

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: November 1, 2010

TO: 2010 First Round Credit Ceiling Tax Credit Recipients Receiving Full Readiness Points

FROM: William J. Pavão, Executive Director

SUBJECT: 150-DAY DEADLINE TO MEET READINESS TO PROCEED REQUIREMENTS

This letter is to remind all 2010 first round low-income housing tax credit recipients that the deadline for meeting the readiness criteria cited in TCAC Regulation Section 10325(c)(8) is approaching. Following the adoption of regulation changes at the October 27, 2010 Committee meeting, the readiness deadline date has now been increased from 150 days to 180 days of the Credit Reservation date.

On June 9, 2010, your project was approved to receive a reservation of 2010 low-income housing tax credits. Your success was dependent, in part, on the 20 points you received for project readiness.

As part of the requirements to achieve the 20 readiness points, an applicant must be able to begin construction within 180 days of the Credit Reservation date. It is critical that **all required documentation is received by TCAC no later than 5:00 p.m. on December 6, 2010.**

The regulations do not provide for any exceptions, and your credit reservation and allocation will be rescinded should you miss the deadline or provide incomplete or unsatisfactory documentation. You may also be subject to negative points in future funding rounds.

The following is a list of the required documentation:

- recorded deeds of trust for all construction financing;
- a limited partnership agreement executed by the general partner and the investor providing the equity,
- proof of payment for all construction lender fees;
- issuance of building permits for all residential buildings; and
- notice to proceed delivered to contractor

If you know you cannot meet the readiness deadline, please notify us in writing immediately that you are returning the credits. Your consideration will allow us to re-allocate the credits to another worthy project.

If you need clarification regarding this requirement, please contact our office at (916) 654-6340, and request to speak with your regional analyst.

We look forward to working with you to ensure successful completion of your affordable housing project.