December 2023

All LIHTC/CE/TCAP Developments

RE: 2023 Annual Report

Dear Owner/Agents,

The 2023 Annual Report for Low Income Housing Tax Credit, Credit Exchange, and properties funded under the Tax Credit Assistance Program (TCAP) is due **April 15, 2024**. Be aware this is a later date than in previous years. With that in mind, KHRC will only allow an extension up to 30 days.

If the owner is electing to defer the credit to the year following the placed in service year (as elected in part II of the Form 8609, line 10a), please submit the Owner's Certification of Non-Credit Election. This form must be signed by the owner and submitted to KHRC by the Annual Report deadline. If this election is made no other documentation is required.

Owners must complete the Annual Report process for each active allocation in their portfolio, including properties in the Qualified Contract period. The Annual Report will cover the period of January 1 through December 31, 2023. Forms needed to complete the 2023 Annual Report are available at https://kshousingcorp.org/. From the home page, click "Housing Partners" in the navy-blue box. Next, scroll down and click "Housing Compliance (FDIC, HOME, HTF, LIHTC, & TCAP/CE)", then scroll down and click "Low Income Housing Tax Credit (LIHTC) Compliance". Lastly, click Annual Report Forms.

In addition to this letter, the annual compliance fee invoice has been uploaded to the Procorem work center. A task has been set with a due date of **April 15, 2024.** Once **all** Annual Report submission requirements are complete, please mark the task as "**finished**". **When the task assigned to the Owner/Agent is marked "finished", a task assigned to KHRC staff to "Review Annual Report" will start.** This is part of the task flow that has been created in the work center. Disregard tasks where you are not listed as an "assignee".

The annual report documents are to be scanned and submitted as ONE pdf, except for the 2023 Financials and the 2024 Budget. The financials and budget templates are available with the Annual Report documents on the website. These must not be re-created or copied from prior templates. A new template from the website must be used for each individual property *and* report year. Please note the financials template is **two** worksheets.

The items listed on the Annual Report checklist are to be submitted in the order listed and as ONE pdf, with the checklist as the first page. The pdf must be uploaded to the following folder: **Compliance > Annual Report > 2023 Annual Report**. The pdf must be named in the following format: **Property Name Procorem Number Upload Date 2023 Annual Report Documentation**.

The financials and budget Excel templates must be uploaded to the following folder: **Financial Data > Annual Financials > 2023 Annual Report Financials and Budget.** The Financials template must be named in the following format: **Property Name Procorem**

Number Upload Date Financials 2023. The Budget template must be named in the following format: **Property Name Procorem Number Upload Date Budget 2024**.

In addition to the above items, the Property Information Template and Property Upload Data Sheet (**if not already requested by KHRC and submitted**) must be uploaded. This applies to first year properties **only**. Each of these are Excel documents, also available on KHRC's website under the LIHTC Compliance Forms "Additional Resources and Tools".

Extension requests will only be approved for an additional **30 days (May 15, 2024)**. If an extension is needed, please upload State Form #7 to the following folder: **Compliance > Annual Report > 2023 Annual Report**. The document must be named in the following format: **Property Name Procorem Number Upload Date 2023 Annual Report Owner's Request for an Extension**.

Owners of properties in the initial 15-year compliance period who fail to submit by the deadline, will receive open IRS form(s) 8823, line 11d (*Owner failed to provide annual certifications or provided incomplete or inaccurate certifications.*) KHRC has the right to refuse a report if it is incomplete, cannot be opened, is in the wrong order, or is named incorrectly.

To assist you in completing this process, we have video tutorials available on KHRC's website. The links are with the LIHTC Compliance Forms under "Additional Resources and Tools". The tutorials cover a variety of areas including Procorem features, the Annual Report checklist, and the Tenant Event Portal. We hope these trainings are helpful when preparing and submitting your annual report.

All questions regarding the 2023 Annual Report should be submitted via post in the property's Procorem work center. Thank you for your partnership, cooperation, and for providing affordable housing.

Sincerely,

Katie Whitehead

Katie Whitehead, Director
Housing Compliance Division