

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 CAPITOL MALL, ROOM 485
SACRAMENTO, CA 95814
TELEPHONE: (916) 654-6340
FAX: (916) 654-6033



William J. Pavão
Executive Director

MEMBERS:

Bill Lockyer, Chair
State Treasurer

Michael C. Genest, Director
Department of Finance

John Chiang
State Controller

Date: June 26, 2009

To: 2007 & 2008 and early 2009 4% Tax Exempt Bond Reservation Holders

From: William J. Pavão, Executive Director

Subject: Updated Application for Cash in Lieu of Credits and Gap Financing – American Recovery and Reinvestment Act (ARRA) of 2009 Funds

There have been a few questions about the application for 4% Tax Exempt Bond Reservation holders who which to compete for Cash in Lieu of Credit and Gap Financing. The “net equity factor as originally stated in the tax credit application” is the figure you assumed for your tax credit pricing in your original application. It is **not** the tax credit factor a 4% project would calculate at placed in service.

If you are applying for Cash in Lieu of credits, you must demonstrate a good faith effort to find an investor. A good faith effort must be demonstrated in the form of a narrative as stated on the application and in regulation Section 10323(c) (1).

The Tax Credit Allocation Committee (TCAC) expects to recommend projects for approval at its August 5th Committee meeting. If you have any questions related to this application, please contact Anny Beeson, Development Program Manager at (916) 654-0015 or Ed Johnson, Development Program Manager (Specialist) at (916) 654-5882.