



Carolina's Council for Affordable Housing

February 2022

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We're Going LIVE!

Join us as we come together again for our Annual Meeting in Myrtle Beach April 24th-26th!!

Our agenda includes a great line up for Owners, Developers and Management, featuring Steve Rosenblatt

presenting a Fair Housing/504/ADA class.

Registration is open through March 24th. All related forms can be found on our website at:

<https://www.ccahonline.com/upcoming-events/>

Also, please consider becoming a Member of CCAH to take advantage of the Member rates!



WHAT'S HAPPENING NOW

GOOD TO KNOW FROM NCHFA:

-A positive from the pandemic, the NCHFA asset management team released its first Compliance Manual for LIHTC and Rental Production Program properties. It is intended as a "living" document with ongoing updates. Bookmark this link to stay up-to-date with the most current compliance information <https://www.nchfa.com/rental-housing-partners/rental-owners-managers/policies-and-procedures>. The link makes it easier to locate property level forms and policy updates, separate from resident file documents.

-Physical inspections will return this year. There will be a learning curve as staff implements new protocols: click for the details [COVID Inspection Guidance for Partners](#). Inspections may be rescheduled or canceled if tenants, property personnel or NCHFA staff have tested positive for COVID, had direct known exposure or are experiencing symptoms. The agency representative will allow 2 management personnel in the unit for inspections and no repairs can be made during the inspections. To the extent possible, NCHFA will follow the partner's written protocol if it is more strict.

NCHFA will be updating overall COVID guidance to reflect all changes. As of today, no further waivers or extensions have been granted for HOME or National Housing Trust Fund properties.

FROM RURAL DEVELOPMENT - Financial reporting is due by April 1st for the calendar fiscal year.

Insurance certificate changes: Multifamily insurance documents should be submitted paperless using the FOD Regional shared mailbox. For the Southern Region (including NC & SC) use MFHFODSouth@usda.gov

Mortgagee policies should use the following address: USDA Rural Development - Rural Housing Service, Multifamily Asset Management Division, 1400 Independence Ave., SW, Rm 5143-S, Washington, DC 20250.

Hot off the press: The Internal Revenue Service released guidance on January 11, 2022, [Notice 2022-05](#), related to COVID-19 concerns for the management and development of Section 42 LIHTC. The notice extends some of the regulatory waivers for COVID. In short, NCHFA summarizes the guidance for current LIHTC properties as follows: Tenant file reviews must be conducted for 2022. A waiver is granted for physical inspections through 6/30/2022, and the waiver may be extended at the Agency’s discretion, in consultation with public health experts, until 12/31/2022. The waiver may be for the entire state, for certain areas, or on a project-by-project basis. Agencies may allow common areas and amenities to remain closed through 12/31/2022, or they may opt to require these areas to be open to the residents.

According to the Bernard Robinson & Company tax alert published on January 14, 2022, the Notice 2022-05 (<https://www.irs.gov/pub/irs-drop/n-22-05.pdf>) also offers extensions related to the 10-Percent carryover allocations, 24-Month minimum rehabilitation expenditure period and placed in service deadlines.


Other extensions addressed in IRS Notice 2022-5 include:

The period to satisfy occupancy requirements under Section 42(f)(3)(A)(ii): If the close of the first year of the tax credit period falls on or after April 1, 2020 and on or before December 31, 2022, the qualified basis of 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.

The reasonable period for restoration or replacement after a casualty loss: If a LIHTC building’s basis is reduced as a result of a casualty loss and the reasonable period to restore the loss ends on or after April 1, 2020, then the last day of the reasonable restoration period is postponed by 18 months, but not later than December 31, 2022.

Correction period: If a correction period set by an agency ends on or after April 1, 2020 and before December 31, 2021, then the end of the correction period is extended by 12 months, but not beyond December 31, 2022. If the correction period set by an agency ends during 2022, then the end of the correction period is extended to December 31, 2022.

Lastly, for qualified residential rental projects, the 12-month transition period to meet set-asides is extended through 2022, and the two-year rehabilitation expenditure period for bonds is extended to the earlier of 18 months from the original date or December 31, 2023.



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