

DATE: June 25, 2024

TO: Low-Income Housing Tax Credit Developers, Owners and Managers in Alaska

SUBJECT: **Development Rehabilitations**

Alaska Housing Finance Corporation's Internal Audit Department has identified an uptick in number of development acquisition/rehabilitations in Alaska. To ensure compliance with the Low-Income Housing Tax Credit (LIHTC) program, including Resyndication and Tax Exempt Bonds, the following guidance is issued.

Acquisition/Rehabilitation

Acquisition/rehabilitation of an existing development that has never received an allocation of credits or *previously received an allocation of credit but is no longer under the Extended Use Agreement (EUA)*:

- Residents residing in the development at that time of acquisition must be certified to demonstrate that they meet program eligibility within 120 days of the acquisition date for the Owner to be able to claim credits.
- Owners may not claim credits on existing residents who do not meet program eligibility even if they were previously eligible under a different affordable housing program. These households may not be evicted or their lease terminated because they failed to meet program eligibility for the LIHTC program.

Resyndication

Acquisition/rehabilitation of existing LIHTC development subject to an EUA:

- Residents who were originally income eligible at time of move-in under the original allocation continue to meet eligibility requirements under the original EUA.
- Owners must complete a new certification showing that the household is rent restricted and meets program eligibility requirements under the new allocation of credits.

Over Income Households:

- If an Owner is claiming credits based on the households' program eligibility under the previous allocation of credits, the Owner may provide the original move-in certification (or annual recertification) in addition to the new certification, showing that the household was previously eligible.
- If documentation does not exist demonstrating eligibility under the original EUA, credits may not be claimed. These households may not be evicted or their lease terminated because they failed to meet program eligibility for the LIHTC program.

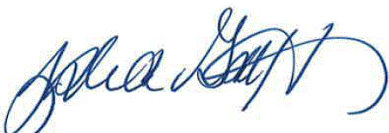
Using Tax Exempt Bonds

Acquisition/rehabilitation of an existing LIHTC development using Tax Exempt Bonds:

- Residents residing in the building at time of acquisition must be certified to demonstrate that they meet program eligibility within 120 days of the acquisition date for the Owner to be able to claim credits on that unit from the date of acquisition.
- Owners may not claim credits on existing residents who do not meet program eligibility under the acquisition/rehabilitation even if previously eligible. These households may not be 'evicted' or their lease terminated because they failed to meet program eligibility for the LIHTC program.

Should you have any questions, please contact me at (907) 330-8414 or via email at jgatfield@ahfc.us.

Sincerely,



Jerusha Gatfield
Compliance Officer, Internal Audit Department