

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
 CARRYOVER ALLOCATION EXHIBIT A, Part I
 CERTIFICATION OF COSTS INCURRED AS OF _____**

Project Name: _____
 Project Number: CA- -

	PROJECT EXPECTED BASIS	COSTS INCURRED
LAND		
Total Land Cost	\$	\$
ACQUISITION		
Existing Improvements**	\$	\$
NEW CONSTRUCTION		
Site Work	\$	\$
Structures	\$	\$
Contractor Overhead	\$	\$
Contractor Profit	\$	\$
General Requirements	\$	\$
Total New Construction	\$	\$
REHABILITATION COSTS		
Site Work	\$	\$
Structures	\$	\$
Contractor Overhead	\$	\$
Contractor Profit	\$	\$
General Requirements	\$	\$
Total Rehabilitation	\$	\$
ARCHITECTURAL FEES		
Design	\$	\$
Supervision	\$	\$
Total Architectural Fees	\$	\$
SURVEY AND ENGINEERING		
Total Survey and Engineering	\$	\$

* For purposes of the 10% test, basis means the adjusted basis of land and depreciable real property, whether or not such amounts are includable in eligible basis; however, an allocation pursuant to Section 42(h)(1)(E) of the Code is based upon items includable in eligible basis. Refer to IRC Section 42(h), IRS Notices 88-116, 89-1, and 91-38 and consult your tax professional.

** Acquisition costs can only be included in basis for projects involving acquisition with certain minimum rehabilitation expenditures and are limited to the lesser of the appraised value or purchase price of the land and existing improvements as approved at preliminary reservation (Regulation Section 10327(c)(6)).

CERTIFICATION BY OWNER

As owner of the above referenced low-income housing project, I certify under penalty of perjury that the information I have provided is correct and that I have had the benefit of tax counsel and am fully aware of Section 42 requirements regarding costs incurred.

Signatory of Project Owner

Date

Printed Name of Signatory

Title of Signatory

General Partner Name

Allocations of low-income housing tax credits ("Credit") should be made to the person or entity that owns the project. In the case of carryover allocations, we must be certain that **the entity receiving the allocation is the entity that incurred the costs** necessary to meet the 10% expenditure Test. If the recipient of the allocation has not met the 10% Test, the IRS may determine that no portion of the Credit allocated to the project may be used.

Matching the required capital expenditures with the entity receiving the Credit allocation can be an issue where the allocation is made in the name of a shell partnership formed for syndication and the developer has incurred the project costs in the name of the general partner or an affiliated entity. Be sure to discuss this with your tax professional and complete the Certification of Costs Incurred in the name of the entity to be issued the carryover allocation. See IRS Revenue Ruling 91-38, Question 4.

IRS Regulation 1.42-6(c)(2) stipulates that an Agency must verify that the taxpayer has incurred adequate basis by obtaining from an attorney or certified public accountant a written certification to the Agency, that the attorney or accountant has examined all eligible costs incurred with respect to the project and that, based upon this examination, it is the attorney or accountant's belief that the taxpayer has incurred more than 10 percent of its reasonably expected basis in the project by the close of the calendar year of the allocation. Attachment/Exhibit A, part II must be submitted to fulfill this requirement.

If, before or after TCAC issues a Carryover Allocation, it is discovered that 10% of costs were not incurred for carryover purposes, you must notify TCAC immediately.