
Arizona Department of Housing 2022 Information Bulletin

REGARDING PROGRAMS: Rental Development

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit (LIHTC)

INFORMATION BULLETIN No. 46-22

ISSUED: June 10, 2022

RE: 2021 9% Ten Percent Test Submission Extension and Second Round 9% LIHTC Adjustments – Hardship Credit Process

2021 9% LIHTC Ten Percent Test Submission Extension

The Arizona Department of Housing (ADOH) hereby notifies all 2021 9% LIHTC awardees that the Ten Percent Test submission date is formally extended to **August 31, 2022**.

Second Round 9% LIHTC Adjustments – Hardship Credit Process

Per the 2022-2023 Qualified Allocation Plan (QAP), ADOH has set aside 9% LIHTCs for projects with severe hardships. ADOH will be holding a second hardship credit round in the amount of \$500,000 of 2023 hardship credit allocation. Projects will be awarded on a first come first serve basis, ADOH will not fund beyond the \$500,000. Projects may receive up to 10% of the original 9% LIHTC award. Applicants must submit documentation demonstrating they have exhausted all available resources through the following methods:

1. Development contingency has been exhausted;
2. Obtained gap financing from active and available ADOH Notice of Funding Availability (NOFA);
3. Deferred developer fee to the extent which would allow for repayment through project cash flow within fifteen (15) years; and
4. Project was value engineered, where possible, to reduce construction cost.

Applicants will be subject to the QAP underwriting requirements from the year of their original LIHTC reservation. Applicants will also be subject to the material change process (of the aforementioned QAP) and must submit revised application forms to document the current sources and uses. Applicants must also demonstrate equity investor approval of additional credits.

Please note: if hardship credits are awarded, ADOH will reduce the Applicant's current year's allowable 9% LIHTC maximums by 150% of the approved adjustment request.

Eligible Applicants: Projects with 2019 and 2021 9% LIHTC

Due Date: On or before July 11, 2022

For questions related to the Ten Percent Test Extension and Hardship Credit Process, please contact Sheree Bouche, Rental Programs Administrator: sheree.bouchee@azhousin.gov.