

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the March 26, 2008 Meeting

1. Roll Call.

Bettina Redway for Bill Lockyer, State Treasurer, chaired the meeting of the Tax Credit Allocation Committee (TCAC). Ms. Redway called the meeting to order at 3:40 p.m. Also present: Anne Sheehan for Michael Genest, Director of the Department of Finance; Marcy Jo Mandel for John Chiang, State Controller; Dennis Meidinger for Theresa Parker, Executive Director of the California Housing Finance Agency; and David Rutledge, County Representative. Lynn Jacobs, Director of the Department of Housing and Community Development was absent.

2. Approval of the minutes of the February 27, 2008 Committee meeting.

No public comment.

MOTION: Ms. Sheehan moved to adopt the minutes of the February 27, 2008 meeting. Ms. Mandel seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão welcomed David Rutledge, the newly appointed County Representative, to TCAC.

Mr. Rutledge informed the Committee that he is a member of the Shasta County Planning Commission and has also served with the Non-Profit Housing Corporation.

Mr. Pavão summarized a complaint brought by a tax credit housing applicant during the last Committee meeting. He explained that the applicant was denied housing by the tax credit property due to a home foreclosure on the applicant's credit report. Mr. Pavão stated that staff is still looking into the facts of the matter, however, staff is troubled that an applicant with an otherwise good credit history, would be rejected solely because have a default and foreclosure on a sub-prime loan. He informed the Committee that he has contacted the Affordable Housing Management Association, which represents affordable housing property management companies. Mr. Pavão stated that he will write a letter to the Association urging property managers to give special consideration to tax credit housing applicants that have a good credit report, with the exception of foreclosure on a sub-prime loan. He stated that the Association is prepared the include Mr. Pavão's letter in its newsletter.

4. Discussion and Consideration of a Resolution Establishing the 2008 Tax Credit Ceilings for Federal and State Low Income Housing Tax Credits and the Percentage Reservations for the two Funding Cycles.

Mr. Pavão informed the Committee that staff has posted a table on the TCAC website, which shows the amount of tax credits available for the program year. He announced that the total amount of annual federal credits available to California this year \$73,132,750.00. The total amount of federal credits includes returned credits from the previous year. He also announced that the total amount of state credits available is \$81,958,697 as February 1, 2008.

MOTION: Ms. Sheehan moved to adopt the minutes of the February 27, 2008 meeting. Ms. Mandel seconded and the motion passed unanimously.

5. Discussion of and Action on 2007 and 2008 Applications for Reservation of Federal Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Finance Projects, and appeals file under TCAC Regulation Section 10330.

<u>Project #</u>	<u>Project Name</u>	<u>Credit Amount</u>
CA-2008-805	Thunderbird/San Jacinto Apartments	\$275,621
CA-2008-806	Rio Colorado Apartments	\$314,975
CA-2008-807	Villa Springs Apartments	\$361,048
CA-2008-813	Palisades Apartments	\$334,134
CA-2008-815	Golden Village Apartments	\$247,796
CA-2008-817	Charter Court Apartments	\$737,323
CA-2008-818	Sierra Bonita Apartments	\$760,859
CA-2008-822	Grand Plaza Senior Apartments	\$1,093,115
CA-2008-825	Springbrook Grove	\$776,147
CA-2008-830	Yosemite Village	\$356,988
CA-2008-832	Hennes Flats	\$1,234,420
CA-2008-834	Charles Cobb Apts.	\$796,351

Mr. Pavão informed the Committee that the application for CA-2008-821 Turnagain Arms was not fully prepared and therefore withdrawn from today's meeting agenda.

Mr. Pavão also noted that staff corrected the tax credit factor reported in the Project Staff Report for CA-2008-817 Charter Court. The original tax credit factor reported in the Staff Report was \$1.04. After speaking with the syndicator of the project, staff changed the tax credit factor to \$0.93.

Regarding CA-2008-818 Sierra Bonita Apartments, CA-2008-832 Hennes Flats, and CA-2008-834 Charles Cobb Apartments, Ms. Mandel made the following statement: "I am not participating in three of the projects and I will be departing for those. All of these are due to a potential financial conflict either with the Controller and/or myself."

Ms. Mandel exited the meeting.

MOTION: Ms. Sheehan moved to approve staff recommendations regarding only project CA-2008-818 Sierra Bonita Apartments, CA-2008-832 Hennes Flats, and CA-2008-834 Charles Cobb Apartments. Ms. Redway seconded and motion passed.

Ms. Mandel re-entered the meeting.

MOTION: Ms. Sheehan moved for approval on all items, excluding CA-2008-818 Sierra Bonita Apartments, CA-2008-832 Henness Flats, and CA-2008-834 Charles Cobb Apartments. Ms. Mandel seconded and the motion passed unanimously.

6. Public Comments.

Pat Sabelhaus made the following comments: "I would like to make one remark with regard to the prior meeting of the California Debt Limit Allocation Committee (CDLAC). The DIR ruled about two years that prevailing wages are not triggered by the sole issuance of tax-exempt bonds by CDLAC. They are triggered if the city of San Francisco is the issuer and decides to impose that upon a project or developer. The case here, Silverado, in Sacramento was the one where DIR said that tax-exempt bonds alone do not trigger prevailing wages. Just to clarify. Thank you."

7. Adjournment.

The meeting adjourned at 4:05 p.m.