

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the May 27, 2009 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 2:15 p.m. Also present: Les Kleinberg for John Chiang, State Controller; Tom Sheehy for Michael Genest, Director of the Department of Finance; Steven Spears, Acting Executive Director of the California Housing Finance Agency; and Lynn Jacobs, Director of the Department Housing and Community Development. County Representative, David Rutledge was absent.

2. Approval of the minutes of the April 30, 2009 Committee meeting.

No public comment.

MOTION: Mr. Sheehy moved to adopt the minutes of the April 30, 2009 meeting. Mr. Kleinberg seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão explained that TCAC had received guidance from the federal agencies responsible for administering the American Recovery and Reinvestment Act (ARRA) funding - U.S. Department of Treasury and the Department of Housing and Urban Development (HUD). Important information imparted includes:

- Section 1602 (exchange) funds must be sub-awarded as grants.
- Tax Credit Assistance Program (TCAP) funds must accompany a “nominal” amount of credits in each deal. Staff is proposing a \$100 annual federal credit minimum be reserved for each such project (proposed by other states, including Iowa).
- States determine what a tax credit “award” is for qualifying for ARRA funds.

Mr. Pavão also noted that staff had publicly posted a “Statement of Intent to Accept TCAP Funds” from HUD on TCAC’s website. Comments would be accepted for five days, and the final intent package was due to HUD by June 3.

TCAC staff was finalizing state regulation adjustments for public review and comment the next week.

Mr. Pavão noted stated that the Affordable Housing Management Association, Pacific Southwest Chapter presented Rose Guerrero and the compliance team an award of recognition for their excellent performance in working with property owners and managers. Mr. Pavão acknowledged Compliance staff present at the meeting, as well as those absent due to compliance monitoring visits, individually at the meeting.

Mr. Pavão also recognized and thanked development team members, including Anny Beeson, and Deputy Director Lisa Vergolini for releasing a revised tax credit application for the 2009 tax credit and for their work on the ARRA funding.

Mr. Sheehy thanked Mr. Pavão and the staff for their work in implementing the federal stimulus funds into the tax credit program.

Mr. Pavão also reported that TCAC had received 29 applications to date for ARRA funds from 2007/08 nine percent reservation holders seeking cash in lieu of their credits. Five of the projects were 2007 recipients, while 24 were from 2008.

Finally, Mr. Pavão expected a large volume of nine percent credit applications in the upcoming single 2009 competitive round. He also noted that he had scheduled a meeting with construction lenders to discuss terms of ARRA loans.

4. Informational update regarding the American Recovery and Reinvestment Act (ARRA) of 2009.

Chairperson Redway noted that Mr. Pavão had addressed agenda item 4. in the course of his Executive Director report.

5. Discussion and Consideration of a Resolution to Adopt Proposed Emergency Regulations, Title 4 of the California Code of Regulations, Sections 10300 through 10337, Revising Allocation and Other Procedures.

Mr. Pavão announced that Action Item 5 was withdrawn from today's Agenda.

6. Discussion and Consideration of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to enter into an agreement with the Department of Housing and Community Development in the amount of \$510,000 for loan and grant underwriting and processing for projects awarded funds made available by the American Recovery and Reinvestment Act of 2009.

Mr. Pavão stated that HCD lacked the authority to charge fees directly to borrowers, so TCAC would levy fees and remit the proceeds to HCD for loan services performed.

MOTION: Mr. Sheehy moved to adopt the resolution. Mr. Kleinberg seconded and the motion passed unanimously.

7. Discussion and Consideration of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to Sign Contracts and Interagency Agreements with the California Housing Finance Agency in the amount of \$0 for the processing of projects awarded funds made available by the American Recovery and Reinvestment Act of 2009.

Mr. Sheehy asked about the zero dollar nature of the agreement, and Mr. Pavão explained that, unlike HCD, CalHFA had the ability to directly charge fees to borrowers and that TCAC would not need expenditure authority for this agreement.

MOTION: Mr. Sheehy moved to adopt the resolution. Mr. Kleinberg seconded and the motion passed unanimously.

8. Discussion of and Action on 2009 Applications for Reservation of Federal Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects, and appeals filed under TCAC Regulation Section 10330.

<u>Project #</u>	<u>Project Name</u>	<u>Credit Amount</u>
CA-2009-800	Sunnyslope Apartments	\$126,267
CA-2009-811	Village Green Apartments	\$660,845
CA-2009-815	San Sevaine Villas	\$1,611,903

MOTION: Mr. Sheehy moved to adopt staff recommendations. Mr. Kleinberg seconded and the motion passed unanimously.

9. Public Comment.

There were no comments from the public.

10. Adjournment.

The meeting adjourned at 3:30 p.m.