

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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State Controller

Date: June 8, 2009

To: 2007 & 2008 Low Income Housing Tax Credit Ceiling (9%)
Reservation Holders with State Tax Credits

From: William J. Pavão, Executive Director

Subject: Application for Full or Partial Tax Credit Exchange 2007 & 2008
9% Reservation Holders with State Tax Credits –
American Recovery and Reinvestment Act (ARRA) of 2009 Funds

Enclosed is the application for projects that currently have a 2007 or 2008 reservation of credit ceiling (9%) low income housing tax credits, **with State tax credits**, that have been unable to secure an equity investor. Please refer to TCAC regulation Section 10323(c) for maximum per project award amounts.

To be eligible for cash in lieu of credits, project applicants must demonstrate that they have made an exhaustive effort to obtain investment commitments for the tax credits, and that the project remains the same as originally proposed. Specific instructions on compliance with this requirement are included in the application.

It is our intention to take funding recommendations from this application process to the August 5, 2009 Committee meeting. Applications must be submitted **by 4:00 pm on or before July 1, 2009** to be considered for the August 5th meeting.

Your application for cash in lieu of credits could result in a preliminary reservation of ARRA funds. An actual award would be contingent on further underwriting and review of your subsequent Grant or Loan application package. The final form of award is contingent upon additional clarification from the Federal government. In addition, a loan or grant application fee will be required. Further information regarding the fee is contained in the proposed regulations found at http://www.treasurer.ca.gov/ctcac/programreg/20090610_cover.pdf.

If you have any questions related to this application, please contact Anny Beeson, Development Program Manager at (916) 654-0015 or Ed Johnson, Development Program Manager (Specialist) at (916) 654-5882.