



**chfa**<sup>®</sup>

www.chfainfo.com

## temporary shelter for persons displaced by severe storms, flooding, landslides, and mudslides in colorado

	bond projects notice 2013-63	lihtc projects notice 2013-64	lihtc/bond projects
Effective Date of Notice	September 14, 2013	September 14, 2013	September 14, 2013
Applicable statute	Section 142	Section 42	Section 142(d) and Section 42
Agency responsible for choosing whether to make units available to Displaced Persons	Issuer of tax Exempt bonds	CHFA	Issuer of Tax Exempt Bonds must consent for purposes of Section 142; CHFA must consent for the purposes of Section 42
Agency which decides length of Temporary Housing Period (not to extend beyond September 30, 2014)	Issuer of Tax Exempt Bonds	CHFA	Issuer of Tax Exempt Bonds must adopt the period chosen by CHFA
Suspension of Income Limitations	Vacant units may be leased to Displaced Persons	Vacant units may be leased to Displaced Persons	Vacant units may be leased to Displaced Persons
Income Qualification of Units	<p>A unit housing Displaced Person during Temporary Housing Period retains the same income status it had immediately before that occupancy, regardless of whether it was market rate, low income unit or never occupied.</p> <p>Occupancy by Displaced Person does not affect compliance with 20-50 or 40-60 test [142(d)(1)(A) and (B) or the 25-60 test under 142(d)(6).</p>		
Units in the first year of the Credit Period		During the Temporary Housing Period, the Displaced Person is deemed a qualified low income tenant for determination of qualified basis [42 (c)(1)] and the 20-50/40-60 test	



## temporary shelter for persons displaced by severe storms, flooding, landslides, and mudslides in colorado

	bond projects notice 2013-63	lihtc projects notice 2013-64	lihtc/ bond projects
Vacant Units after First year of the Credit Period		During the Temporary Housing Period, the status of a vacant unit (whether market rate, low income or unoccupied) that is temporarily occupied by a Displaced Person will retain its status held before September 14, 2013. Occupancy by a Displaced Person will not impact the Applicable Fraction for the purpose of determining the building's qualified basis, nor will it affect the 20-50/40-60 test as elected by owner [42(g)(1)]	
Non Transient Requirement	Occupancy by a Displaced Person during the Temporary Housing Period is treated as satisfying the non-transient use requirement.	Non-transient use requirement of 42(i)(3)(B)(i) shall not apply to any unit providing temporary housing during the Temporary Housing Period.	
Attempt to Rent to Low Income Tenants		During the Temporary Housing Period, owners are not required to make attempts to rent to low income Persons the units that house Displaced Persons	
Next Available Unit Rule	<p>142(d)(3)(B) requirement suspended for Displaced Persons and apply the rule solely based on new occupancy by persons who are not Displaced Persons.</p> <p>Project owner may take a Displaced Person occupancy into account for purposes of next available unit rule, provided sufficient evidence that Displaced Person's income does not exceed the applicable income limit.</p>	Next Available Unit Rule suspended.	
Other Requirements during Temporary Housing Period	All other requirements of Section 142(d) and Section 103 continue to apply during the Temporary Housing Period.	All other requirements of Section 42 continue to apply during the Temporary Housing Period	



## temporary shelter for persons displaced by severe storms, flooding, landslides, and mudslides in colorado

	bond projects notice 2013-63	lihtc projects notice 2013-64	lihtc/ bond projects
After Temporary Housing Period	The income of a Displaced Person remaining in a unit will be re-evaluated as though the Displaced Person commenced occupancy on the day immediately following the end of the Temporary Housing Period.	Income limitations, the next available unit rule, the non-transient requirement and the requirement to make reasonable attempts to rent to a low income person shall resume. Displaced Person must be certified under the requirements of Section 42(i)(3)(A(ii) and Section 1.42-5(b) and (c) to be a qualified low income tenant.	
Qualifying for Housing the Displaced	Bond issuer must approve this emergency use of Project and determine the Temporary Housing Period.	<ol style="list-style-type: none"> <li>1) Displaced individual must have resided in a jurisdiction designated for individual by FEMA as a result of the Disaster; and</li> <li>2) Project owner must obtain approval from CHFA.</li> </ol>	Project must be approved by CHFA for purpose of Sec. 42. Where CHFA is not the Bond issuer, Bond Issuer must consent to such use.
Recordkeeping	<p>In addition to information and certifications required by 142(d)(7), Project Owners must maintain and certify certain information concerning Displaced Persons: name, address of damaged residence, social security number, statement signed under penalty of perjury by Displaced individual that because of damage to residence located in designated disaster area, the individual requires temporary housing.</p> <p>Also, project operator must keep accurate records of Issuer’s approve of Project’s use for Displaced Persons and the approved Temporary Housing Period and the dates during which Displaced Persons occupied units.</p> <p>The recordkeeping must be included as part of the books and records of the Project operator and also must be maintained in a manner that is consistent with any compliance monitoring process imposed by 142(d).</p>	<p>To comply with Section 1.42-5, Project Owners must maintain and certify certain information concerning Displaced Persons: name, address of damaged residence, social security number, statement signed under penalty of perjury by Displaced individual that because of damage to residence located in designated disaster area, the individual requires temporary housing.</p> <p>Project owners must notify CHFA that vacant units are available for rent to Displaced Persons.</p>	



**chfa**<sup>®</sup>

www.chfainfo.com

## temporary shelter for persons displaced by severe storms, flooding, landslides, and mudslides in colorado

	bond projects notice 2013-63	lihtc projects notice 2013-64	lihtc/bond projects
Owner Certifications	Same as Notice 2013-64	Date that Displaced Persons began temporary housing; the date the project will discontinue temporary housing (as established by CHFA). Records and Certifications must be maintained as part of the Project’s annual compliance monitoring.	
Rent Restrictions	To the extent rent restrictions are applicable, rents for low income units that house Displaced Persons must not exceed the lesser of: 1) maximum gross rent for that unit under Section 142(d)(4)(B); or 2) maximum gross rent for that unit under Section 42(g)(2)	Rents for units that house Displaced Persons must not exceed the existing rent-restricted rates for the low income units established under Section 42(g)(2).	
Protection of Existing Tenants	Existing tenants in project whose income is at or below an applicable income limitation under 142(d) cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for Displaced Persons.	Existing tenants in low income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for Displaced Persons.	
Qualified Project Period	Under 142(d)(2)(A), only a unit occupied by a non-Displaced Person counts for the purpose of determining the beginning of the Qualified Project Period (the first day on which 10% of the residential units in a project are occupied.  Occupancy of a unit by any tenant (whether a Displaced Person or non-Displaced person) counts for the purpose of determining the end of the Qualified Project Period under 143(d)(2)(A)(i).  If occupancy by a Displaced Person causes any termination of assistance under Section 8, then that termination is disregarded for determining when the Qualified Project Period ends under Section 142(d)(2)(A)(iii).	Not applicable	