



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: March 6, 2019

TO: Low Income Housing Tax Credit Project Applicants and Owners

FROM: California Tax Credit Allocation Committee – Development Section

RE: TCAC Consent Forms and Agreements

The California Tax Credit Allocation Committee (TCAC) receives requests for:

- consent to assign reservations of credit;
- consent to assign carryover allocations;
- changes to the applicant and general partners at the time the project ownership structure is formed;
- for resyndications: regulatory agreement assignment, standstill agreement, subordination agreement; and
- other similar consents.

This memo is to provide information about TCAC processes for these requests.

TCAC does not require assignment of a tax credit reservation during the project development (between application and placed in service) if the original applicant is the developer, general partner, or a related entity to the limited partnership that will be the recipient of the credit allocation and IRS Form(s) 8609. If a party of the applicant team requires formal acknowledgement TCAC will provide written confirmation upon request, but please be aware that assigning the credit reservation from a related party applicant to the limited partnership at the development stage is not a TCAC requirement. This applies to general partner assignments as well. For consent to the assignment of a carryover allocation, this approval is provided via email upon request; if a party of the applicant team requires formal acknowledgement TCAC will provide written confirmation or execution of an assignment agreement upon request. A California Form LP-1 Certificate of Limited Partnership will be required for verification. [Contact](#) the TCAC staff listed on the staff report for consent requests.

March 6, 2019

For resyndication projects TCAC is routinely requested to sign assignment and assumption of TCAC regulatory agreements, subordination agreements, and standstill agreements. For subordination agreements, refer to the [TCAC Subordination Policy](#). Since establishing transfer event provisions in 2015, TCAC has provided guidance that TCAC will subordinate to loans that are funding rehabilitation in the case where there is no Net Project Equity distribution. [Contact](#) Cynthia Compton and Carmen Doonan for these agreement requests.

For any of these written consent and agreement requests, TCAC requires adequate time to review for form and content. At the time of your request, provide TCAC with any anticipated closing dates and ask for an estimate of when TCAC expects to have the agreement(s) reviewed, approved, and signed. Please be aware that there may be an existing queue of agreements under review at the time your request is made. Any changes made to a document after TCAC has signed require TCAC approval and, if notarized, must be resigned.