

**Cash Assistance to States for Low-Income Housing Projects in Lieu of Low-Income
Housing Tax Credits for 2009
under the
American Recovery and Reinvestment Act of 2009**

Program Description

- Section 1602 of Division B of the American Recovery and Reinvestment Act of 2009 (Section 1602), authorizes the United States Department of the Treasury (Treasury) to make cash assistance available to State housing credit agencies for subaward to developers of qualified buildings. The purpose of the cash assistance is to pay the developer's costs for construction or acquisition and rehabilitation of rental housing for low-income families and individuals.
- Outcomes of the Section 1602 program include adding hundreds of manufacturing, construction, and operating jobs in the affordable housing sector and producing appreciably more rental housing for low-income families and individuals.
- Section 1602 funds are in "exchange" for Low-Income Housing Tax Credits. By receiving funds, the subawardees are electing to forego tax credits on a property.
- Treasury published Program Guidance, Terms and Conditions, and an application on May 4th. Applications are submitted electronically. The program is not competitive; all State housing credit agencies submitting eligible applications receive the cash assistance.
- Maximum funding is determined by the amount of a State's 2009 Low-Income Housing Tax Credit ceiling.
- Awardees submit quarterly reports listing information about the subaward (name, amount of cash assistance, location, type of housing) and the number of jobs created/retained in the construction and operational phases and the number of housing units and low-income housing units in the project.