

**American Reinvestment and Recovery Act  
February 2009**

**U.S. Treasury Department - Low Income Housing Tax Credit**

**Purpose:** The housing credit agency receiving a grant under this provision is to use these moneys to make sub awards to finance qualified low-income buildings as defined under the LIHTC.

**Funding Mechanism:** As the Housing Credit Agency, WCDA can exchange LIHTC authority directly with the Treasury for cash and that cash may be granted to the project owner without reducing the “eligible basis”.

**Distribution Formula:** The right to exchange LIHTC for cash applies to 100% of unused 2008 authority, 100% of previous years’ unused authority returned in 2009, 40% of 2009 authority and 40% of any 2009 national pool allocation. The exchange rate is 85% of the product of 10 times the amount of (annual) authority. The cash received by the credit allocating agency does not have to be used for LIHTC projects, but can also be used for any project which otherwise meets the LIHTC program rules as long as the credit agency determines that doing so will increase the total funds available to the state to build and rehabilitate affordable housing. Grants not used by January 1, 2011 to make sub-awards must be returned to the Treasury.

**Estimated Amount of Funding for Wyoming:** Since the program is an exchange of tax credits for cash, there is no actual state allocation of funds.