



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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William J. Pavão

DATE: August 7, 2013  
TO: California Tax Credit Allocation Committee Members  
FROM: William J. Pavão, Executive Director  
SUBJECT: Agenda Item 5: Decision Regarding “The Crossings on Amigo” (CA-12-203)

### History:

On or about July 25, 2012 the California Tax Credit Allocation Committee (TCAC) received nine percent (9%) credit application for the subject project. TCAC staff reviewed the application and assigned it a score of 127 (out of a possible 148 points) and a tiebreaker score of 10.853 percent. TCAC staff advised the applicant, UHC 00402 Reseda. L.P., of the application scores in writing on September 11, 2012. That same letter advised the applicant that the application’s basis request exceeded its adjusted threshold basis limits.

The project lost points for (a) failing to earn sustainable building points for the new construction portion of the project, (b) claiming a prevailing wage basis limit increase where prevailing wages were not required under State or federal law. The latter error caused both a cost efficiency point reduction as well as a disqualification due to insufficient funding sources to cover estimated development costs.

The applicant exercised its appeal rights under regulation Section 10330, including an appeal presentation before the Committee at its October 10, 2012 public meeting. Each level of appeal was denied, including by the Committee itself for want of a motion at the October meeting.

The applicant filed suit on December 17, 2012 claiming that TCAC had erred in assigning point the reductions and reducing the adjusted eligible basis limits.

On July 16, 2013 the court held that TCAC had erred in scoring the subject application’s sustainable building features, but upheld TCAC’s determination regarding the prevailing wage basis limit boost. The court ordered TCAC to re-score the subject application pursuant to the court’s decision, and staff have done so.

### Results of Re-Scoring:

TCAC staff have assigned the subject application ten (10) additional points for sustainable building methods consistent with the court’s order. Pursuant to the court’s determination, staff have maintained the eleven (11) point reduction for cost efficiency, and have determined that the project

Agenda Item 5  
The Crossings on Amigo

application still contains a budget shortfall due to the reduction in the adjusted eligible basis limits. In summary, the project application now earns 137 of 148 points and fails to demonstrate financial feasibility.

**Recommendation:**

Staff recommends the Committee accept the re-scoring of this application pursuant to court order and deny the requested credits, acknowledging the 137-point score, and the application's failure to demonstrate financial feasibility in light of the adjusted eligible basis limit reduction.