

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009  
**Low-Income Housing Grants in Lieu of Tax Credit Allocations for 2009**  
Fact Sheet

- The American Recovery and Reinvestment Tax Act of 2009 (ARRTA) allows State housing agencies to elect to receive cash grants (as determined under the ARRTA) with respect to a certain portion of the State's low-income housing tax credit (LIHTC) allocation.
- The estimated outlay to States is \$3,000,000,000 for 2009. Under the ARRTA, State housing agencies must use a grant to make subawards to finance the acquisition or construction of qualified low-income buildings, generally subject to the same requirements (including rent, income, and use restrictions on such buildings) as the LIHTC allocations.
- Historically, the Federal tax law has permitted taxpayers to claim a LIHTC for certain investments made in low-income housing. These LIHTC amounts have helped to attract private capital to invest in the construction, acquisition, or rehabilitation of qualified low-income buildings.
- State housing agencies are authorized to allocate the LIHTCs to qualified low-income housing projects. The amount of LIHTCs that a State housing agency may allocate is generally determined by a statutory formula.
- State housing agencies will be able to make the election to receive cash grants under the ARRTA in a prescribed manner.
- The Department of the Treasury will issue a form of application, with documentation detailing the grant requirements.
- Additionally, the payment mechanism and compliance procedures will be set forth. Further information will be posted as it becomes available.