

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the December 11, 2019 Meeting

1. Roll Call.

Jovan Agee for State Treasurer Fiona Ma chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Mr. Agee called the meeting to order at 10:45 a.m. Also present: Anthony Sertich for State Controller Betty Yee; California Housing Finance Agency (CalHFA) Executive Director Tia Boatman Patterson; Zachary Olmstead for California Department of Housing and Community Development (HCD) Acting Director Doug McCauley and City Representative Vivian Moreno.

Gayle Miller for Department of Finance (DOF) Director Keely Martin Bosler was absent.

2. Approval of the Minutes of the September 25, 2019, October 16, 2019 and October 28, 2019 Meetings.

MOTION: Mr. Sertich moved to approve the three sets of Meeting Minutes. Ms. Boatman Patterson seconded and the motion passed unanimously by a roll call vote.

3. Executive Director's Report.

Executive Director, Judith Blackwell thanked CTCAC staff for their diligent work in completing three sets of Meeting Minutes. She also thanked everyone from the entire housing community for their help and comments on the last round of regulation changes and noted the intellectual capital is much appreciated. Ms. Blackwell stated that staff will be diving into deeper and substantive regulation changes in 2020 and wanted the entire housing community to think of what staff does at CTCAC in the context of what they are trying to accomplish with the housing program. She noted that housing shortage is a huge crisis and that stakeholders should think about what staff is trying to accomplish socially in regards to economic development. She wants stakeholders to think about what types of housing staff encourages to maximize tenants' abilities to get to work and become productive citizens of society. Ms. Blackwell also stated that staff would be looking at efficiency in terms of housing development, not only in terms of costs but in terms of other aspects as well. She emphasized that costs will not be looked at as one indivisible brick since it includes many factors like the materials, labor, delays and zoning policies etc. Ms. Blackwell stated that she looks forward to having high-level discussions with the Committee members on these types of issues related to project costs.

With all the changes that are going to be happening next year, Mr. Sertich ask if CTCAC could provide a scheduled plan for the regulation change process in 2020.

Ms. Blackwell stated she can provide a schedule of the planned changes and that it will be similar to the one provided on the last set of regulation changes. She noted that she wants to make sure to capture as much public input as possible so the administration will plan accordingly.

Mr. Sertich thanked Ms. Blackwell for her response and stated it is important to make the discussions as transparent as possible.

Ms. Boatman Patterson commended CTCAC staff for swiftly implementing the new State Tax Credit program in the middle of an administration change and stated that it was nothing short of a miracle. She added that she has never seen this done in government work and knows it created a certain amount of uneasiness with the developer community but emphasized the fact that the new state tax credits are a brand new program. Ms. Boatman Patterson noted for the record that CalHFA, HCD, CTCAC, and the California Debt Limit Allocation Committee (CDLAC) are all working together to align their programs and housing policies to the extent possible. She cautioned the Committee against a whole redo of CTCAC regulations for 2020 but did mention that a good discussion is warranted and supported by CalHFA.

4. Discussion and Consideration of the 2019 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 staff has reviewed 28 projects for 4% federal credits, nine of which were new construction and 19 were rehabilitation. They met both federal and state program requirements and recommended to the Committee for approval.

MOTION: Mr. Sertich moved to approve the reservations for the 28 projects. Mr. Olmstead seconded and the motion passed unanimously by a roll call vote.

5. Discussion and Consideration of the 2019 Second Round Application for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs).

Ms. Ferguson stated that due to last minute application errors and insufficiencies, there were credits remaining in the Rural set aside. Staff has reviewed Mercy North Auburn (CA-19-077); it met both federal and state program requirements and recommended to the Committee for approval of a reservation for 9% credits. Ms. Ferguson stated the reservation would finish out the 9% credits for the remaining calendar year.

Mr. Agee noted for the record that Gayle Miller from DOF has joined the meeting.

MOTION: Mr. Sertich moved to approve the reservation for the Mercy North Auburn project. Ms. Miller seconded and the motion passed unanimously by a roll call vote.

6. Discussion and consideration of an appeal, if filed, under TCAC Regulation Section 10330 on behalf of Sierra Village II affecting the 2019 Second Round Applications for Reservation of Federal Nine Percent (9%) Low Income Housing Tax Credits.

Deputy Executive Director, Anthony Zeto stated that staff did not receive the appeal to the Committee level for Sierra Village II (CA-19-100) and noted that the deadline expired yesterday. As a result, the agenda item was no longer required and skipped.

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

Ms. Ferguson stated that in events of caution, staff is revising the Waiting List to amend the Rural set aside due to the approval of the Mercy North Auburn project in Agenda Item 5. She stated that the applicant has a specific timeframe for which they need to accept the reservation. Given the timing, Ms. Ferguson explains that staff needs to ensure that all the credits are allocated and therefore added Palos Verde Apartments (CA-19-090) has been added to the Waiting List in the Rural set aside in the event Mercy North Auburn does not accept the reservation. Ms. Ferguson noted a golden rod revised Waiting List striking the Sierra Village II project since they did not appeal their disqualification to the Committee level. She added that the purpose of the Waiting List is to serve as a backup in the case a reservation of credits are not accepted. She noted that the Palos Verde Apartments project was reviewed and there were no deficiencies according to staff. In addition, staff was also correcting a typographical error under the Capital region. Previously, the Committee reinstated points for 1801 West Capitol Avenue project (CA-19-076) and the project did indeed receive 113 points, not 111.

MOTION: Ms. Miller moved to approve the amended Waiting List, Mr. Sertich seconded and the motion passed unanimously by a roll call vote.

8. Public Comment.

There were no public comments.

9. Adjournment.

Mr. Agee adjourned the meeting at 11:02 a.m.