

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the January 17, 2018 Meeting

1. Roll Call.

Tim Schaefer for State Treasurer John Chiang chaired the meeting of the Tax Credit Allocation Committee (TCAC). Mr. Schaefer called the meeting to order at 12:06 p.m. Also present: Ann Baker for State Controller Betty Yee; Jacqueline Wong-Hernandez for Department of Finance Director Michael Cohen; California Housing Finance Agency (CalHFA) Executive Director Tia Boatman-Patterson; Lisa Bates for Department of Housing and Community Development (HCD) Director Ben Metcalf; City Representative Ray Mueller; and County Representative Santos Kreimann.

2. Approval of the Minutes of the December 13, 2017 Meeting.

Mr. Schaefer asked whether there were any updates or corrections to the minutes from the December 13, 2017 meeting prior to approval. There were no updates or corrections.

MOTION: Ms. Wong-Hernandez moved approval of the December 13, 2017 minutes. Ms. Baker seconded and the motion passed unanimously by a roll call vote.

3. Executive Director's Report.

Mr. Stivers welcomed Ms. Wong-Hernandez as a permanent member of the committee and thanked Ms. Baker for her temporary placement on the committee. Mr. Stivers also noted that Mr. Mueller was here in person with the committee today.

Mr. Stivers stated that he only had one announcement for today, noting that the application for the 4% projects has been published on the website for the 2018 year and that the applications for the competitive projects, both 9% and 4% requesting state credits, were expected to be available on the website the following day. Mr. Stivers also noted that TCAC was working with their sister agency CDLAC to create a joint application for projects seeking tax exempt bonds and 4% tax credits, which he hopes will be ready by March or April 2018. He also noted that the committee has been working on this as a streamlining effort for quite some time.

4. Discussion and Consideration of the 2018 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

Mr. Zeto noted a few changes in the golden rod document for Monterey Gateway Apartments (CA-18-703). Mr. Zeto stated that the expected date of bond issuance was changed at the request of the applicant.

On page four, Mr. Zeto noted that a change was made to further clarify the vacancy rate on some of the units in the project. Specifically, the language clarified that a 10% vacancy rate

was used for the 37 homeless units and a 5% vacancy rate was used for the senior units. He stated that these were the only minor changes.

Mr. Zeto stated that there were nine projects before the committee, 2 of which were new construction and seven of which were rehabilitation of existing projects, totaling 960 units. Mr. Zeto noted that TCAC had reviewed the projects for compliance with federal and state regulations and recommended them to the committee for approval.

MOTION: Ms. Baker moved approval of the nine projects. Ms. Wong-Hernandez seconded and the motion passed unanimously by a roll call vote.

5. Discussion and Consideration of establishing a minimum point requirement for the competitive 2018 applications.

Mr. Stivers stated that in TCAC's competitive programs almost all successful projects receive the maximum score. Mr. Stivers noted that each year they have asked the committee to adopt a minimum point score in the event that a low scoring project were to sneak through. Mr. Stivers stated that while there are a couple of ways that this could happen, it typically does not. Mr. Stivers stated that the minimum score would be consistent with previous years, essentially setting the minimum score at approximately 85% of the maximum score.

Mr. Stivers pointed the committee to a correction to the memorandum clarifying that since projects applying in the Native American apportionment are not scored on site amenities, their maximum score is slightly less than other projects. As a result, Mr. Stivers noted a separate minimum point score for these specific projects equating to approximately 85% of the maximum score. He also noted that the only change from last year is that the maximum point score has decreased by 25 points resulting in a proportionate decrease to the minimum score.

MOTION: Ms. Wong-Hernandez moved approval for establishing the minimum point score requirement for the competitive 2018 applications. Ms. Baker seconded and the motion passed unanimously by a roll call vote.

6. Public Comment

None.

7. Adjournment.

Mr. Schaefer stated that the committee stands in adjournment. Meeting adjourned at 12:17 p.m.