NCSHA

April 12, 2018

Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2018-17)
Room 5203
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

RE: Comments on Notice 2018-17 Regarding Revenue Procedures 2014-49 and 2014-50

To Whom It May Concern:

The National Council of State Housing Agencies (NCSHA) appreciates the opportunity to provide our perspectives on the Internal Revenue Service (IRS) request for comments in Notice 2018-17 regarding possible improvements to Revenue Procedures 2014-49 and 2014-50.

NCSHA represents the nation's state Low Income Housing Tax Credit (Housing Credit) allocating agencies, as well as the allocating agencies of the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and Northern Marianas Islands. NCSHA and our allocating agency members deeply value our longstanding partnership with IRS in the administration of the Housing Credit program.

In the 31-year history of the program, the country has experienced numerous natural disasters, and the allocating agencies have significant experience administering disaster relief to affected properties. The clear guidance provided in Revenue Procedures 2014-49 and 2014-50, including temporary relief of certain program requirements for property owners and allocating agencies and emergency housing relief for displaced residents, has allowed allocating agencies to respond quickly and effectively to property owners impacted by disasters.

While the guidance in Revenue Procedures 2014-49 and 2014-50 has clarified a number of important issues related to disaster relief, NCSHA has identified the following issues that could strengthen this guidance further:

Provide additional guidance on treatment of residents returning to an affected property following a natural disaster. In many disaster situations, damage to buildings requires displacement of existing residents to allow necessary repairs. NCSHA suggests that the guidance address whether an owner is required to recertify a resident before he or she can return to the property following a disaster, assuming the resident was income qualified at the time of initial move-in. We also suggest that IRS consider what happens if a household's income is in excess of program income limits when they return to an affected property. Finally, we suggest that the guidance clarify that a displaced household may return to the same unit they previously occupied or to a different unit within the same project.

Clarify compliance requirements for units not affected by natural disaster. In some cases, only a portion of a property is affected by a natural disaster. Revenue Procedures 2014-49 and 2014-50 extend the due date for allocating agency compliance reviews for up to one calendar year from the date of a building's restoration. While this relief may be appropriate, we suggest clarifying that owners must continue to maintain compliance in portions of a property not affected by disaster. In addition, we suggest the guidance address issues related to temporarily or permanently moving existing residents from a unit impacted by a disaster to one that is not.

Provide guidance on the issue of destroyed records following a natural disaster. In certain disaster events, project owners have lost all copies of tenant files and other project records, including both paper and electronic records. We suggest that the guidance address whether an owner is required to attempt recreation of the destroyed records, and if not, specify the relief provided to owners relating to destroyed records.

Thank you for this opportunity to suggest possible improvements to Housing Credit disaster relief and the provisions of Revenue Procedures 2014-49 and 2014-50. Please do not hesitate to contact me with any questions.

Sincerely,

Stockton Williams
Executive Director