

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the June 22, 2011 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: Alan Gordon for State Controller John Chiang; Pedro Reyes for the Department of Finance Director Ana Matosantos; California Housing Finance Agency Executive Director Claudia Cappio; Elliott Mandell for the Department of Housing and Community Development Acting Director Cathy Creswell; and County Representative David Rutledge.

City Representative Christopher Armenta was absent.

2. Approval of the minutes of the May 18, 2011 Committee meeting.

MOTION: Mr. Reyes moved to adopt the minutes of the May 18, 2011 meeting. Mr. Gordon seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão reported that the final recommendations for First Round 2011 applications for 9% and 4% plus state credits were on that day's agenda. He stated that TCAC received 103 applications for 9% credits and recommended 53 for awards. He noted that the amount of credit requested per project was lower than the previous year. As a result more projects were recommended for awards this year. Mr. Pavão also reported that project costs had decreased since last year. He estimated the average cost per unit was \$291,000 this round and \$319,000 in the last round. In addition, the average amount of other public funds per unit had increased by about \$5,000 per unit. Mr. Pavão estimated that the amount per unit changed from \$132,000 to \$137,000. He reminded the Committee that credit pricing increased dramatically since last year.

Mr. Pavão thanked development manager, Anthony Zeto, and his staff for their efforts in preparing the First Round applications. He also thanked compliance manager, Ammer Singh, for his work on the energy analysis section of the applications.

Mr. Pavão announced that staff changed the due date for Second Round applications from July 6th to July 13th. Consistently, staff moved the Second Round Committee meeting date back by one week.

Community Corporation of Santa Monica Executive Director, Sara Letts, thanked the TCAC staff for their efforts in reviewing the First Round applications. She explained that her agency's projects were affected by high land costs and public policies that drove up development costs. She stated that affordable rental housing

in Santa Monica provides residents with benefits such as quality public education and rich social services.

Mary Silverstein from the Los Angeles Housing Partnership commented that her agency's project, Tilden Terrace, was the first affordable housing project for families built in Culver City. She stated that the project was challenged by high costs much like projects in Santa Monica. Ms. Silverstein read a letter from a resident of the project's surrounding area. She read that the resident was please with efforts by Culver City authorities to respond to the needs of residents. In summary, the resident requested that TCAC support funding of the project.

4. Discussion and Consideration of the 2011 First Round Applications for Reservation of Federal and State Low Income Housing Tax Credits (LIHTCs) and appeals filed under TCAC Regulation Section 10330 including the Explanation of Reservation Not Made in Accordance with Established Selection Criterion.

Mr. Gordon announced that he would abstain from the vote on Pleasant Valley & Wien Manor Apartments (CA-2011-039), Oak Glenn & Oak Creek Apartments (CA-2011-041), Susan River Apartments (CA-2011-042), and Tavarua Senior Apartments (CA-2011-091). He exited the meeting.

MOTION: Ms. Redway moved approval of staff recommendations regarding only Pleasant Valley & Wien Manor Apartments (CA-2011-039), Oak Glenn & Oak Creek Apartments (CA-2011-041), Susan River Apartments (CA-2011-042), and Tavarua Senior Apartments (CA-2011-091). Mr. Reyes seconded and the motion passed.

Mr. Gordon re-entered the meeting.

Mr. Reyes announced that he would abstain from the vote on 22 projects that had redevelopment agency (RDA) funding committed after January 1st.

MOTION: Mr. Reyes moved approval of staff recommendations except the following projects: 2802 Pico (CA-2011-001), California Hotel (CA-2011-004), Valley Oak Homes (CA-2011-005), Crest Avenue Apartments (CA-2011-007), Step Up on Vine (CA-2011-010), Hillcrest Project (CA-2011-013), Gateways Apartments (CA-2011-014), New Harmony (CA-2011-031), Connections Housing (CA-2011-035), Chambers Senior Residences (CA-2011-038), Park Place (CA-2011-046), Tilden Terrace (CA-2011-047), Whittier Family Apartments (CA-2011-048), Hacienda Heights Apartments (CA-2011-049), Minto Place Apartments (CA-2011-054), Rene Cazenave Apartments (CA-2011-056), MacArthur Apartments (CA-2011-062), Sunny Meadows Apartments (CA-2011-077), Cinnamon Villas (CA-2011-082), Alameda Islander (CA-2011-093), Serrano Woods (CA-2011-094), Citronica One (CA-2011-097). Mr. Gordon seconded and the motion passed unanimously.

MOTION: Ms. Redway moved approval of staff recommendations regarding only the following: 2802 Pico (CA-2011-001), California Hotel (CA-2011-004), Valley Oak Homes (CA-2011-005), Crest Avenue Apartments (CA-2011-007),

Step Up on Vine (CA-2011-010), Hillcrest Project (CA-2011-013), Gateways Apartments (CA-2011-014), New Harmony (CA-2011-031), Connections Housing (CA-2011-035), Chambers Senior Residences (CA-2011-038), Park Place (CA-2011-046), Tilden Terrace (CA-2011-047), Whittier Family Apartments (CA-2011-048), Hacienda Heights Apartments (CA-2011-049), Minto Place Apartments (CA-2011-054), Rene Cazenave Apartments (CA-2011-056), MacArthur Apartments (CA-2011-062), Sunny Meadows Apartments (CA-2011-077), Cinnamon Villas (CA-2011-082), Alameda Islander (CA-2011-093), Serrano Woods (CA-2011-094), Citronica One (CA-2011-097). Mr. Gordon seconded and the motion passed.

5. Discussion and Consideration of the 2011 First Round 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 summarized that in funding all of the recommended projects, TCAC would exhaust the entire 15% of state credits set aside for 4% projects. He explained that 9 projects were recommended for funding. Mr. Pavão noted that one project requested more credits than staff recommended. He explained that the project would remain feasible even though staff did not recommend funding the full amount requested.

Mr. Reyes announced that he would abstain from the vote on Washington Court Apartments (CA-2011-847), Hillview Ridge Apartments II (CA-2011-848), and The Aspens at South Lake (CA-2011-849).

MOTION: Ms. Redway moved to adopt staff recommendations except Washington Court Apartments (CA-2011-847), Hillview Ridge Apartments II (CA-2011-848), and The Aspens at South Lake (CA-2011-849). Mr. Gordon seconded and the motion passed unanimously.

MOTION: Mr. Gordon moved to adopt staff recommendations regarding only Washington Court Apartments (CA-2011-847), Hillview Ridge Apartments II (CA-2011-848), and The Aspens at South Lake (CA-2011-849). Ms. Redway seconded and the motion passed.

6. Public Comment.

Mid-Peninsula Housing, President, Matt Franklin stated that he had questions about Mr. Reyes' earlier abstentions. He commented that his agency supported the governor's administration and was committed to following current legal guidance. Mr. Franklin stated that he was confused about the administration's position regarding the projects Mr. Reyes had abstained from.

Mr. Reyes explained that the governor's administration proposed a bill that would eliminate RDA funding availability. Although the bill was not adopted into law, the governor still intended to pursue the proposed policy. Mr. Reyes stated that he was not inclined to support projects with RDA funds committed after 2010.

Mr. Franklin commented that his agency was eager to work with the Department of Finance and the governor's administration to better understand the proposed legislation affecting RDAs. He stated that his agency has had a very difficult time understanding the administration's proposed policy.

Mr. Reyes apologized to Mr. Franklin for any lack of communication by the Department of Finance. He agreed to meet with Mr. Franklin to discuss his concerns about the administration's proposals.

7. Adjournment.

The meeting adjourned at 11:15 a.m.