

**To: Low Income Housing Tax Credit  
Program Participants**

**From: Holly Glauser  
Director of Development**

**Date: May 5, 2020**

**RE: COVID-19 Guidance for Allocations of Low Income Housing Tax Credits**

The Pennsylvania Housing Finance Agency (“Agency”) continues to monitor the impact of COVID-19 on Low Income Housing Tax Credit (“Tax Credit”) program participants specifically as it relates to program compliance requirements and deadlines. The Agency has reviewed the existing IRS Revenue Procedure 2014-49, as well as the various developments within our pipeline, and, at this time, will be granting relief as provided below.

#### **Extension of 10% Test for 6 Months**

- Program Year 2019 Developments that applied in the 2019 Application round and entered into a Carryover Agreement prior to March 30, 2020, the date that the Major Disaster Declaration was approved for Pennsylvania due to COVID-19, will receive a 6 month extension to meet the 10% test. The new deadline for Taxpayers to incur more than 10% of the Development's reasonably expected basis is April 25, 2021.
- Developments that were awarded Tax Credits in 2019 through a Forward Commitment of 2020 Tax Credits and entered into a Carryover Agreement in April 2020 will have until April 25, 2021 to meet the 10% test.

#### **Extension of Placed in Service Date for 12 Months**

Developments that meet the following criteria may be eligible to receive an extension of the placed in service date to December 31, 2021. To qualify for an extension, a written request for relief must be submitted to the Agency (which includes confirmation that the development was not placed in service prior to March 30, 2020). Your request must be directed to Linda Stewart, Manager of Tax Credits, by email to [lstewart@phfa.org](mailto:lstewart@phfa.org), no later than October 1, 2020. Upon confirmation that the below criteria have been met, the Agency will issue written confirmation of the 12 month placed in service extension.

- Program Year 2018 Developments that applied in the 2018 Application round, received a 2018 Allocation, and continue to hold an Allocation of 2018 credits thereby requiring placement in service no later than December 31, 2020.
- Program Year 2018 Developments that applied in the 2018 Application round, received a Forward Commitment of 2019 credits subject to Program Year 2018 deadlines in accordance to Agency guidelines, and continue to hold an Allocation of 2019 credits requiring placement in service no later than December 31, 2020 (as evidenced on page 1 of the executed 2019 Carryover Agreement).

The Agency will continue issuing additional guidance related to COVID-19 as applicable. Please continue to check our website, [www.phfa.org](http://www.phfa.org), for updated information.