

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the December 15, 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 1:30 p.m. Also present: Cindy Aronberg for State Controller John Chiang; Jennifer Rockwell for the Department of Finance Director Cynthia Bryant; Robert Deaner for Executive Director of the California Housing Finance Agency Steven Spears; and Elliott Mandell for Department of Housing and Community Development Director Lynn Jacobs. County Representative David Rutledge and City Representative Christopher Armenta were absent.

2. Approval of the Minutes of the November 17, 2010 Meeting.

MOTION: Ms. Rockwell moved to adopt the minutes of the November 17, 2010 meeting. Ms. Aronberg seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão reported that TCAC conducted public hearings last week to gather feedback regarding the proposed regulation changes. He stated that the public comment period would conclude on December 24th at 12:00pm. He stated that the final proposed changes would be brought to the Committee at the next meeting in January.

4. Report and Discussion 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 received 7 applications for 4% plus state credits and recommended 6 for funding. He reminded the Committee that TCAC established a minimum point score for 4% plus state credit applicants. He explained that the minimum score was 110 points out of a possible 124 points. By regulation the Committee may reject applications that do not meet the scoring threshold. He stated that 4 of 6 recommended projects scored less than 110 points. Mr. Pavão noted that he gave each of the voting Committee members a written summary explaining why the projects did not meet the minimum score. He stated that McCreery Courtyards did not have the requisite site amenities to garner enough points to meet the required threshold. In addition, Forestwood at Folsom and Kearney Palms Senior did not have the required income targeting. Red Star, which scored 101.5 points, lost 19.5 points out of a possible 52 points in the lowest income targeting category.

Mr. Pavão explained that there were plenty of surplus state credits available to TCAC. He stated that funding the recommended projects, even those that did not meet the required minimum score, would provide more public benefits than holding back the credits until next year.

Ms. Rockwell stated that she supported staff's recommendations based on the anticipated benefits to the struggling construction industry. She also expressed concern that awarding surplus credits to low-scoring projects would result in the use of state credits without the desired public benefits.

MOTION: Ms. Aronberg moved to adopt staff recommendations. Ms. Rockwell seconded and the motion passed unanimously.

5. Public Comment.

There were no public comments.

6. Adjournment.

The meeting adjourned at 1:48 p.m.