

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the March 15, 2006 Meeting

1. Roll Call.

Laurie Weir, for State Treasurer Phil Angelides, chaired the meeting of the Tax Credit Allocation Committee (TCAC). Ms. Weir called the meeting to order at 1:35 p.m. Also present were: Cindy Aronberg for State Controller Steve Westly; Anne Sheehan for Department of Finance Director Michael Genest; Acting Director of the Department of Housing and Community Development, Judy Nevis; Executive Director of the California Housing Finance Agency, Theresa Parker. County Representative Kathleen Paley was not present. Cathy Van Aken for Jennifer Rockwell represented the Attorney General's Office.

2. Approval of the minutes of the February 15, 2006 meeting.

MOTION: Ms. Aronberg moved to adopt the minutes of the February 15 meeting. Ms. Sheehan seconded the motion. The motion passed.

3. Executive Director's Report

Mr. Pavão reported that TCAC recently conducted two application workshops; the first of which was held in Sacramento, and the second in Anaheim. He noted that the workshops' purpose was to orient the public to the 9% tax credit application process. He announced that the first round of 9% tax credit applications would be due on Thursday, March 23, 2006.

Mr. Pavão reported that TCAC is finalizing a briefing memo, which will describe how other states treat requests for additional tax credits. He explained that the memo describes the policies of other states with regard to surplus demand for credit; competitive rewards for efficiency; and basis reduction.

Ms. Sheehan asked Mr. Pavão if the memo would contain a recommendation to change TCAC's current policy for processing additional credit requests. In response, Mr. Pavão stated that the memo contains a conclusion, which indicates that the policies of other states have not persuaded TCAC to accommodate additional requests for tax credits. He also stated that, upon completion, the briefing memo will be posted on the TCAC website for public review.

Mr. Pavão announced that TCAC is in the process of forming an ad hoc working group to review issues, which the Committee was unable to resolve during the previous regulation adoption. He reported that TCAC has been in contact with potential candidates and requested that they serve as advisory members of the working group.

4. Discussion and Consideration and Possible Action to Adopt Change to the California Code of Regulations, title 4, Section 10315(b). Mr. Pavão reported that TCAC formed a working group to review the current policy regarding the Homeless Assistance Apportionment. He explained that the working group proposed change, which would make eligible for 9% credits any project which would provide housing for homeless populations. The proposed regulation includes a definition of “homelessness”, which mirrors that of the State Department of Housing and Community Development.

Mr. Pavão stated that the regulation change would broaden the pool of potential applicants for the apportionment by eliminating the current threshold requirements. He explained that projects receiving either federal McKinney Act funds or State Homelessness Initiative funds, would have the highest priority. The next priority will be projects that have federal, state, or local funds committed for rental assistance. The final priority will be all remaining qualified applicants. He reported that a summary of the proposed change was posted on the TCAC website for public view.

Ms. Sheehan asked Mr. Pavão how long the regulation summary had been posted on the TCAC web site. Mr. Pavão stated that the information had been posted for more than a month (actually since February 15, 2006).

Ms. Aronberg moved to adopt the proposed regulation change. Ms. Sheehan seconded the motion. The motion passed.

5. 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 10330.

Mr. Pavão informed the Committee that three projects listed on their agendas would not be considered for tax credits this month: CA-2006-814, Sutter Hill Place Apartments; CA-2006-817, Central Village Apartments; and CA-2006-805, The Alexandria.

Mr. Pavão recommended approval of the following projects with standard conditions:

<u>Project #</u>	<u>Project Name</u>	<u>Credit Amount</u>
2006-808	Decro Long Beach	\$1,294,717
2006-809	Rippling River Apartments	\$669,264
2006-811	Ross and Durant Apartments	\$353,437
2006-812	Poppyfield Estates	\$803,607
2006-813	Cesar Chavez Plaza	\$451,188
2006-815	2 nd & Central Mixed – Use	\$251,849
2006-816	Hunters Pointe	\$1,584,898
2006-821	Seven Directions	\$574,497

There were no appeals.

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MOTION: Ms. Aronberg moved to adopt staff recommendations. Ms. Sheehan seconded the motion. The motion passed.

6. Public Comment.

There was no public comment.

7. Adjournment

The meeting was adjourned at 1:50 pm.