

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the October 17, 2018 Meeting

1. Roll Call.

Vince Brown for State Treasurer John Chiang chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Mr. Brown called the meeting to order at 1:50pm. Also present: Alan LoFaso for State Controller Betty Yee; Jacqueline Wong-Hernandez for Department of Finance Director Keely Martin Bosler; California Housing Finance Agency (CalHFA) Executive Director Tia Boatman-Patterson and Lisa Bates for Department of Housing and Community Development (HCD) Director Ben Metcalf.

County Representative Santos Kreimann and City Representative Ray Mueller were absent.

2. Approval of the Minutes of the September 19, 2018 Meetings.

Per the request of the Department of Finance, Executive Director Mark Stivers recommended a few changes to the Meeting Minutes. He noted most of the changes were grammatical and with respect to the first appeal, two additional paragraphs were added to the very end memorializing the decision points of the Committee members. Mr. Stivers recited the additional comments and they were entered into the official record.

Ms. Wong-Hernandez thanked Mr. Stivers and his staff for revising the Minutes on such short notice.

MOTION: Ms. Wong-Hernandez moved the approval of the Meeting Minutes. Mr. LoFaso seconded and the motion passed unanimously by a roll call vote.

3. Executive Director's Report.

Mr. Stivers stated that there was no major news to report on. He referenced the golden rod agenda and noted that four projects have been pushed to a future meeting this year.

Mr. Stivers also noted there were two public comment periods open. One for the Opportunity Maps with the changes proposed for 2019, and the other for the Proposed Regulation Changes. He added the public comment periods close at the end of October; October 29 for the Proposed Regulation Changes and October 31 for the Opportunity Maps. Mr. Stivers stated he hopes to bring both proposals to the December meeting after staff has read and responded to the comments.

4. Discussion and Consideration of the 2018 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

Development Section Chief, Gina Ferguson stated that based on the revised agenda, there were 28 projects staff was recommending for federal 4% LIHTC awards. She noted staff reviewed the projects and they meet program requirements.

Mr. LoFaso stated he was under the impression the 700 numbered applications were the joint applications and the 600 numbered applications were not or vice versa.

Mr. Stivers stated that the 600 numbered applications were the joint applications and the 700 numbered applications came into TCAC and CDLAC independently.

Mr. LoFaso asked Mr. Stivers if projects CA-18-625 and CA-18-628 were approved at the previous CDLAC meeting.

Mr. Stivers stated both projects were put over to the next meeting by CDLAC and noted staff is coordinating with CDLAC to keep projects on the same meeting date.

Mr. LoFaso noted the CTCAC has made significant strides and improvements with the joint CTCAC/CDLAC application.

Mr. Stivers added that a lot of applicants are now using the new joint application and staff has received positive feedback. He noted the joint application may be mandated at some point in the future. He also mentioned a few recent changes to the joint application and stated it was running smoothly.

MOTION: Ms. Wong-Hernandez moved the approval of the 28 projects. Mr. LoFaso seconded and the motion passed unanimously by a roll call vote.

5. Discussion and Consideration of a Resolution, establishing a Waiting List of pending applications for Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs), provided that credits remain available and such applications are complete, eligible and financially feasible.

Ms. Ferguson stated there were additional 9% credits remaining at the end of the Second Round which will be allocated through a Waiting List. She also stated staff is following procedure with the establishment of the Waiting List. She added that staff has completed the point scoring for all the projects on the Waiting List and staff is recommending the Waiting List for approval. Once the Waiting List is approved, staff will continue completing application reviews and provided there are no deficiencies, staff will issue reservation letters for as many projects on the Waiting List as possible to utilize the remaining federal credits. Staff has not finalized the credits remaining so it is unclear which projects will be funded from the Waiting List.

Mr. Brown asked whether this was standard operating procedure for each year.

Mr. Stivers stated the Waiting List is stipulated in the regulations in regards to how it is established in terms of rank priority.

Mr. LoFaso stated he was told there might be a straggler on the Waiting List which caused him to wonder when the Waiting List process is completed.

Ms. Ferguson stated the process needs to be completed by the end of the year. The selection process from Waiting List is subject to whether or not additional credits are returned, which ultimately determine the total credits available.

Mr. Stivers added staff will present the Committee with an amendment to the Waiting List at the November Meeting. He stated this was due to a City of Los Angeles project not accepting its credit reservation. As a result, the returned credits were returned back to the City of Los Angeles geographic region. He stated the Waiting List will be amended to add a City of Los Angeles project. Due to the timing of the credits returned, this region could not be included on the Waiting List before the Committee today.

Mr. LoFaso thanked staff for the clarification.

Ms. Ferguson added further clarification stating that if a geographic region is listed on the Waiting List, only one project from the region will be selected for a credit reservation.

MOTION: Ms. Wong-Hernandez moved to approve the Resolution. Mr. LoFaso seconded and the motion passed unanimously by a roll call vote.

6. Public Comment

None.

7. Adjournment.

Mr. Brown adjourned the meeting at 2:01 p.m.