

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Minutes of the August 16, 2006 Meeting

1. Roll Call.

Laurie Weir for Philip Angelides, State Treasurer, chaired the meeting of the Tax Credit Allocation Committee (TCAC). Ms. Weir called the meeting to order at 1:00 p.m. Also present were: Cindy Aronberg for Steve Westly, State Controller; Anne Sheehan for Michael Genest, Director of the Department of Finance; Lynn Jacobs, Director of the Department of Housing and Community Development; Theresa Parker, Executive Director of the California Housing Finance Agency; Cathy Van Aken, Attorney General's Office; and Kathleen Paley, County Representative.

2. Approval of the minutes of the July 19, 2006 Committee meeting.

There was no public comment.

MOTION: Ms. Sheehan moved to adopt the minutes of the July 19th meeting. Ms. Aronberg seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão reported that TCAC had a total of seven projects before the Committee, down from the previously listed eight. All members received an updated agenda. Project 2006-CA-872, Mariposa Place Apartments, requested to be removed from this agenda pending further developments. TCAC anticipates the project to be on the agenda for the September 20 meeting.

Mr. Pavão provided an update on the 9% tax credit applications. TCAC received a total of 88 second-round applications. Staff has focused on the point scoring of those applications and has concluded the initial review and sent the preliminary point scores out to the applicants for their review and consideration, and to give them the opportunity to appeal any point reductions before the final scoring decisions.

Mr. Pavão reminded the Committee that once scores for the applications are established, TCAC staff takes a subset of the pending applications – those that are likely to be recommended to the Committee – and then conducts a more thorough underwriting and completeness review.

Mr. Pavão advised that the 88 applications represent an increase in submissions. This is generally normal for the second round, but in this year showed a dramatic increase. There were 58 applications in the first round, which brings the 2006

annual total to 146. Since 2003, submittals have declined, so the 146 applications represent an increase in submittals.

Mr. Pavão also reported that, for the first-time, TCAC accepted applications in the Treasurer's Los Angeles office, as well as in the Sacramento office. Applicants brought 49 applications to the Los Angeles office, so TCAC hopes to continue the practice of accepting applications in both offices for the twice-yearly competitive rounds.

Mr. Pavão announced that the next meeting for the second round 9% applications is September 20.

Report concluded with no public comment.

4. Discussion and Consideration of Applications for Award or Reservation of Federal Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects, and appeals filed under TCAC Regulation Section 10300.

Mr. Pavão announced that there were seven 4% applications for consideration and approval. A staff report had been prepared for each application and were as follows:

<u>Project #</u>	<u>Project Name</u>
CA-2006-848	Village at Hesperia, Phase I
CA-2006-871	Carmen Avenue Apartments
CA-2006-873	Anderson Portfolio
CA-2006-874	Park Hill Apartments
CA-2006-875	Imperial Rd Portfolio
CA-2006-876	Villa del Este I & II
CA-2006-877	Oxford Plaza

Each of these applications had been reviewed for completeness and compliance with TCAC's various program regulations and staff recommended them for approval.

No public comments or appeals.

MOTION: Ms. Aronberg moved to approve staff recommendations. Ms. Sheehan seconded and the motion passed unanimously.

5. Public Comment.

Ms. Weir asked if anyone wished to speak. Jay Hansen, State Legislative Director for the Building Construction Trades Council, discussed their court case filing against the Department of Industrial Relations (DIR) regarding the prevailing wage issue. He expressed appreciation to TCAC staff for notifying applicants that they should submit their applications written as if State prevailing wages would apply in projects receiving State credits. He also asked that TCAC consider changing our statement that we send out to applicants and announce that

the court case was won and it is now established law that prevailing wages will be required for State credit projects.

Ms. Weir asked if there were any questions for Mr. Hansen. Ms. Sheehan asked whether the court decision has been appealed, and Mr. Hansen stated that he did not know if the opposition plans to appeal and that the ruling was pretty adamant and quite strongly in favor of the Building Construction Trades Council. He further stated that the opposition may have to pay the court fees and if DIR wants to appeal, and that the developer (Woodhaven) may want to do so.

Ms. Weir stated that this issue has recently come to the Committee's attention and is being looked at very seriously and she thanked Mr. Hansen for bringing this to the Committee.

No other public comment or appeals.

6. Adjournment.  
The meeting adjourned at 1:15 p.m.