

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the June 9, 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 10:30 a.m. Also present: State Controller John Chiang; Cynthia Bryant for the Department of Finance Director Ana Matosantos; Executive Director of the California Housing Finance Agency Steven Spears; Elliott Mandell for the Department of Housing and Community Development Director Lynn Jacobs; County Representative David Rutledge; and City Representative Christopher Armenta.

2. Approval of the Minutes of the May 26, 2010 Meeting.

MOTION: Mr. Chiang moved to adopt the minutes of the May 26, 2010 meeting. Ms. Bryant seconded and the motion passed unanimously by a roll call vote.

3. Executive Director's Report.

Mr. Pavão announced that staff brought their recommendations for the 2010 First round competitive awards to that day's meeting.

Mr. Pavão reported that 142 projects were expected to receive American Recovery and Reinvestment Act (ARRA) assistance under the Section 1602 and Tax Credit Assistance Program. He stated that 64 ARRA loans and grants had closed as of that week.

Mr. Pavão announced that staff released a set of draft regulations in anticipation of a new law that would give TCAC the ability to exchange a portion of its 2010 9% tax credits for cash at the federal level. Mr. Pavão stated that the draft regulations were posted on the TCAC website for public review and comments. Additionally, TCAC planned to conduct public hearings in Sacramento, Los Angeles, and Oakland to discuss the proposed regulation changes.

4. Discussion and Consideration of the 2010 First Round Applications for Reservation of Federal and State Low Income Housing Tax Credits (LIHTCs) and appeals filed under TCAC Regulation Section 10330.

Mr. Pavão announced that TCAC staff received a total of 126 applications for 2010 9% tax credits. He stated that 37 projects were recommended for 9% awards. Mr. Pavão noted that 2 sponsors withdrew their applications reducing the total number of competitors to 124.

Mr. Pavão explained that staff began the scoring process by reviewing each applicant's self score and tie breaker score. Staff then sorted the self scores and tie

breaker scores by their respective set aside and geographic apportionment. Mr. Pavão stated that the staff reviewed the applications with the highest self scores and highest tie breaker scores, which they believed were most likely to succeed in the competition. He concluded that staff scored a total of 49 applications and recommended 37 for 9% awards.

Mr. Pavão stated that a summary of the preliminary scores was posted on the TCAC website and applicants were sent preliminary score letters. He explained that applicants were given the opportunity to appeal their score at the staff level and the executive level. He noted that applicants could also make an appeal before the Committee that day.

Mr. Pavão reminded the Committee that TCAC had a 146-point scoring system with two tie-breakers. He explained that the first tie-breaker scores were reviewed at the end the scoring process in an attempt to distribute the 9% credits among a variety of housing types, which included senior-only, special needs, single room occupancy, at-risk, and large family projects. He stated that the first tie-breaker was triggered when one housing type began to exceed the reservation goals established in the regulations for that housing type.

MOTION: Mr. Chiang moved to adopt staff recommendations. Ms. Bryant seconded and the motion passed unanimously by a roll call vote.

5. Discussion and Consideration of the 2010 Applications for Reservation of Federal and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects and appeals filed under TCAC Regulation Section 10330.

Mr. Pavão stated that TCAC made 15% of its state credit available to sponsors who wanted to use tax-exempt bond financing with 4% tax credits and state credits to finance their projects. He reported that staff received two applications for 4% tax credits with state credits and both applications met the minimum scoring standards.

MOTION: Mr. Chiang moved to adopt staff recommendations. Ms. Bryant seconded and the motion passed unanimously by a roll call vote.

6. Public Comment.

There were no public comments.

7. Adjournment.

The meeting adjourned at 10:45 a.m.