DATE: November 10, 2009  
TO: Tax Credit Assistance Program (TCAP) ARRA Awardees  
FROM: Anny Beeson, Development Program Manager  
SUBJECT: Davis Bacon Guidance

The Tax Credit Allocation Committee (TCAC) has determined that Davis-Bacon requirements are effective the date a project received approval from the Committee for TCAP ARRA funds. Davis-Bacon Act applicability under the American Recovery and Reinvestment Act of 2009 (ARRA) is very broad. According to the Department of Housing and Urban Development, Davis-Bacon applies to projects funded directly by or assisted in whole or in part pursuant to ARRA. The Tax Credit Allocation Committee (TCAC) has confirmed that project costs, including but not limited to, land acquisition, architectural fees, impact fees, and developer fees, will trigger Davis-Bacon requirements for the entire project. There are no exemptions or thresholds beyond the standard Davis-Bacon Act $2,000 threshold. Thus, any project in excess of $2,000 which receives TCAP assistance is covered. Note that the $2,000 threshold applies to the total value of the project construction, not just the amount of TCAP assistance.

If your project was already under construction or a construction contract had already been let prior to receiving approval of TCAP funds, Davis Bacon applies prospectively from the point that you received approval. You must amend any and all construction contracts to include Davis Bacon requirements for those contracts that were already in place to include the appropriate language and wage decision going forward.

Should you have any questions regarding Davis-Bacon requirements, please contact David Navarrette at 916-654-6340.