Individual and Public Assistance
- FEMA Public Assistance

For explanations of FEMA assistance see:  
<http://www.fema.gov/rrr/inassist>  
<http://www.fema.gov/rrr/pa/>

FEMA designations from FEMA Release HQ-05-178 and FEMA-3213-EM, FEMA-1604-DR.  
 Map prepared by Mississippi Home Corporation

**Mississippi Home Corporation  
Hurricane Katrina Disaster Relief Efforts  
Frequently Asked Questions**

1. ***What is the length of time for the temporary suspension of eligibility rules? The suspension shall end on September 30, 2006.***
2. ***How are the developments to treat the units leased to displaced individuals? For units in its first year of the credit period, units temporarily occupied by displaced individuals will be considered qualified low-income tenant for the purpose of determining the project's qualified basis and for meeting the project's minimum set-aside.***  
  
***For vacant units after the first year of the credit period, the status of vacant unit temporarily occupied by displaced individuals shall maintain the status (i.e. market-rate or low-income) prior to the displaced individual's move in.***
3. ***What is the required lease term? There is not a minimum lease term. However, the lease shall not extend beyond September 30, 2006.***
4. ***What type of documentation does the displaced individual need to have to show his/her status as a displaced individual? We strongly recommend that the owner/ management agent acquire the displaced individual's confirmation of registration through the Federal Emergency Management Agency (FEMA) and/or other documentation to show that they had resided in an Alabama, Louisiana, or Mississippi county/parish designated for Individual Assistance by FEMA.***
5. ***After the end of the temporary housing period, may the displaced individuals remain in the unit should they desire? After the termination of the end of the temporary housing period, displaced individuals must be certified under the requirements of the LIHTC program to be a qualified low-income tenant.***
6. ***What paperwork, if any, should the development acquire for displaced individuals? The Affidavit of Displacement, Temporary Housing Lease Addendum, and the Temporary Housing Self-Certification.***
7. ***Is my development automatically considered temporary housing for displaced individuals? No. The owner must submit the Request for Approval to Provide Temporary Housing and must list the development on the National Emergency Resource Registry (NERR) maintained by the Department of Homeland Security. The web site for listing the project is : [www.swern.gov](http://www.swern.gov).***
8. ***Does the rent for displaced individuals have to be rent restricted? Yes.***

9. ***Will housing displaced individuals who exceed the applicable income limits place the unit in a noncompliant status?*** *Per Notice 2005-69, the Internal Revenue Service has temporarily suspended the income limitation requirements for displaced individuals from areas of Alabama, Louisiana, and Mississippi that are eligible for Individual Assistance from FEMA.*
10. ***Can I evict an existing resident to provide housing to displaced individuals?*** *No.*
11. ***Do I have to verify income for those NOT displaced by Hurricane Katrina?*** *Yes. All rules and regulations of the LIHTC program will remain in effect for residents/applicants not displaced by Hurricane Katrina.*
12. ***Am I required to charge a security deposit?*** *No. MHC strongly suggest that in this time of need that owners/ management agents waive security deposits, activation fees, and/or application fees to assist individuals displaced by Hurricane Katrina.*
13. ***May I transfer tenants from a building damaged by Hurricane Katrina to a building that has not been damaged?*** *Yes. When a president has declared an area a Federal Disaster Area, owners/ management agents may move tenants from a damaged building to another building without having to initially qualify them prior to move-in. However, documentation should be acquired within three to four months.*
14. ***Does the development have to give preference to renting vacant units to individuals displaced by Hurricane Katrina?*** *No. Implementation of the Relief from certain LIHTC requirements due to Hurricane Katrina is voluntary. Please be advised of fair housing regulations.*
15. ***What if a recertification is due for an existing qualified resident in a disaster county and there is no way to receive verifications to recertify this resident due to Hurricane Katrina?*** *Existing qualified residents are still subject to the recertification rules and regulations of the LIHTC program. However, if the resident's place of employment or the employer's verification department had been damaged by the Hurricane and there is no other form of verification (i.e. secondhand verifications), the tenant may self certify to his/her income. However, it is strongly recommended that the owners/ management agent acquire documentation to determine the location of the employer's offices in a disaster area.*
16. ***Will the additional time be allowed to developments in a disaster area to correct outstanding noncompliance issues?*** *Until further notice, compliance monitoring activities for developments in counties declared eligible for individual assistance by the FEMA will be suspended. However, said developments must maintain compliance to the rules and regulation of the LIHTC program.*