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## Arizona Department of Housing 2022 Information Bulletin

**REGARDING PROGRAMS: Rental Development**

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

**INFORMATION BULLETIN No. 81-22**

**ISSUED: November 16, 2022**

**RE: 2020 9% Fourth Round 9% LIHTC Adjustments  
Hardship Credit Process**

### **Fourth Round 9% LIHTC Adjustments – Hardship Credit Process**

Per the 2022-2023 Qualified Allocation Plan (QAP), the Arizona Department of Housing (ADOH) has set aside 9% LIHTCs for projects with severe hardships. ADOH will be holding a fourth hardship credit round awarding a maximum of \$100,000 in 2023 hardship credits. Projects will be awarded on a first come first serve basis, ADOH will not fund beyond \$100,000. 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 costs.

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:** 2020 9% LIHTC projects that have not already received a hardship credit allocation.

For questions related to the Hardship Credit Process, please contact Sheree Bouche, Rental Programs Administrator: [sheree.bouchee@azhousing.gov](mailto:sheree.bouchee@azhousing.gov).



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