



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Annual Owner Certification Package: Frequently Asked Questions for 2018 Reporting Year

The ***AOC Frequently Asked Questions (FAQs)*** are available to help answer questions on the AOC forms that are submitted annually for all low-income housing tax credit properties. The FAQ's are broken up into sections based on what form the question is concerning. If you have a questions regarding one of the 2018 AOC Forms, and you do not see an answer below, please contact CTCAC for assistance.

General FAQ's

- **What are the new dates for the 2018 AOC package?**
 - The AOC Package Part I is due March 18, 2019.
 - The AOC Package Part II is due May 20, 2019 (will be available online after March 18, 2019)
- **What if my CTCAC project number (CA-0000-000) does not show up on the drop down list of one of the four forms?**

There can be various reasons for a CTCAC project number to not show up on the drop down lists of the four AOC forms. If you have a more recent CTCAC allocation number (i.e. 2012 or later) it is possible that the project may not have placed-in-service in our system, and therefore, not be on the drop down menu of the forms. In this case, please print **out** the AOC forms and fill them out manually. However, if you have a project with an allocation of 2012 or later, contact CTCAC.
- **What does an owner do if a tax credit development is sold or re-syndicated with tax credits?**

You would need to submit a partial year (AOC, AOE, & LP Report) for the period of ownership if tax credits were claimed for tax credit eligible units.
Please remember to note "For the period of _____ to _____) for partial year AOC filings. For the AOE, please submit a partial year Operating Expense Report; please include fully amortizing principal and interest payments (The POP form will need to be submitted by the current owner. **Please reference both the new and the old CTCAC Project Number on the forms).**

- **What if the CTCAC project is on a fiscal year instead of a calendar year?**

If the CTCAC project is on a fiscal year, then the 2018 report will be based on the 2017-2018 audited financials. Be sure to cross out the “~~REPORTING YEAR: 2018~~” and write in “2017-2018 REPORTING YEAR” instead. Additionally the reporting period should be crossed out and please hand-write "July 1, 2017 through June 30, 2018". Regardless of whether the project is on a fiscal or calendar year, all AOC forms will still have the same deadlines as the rest of the CTCAC projects. In these cases it is imperative that you call CTCAC for an extension, if you will not make the posted deadlines.

[Annual Owners Certification \(AOC\) Form](#)

- **Why does my project have more occupied units than there are low-income units?**

There has been some confusion on mixed-use projects; the low-income units need to be separated from the market-rate units, and then of those low-income units the owner must report how many of those low-income units are occupied.

It is also possible that the number on low-income units on the AOC form is not correct, in this case, please cross out the low-income units and enter the correct number and be sure to also send CTCAC a copy of the Regulatory Agreement – Appendix A page that shows the number of low-income units, in order to make the change to the database.

- **Can another person other than the owner sign the AOC form?**

No, only the owner contact on file can sign the documents requested. That is why CTCAC gives owners & management companies’ sufficient time to complete the AOC package. Only with a power of attorney, can another individual sign for the owner. If someone other than the owner is signing, please provide a copy of the power of attorney document to avoid confusion.

[Project Ownership Profile \(POP\) Form](#)

- **What is the Taxpayer Identification Number (EIN)?**

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity.

- **Where can I find my Taxpayer Identification Number (EIN)?**

An Employer Identification Number (EIN) can be found on the original 8609 form that was filed when the project was placed in service.

- **What if CTCAC has the wrong Taxpayer Identification Number on file (EIN)?**

If you feel that the TIN/EIN we have on file for a project inaccurate, please submit the documentation from the IRS showing the TIN issued for the partnership/owner listed on file along with the revised POP to CTCAC for review.

- **What if I need to update the name of the Partnership/Owner?**

If the previous owner indicates that the project was sold or a transfer of the general partner interests occurred during the past year, CTCAC will request that the new owner submit various documents regarding the Sale/TPA (transfer of physical assets) for the referenced project. Please contact Julio Villanueva at (916) 653-4277 if this is the case for more details.

- **What is the Managing General Partner?**
This entity is responsible for the day to day operations of a tax credit project.
- **What is the Administrative General Partner?**
This entity is responsible for ensuring the financial feasibility of a project.
- **Does the entire POP form need to be completed?**
Yes, the entire POP form must be completed thoroughly, you cannot use “N/A” or “same as” in either the Managing/Administrative General Partner sections or leave blank. If they are one in the same, you must complete each section with the same information.

Annual Operating Expense (AOE) Form

- **What is the purpose of the AOE Form?**
The purpose of this form is to capture common operating expenses across the tax credit properties that make up the CTCAC Portfolio of Developments.
- **What type of expenses should be listed in the AOE Form?**
Owners should report Operating Expenses that are considered “legitimate operating expenses”. Please see the AOE instructions for more detailed inclusion and exclusions of expenses.
- **What type of expenses should be excluded from the AOE Form?**
Specific Exclusions include: property taxes and/or property-related fees and assessments, debt service payments and “profit taking”- partnership maintenance fees.
- **Does CTCAC want staff to list depreciation expenses on the AOE Form?**
No, depreciation and amortization costs should be excluded from the AOE form, since these types of expenses are Balance Sheet items.
- **Under Debt Service of the AOE Form, does CTCAC need the year-end balance or the principal payment paid for the year?**
Please include principal and interest payments paid during the reporting year.
- **Why doesn’t the AOE match our audited financial statements?**
The AOE report does not include “total real estate taxes” and “replacement reserves” depreciation and soft financing in the “total annual residential expenses”.

CTCAC uses the data to compare “Actual Annual Operating Expenses” to the projected “Operating Expenses” in the application for tax credits to determine if a project is meeting their financial obligations as originally underwritten by the development side of our Committee.

- **What amount do we report on the AOE Form under “Current Year Replacement Reserve Deposits”?**
You should include the annual deposits for the reporting year to the replacement for reserve account.
- **Where do we report “laundry income” on the AOE Form?**
You should report this income under “Misc Income”. If there are offsetting costs, then those would be included under “Other Expenses” category.

- **For a mixed-income project, do we pro-rate the “Annual Operating Expenses”?**
No, go ahead and report the total annual operating expenses. Since we use this information to compare average operating costs across the CTCAC portfolio based on housing type and project size, a few mixed income project costs should not greatly impact the average costs for our portfolio.
- **Will CTCAC require the AOE Form and the Lender Form for projects that are in the “Extended Use Portfolio”?**
Yes, CTCAC would like to capture Operating Expenses and Lender Data for ALL CTCAC funded developments.

Lender Profile (LP) Form

- **What is the Purpose of the Lender Profile Form?**
To capture current loan information for our tax credit developments. CTCAC can determine if a project is financially infeasible or needs some substantial deferred maintenance that may need to be addressed.
- **What if I have more than four lenders?**
If a project has more than four lenders, only enter the four lenders with the largest loan amounts. If you only have one lender, then only report that one lender. Please include fully amortizing loans. If the mortgage payments or interest payments are accrued, then you do not need to include these residual receipt loans.
- **What if I have no lenders?**
If there are no lenders for a project, then fill in contact information at the top of the LP Form and enter *no lenders* in the “Lender #1” field of the Lender Section.
- **What if my loan has not converted from a Construction Loan to a Permanent Loan?**
If you have a construction loan and it has not been converted to a permanent loan, then fill in contact information at the top of the LP Form and enter *construction loan* in the “Lender #1” field of the Lender Section.
- **On the LP Form, is the CTCAC asking for the payments made on the loan for the year or the loan balance?**
Please list the unpaid principal and interest balance as of 12/31/2018.

For questions regarding Part I of the AOC Packet, please contact:

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Email: JVillanueva@treasurer.ca.gov

For questions regarding on Part II of the AOC packet, please contact:

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