



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: March 13, 2020

TO: Property Owners and Management Agents of Low-Income Housing Tax Credit (LIHTC) Properties

FROM: Anthony Zeto, Deputy Executive Director

RE: Compliance Workshops and COVID-19 Precautionary Monitoring Changes

This memorandum serves as guidance from the California Tax Credit Allocation Committee (TCAC) to owners and property management agents of LIHTC properties in California on the following topics:

1. Advanced Compliance Workshops – Anaheim, Burbank, San Diego
2. Changes to Compliance Monitoring through April 30, 2020

Advanced Compliance Workshops – Anaheim, Burbank, and San Diego

As a preventative measure in response to concerns and questions regarding the COVID-19 virus, the TCAC Compliance Section will be postponing the Advanced Compliance Workshops that were originally scheduled in March and early April 2020 to June 2020. The changes are as follows:

1. Anaheim – Originally scheduled for 3/24/2020
 - i. New Date – June 11th, 2020
2. San Diego – Originally scheduled for 3/25/2020
 - i. New Date – June 4th, 2020
3. Burbank – Originally scheduled for 4/1/2020
 - i. New Date – June 9th, 2020
4. Burbank – Originally scheduled for 4/2/2020
 - i. New Date – June 10th, 2020

If you are currently enrolled in the above workshops, your registration will automatically be moved to the new date and no further action is required. If you choose to cancel your registration, your place at the workshop will be released and you may not be able to register again for the new date.

The Advanced and Basic Workshops that are scheduled for Sacramento, Fresno, and Oakland currently remain scheduled on their original dates. TCAC will continue to monitor the situation and will notify the attendees if anything changes. These dates are:

1. Sacramento Advanced – April 13th, 2020
2. Fresno Advanced – April 15th, 2020
3. Fresno Basic – April 16th, 2020
4. Oakland Advanced – April 20th, 2020
5. Oakland Basic – May 7th, 2020
6. Oakland Basic – May 8th, 2020
7. Sacramento Basic – May 13th, 2020
8. Sacramento Basic – May 14th, 2020

As of the date of this memorandum, Governor Newsom has declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare in the event of a broader spread of COVID-19. TCAC is operating with an abundance of caution in changing the dates.

To minimize the risk and spread of COVID-19, please also follow the instructions recommended by the Centers for Disease Control and Prevention (CDC):

- Washing hands with soap and water for a minimum of 20 seconds
- Avoiding touching eyes, nose or mouth
- Avoid physical contact like shaking hands or hugs
- Avoid close contact with people who are sick
- Stay away from work, school, or other people if you become sick with respiratory symptoms like fever, cough, and shortness of breath

Compliance Monitoring – Desk Audits through April 30, 2020

Due to feedback from Management companies and concerns from staff around the COVID-19 virus and the requirement for CTCAC staff to enter the units of people who may be ill or have been exposed to COVID-19, TCAC will be cancelling all travel and physical audits at properties for the period from March 16, 2020 through April 30, 2020. Properties that have already received inspection notices during that period will be rescheduled at a later date. In the interim, TCAC will be conducting desk audits that include the file review for projects that are on the [monitoring list](#) for this year. A physical audit of those properties that receive a desk audit, will be conducted at later time in 2020. For the desk audit, TCAC will require that the following information be submitted on a flash drive, within 2 weeks of the notification of the desk audit:

- All files for the property labeled in subfolders by unit number
 - o For 100% LIHTC Properties
 - Application
 - Initial Lease
 - All Lease Addendums and House Rules
 - Complete Move-in Certification
 - Complete 1st Recertification
 - Current Recertification
 - Entire History of Rent Ledgers for the Unit
 - o For Mixed-Use Properties (less than 100% LIHTC)
 - Application
 - Initial Lease
 - All Lease Addendums and House Rules
 - Complete Move-In Certification
 - All Subsequent Recertifications
 - Entire History of Rent Ledgers for the Unit

Noncompliance letters for the projects selected for a desk audit will be sent in two phases (file and physical). The inspection will not be closed until both inspections results have been addressed. In order to make this transition as smooth as possible, TCAC will primarily focus desk audits on smaller sized properties (under 75 total units). TCAC will reassess the situation in mid-late April and release additional guidance if the desk audits will be extended past April 30th, 2020.

The TCAC Compliance Section thanks you for your patience and understanding as we work towards continuing to meet our LIHTC obligations, while maintaining respect for the safety and health of TCAC staff, the staff of the owner and management companies we serve, and the tenants who reside in tax credit properties. For any questions, please contact Elizabeth Gutierrez-Ramos at elizabeth.gutierrez@treasurer.ca.gov or Shannon Nardinelli at shannon.nardinelli@treasurer.ca.gov.