

Civic San Diego
Economic Growth and Neighborhood Investment Fund

MINUTES

**NEW MARKETS TAX CREDIT ADVISORY BOARD
MEETING OF
MONDAY, AUGUST 22, 2016**

Civic San Diego
401 B Street, Suite 400
San Diego, CA 92101

1. ROLL CALL: The meeting of the New Markets Tax Credit (NMTC) Advisory Board (“Advisory Board”) convened at 11:02 a.m.

Board Members Present: Cruz Gonzalez, Diane Moss (via conference call), Jason Wells, Jody Carey, and Peter Callstrom (via conference call).

Board Members Excused: Joel Roberts

Civic San Diego Staff: President Reese A. Jarrett, Chief Financial Officer Robert Avery, Investment & Finance Development Manager Michael Lengyel, Economic & Community Development Manager Gustavo Bidart, and Accountant/Financial Analyst Diane Ferris

2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 9, 2016 MEETING OF THE ADVISORY BOARD

Motion: Mr. Carey moved and Mr. Wells seconded a motion to approve the minutes of the February 9, 2016 meeting of the Advisory Board.

Vote: The motion passed unanimously with Mr. Roberts not in attendance and Ms. Moss not yet in attendance (Mr. Callstrom voted via conference call).

3. INFORMATIONAL ITEM – STAFF UPDATE ~ Michael Lengyel

Mr. Lengyel reported that Mr. Lawrence has decided to discontinue his serve on the Advisory Board. Staff appreciates all of the support he has provided to the program. Board members are encouraged to provide recommendations for a replacement board member, which would be selected by the Civic San Diego board.

Mr. Lengyel provided an update on the loan portfolio and available NMTC allocation. Mr. Lengyel summarized that \$83 million in allocation has been received and five loans for \$77.55 million have been closed for a balance of \$5.45 million in available allocation. Announcements for the new allocation round and are anticipated the beginning of November. This year is a double round, with \$7 billion in allocation to be awarded, so there may be an opportunity for a larger award.

Action: This item was informational only.

4. ACTION ITEM – RECOMMENDATION OF NEW MARKETS TAX CREDIT FUNDING FOR PROJECTS ~ Michael Lengyel

Mr. Lengyel provided a brief project description of the 54th & University Commercial Center project that is requesting an allocation of tax credits. The Tran family, owners of the Vien-Dong Supermarket, propose to purchase the commercial center from the long term owner and then repair, renovate and revitalize the center. The center is located in a very high distressed community in the former City Heights Redevelopment Project Area. The family plans to add space to the supermarket by creating a new expanded entry and expanding the produce department. The fencing that surrounds the property would be replaced and a two level parking structure would be built on site to address the need for additional parking. The contractors would be paid prevailing wages and 100% of the new employees at the grocery store would be paid a living wage.

Chair Cruz noted for the record that he is a longtime friend of Mr. Juarez that prepared the application for the Tran Family. Staff Lengyel noted for the record that he used to work for Barry Shultz who is representing the Tran family as legal counsel.

Motion: Mr. Carey moved and Mr. Cruz seconded a motion to recommend approval of up to \$22 million in New Markets Tax Credit funding for the 54th & University Commercial Center project subject to receiving a new allocation of tax credits and subject to the project sponsor raising the required debt financing for the project.

Vote: The motion passed unanimously with Mr. Roberts not in attendance (Mr. Callstrom and Ms. Moss voted via conference call)

5. INFORMATIONAL ITEM – MARKETING OF THE NMTC PROGRAM

Staff is planning a technical workshop to advise potential applicants of the process to apply for New Markets Tax Credits and to help the applicants fill out the NMTC application. The workshop is likely to be held in September.

6. INFORMATIONAL ITEM – NON-AGENDA ITEMS

None

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ADJOURNMENT ~ The meeting was adjourned at 11:48 a.m.