



California State Treasurer Fiona Ma, CPA

Press Release

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Production of Low-Income Rental Housing Has Increased Over 60 Percent This Year In One Of Treasurer Fiona Ma's Programs – And The Year Is Not Even Over Yet!

SACRAMENTO – California State Treasurer Fiona Ma announced today that low-income housing production by California's 4 percent tax credit program has exceeded last year's production levels by more than 60 percent. This includes a 42 percent increase in production of housing for those in the Extremely Low Income category (defined by HUD as below 30 percent of the area median income).

"Many in the housing industry once believed that a choice had to be made between increasing the production of low-income housing, and sacrificing increased production to weight the production more heavily toward housing in the extremely low-income category," said Treasurer Ma. "But we have done both, which has moved California one step closer toward solving its housing crisis".

The 4 percent tax credit program is administered by two different departments – the California Tax Credit Allocation Committee (CTCAC), which issues tax credits to developers of low-income housing, and the California Debt Limit Allocation Committee (CDLAC), which facilitates the issuance of bond debt for the same developments. This structure results from an IRS rule, which requires the 4 percent tax credit program to pair these two types of resources for the production of low-income housing.

What changed in the last six months to put housing production in California's 4 percent Tax Credit Program so far ahead of last year?

"Treasurer Ma has taken the novel approach of combining the two departments under the leadership of a single executive director coupled with a focus to reduce costs, improve efficiency and increase production, and based on the numbers, her vision has paid off," said Judith Blackwell, who leads CTCAC and CDLAC. The results speak for themselves. Thanks to Treasurer Ma's vision, the 4 percent Tax Credit Program has literally produced over 60 percent more housing units by the middle of 2020 than it did in all of 2019."

Treasurer Ma appointed Ms. Blackwell, a bond attorney and former Chief Financial Officer of the City of Atlanta, as Executive Director of CTCAC in August of last year. Five months later, after noting the need for greater alignment between the two departments, she also appointed Blackwell as Executive Director of CDLAC.

The increase in production follows a year in which Governor Gavin Newsom's state budget provided additional resources, as well as direction to use those resources efficiently.

Assembly Bill 101, the housing trailer bill to the 2019-2020 state budget, increased the State Low-Income Tax Credit Program by \$500 million and provided a one-time allocation of an additional \$500 million from the General Fund to be used to finance low- and moderate-income housing. These resources were provided with goals of jumpstarting production, and efficiently serving Californians at a broader range of income levels.

With the first portion of that general fund allocation going out through the California Housing Finance Agency's Mixed-Income Program in 2020, there has been extensive collaboration between the Treasurer's Office and CALHFA, resulting in a streamlined, one-stop shop application process.

Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in transactions within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$101 billion, more than \$32.1 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of \$94 billion.