



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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MARINA WIAINT

TO: Qualified Residential Rental Program (QRRP) Applicants

FROM: Marina Wiant, Interim Executive Director

DATE: October 17, 2025

RE: 2025 Expiring Difficult Development Area and Qualified Census Tract Status

On September 30, 2025, the U.S. Department of Housing and Urban Development (HUD) published the [2026 Difficult Development Areas \(DDAs\) and Qualified Census Tracts \(QCT\)](#) that are eligible for the 30 percent basis boost under the Housing Credit program. The methodology for determining the 2026 metropolitan DDAs relies on new Small Area Fair Market Rents.

New DDAs and QCTs will become effective on January 1, 2026. This means that bond projects located in an area that was a DDA in 2025, but will lose its DDA status in 2026, are still eligible for the basis boost as long as the bond allocating agency receives a complete application for the project by the required deadline.

QRRP applicants should be advised that **December 12, 2025** is the DDA and QCT application submittal due date to preserve the DDA and QCT eligibility as identified in Section 5258(a) of the California Debt Limit Allocation Committee (CDLAC) regulations. Applications will be electronically submitted to CDLAC@treasurer.ca.gov.

QRRP applicants shall use the Joint Application – Fillable pdf form, that is located in the link below:
https://www.treasurer.ca.gov/cdlac/applications/qrrp/joint_app_fillable.pdf

On the Joint Application please select “Yes” for the question on the first page asking if the application is to preserve the status of an expiring DDA/QCT Status and complete the following question stating when the Project intends to seek an allocation.

All emailed Applications shall complete only the required pages and questions as indicated below:

- Page 1 to page 8 – must complete if a question is applicable.
- On page 9, please answer only question #1, “Indicate anticipated bond issuance date.”
- On page 12, please answer the questions on #11 about Prior Bond Default of Bankruptcy.
- Page 14 to page 16 – must complete if a question is applicable.

Upon receipt of application, CDLAC will issue determinations regarding whether application is complete prior to the expiration of the current year’s DDA status by December 31, 2025.

The bonds must be issued or the project must be placed in service within [730 days](#) from the date the complete application is submitted.

In keeping with CDLAC's current regulations, section 5054(c), a non-refundable \$1,500 initial CDLAC fee for Difficult Development Area/Qualified Census Tract (DDA/QCT) will be assessed. This payment can be made online: <https://www.treasurer.ca.gov/cdlac/payment.asp> by choosing "Application Fee" as the Fee Payment type. **Since the Application Number has not been assigned yet, please leave the "Application Number" field blank.**

You are advised to visit the CDLAC website and/or subscribe to the CDLAC e-mail distribution list to receive additional information as it becomes available. Should you have questions regarding the information, please do not hesitate to contact us via email: CDLAC@treasurer.ca.gov.