



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
ctcac@treasurer.ca.gov
www.treasurer.ca.gov/ctcac

MEMBERS

JOHN CHIANG, CHAIRMAN
State Treasurer

BETTY YEE
State Controller

MICHAEL COHEN
Director of Finance

EXECUTIVE DIRECTOR
Mark Stivers

DATE: September 8, 2015

TO: Low Income Housing Tax Credit Project Sponsors

FROM: The California Tax Credit Allocation Committee – Compliance Section

RE: Tax Credits and Ownership Transfers

The California Tax Credit Allocation Committee (TCAC) periodically receives requests from project sponsors to sell or transfer ownership interests in existing tax credit projects. As part of our due diligence in processing such requests, TCAC staff must perform a qualifications review to determine if sufficient project development and property management experience exists for the newly proposed owner and property management organization. TCAC regulations (Section 10320(b), 10325(c)(2), and Section 10326 (g) (5)) specifically identify general partner and property management experience requirements. In order to facilitate the qualifications review and before we can make a recommendation for approval, staff has developed the following checklist of required items that must be submitted to TCAC:

CHECKLIST:

- Letter from current owner of record notifying TCAC of the proposed sale of existing tax credit project including TCAC project name and number
- A copy of the Purchase/Sales Agreement
- An Assignment and Assumption Agreement (buyer assumes TCAC regulatory agreement)
- A copy of the filing of the newly formed ownership entity with the California Secretary of State's Office
- IRS letter which shows the federal taxpayer identification number for the new ownership entity
- Organization Chart showing the newly proposed ownership structure

- A completed TCAC Project Ownership Profile Form (POP), identifying the new ownership entity and property management (PM) agent
- Property Management Agreement for project (if applicable)
- TCAC Stand Still Agreement if the acquisition is being financed
- Financial statements for new ownership entity including General Partner(GP) or Administrative General Partner (AGP)
- Completed TCAC application attachments 21 and 22 evidencing GP, AGP and PM experience
- Completed Project Status Report (PSR) which can be accessed from our website at:
<http://www.treasurer.ca.gov/ctcac/compliance.asp>
- A statement of how much will rents increase after the transfer of ownership interests occurs
- Confirmation letter from current owner confirming that seller will transfer tenant records and all tenant demographic data collected up to the date the sale closes escrow to the buyer and their property management agent
- Completed TCAC Annual Owner Certification (AOC) Form and TCAC Annual Operating Expense (AOE) reports
- Copy of a written letter stating whether the project will be applying for a re-syndication of tax credits
- IRS tax filing Form 990 for non-profit organization (if applicable)

If you have any questions, please contact Compliance Program Managers, Ammer Singh at 916-653-4644 or via email at asingh@treasurer.ca.gov or Shannon Nardinelli, at 916-651-0411 or via email at snardinelli@treasurer.ca.gov .