



## California Tax Credit Allocation Committee

901 P Street, Room 102  
Sacramento, CA 95814

July 26, 2023

### CTCAC Committee Meeting Minutes

#### 1. *Agenda Item: Call to Order and Roll Call*

The California Tax Credit Allocation Committee (CTCAC) meeting was called to order at 10:01 a.m. with the following Committee members present:

**Voting Members:** Fiona Ma, CPA, California State Treasurer, Chairperson  
Evan Johnson for California State Controller Malia M. Cohen  
Teresa Calvert for Department of Finance (DOF) Director Joe Stephenshaw  
Anthony Sertich for Department of Housing and Community Development (HCD) Director Gustavo Velasquez  
Tiena Johnson Hall, Executive Director for the California Housing Finance Agency (CalHFA)

**Advisory Members:** County Representative – VACANT  
City Representative Brian Tabatabai

#### 2. *Agenda Item: Approval of the Minutes of the June 19, 2023, Meeting – (Action Item)*

Chairperson Ma called for public comments:  
None.

**MOTION:** Ms. Johnson Hall motioned to approve the minutes of the June 19, 2023, meeting, and Mr. Johnson seconded the motion.

Motion passed unanimously via roll call vote.

#### 3. *Agenda Item: Program Updates*

*Presented by: Anthony Zeto*

Mr. Zeto discussed the following topics:

**New CTCAC Advisory Member:** Brian Tabatabai was appointed as the CTCAC City Advisory Member by the Speaker of the Assembly and was sworn in on June 23, 2023. He is the Mayor Pro Tem of the City of West Covina.

**Promotions:** Sarah Gullikson was promoted to Staff Services Manager I in the Development Section. Sarah has been an integral part of CTCAC's Development team since she started in 2020. She has redesigned and improved many of the internal and external documents used by the Development team and stakeholders, all while learning and applying the CTCAC regulations.

CTCAC Committee Meeting  
July 26, 2023



## California Tax Credit Allocation Committee

**Outreach:** In June, Mr. Zeto participated on a panel at the California Council for Affordable Housing conference in Sacramento, where he provided CTCAC and CDLAC updates.

**Grand Opening Events:** In May, Mr. Zeto attended the Firehouse Square grand opening event in Belmont. This new construction project, developed by MidPen Housing, added 65 new affordable homes for families and individuals. This project was part of the initial group awarded state tax credits from the \$500 million available in 2020.

Later in the month, CTCAC staff attended the Mirasol Village grand opening event in Sacramento. The Treasurer was a featured speaker at the event as well. This four-phase project, developed by McCormack Baron Salazar in conjunction with the Sacramento Housing and Redevelopment Agency, will construct a total of 427 mixed-income units within a mixed-use community that will connect the area with new transit, employment, services, and cultural amenities.

In June, Mr. Zeto attended the Reseda Theater open house along with Gloria Pulido from the State Treasurer's Office. This new construction project, located in Los Angeles, was developed by Thomas Safran and Associates and added 25 new affordable homes for seniors in Reseda.

**Extensions:** On March 27, 2023, the Committee delegated authority to the Executive Director to grant extensions to readiness to proceed deadlines and credit exchanges for projects impacted by bank closures. To date, three extensions and two credit exchanges have been approved. Since the May 10, 2023, meeting, there have been no additional approvals. The Committee will continue to be updated if additional approvals are granted.

**Legislation:** CTCAC staff is currently working on the following legislative items:

**AB 2006 (Berman): Compliance Monitoring:** CTCAC has been convening regular meetings with its state partners, CalHFA and HCD, to streamline compliance monitoring processes for projects with joint financing. The agencies are currently gathering and sharing data and reviewing monitoring guidelines and forms.

**AB 2873 (Jones-Sawyer): Low-Income Housing Credit: Women, Minority, Disabled Veteran, and LGBT Business Enterprises:** CTCAC has been developing guidelines for housing sponsors to use in preparing detailed and verifiable supplier and contractor diversity plans and assist affordable housing developers in establishing supplier and contractor participation goals for women, minority, disabled veteran, and LGBT business enterprises. The guidelines and reporting form are expected to be released at the end of July, which will allow for the public to provide feedback. Housing sponsors will need to begin collecting information for projects that have received a tax credit allocation beginning in 2024. On July 13, 2023, CDLAC/CTCAC Deputy Executive Director Ricki Hammett participated in a Housing Supplier Diversity Roundtable regarding this legislation.

Chairperson Ma asked if CTCAC will be preparing a report to Congress regarding the number of housing units funded by the 9% federal tax credits provided for housing projects in disaster areas. She stated that there should be a record of how those credits were used, to show how successful they were.

Mr. Zeto said the External Affairs team may have already provided some data to Congress, but CTCAC staff can also create a report. That information is outlined in CTCAC's annual report, so it should be relatively easy to compile the data into a separate report.



## California Tax Credit Allocation Committee

Chairperson Ma asked how many years it would take to complete all of the projects that received the disaster credits.

Mr. Zeto said that since the projects received 9% federal tax credits, they would normally have two years to place in service. However, considering the extensions granted due to COVID-19, the projects will likely all be completed by the end of 2024 or 2025. Once the projects are complete and submit their documentation to CTCAC, staff will issue the tax forms.

Chairperson Ma said she would like to send a thank you letter to Congress for the credits outlining what they accomplished.

Chairperson Ma called for public comments:  
None.

4. **Agenda Item: Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2023 First Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) – See Exhibit A for project list**

This item was skipped because no appeals were submitted to the Committee.

5. **Agenda Item: Recommendation for Reservation of 2023 First Round Federal 9% and State LIHTCs – (Action Item)**  
*Presented by: Carmen Doonan*

Ms. Doonan reported that CTCAC staff is recommending 27 projects for reservation of federal 9% and state tax credits. Two administrative errors were present on the original recommendations list. Orchard Grove (CA-23-026) was inadvertently excluded from the original list, but it was added on a revised version of the list. The addition of this project did not affect any other projects on the list; it is being funded from the At-Risk set-aside, so the two projects that were previously in that set-aside were moved to their geographic regions. Elders' Place (CA-23-012) was inadvertently ranked higher than Yurok Homes #4 (CA-23-013) in the Rural set-aside (Native American). Based on the correct ranking, Elders' Place has been removed from the Rural set-aside. The updated preliminary recommendations list reflecting these changes was sent to the Committee members and posted to the CTCAC website yesterday.

Chairperson Ma called for public comments:  
None.

**MOTION:** Mr. Sertich motioned to approve staff's recommendation, and Ms. Johnson Hall seconded the motion.

Motion passed unanimously via roll call vote.

6. **Resolution No. 23/24-01, Approval of Regular Rulemaking Regarding State Historic Rehabilitation Tax Credits (Cal. Code Regs., tit. 4, div. 17, ch. 3, §§ 11010-11013) – (Action Item)**  
*Presented by: Anthony Zeto*

Mr. Zeto explained that Senate Bill No. 451 added sections in the Revenue and Taxation Code to allow a taxpayer that receives a tax credit allocation to claim a credit against those taxes for each taxable year

CTCAC Committee Meeting  
July 26, 2023



## California Tax Credit Allocation Committee

beginning on or after January 1, 2021, and before January 1, 2026, for the rehabilitation of certified historic structures. CTCAC has been working closely with the Office of Historic Preservation (OHP) to establish regulations of the program. Staff is requesting the Committee's approval to proceed with the public notice and comment procedures required by the Administrative Procedure Act prior to submitting a regular rulemaking to the Office of Administrative Law (OAL) and completing the rulemaking process. Once published, staff will welcome public comments, and the regulations will only be brought back to the Committee for approval if any changes are made during the OAL process.

Chairperson Ma called for public comments:

William Wilcox, Bond Program Manager at the San Francisco Mayor's Office of Housing and Community Development (MOHCD), thanked the staff for their work on these regulations, but noted that the regulations were originally supposed to be released on January 1, 2022, and were delayed. Therefore, MOHCD has two projects in active construction that anticipated using these credits, plus another two projects that will be applying in the upcoming round. He urged staff to amend the final regulations to allow projects that qualify for federal historic tax credits to receive credits even if they have already begun construction. He acknowledged that this may be dictated by OHP and therefore out of CTCAC's control, but 35 other states allow this in their regulations for their state historic tax credit programs. Mr. Wilcox has already submitted these comments in writing to both CTCAC and OHP. Although historic single room occupancy hotels are a niche, these properties exist in San Francisco, and the tenants deserve these improvements. There are significant costs associated with rehabilitating historic structures, and MOHCD would appreciate this change to the final regulations.

Chairperson Ma asked Mr. Zeto if that change could be made.

Mr. Zeto said OHP has received and is considering public comments.

Chairperson Ma closed public comment.

**MOTION:** Mr. Sertich motioned to adopt Resolution No. 23/24-01, and Ms. Johnson Hall seconded the motion.

Motion passed unanimously via roll call vote.

### 7. *Agenda Item:* **Public Comment**

There was no public comment.

### 8. *Agenda Item:* **Adjournment**

The meeting was adjourned at 10:16 a.m.