

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the November 5, 2008 Meeting

1. Roll Call.

Tricia Wynne for Bill Lockyer, State Treasurer, chaired the meeting of the Tax Credit Allocation Committee (TCAC). Ms. Wynne called the meeting to order at 2:10 p.m. Also present: Marcy Jo Mandel for John Chiang, State Controller; Bill Steffenhagen for Michael Genest, Director of the Department of Finance; Elliot Mandell for Lynn Jacobs, Director of the Department Housing and Community Development; Theresa Parker, Executive Director of the California Housing Finance Agency; and David Rutledge, County Representative.

2. Approval of the minutes of the October 8, 2008 Committee meeting.

No public comment.

MOTION: Ms. Mandel moved to adopt the minutes of the October 8, 2008 meeting. Mr. Steffenhagen seconded and the motion passed unanimously.

Ms. Wynne introduced and welcomed Jeff Graybill, the new counsel representing the Attorney General's Office.

3. Executive Director's Report.

Mr. Pavão gave the Committee members a revised November agenda. He explained that staff initially considered ten 4% projects for funding, however, two projects, CA-2008-941 36th Street & Broadway Apartments and CA-2008-944 New Hope Home, were withdrawn.

Mr. Pavão reported that the 2008 deadlines for first and second round 9% credit recipients were a topic of concern among stakeholders. He explained that October 28, 2008 was the deadline for the second round recipients to submit their reservation letters and performance deposits. He announced that 5 of the 37 awarded projects chose not to submit a performance deposit and withdrew. Of the 5 withdrawn projects, 4 competed successfully with the rural set aside and 1 competed successfully in the Central Valley/ San Joaquin Valley regional competition. Mr. Pavão stated that the returned credits would be placed into the supplemental set aside by geographic region. He reported that staff had been reviewing projects on the waiting list and checking with sponsors to ensure that those projects were still viable.

Mr. Pavão also reported that October 31, 2008 was the carryover allocation deadline for that first round award recipients. He announced that 4 of the 33 first round award recipients did not submit the required carryover paper work and fees. He explained that credits would be recaptured from the 4 projects that did not submit the carryover documents. He concluded that the recaptured credits would

be awarded to projects on the waiting list according to the set aside and geographic regions.

Mr. Steffenhagen asked Mr. Pavão to predict the volume of returned credits for 2008.

Mr. Pavão estimated that a little over \$4 million in federal credits and \$2.4 million in state credits would be returned by second round applicants. He stated that he did not have the estimates for the first round. He predicted the amount would also be a combination of state and federal credits if the projects were rural deals.

Mr. Mandell asked Mr. Pavão why the two 4% projects, CA-2008-941 36th & Broadway Apartments and CA-2008-944 New Hope Home, were withdrawn.

Mr. Pavão called for the analyst who reviewed the projects to comment, however, the analyst was not present at the meeting.

Ms. Vergolini commented that the two projects are looking to reapply in December.

Mr. Mandell asked Mr. Pavão to email him regarding the specific issues affecting the 36th & Broadway project.

4. Discussion and Consideration of the 2008 Second Round Applications for Reservation of Federal and State Low Income Housing Tax Credits (LIHTCs) and appeals filed under TCAC Regulations Sections 10330.

<u>Project #</u>	<u>Project Name</u>	<u>Credit Amount</u>
CA-2008-929	St. Marks	\$806,998
CA-2008-931	Valley Commons Apartments	\$168,865
CA-2008-932	Bonnie Brae Apartments	\$921,638
CA-2008-934	Arena Seniors	\$1,134,148
CA-2008-936	Estabrook Senior Housing	\$732,110
CA-2008-937	Tassafaronga Village Phase 2	\$337,601
CA-2008-942	Jose's Place Apartments	\$220,143
CA-2008-943	Academy Hall	\$269,579

Mr. Pavão announced that 8 projects were being recommended for 4% tax credits. He distributed a revised Staff Report for CA-2008-931, Valley Commons Apartments to the Committee members. He explained that the project does not fall into the category of "At-Risk". Additionally, the project had 2, 1-bedroom units targeted at 50% of AMI and 6, 1-bedroom units targeted at 60% of AMI.

Ms. Mandell made the following statement: "I have three items on this agenda that I will not be participating in due to a potential financial conflict. They are Arena Seniors (CA-2008-934), Tassafaronga Village Phase 2 (CA-2008-937), and Academy Hall (CA-2008-943)."

Ms. Mandel exited the meeting.

MOTION: Mr. Steffenhagen moved for approval of Arena Seniors (CA-2008-934), Tassafaronga Village Phase 2 (CA-2008-937), and Academy Hall (CA-2008-943). Ms. Wynne seconded and motion passed.

Ms. Mandel re-entered the meeting.

MOTION: Ms. Mandel moved for approval of staff recommendations, except for Arena Seniors (CA-2008-934), Tassafaronga Village Phase 2 (CA-2008-937), and Academy Hall (CA-2008-943). Mr. Steffenhagen seconded and the motion passed unanimously.

5. Public Comments.

No public comment.

6. Adjournment.

The meeting adjourned at 2:30 p.m.