

THE HFA INSTITUTE 2021

Managing Development Delays and Program Deadlines



National Council of State Housing Agencies



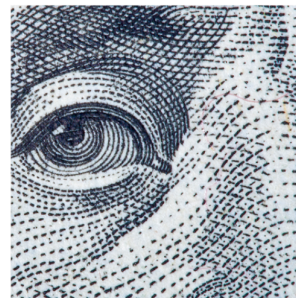
MRBs and Other Federal Homeownership Programs
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Section IV:

Grant of Relief for Deadlines Related to the Low-income Housing Credit

Grant of Relief for Deadlines Related to the Low-income Housing Credit

A. THE 10-PERCENT TEST FOR CARRYOVER ALLOCATIONS

For purposes of § 42(h)(1)(E)(ii), if the last day for an Owner of a building with a carryover allocation to meet the 10-percent test is on or after April 1, 2020, and before September 30, 2021, the last day for the Owner to meet the 10-percent test is postponed to the earlier of one year from the original due date or September 30, 2021.

B. THE § 42(e) 24-MONTH MINIMUM REHABILITATION EXPENDITURE PERIOD

For purposes of § 42(e)(3)(A)(ii), if the 24-month minimum rehabilitation expenditure period for a building originally ends on or after April 1, 2020, and before September 30, 2021, the last day for the Owner to incur the minimum rehabilitation expenditures with respect to the building is postponed to the earlier of one year from the original end date or September 30, 2021.

Grant of Relief for Deadlines Related to the Low-income Housing Credit (cont.)

C. PLACED IN SERVICE DEADLINE

For purposes of § 42(h)(1)(E)(i), if the deadline for a low-income building to be placed in service is the close of calendar year 2020, the last day for the Owner of the building to place the building in service is postponed to December 31, 2021.

Grant of Relief for Deadlines Related to the Low-income Housing Credit (cont.)

D. REASONABLE PERIOD FOR RESTORATION OR REPLACEMENT IN THE EVENT OF CASUALTY LOSS

For purposes of § 42(j)(4)(E) in the case of a casualty loss not due to a pre-COVID-19-pandemic Major Disaster, and of section 8.02 of Rev. Proc. 2014-49 in the case of a casualty loss due to a pre-COVID-19-pandemic Major Disaster, if a low-income building's qualified basis is reduced by reason of the casualty loss and the reasonable period to restore the loss by reconstruction or replacement (Reasonable Restoration Period) ends on or after April 1, 2020, then the last day of the Reasonable Restoration Period is postponed by a period of one year from the original end date but not beyond December 31, 2021. Notwithstanding the preceding sentence, the Agency may require a shorter extension, or no extension at all.

For purposes of determining the credit amount allowable under § 42(a) in the case of a credit year that ends on or after April 1, 2020, and not later than the end of the Reasonable Restoration Period (taking into account any extension under the preceding paragraph), if the Owner restores the building by the end of that extended Reasonable Restoration Period, then the Owner must use the building's qualified basis at the end of the taxable year immediately preceding the first day of the casualty as the building's qualified basis for that credit year.

Grant of Relief for Deadlines Related to the Low-income Housing Credit (cont.)

E. EXTENSION TO SATISFY OCCUPANCY OBLIGATIONS

For purposes of § 42(f), if the close of the first year of the credit period with respect to a building is on or after April 1, 2020, and on or before June 30, 2021, then the qualified basis for the building for the first year of the credit period is calculated by taking into account any increase in the number of low-income units by the close of the 6-month period following the close of that first year.

F. CORRECTION PERIOD

For purposes of § 1.42-5, if a correction period that was set by the Agency ends on or after April 1, 2020, and before September 30, 2021, then the correction period is extended by a year, but not beyond December 31, 2021. Notwithstanding the preceding sentence, the Agency may require a shorter extension, or no extension at all.

Section VI:

Grant of Relief for Deadlines Associated With Qualified Residential Rental Projects

Grant of Relief for Deadlines Associated With Qualified Residential Rental Projects

A. THE 12-MONTH TRANSITION PERIOD TO MEET SET-ASIDES FOR QUALIFIED RESIDENTIAL RENTAL PROJECTS

For purposes of section 5.02 of Rev. Proc. 2004-39, the last day of a 12-month transition period for a qualified residential rental project that ends on or after April 1, 2020, and before September 30, 2021, is postponed to September 30, 2021.

B. THE § 147(d) 2-YEAR REHABILITATION EXPENDITURE PERIOD FOR BONDS USED TO PROVIDE QUALIFIED RESIDENTIAL RENTAL PROJECTS

If a bond is used to provide a qualified residential rental project and if the § 147(d) 2-year rehabilitation expenditure period for the bond ends on or after April 1, 2020, and before September 30, 2021, then the last day of that period is postponed to the earlier of one year from the original due date or September 30, 2021.

Section V:

Grant of Relief for Operational Provisions

Grant of Relief for Operational Provisions

A. INCOME RECERTIFICATIONS

An Owner of a low-income building is not required to perform income recertifications under § 1.42-5(c)(1)(iii) in the period beginning on April 1, 2020, and ending on September 30, 2021. The Owner must resume the income recertifications as due under § 1.42-5(c)(1)(iii) not later than October 1, 2021.

B. COMPLIANCE-MONITORING

For purposes of § 1.42-5, an Agency is not required to conduct compliance-monitoring inspections or reviews in the period beginning on April 1, 2020, and ending on September 30, 2021. The Agency must resume compliance-monitoring inspections or reviews as due under § 1.42-5 not later than October 1, 2021.

Grant of Relief for Operational Provisions (cont.)

C. COMMON AREAS AND AMENITIES

If an amenity or common area in a low-income building or project is temporarily unavailable or closed during some or all of the period from April 1, 2020, to September 30, 2021, and if the unavailability or closure is in response to the COVID-19 pandemic and not because of other noncompliance for § 42 purposes, then this temporary unavailability or closure does not result in a reduction of the eligible basis of the building.

D. GUIDANCE PERMITTING AGENCIES TO CONDUCT TELEPHONIC HEARINGS

For the purposes of an Agency's QAP meeting the requirements of § 42(m)(1)(A), if a hearing on or after April 1, 2020, and before September 30, 2021, is held by teleconference that is accessible to the residents of the locality where the Agency has jurisdiction by calling a toll-free telephone number, then the hearing does not fail to satisfy § 42(m)(1)(A) solely on the grounds that it was not held in-person.

Grant of Relief for Operational Provisions (cont.)

E. EMERGENCY HOUSING FOR MEDICAL PERSONNEL AND OTHER ESSENTIAL WORKERS

If individuals are medical personnel or other essential workers (as defined by State or local governments) that provide services during the COVID-19 pandemic, then, for purposes of providing emergency housing from April 1, 2020, to September 30, 2021, under Rev. Proc. 2014-49 or under Rev. Proc. 2014-50, Agencies, Issuers, Owners, and Operators of low-income housing projects may treat these individuals as if they were Displaced Individuals (defined under section 5.02 of Rev. Proc. 2014-49 or Section 4.04 of Rev. Proc. 2014-50, as applicable). That is, Agencies, Issuers, Owners, and Operators may provide emergency housing for these individuals pursuant to the provisions of the applicable revenue procedure. See sections 12, 13, and 14 of Rev. Proc. 2014-49 and sections 5, 6, and 7 of Rev. Proc. 2014-50.

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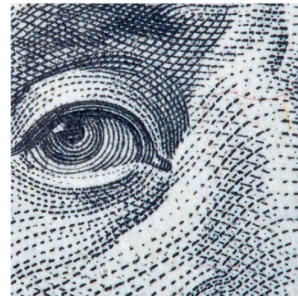
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