



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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JEREE GLASSER-HEDRICK

To: Qualified Residential Rental Program (QRRP) Applicants

From: Jeree Glasser-Hedrick, Executive Director

Date: March 1, 2016 (Originally posted November 23, 2015)

Re: Expiring Difficult Development Area/ Qualified Census Tract Status

On Friday November 20th, HUD published the 2016 Difficult Development Areas (DDAs) and Qualified Census Tracts (QCT), which are eligible for the 30 percent basis boost under the Housing Credit program. The methodology for determining 2016 metropolitan DDAs relies on new Small Area Fair Market Rents.

While in most years new DDAs and QCTs become effective on January 1, because of the change in DDA methodology, HUD has postponed the effective date of both 2016 QCTs and DDAs until July 1, 2016. This means that projects located in an area that was a DDA or QCT in 2015, but will lose its DDA or QCT status in 2016, are still eligible for the basis boost so long as the state agency receives the complete project application from the developer by June 30, 2016 and the project is placed in service or bond are issued within 730 days after the project submits a complete application.

QRRP applicants should be advised that the December 15th DDA application submittal due date identified in Section 5258(a) of the CDLAC regulations will be extended. It is CDLAC's revised expectation that expiring DDA applications will be submitted June 15, 2016, fifteen days prior to the DDA expiration. Correspondingly, CDLAC will issue determinations regarding whether applications are complete prior to the expiration of the current year's DDA status by June 30, 2016.

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 the CDLAC office at (916) 653-3255.