



California State Treasurer Fiona Ma, CPA

News Release

FOR IMMEDIATE RELEASE

PR 23:13
March 28, 2023

Contact: [Joe DeAnda](#)
(916) 653-2995

State Treasurer Fiona Ma Announces Extensions and Flexibility for Affordable Housing Projects Affected by Bank Closures

*Also Reminds California Financial Institutions of Time Deposit Program to Provide
Access to Capital for Local Communities*

SACRAMENTO – State Treasurer Fiona Ma, as the Chair of the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (CTCAC), yesterday voted to give the executive director of both committees the authority to provide extensions and other flexibility to low-income housing projects affected by the closing of Silicon Valley Bank (SVB) and other banks.

Together, CTCAC and CDLAC help enable thousands of units of affordable housing each year in California. CTCAC administers the state and federal low-income housing tax credit program, while CDLAC runs the Qualified Residential Rental Project Program. The programs incentivize developers and private investors to build affordable rental housing.

Several projects with existing approval by CTCAC or CDLAC were funded by, or had preexisting commitments from, SVB. Today's action, unanimously approved by both committees, will give them time to find alternative financing and take additional actions to ensure their project are completed.

"The need for affordable housing in California grows each day," said Treasurer Ma. "The actions taken by CDLAC and CTCAC will provide needed flexibility for these projects as they seek alternative financing, and will help California meet its building goals."

Treasurer Ma also reminded California banks and financial institutions of the Time Deposit Program run by the State Treasurer's Office, which can give them another tool to help manage the uncertainty caused by recent bank failures. The program provides fully collateralized deposits to eligible financial institutions, which can be used to make additional loans to small businesses and others, and help communities throughout the state.

Continued uncertainty in the wake of SVB's closure has put pressure on regional banks and hindered their ability to lend to their communities, including small businesses. Small businesses are vital to California's economic health but need ready access to affordable capital. Lack of access is often cited as one of the most difficult challenges for small businesses.

"Small businesses are the backbone of California's economy and the pillars of our local communities," Ma added. "The Time Deposit Program can be an important tool for regional banks to keep capital flowing to those that depend on it."

The Time Deposit Program enables institutions that might not otherwise compete for state investment dollars to receive substantial deposits, and can provide a stable source of funding at better rates than comparable alternatives.

Qualifying financial institutions must be headquartered in California, have a Community Reinvestment Act (CRA) rating of "Satisfactory" or better, average or better creditworthiness rating by a recognized rating service, and collateral in accordance with the Government Code. Initial deposits are typically placed with 3-month term. Rates are negotiated and set two days before funds are disbursed, and based on Treasury bills and spread determined by financial institution's rating. At maturity, participants may be given the option to renew for 3- or 6-month terms.

Common types of collateral include Letters of Credit issued by the Federal Home Loan Bank (FHLB) of San Francisco with the State Treasurer listed as the beneficiary, and United State government bonds, notes, or other obligations. The Time Deposit Program currently provides \$5.2 billion to 56 California financial institutions.

Visit each webpage to learn additional program information on the [Time Deposit Program](#), [California Debt Limit Allocation Committee](#), and [California Tax Credit Allocation Committee](#).

###

Fiona Ma is California's 34th State Treasurer. She was first elected on November 6, 2018, with more votes (7,825,587) than any other candidate for treasurer in the state's history and reelected on November 8, 2022. 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 poised to become the world's fourth-largest economy and Treasurer Ma is the state's primary banker. Presently, her office processes more than \$3 trillion in banking transactions. 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 that currently averages over \$200 billion—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.

###

For more news about the State Treasurer's Office, please follow Treasurer Ma on Twitter at [@CalTreasurer](#), Instagram at [@CalTreasurer](#), and on Facebook at [California State Treasurer's Office](#).