

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Date: June 10, 2009

To: 4% Tax Exempt Bond Reservation Holders

From: William J. Pavão, Executive Director

Subject: American Recovery and Reinvestment Act of 2009 (ARRA) Funds:
4% Tax Exempt Bond Projects

The Tax Credit Allocation Committee (TCAC) has been receiving a number of inquiries asking when TCAC intends to post the application for four percent (4%) tax credit reservation holders seeking ARRA funds. While TCAC had originally planned to begin accepting those applications by now, TCAC is awaiting federal Department of Housing and Urban Development (HUD) approval to use Tax Credit Assistance Program (TCAP) for cash in lieu of credits for 4% projects. TCAC expects HUD's response within the next two weeks.

Under TCAC regulations Section 10323 (3) (A) Tax Exempt Bond projects may apply for either cash in lieu of credit or gap financing if they have a current 4% tax credit reservation from TCAC. In addition, TCAC would accept applications for projects with a **pending** tax credit application accepted and deemed complete by TCAC by the ARRA application due date, but only if that project has an award of State HCD or MHSA funding committed.

Be Advised: TCAC will be extremely unlikely to conduct a completeness review on any 4% Tax Exempt Bond projects with HCD or MHSA funding committed if those applications have not already been received by TCAC as of the date of this notice. Applications submitted after the date of this notice, would almost certainly be considered in the Fall competition.

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