

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: June 9, 2010
TO: 2010 First Round Applicants
FROM: William J. Pavão, Executive Director
SUBJECT: 2010 First Round Applicants Resubmitting Applications in the Second Funding Round

All first round 2010 applicants that are reapplying in the second round will only need to submit one new, complete application including attachments, along with a \$1,000 application fee paid by cashier's check.

TCAC will accept all time sensitive documents that were submitted in the first round for applications submitted in the second round, except:

- Any site control document (i.e. purchase and sale agreement, lease agreement, etc.) that has expired prior to the July 7, 2010 second round application-filing deadline. Such expired site control documentation must be updated, or accompanied by evidence that necessary extension actions have been taken, including extension fee payments;
- Any CPA certification that was based on 2008 financial statements; and
- If Attachment 26, Local Approvals, was resubmitted during the first round due to an appeal period extending past the application deadline, please submit both Attachment 26 copies.

In addition, all second round applicants will be required to utilize the recently released 2010 rent maximums. TCAC staff will update the 2010 applications to include the 2010 rent maximums. TCAC staff will not insert 2010 rent targeting calculations (page 16 of the application) into any first round reapplications prior to the second round deadline. However, first round applicants may update their existing applications. TCAC staff will verify that the updated income targeting corresponds to the 2010 rent maximums.

Please be advised that the 2010 applications checklists will be updated to include one additional required item under Tab 2. **This will be a required submission for all 2010 second round applicants, including reapplicants.** TCAC's new requirement will be to disclose any developer fee limitations for any other project funding sources.

Due to questions raised regarding first round applications' public contributions of offsite improvements, TCAC staff will be carefully reviewing such contributions in the second round. Including offsite costs beyond those directly related to the project will receive heightened scrutiny. Where other than directly related offsite contributions are listed, applicants may receive tie-breaker reductions, point reductions, disqualification, and/or negative points.

Following are some of the most common application errors of first round applicants. Please review your applications carefully to avoid or correct these errors:

- Failure to verify that projects listed on Attachment 21 General Partner Experience match those listed on the corresponding CPA certification;
- Failure to correlate sustainable building methods listed in the application to those listed on the signed Architecture/Engineer Certification, Attachment 25; and
- Failure to accurately limit the developer fee per Regulation Section 10327(c)(2), or to apportion the fee correctly between rehabilitation and acquisition basis.

Please refer to the memo dated March 17, 2010 for the submittal of the application and applicable application fee (<http://www.treasurer.ca.gov/ctcac/2010/submittals.pdf>).

For further clarification, please call TCAC and ask for a member of the Development staff at (916) 654-6340.