

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the May 25, 2022 Meeting**

**1. Call to Order and Roll Call**

State Treasurer Fiona Ma chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Treasurer Ma called the meeting to order at 11:55 a.m. Also, present Anthony Sertich for State Controller Betty Yee; Department of Finance (DOF) Director Keely Martin Bosler; and California Housing Finance Agency (CalHFA) Executive Director Tiena Johnson Hall

California Department of Housing and Community Development (HCD) Director Gustavo Velasquez, City Representative Vivian Moreno, and County Representative Terra Lawson-Remer were absent.

**2. Approval of the Minutes of the March 29, 2022 Meeting**

**MOTION:** Mr. Sertich moved to approve the March 29, 2022 Meeting Minutes. Ms. Johnson Hall seconded, and the motion passed via a roll call vote of 4-0.

**3. Executive Director's Report**

CTCAC Executive Director, Nancee Robles was aware of 17 projects that were awarded state tax credits in the final round of 2021 with upcoming deadlines they will not be able to meet. She explained there were many requests from stakeholders, municipalities, and local officials for provisions of extension of those deadlines. The state tax credits were graciously given by the governor, yet the statute only provided 180-day deadline to start construction. Ms. Robles stated no one could have predicted the pandemic or the aftermath leading to the current volatile market situation. Without a legislative change, neither the staff nor the Committee have the authority to override the statute. She added it is the mission of CTCAC to reach the goal of 3.5 million affordable units by 2035 and CTCAC will continue to strive to make the changes needed and improve the program to make that happen. She also noted the intent to support a legislation to change the 180-day deadline to afford CTCAC the opportunity to create policies that can be flexible to market conditions while developing the most reasonable competitive process possible. She concluded her report stating that changes to the CTCAC calendar will be presented to the committee in conjunction with the CDLAC calendar once finalized.

- End of Executive Director's Report

**4. Recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to sign an Interagency Agreement with the State Treasurer's Office on behalf of the Committee, not to exceed \$1,110,693, for reimbursement of annual building rent, security expenses, and other related costs incurred by State Treasurer's Office for the California Tax Credit Allocation Committee**

CTCAC Deputy Director, Anthony Zeto requested approval from the committee authorizing the executive director to enter into an interagency agreement on behalf of CTCAC with the State Treasurer's Office (STO) for reimbursement of annual building rent, security expenses and other

related costs incurred by the STO as the interagency agreement amount exceeds the \$300,000 currently delegated to the executive director.

**MOTION:** Mr. Sertich moved to approve the resolution. Ms. Johnson Hall seconded, and the motion passed via a roll call vote of 4-0.

## 5. Public Comment

There was public comment.

Mark Stivers, with the California Housing Partnership, requested that the CTCAC schedule a special meeting on June 6, 2022 to address the state tax credit deadline. Upon review of the statutory language, he stated the 180-day deadline only applied to awards made in 2020, not projects awarded in 2021. While required in the regulations, Mr. Stivers clarified that it is not a statutory requirement. Without making any changes, he believed the committee could re-award the tax credits at a June 6, 2022 meeting, which would essentially start the clock over. Mr. Stivers stated the committee could rescind the motion made in 2021 and then motion to approve the tax credits on a new day. Alternatively, if the committee felt it required that the regulations be amended, which Mr. Stivers advised against, there is a provision for emergency regulation changes separate from the 21-day requirement. At a June 6, 2022 meeting, he stated CTCAC could approve an emergency regulation change and at the same meeting take an action under the new regulations since regulation changes take effect immediately upon adoption. Mr. Stivers concluded by stating that re-awarding the tax credits is the cleanest and simplest way to achieve the goals of the committee.

Reese Jarrett, with E. Smith & Company, Inc., echoed Mr. Stivers' comments. He believed it would be worthy of the committee to consider a special meeting to extend the deadline for the state tax credits. Mr. Jarrett explained that if there is an alternative fix, such as a legislative change, the committee should go on record to support the extending of the state tax credit deadline. He strongly urged the committee to put a meeting on record for June 6, 2022 to consider an extension of the deadlines associated with the state tax credits.

Elizabeth Brady, with OakBrooks Partners, requested a special meeting on June 6, 2022. She explained that the loss of tax credits would equate to a catastrophic end to their project and would require the project to re-apply.

Lara Regus, with Abode Communities, echoed the importance of addressing the state tax credit issue. In particular, she commented on the decision at the CDLAC meeting where developers were given a timeframe to return their bond allocations by May 30, 2022. Ms. Regus stated that without resolution to the state tax credit issue, a critical piece in determining if projects can move forward is missing.

Jill Borders stated when projects are delayed resulting in those projects re-applying, she feels her tax dollars have been wasted. She explained that when a project falls off, time is taken away from other things that can be done. Ms. Borders stated that she lives in a mobile home park and that it will take \$400,000 to get mobile home park protections but it is not in the budget. She explained that that they do not have time to process the CEQA applications or to change the land use

designations to protect them. Ms. Borders asked the committee to grant the extensions at the current meeting rather than a June 6, 2022 meeting so the projects can move forward.

Jack Gardner, President and CEO with the John Stewart Company, regretted that the rescission and re-award of the state tax credits was not included on the agenda thereby preventing the committee from taking action and would require a special meeting previously discussed. Consistent with Mr. Stivers previous comments, he did not believe the statute prevented the committee from rescinding and re-awarding the state tax credits and urged the committee schedule a special meeting on June 6, 2022 to take that action. Mr. Gardner regretted that a June 6, 2022 meeting would add an extra burden on staff and the committee but suggested it was a small price to pay to enable at least 17, if not more, projects representing hundreds of desperately needed affordable housing units to move forward as soon as possible. He reiterated his belief that this action is within the scope and discretion of the committee consistent with statute and the appropriate move to take at this time.

Treasurer Ma surveyed the committee members on their availability for a June 6, 2022 meeting and confirmed a CTCAC meeting to take place on June 6, 2022 at 2:00 p.m. in Sacramento.

## **6. Adjournment**

Treasurer Ma adjourned the meeting at 12:13 p.m.