

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the May 26, 2010 Meeting**

1. Roll Call.

Bettina Redway for State Treasurer Bill Lockyer chaired the meeting of the Tax Credit Allocation Committee (TCAC). Ms. Redway called the meeting to order at 2:15 p.m. Also present: Terry McGuire for State Controller John Chiang; Cynthia Bryant for the Department of Finance Director Ana Matosantos; Russ Schmunk for the Department of Housing and Community Development Director Lynn Jacobs; and City Representative Christopher Armenta.

Executive Director of the California Housing Finance Agency Steven Spears and County Representative David Rutledge were absent.

2. Approval of the Minutes of the March 24, 2010 and April 28, 2010 Meetings.

MOTION: Ms. Bryant moved to adopt the minutes of the March 24, 2010 and April 28, 2010 meetings. Mr. McGuire seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão welcomed Mr. Armenta to the Committee. He also introduced the new manager of Development for TCAC, Anthony Zeto.

Mr. Pavão announced that staff was close to finishing reviews of the 2010 9% tax credit applications. He stated that staff would recommend 37 applications for funding at the next meeting. He reported TCAC received a total of 126 9% applications, two of which were subsequently withdrawn by the sponsors.

Mr. Pavão informed the Committee that the next meeting was scheduled for June 9<sup>th</sup> at 10:30am at the Secretary of State's auditorium.

Mr. Pavão reported that TCAC made ARRA funding commitments of loans and grants to 143 projects. He stated that Congress was likely to pass legislation that authorizing TCAC to once again exchange 9% tax credits for cash to assist tax credit projects. Mr. Pavão stated that if Congress provides states with authority to exchange credits for cash, TCAC staff would only recommend cash awards for 9% projects. He stated that TCAC would likely sub-award a modest amount of cash to projects that returned their tax credits. Staff is likely to propose that TCAC sub-award up to \$0.73 for every dollar of tax credits returned. Mr. Pavão stated that the proposed exchange rate would be modest to avoid out-performing the credit equity market. He concluded that before the next meeting staff would likely release a draft of the proposed exchange policy for public view and comment.

4. Discussion of and Action on 2010 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.

Mr. Pavão brought the Committee's attention to the staff report for Casa Grande Apartments (CA-2010-816) in their meeting binders. He stated that staff adjusted the threshold basis limit amount on page 3. He explained that the amount was decreased after the applicant informed staff that the project was no longer required to pay prevailing wages.

MOTION: Ms. Bryant moved to adopt staff recommendations. Mr. McGuire seconded and the motion passed unanimously.

5. Discussion of and Action to adopt a Resolution for a 2009 4% Financing Application for HCD Backfill using TCAP funds.

Mr. Pavão reminded the Committee that 220 Golden Gate Avenue (CA-2010-511) received ARRA awards including cash in lieu and HCD-backfill at prior meetings. He explained that the project is a sizable rehabilitation project located in San Francisco. He explained that the project would restore a historic YMCA that would provide housing and intensive on-site services for hundreds of formerly homeless individuals.

MOTION: Ms. Bryant moved to adopt staff recommendations. Mr. McGuire seconded and the motion passed unanimously.

6. Public Comment.

There were no public comments.

7. Adjournment.

The meeting adjourned at 2:26 p.m.