



To: Real Estate Development Partners
From: Real Estate Department
Date: January 28, 2022
Re: **LIHTC Extensions and Waivers per IRS Notice 22-05**

Notice: **RED-22-07**

The Internal Revenue Service recently issued additional relief for Low Income Housing Tax Credit projects due to COVID-19 via [IRS Notice 22-05](#). A non-exhaustive summary of the notice is included below.

Unless otherwise noted, the extensions or waivers below automatically apply to all eligible projects and do not require specific IHCD A approval.

DEVELOPMENT DEADLINES

10% Test Deadline

- If the original 10% Test deadline is between 4/1/20 and 12/31/20 (inclusive), the deadline is extended to the original deadline plus two years.
- If the original 10% Test deadline is between 1/1/21 and 12/30/22 (inclusive), the deadline is extended to 12/31/22.

24-Month Minimum Rehabilitation Expenditure Deadline

- If the original deadline is between 4/1/20 and 12/31/21 (inclusive), the deadline is extended to the original deadline plus 18 months.
- If the original deadline is between 1/1/22 and 6/30/22 (inclusive), the deadline is extended to 6/30/23.
- If the original deadline is between 7/1/22 and 12/31/22 (inclusive), the deadline is extended to the original date plus 12 months.
- If the original deadline is between 1/1/23 and 12/30/23 (inclusive), the deadline is extended to 12/31/23.

Placed-in-Service Deadline

- If the original PIS deadline was 12/31/20, the new PIS deadline is 12/31/22
- If the original PIS deadline was 12/31/21 **and** the original deadline for the 10% test was before 4/1/20, the new PIS deadline is 12/31/22
- If the original PIS deadline is 12/31/21 **and** the original deadline for the 10% test was between 4/1/20 and 12/31/20 (inclusive), then the new PIS deadline is 12/31/23.
- If the original PIS deadline is 12/31/22, the new PIS deadline is 12/31/23.



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COMPLIANCE DEADLINES & ISSUES

Extension to Satisfy Occupancy Obligations

- If the close of the first year of the credit building for a building is between 4/1/20 to 12/31/22 (inclusive), qualified basis is calculated by taking into account any increase in the number of low-income units by the close of the six-month period following the close of the first year of the credit period.

Casualty Loss

- The notice provides possible extensions for the Reasonable Restoration Period for casualty loss events. If applicable to your project, please contact IHCDa to discuss timelines for restoration.

Correction Period for Noncompliance

- The notice provides possible extensions for correction periods to resolve noncompliance issues. If applicable to your project, please contact IHCDa to discuss timelines to resolve outstanding issues.

Common Areas and Amenities

- Common areas and amenities may be fully or partially unavailable to tenants during the period of 4/1/20-12/31/22 without resulting in a reduction of the eligible basis of the building. IHCDa will not require owners to request approval, but rather will allow owner and management agents to have the sole discretion in determining if such spaces should be temporarily closed for the safety of residents.

2022 MONITORING

- IHCDa will complete all monitorings due in 2022. IHCDa has elected to conduct all 2022 file reviews as desktop/remote reviews and will not conduct any onsite file reviews.
- Any outstanding issues from 2021 file monitorings must still be resolved within the prescribed correction period. If an extension is needed, contact your assigned IHCDa Compliance Auditor to discuss the situation.
- 2021 Annual Owner Certifications of Compliance remain due on January 31, 2022. 2022 Annual Owner Certifications of Compliance will be due on January 31, 2023. There are no extensions or changes to the Owner Certification timelines or process.

Questions about this notice can be directed to Alan Rakowski, Director of Real Estate Allocation via arakowski@ihcda.in.gov or Matt Rayburn, Deputy Executive Director and Chief Real Estate Development Officer via mrayburn@ihcda.in.gov