



Home Buyers Home Owners Renters	Lending & Funding Partners Real Estate Professionals Home Buyer Educators	Developers, Owners Management Agents Architects & Builders	Homelessness/Housing Assistance Emerging Markets Local Governments	Applications & Forms Resources Training & Technical Services	Investors
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Home > Housing Partners > Housing Tax Credits > Tax Credit Allocation

Quick Links

- [Rent & Income Limits](#)
- [Home Cost Limits](#)
- [News Room](#)
- [About Us](#)
- [Frequently Asked Questions](#)
- [Driving Directions](#)
- [eNews Signup](#)

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## American Recovery and Reinvestment Act of 2009 (ARRA)

[Request for Public Comment \(Closed\)](#) - Tax Credit Assistance and Exchange Programs Selection Process and Criteria.  
The U.S. Department of Housing and Urban Development (HUD) and the U.S. Treasury have posted guidance on the Tax Credit Assistance and Exchange programs.

- [HUD guidance](#)
- [Treasury guidance](#)

Minnesota is set to receive more than \$135 million from the American Recovery and Reinvestment Act of 2009. In addition, multiple sources of funding will allow for the state to compete for additional sources. [See the Minnesota Housing summary.](#)

### ARRA Impact on Housing Tax Credit Program

The Act includes the following provisions related to the Housing Tax Credit Program: the ability for allocating agencies to exchange Housing Credits for cash from the Treasury and to subsequently sub-award the funds to qualified low-income buildings, and \$2.25 billion in funds to be made available to state housing credit agencies for capital investments in low-income housing tax credit projects. The housing credit agencies in each State shall distribute these funds to owners of projects who have received or receive simultaneously an award of low-income housing tax credits. It is important to note that certain HOME rules will apply.

The Agency understand developers, investors, and others are very interested in how Minnesota Housing will implement these provisions. However, there are many more unknowns and issues to resolve than with the HERA legislation enacted last summer. Some of the questions related to timing and availability of funds will need to be answered by federal agencies before we can establish policy. The best guidance the Agency can provide at this time to interested owners/developers is to continue to seek equity for funded projects and do not delay any pending equity closings due to this legislation. We will keep you informed as we learn more, and as always welcome your input. Development-specific inquiries should be directed to your Housing Development Officer. All general inquiries and comments regarding the Housing Tax Credit provisions to the American Recovery and Reinvestment Act should be submitted to [tax.credits@state.mn.us](mailto:tax.credits@state.mn.us).

### Federal Regulatory Requirements Under the American Recovery and Reinvestment Act (ARRA)

Under the American Recovery and Reinvestment Act (ARRA), Minnesota Housing will be receiving nearly \$28 million in funds to supplement housing tax credit projects, as well as the ability to exchange some housing tax credits. The Agency expect to use these resources to fund some of the projects awarded 2008 or 2009 housing tax credits. Entities receiving those funds may be required to comply with various federal regulatory requirements, including those pertaining to environmental reviews and Davis-Bacon labor standards.

### Links to additional ARRA Information

- HUD's American Recovery and Reinvestment Act Web Site: <http://www.hud.gov/recovery/index.cfm> )
- HUD Tax Credit Assistance Program (TCAP) Home Page: <http://www.hud.gov/recovery/tax-credit.cfm> )
- HUD TCAP Allocations by State: <http://www.hud.gov/recovery/tcaprecovery.xls>)
- <http://www.hud.gov/recovery/index.cfm>