

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the May 16, 2012 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 11:55 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; and Russ Schmunk for Department of Housing and Community Development Director Linn Warren.

2. Approval of the minutes of the March 21, 2012 Committee meetings.

MOTION: Mr. Gordon moved to adopt the minutes of the March 21, 2012 meeting. Mr. Reyes seconded and the motion passed unanimously.

3. Executive Director's Report.

Mr. Pavão announced that staff would bring recommendations for the First Round 2012 competitive awards to the next Committee meeting scheduled for June 20, 2012. He stated that TCAC received 118 9% tax credit applications. He predicted that 51 applications would be recommended for awards. Mr. Pavão stated that in 2010 TCAC received 132 First Round applications. In 2011 the number of applications received dropped to 103. He stated that the volume of competitive applications has not yet recovered to historical levels; however, statistics indicated the success rate of the applications was likely to remain high.

Mr. Pavão stated that a preliminary list of recommended projects would be posted on the TCAC website for public review before the next meeting.

4. Discussion and consideration of the 2012 Applications for Reservation of Federal Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

Mr. Pavão explained that one project, Woodland Park Apartments, was stricken from Agenda Item 4. He also noted that staff corrected the US Bank loan amount shown in the Staff Report for Fred Young Farm Workers Apartments.

Mr. Pavão stated that in total 7 projects on the agenda met all state and federal requirements and all feasibility requirements. He recommended them for approval.

Mr. Reyes stated that 3 of the recommended projects had Redevelopment Agency (RDA) funding commitments, however he supported staff recommendations. He noted that his vote did not preclude the Department of Finance from taking different action upon review of projects' RDA payment schedule.

MOTION: Mr. Gordon moved to adopt staff recommendations. Mr. Reyes seconded and the motion passed unanimously.

5. Discussion and Consideration of a Resolution Authorizing the Executive Director to Amend the Interagency Agreement with the California State Controller's Office to an additional amount up to \$50,000 for audit review services.

Mr. Pavão explained that TCAC entered into a Memorandum of Understanding (MOU) with the State Controller's Office (SCO) for 1 year to receive help with reviewing Placed in Service packages of specific projects. SCO also assisted TCAC with internal systems reviews. Mr. Pavão explained that the SCO services were invaluable; however not all the work could be completed within the 1-year contract term. He stated that TCAC entered a request to extend the term of the SCO contract; however the extension was not approved prior to the contract expiration date, May 4, 2012. As a result TCAC was required to enter into a new contract with SCO. Mr. Pavão noted that the Executive Director of TCAC had authority to enter into and execute MOU's and Interagency Agreements up to a certain dollar amount, provided the director subsequently disclosed the agreement details to the Committee.

Mr. Pavão summarized TCAC's intention to execute another 1-year contract with SCO for up to \$50,000 for the same services described in the previous contract. He explained that the Committee did not need to take action on Agenda Item 5 due to the signing authority already granted to the Executive Director. Mr. Pavão stated that he would advise the Committee and public regarding the new contract at the next meeting.

Mr. Reyes asked Mr. Pavão if there were any funds left over from the previous SCO contract.

Mr. Pavão replied that there were no funds left over from the expired SCO contract.

6. Public Comment.

There were no public comments.

7. Adjournment.

The meeting adjourned at 12:15 p.m.