

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

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DATE: July 13, 2009  
TO: Low Income Housing Tax Credit Stakeholders  
FROM: William J. Pavão, Executive Director  
SUBJECT: Adopted ARRA Regulation Changes

Please find posted on the California Tax Credit Allocation Committee (TCAC) website regulation changes adopted by the Committee on July 8, 2009. Two posted versions provide highlighted changes in strikeout and underline format, as well a clean version of the new amended regulations.

All of the changes are contained in Section 10323 which addresses TCAC's administration of the federal American Recovery and Reinvestment Act of 2009 (ARRA) funds. The changes were originally posted for comment on June 2, 2009 and TCAC staff accepted formal public comment through June 23, 2009. On June 30, 2009 TCAC staff posted the final recommendations it intended to take to Committee for adoption on July 8, 2009.

**Changes Made at the July 8th Committee Meeting**

In response to public comments and staff's recommendations, the Committee elected to provide 120 days following ARRA funding for project sponsors to close their construction loans (Section 10323(b)). This lengthened the time for loan closing from the most recently proposed 75 days.

In addition, the Committee elected to delete a proposed provision providing preemptive funding priority to 4 percent tax credit projects that lost their Difficult to Develop Area (DDA) status in 2009 (Section 10323(b)(3)), and instead voted to adopt a new 25-point scoring bonus for such projects (Section 10323(d)(2)(D)).

If you have any questions regarding these new regulation provisions, please contact your regional analyst.