

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: February 18, 2009
TO: Tax Credit Allocation Committee Members
FROM: William J. Pavão, Executive Director
SUBJECT: Additional Regulation Clean-up Item

Following the posting of staff's final recommended regulation changes, a program stakeholder noted an inadvertent oversight in our regulation package. Specifically, staff had recommended increasing the per-project maximum award amount to \$2.5 million under Section 10325(f)(9)(D).

The commenting stakeholder correctly noted that, to maintain internal consistency with the policy intent, the Tax Credit Allocation Committee should also amend Section 10305(e) which also describes per-project maximums. Therefore, staff recommends the following additional clarifying change to the regulations to complement the related policy change that underwent public review and comment:

Section 10305(e)

- (e) Allocation Limit. No one project applying for 9% Tax Credits may receive an allocation of more than ~~Two Million (\$2,000,000) Dollars in annual Federal Tax Credits in any one funding round, except for projects receiving a waiver of unit size under Section 10325(f)(9)(C) of these regulations, in which case the maximum annual Federal Tax Credits reserved to any one project in any one funding round shall not exceed~~ Two Million Five Hundred Thousand (\$2,500,000) Dollars in annual Federal Tax Credits.

This clarifying change would make both sections internally consistent with the intended policy.