

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the November 18, 2015 Meeting**

1. Roll Call.

Alan Gordon for State Treasurer John Chiang chaired the meeting of the Tax Credit Allocation Committee (TCAC). Mr. Gordon called the meeting to order at 1:30 p.m. Also present: Alan LoFaso for State Controller Betty Yee; Todd Jerue for Department of Finance Director Michael Cohen; Anthony Sertich for California Housing Finance Agency (CalHFA) Executive Director Tia Boatman-Patterson; Laura Whittall-Scherfee for Department of Housing and Community Development (HCD) Acting Director Susan Lea Riggs; and County Representative Santos Kreimann.

City Representative Lucas Frerichs was absent.

2. Approval of the minutes of the October 21, 2015 Committee meeting.

Mr. LoFaso stated that would like to move approval of the minutes with some minor corrections included. He explained that the corrections related to Controller Yee's remarks at the previous TCAC meeting.

MOTION: Mr. LoFaso moved to adopt the minutes of the October 21, 2015 meeting as amended. Mr. Jerue seconded and the motion passed unanimously by a roll call vote.

3. Executive Director's Report.

Executive Director, Mark Stivers reminded the Committee that TCAC was one of five states to be selected for an audit by the General Accounting Office (GAO) of Congress. Mr. Stivers explained that the GAO would review housing costs associated with the tax credit program.

Mr. Stivers reported that the Bureau of State Audits had been reviewing the top corporate tax expenditures, which included the TCAC program. He stated that TCAC was in the process of gathering data for the Bureau and he would provide updates to the Committee as audits progressed.

Mr. Stivers reminded the Committee that TCAC over allocated 2015 state credits by forward committing 2016 credits to recipients of 9% credit awards. He stated that regulation changes may be needed to reduce the amount of state credits awarded. He announced that he scheduled two open forums to gather community feedback, which may result in future regulation changes. The forums would convene in Los Angeles on December 3<sup>rd</sup> and in Oakland on December 8<sup>th</sup>.

Mr. Stivers stated that staff received about 30 4% tax credit applications for consideration at the December TCAC meeting. He noted that 4% tax credit applications were usually not controversial.

Mr. LoFaso asked Mr. Stivers if California was chosen randomly for the GAO examination.

Mr. Stivers stated that the GAO would review the five states that awarded the largest volume of tax credits. In addition to California, New York, Florida, Texas and Illinois were the top five awarding states. Mr. Stivers stated that the GAO may review another five states. He noted that he participated in a call that day with representatives from Georgia, Pennsylvania, Washington and Arizona. He stated that the next five states may be chosen randomly but the GAO would likely review the largest states.

4. Discussion and consideration of the 2015 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

Mr. Stivers reported that staff recommended 4 projects for funding. He stated that the projects were reviewed for compliance with state and federal regulations.

Mr. Stivers reported that two projects, Triangle Court and Hayward Four, were scattered site projects, which are required by federal law to be 100% rent restricted. He stated that both projects had a few units occupied by over income tenants. TCAC staff and the project sponsors agreed the over income units would not be counted as tax credit units thus reducing the projects' applicable fraction, however the regulatory agreements will require the units to be rent restricted so that the projects comply with tax credit law. Mr. Stivers concluded that the projects will not receive tax credits for the over income units, but the units will remain affordable nonetheless.

MOTION: Mr. Jerue moved approval of staff recommendations. Mr. LoFaso seconded and the motion passed unanimously by a roll call vote.

5. Public comments

No public comments

6. Adjournment.

This meeting adjourned at 1:38 p.m.