

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the June 13, 2018 Meeting**

**1. Roll Call.**

State Treasurer John Chiang chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Mr. Chiang called the meeting to order at 1:30 pm. Also present: Alan LoFaso for State Controller Betty Yee; Jacqueline Wong-Hernandez for Department of Finance Director Michael Cohen; Carr Kunze for California Housing Finance Agency (CalHFA) Executive Director Tia Boatman-Patterson; Department of Housing and Community Development (HCD) Director Ben Metcalf; and County Representative Santos Kreimann.

City Representative Ray Mueller was absent.

**3. Executive Director's Report.**

Mr. Stivers welcomed Treasurer Chiang for chairing the committee today and acknowledged the staff in attendance for their hard work.

**4. Discussion and Consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of Monte Vista Manor (CA-18-011), and if granted, a 2018 First Round Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs).**

Mr. Stivers stated that the appeal for Monte Vista Manor has been pulled from the agenda.

**5. Discussion and Consideration of the 2018 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs).**

Ms. Ferguson stated that there were two goldenrods for the 29 projects being recommended for the committee's approval. She stated that there was a correction to page two of the staff report for project Oak Park 4 (CA-18-036). Ms. Ferguson pointed to the "55-Year Use / Affordability" section and noted a typographical error on the units targeted at or below 40% Average Median Income (AMI). She explained that the number of units was changed from 11 units to 8 units.

Ms. Ferguson also noted a correction to the page 3 of the staff report for Gardens on Hope (CA-18-055) where staff corrected the Approved Developer Fee in Eligible Basis from \$2,200,000 to \$1,400,000.

Ms. Ferguson stated that these were the only changes and noted that staff has reviewed all of the projects for scoring and feasibility and they meet program requirements and are being recommended to the committee for approval.

Mr. LoFaso suggested that according to a cursory review of old memos, in the aggregate, the committee is 200 units up compared to the first round last year and about 250 units down compared to 2016. Mr. LoFaso asked if this was due to the Trump tax reform and various other problems the state is facing.

Mr. Stivers stated that there was a randomness of applications received each year and that the amount of credits aren't necessarily fixed in each round. He explained that these are some factors that come into the play along with those previously mentioned by Mr. LoFaso.

Mr. Chiang requested Mr. Stivers to confirm Mr. LoFaso's comment above to which Mr. Stivers confirmed he would.

Mr. Metcalf stated that there was communication between the HCD and CTCAC regarding a number of projects with HCD funding due to variations between what was submitted and approved in the CTCAC package versus what was approved in HCD's funding commitment for the Veteran Housing and Homeless Prevention Program (VHHP). Mr. Metcalf also noted that the projects have evolved in ways which allow them to meet the criteria of HCD's grant agreements. He encouraged CTCAC applicants to inform their other funders of changes to their projects as it relates to income mixes, unit counts, etc. Mr. Metcalf also asked that CTCAC staff coordinate with HCD staff.

Mr. Stivers stated that they will have more discussions about coordination and will commit to have CTCAC staff notify HCD staff in advance of projects that have HCD funding.

Mr. Metcalf appreciated that courtesy and thanked Mr. Stivers.

Mr. Chiang asked whether this happens frequently.

Mr. Metcalf noted that just about every deal that comes forward for tax credit funding has evolved since the initial review with routine increases in construction costs. He noted variability to things like units serving different income levels raises concern because it could require HCD to re-score the project to assure the scores are still consistent.

Mr. Chiang asked Mr. Metcalf to inform the committee of any ideas for process improvement to which Mr. Metcalf stated he would follow up.

MOTION: Mr. LoFaso moved the staff recommendation. Ms. Wong-Hernandez seconded and the motion passed unanimously by a roll call vote.

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

Ms. Ferguson stated that there were four (4) projects staff is recommending for approval. She noted that staff has reviewed the projects for program requirements and recommended them to the committee for approval.

MOTION: Mr. LoFaso moved the staff recommendation. Ms. Wong-Hernandez seconded and the motion passed unanimously by a roll call vote.

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

Ms. Ferguson stated that typically at these meetings staff only recommends competitive projects but in this case, there are two (2) non-competitive projects. She noted that Brooklyn Basin (CA-18-735) is the hybrid component of a 9% project and Park Manor (CA-18-739) is a project that was previously reviewed but pulled from a previous agenda. Ms. Ferguson stated that staff has reviewed both projects for program compliance and recommended them to the committee for approval.

MOTION: Mr. LoFaso moved the staff recommendation. Ms. Wong-Hernandez seconded and the motion passed unanimously by a roll call vote.

**9. Public Comment.**

None.

**10. Adjournment.**

Mr. Chiang stated that the meeting was adjourned at 1:42 p.m.