NCSHA

October 31, 2019

Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2019-52)
Room 5203
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

RE: Comments on Notice 2019-52 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 2019-52 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 past three decades, the country has experienced numerous natural disasters that have resulted in serious housing losses and resident displacement. Housing Credit allocating agencies have significant experience providing disaster relief to affected properties and helping families in need access affordable housing.

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 and residents impacted by disasters. While this guidance has clarified a number of important issues related to disaster relief, NCSHA recommends the following to strengthen this guidance even 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. We suggest 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 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 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.

Specify relief for 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 re-creation of the destroyed records, and if not, specify the relief provided to owners relating to destroyed records.

Allow allocating agencies to extend deadlines in situations where multiple disaster events complicate recovery efforts. In the past decade, some states and territories impacted by natural disaster have suffered successive events that significantly hampered recovery efforts from the initial disaster. In some cases, the latter event(s) was not designated a Presidentially declared disaster so the temporary relief provided in this guidance did not apply despite severe disruption to recovery efforts. We suggest that the guidance provide a process for allocating agencies to request from IRS an extension of the relief periods provided for projects impacted by successive disaster events regardless of their declaration status.

Consider expanding certain relief provided in this guidance to properties impacted by casualty losses, even if the loss does not result from a Presidentially declared disaster. Under current IRS rules, Housing Credits may not be claimed for the entire calendar year if a casualty loss causes a building to not be available for occupancy on December 31 of that year. We suggest that IRS consider the appropriate application of temporary relief provided by this guidance to properties impacted by casualty loss but not located in a Presidentially declared disaster area.

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,

Garth Rieman
Director of Housing Advocacy and Strategic Initiatives