

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the June 6, 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 2:00 p.m. Also, present Anthony Sertich for State Controller Betty Yee; Gayle Miller for Department of Finance (DOF) Director Keely Martin Bosler; California Housing Finance Agency (CalHFA) Executive Director Tiena Johnson Hall; and 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 May 25, 2022 Meeting

MOTION: Ms. Miller moved to approve the May 25, 2022 meeting minutes. Mr. Sertich seconded, and the motion passed unanimously via a roll call vote.

3. Consideration to take Action regarding Readiness to Proceed deadlines

CTCAC Deputy Director, Anthony Zeto stated that at the May 25, 2022 California Debt Limit Allocation Committee (CDLAC) meeting, the committee granted 2021 third round projects extensions to the bond issuance deadline. While extensions were granted by CDLAC, he explained that projects with reserved state tax credits were still required to meet the 180-day readiness deadline creating a conflict with the deadlines. Staff requested the committee consider extending the 180-day deadline for the projects with reserved state tax credits in the 2021 third round to align with the CDLAC extensions previously granted.

There was public comment.

Mark Stivers, with the California Housing Partnership, thanked the committee for considering the extension and is hopeful that it will be adopted. He explained that it would help the affordable housing community get these projects into construction right away and make affordable housing available to people sooner than later.

Jack Gardner, with the John Stewart Company, seconded Mr. Stivers comments. He thanked the staff and the committee for considering extensions to match the extensions granted by CDLAC. Mr. Gardner stated that at the CDLAC meeting, the executive director was provided discretion to provide additional extensions for those projects that needed more than 90 days to pursue supplemental bond allocations. He asked if the committee would provide a similar authority to provide longer extensions. Mr. Gardner also requested the committee consider the possibility of providing additional small allocations of state tax credits to these projects. He added that it would save time and energy to get a small increase in state tax credits, over the counter or administratively, to allow the projects to move forward.

Ms. Miller recommended the discussion be confined to the topic at hand. She stated it was frustrating that staff has bent over backwards and it was still not enough. Ms. Miller stated that there is a limited number of resources available in the system and requested the consideration be confined to the time period.

Mr. Sertich asked counsel if they would be able to provide an extension similar to those granted for the bonds in terms of granting the Executive Director the authority so the deadlines associated with the state tax credits expire at the same time as the corresponding bonds for each project.

Treasurer Ma asked if the Committee has the authority needed to grant the Executive Director to make decisions regarding these extensions.

Senior Attorney, Theodore Ballmer confirmed that they have that option.

There was public comment.

J.T. Harechmak, with the Nonprofit Housing Association of the Northern California (NPH), supported the consideration of extending the readiness to proceed deadlines and thanked the committee.

Reese Jarrett, with E. Smith & Company, Inc., thanked the committee and the staff for bringing this item forward. Mr. Jarrett supported the consideration of extending the readiness to proceed deadline.

MOTION: Mr. Sertich moved to grant the extension to the readiness to proceed deadline for projects with reserved state tax credits, so that the deadline corresponds with the bond issuance deadline and also provide the Executive Director the authority to extend beyond the 90 days for projects requesting supplemental bond allocations in the second round. Ms. Miller seconded, and the motion passed unanimously via a roll call vote.

4. Public Comment

There was public comment.

Sarah White, with Jonathan Rose Companies, supported Mr. Gardner's comments relating to additional state tax credits for projects struggling with inflation, cost increases, and rising interest rates.

5. Adjournment

Treasurer Ma adjourned the meeting at 2:12 p.m.