

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 CAPITOL MALL, ROOM 485
SACRAMENTO, CA 95814
TELEPHONE: (916) 654-6340
FAX: (916) 654-6033



William J. Pavão
Executive Director

MEMBERS:
Bill Lockyer, Chair
State Treasurer

Michael C. Genest, Director
Department of Finance

John Chiang
State Controller

DATE: July 3, 2008
TO: Low Income Housing Tax Credit Stakeholders
FROM: William J. Pavão, Executive Director
SUBJECT: Second Round Applications for Four Percent Plus State Credits

The Tax Credit Allocation Committee (TCAC) will be accepting applications for four percent (4%) federal Low Income Housing Tax Credits plus State Low Income Housing Credits for a second round this year. The application deadline continues to be July 24, 2008.

State Credits Available:

In February 2008, TCAC set-aside 15% of the available State credits for 4%-plus-state credit applications. This represented an annual amount of \$12,570,859. TCAC received eleven (11) 4%-plus-State credit applications in the first round this year. On June 20, 2008 the Committee approved three of those projects for a total of \$11,670,745 in state credits, leaving only \$900,114 in state credits available in the set-aside.

However, regulation Section 10317(h)(5) permits the Committee to reserve more credits than originally set-aside for 4% applications “if State Credits remain available after funding of competitive projects in the second funding round.” Based upon recent program experience, staff expects state credits will remain following the second 9% funding round this year, and envisions recommending a small number of 4%-plus-state credit applications to the Committee in round two.

Higher Minimum Points Score

On June 20th, the Committee exercised its authority under regulation Section 10305(h), and established a minimum point requirement for the second funding round of **110 points** out of a possible 124. In part, this higher minimum was established because several unfunded first round applications with scores higher than 110 are likely to be resubmitted in the second round. The Committee also retains authority under Section 10325(c) to reject applications on a case-by-case basis for low scores.

If you have any questions about these matters, or any other tax credit allocation feature, please contact your regional analyst.