



California Tax Credit Allocation Committee

CTCAC Committee Meeting
Wednesday, December 28, 2022
10 a.m.



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
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www.treasurer.ca.gov/ctcac

MEETING NOTICE AGENDA

MEETING DATE:
December 28, 2022

TIME:
10 a.m.

LOCATION:
State Treasurer's Office
915 Capitol Mall, Room 587
Sacramento, CA 95814

BOARD MEMBERS (voting)
FIONA MA, CPA, CHAIR
State Treasurer

BETTY YEE
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

DIRECTOR
NANCEE ROBLES
Executive Director

Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.*

[Click here to Join Teams Meeting \(full link below\)](#)

**Public Participation Call-In Number
(888) 557-8511
Participant Code:
5651115**

The California Tax Credit Allocation Committee (CTCAC) may take action on any item.
Items may be taken out of order.

There will be an opportunity for public comment at the end of each item, prior to any action.

1. Call to Order and Roll Call

Action Item: **2. Approval of the Minutes of the November 30, 2022 Meeting**

Action Item: **3. Appeals filed under California Code of Regulations, title 4, section 10330 for 2022 Second Round Federal Nine Percent (9%) and State Low-Income Housing Tax Credit (LIHTC) Applications**
Presented by: Gabrielle Stevenson

Action Item: **4. Resolution No. 22/23-03 superseding Resolution No. 22/23-02 to establish a revised Waiting List of pending applications for a Reservation of 2022 Second Round Federal 9% and State LIHTCs and delegating authority to the Executive Director to approve reservations for projects on the revised Waiting List, provided that credit remains available and those applications are complete, eligible and financially feasible**
[Revised 2022 9% Preliminary Waiting List](#)
Presented by: Anthony Zeto

5. Public Comment

6. Adjournment



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

FOR ADDITIONAL INFORMATION

Anthony Zeto, Deputy Executive Director, CTCAC
915 Capitol Mall, Room 485, Sacramento, CA 95814
(916) 654-6340

This notice may also be found on the following Internet site:

www.treasurer.ca.gov/ctcac

*Interested members of the public may use the call-in number or TEAMS to listen to and/or comment on items before CTCAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The call-in number and TEAMS information are provided as an option for public participation but CTCAC is not responsible for unforeseen technical difficulties that may occur. CTCAC is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

CTCAC complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CTCAC staff no later than five calendar days before the meeting at (916) 654-6340. From a California Relay (telephone) Service for the Deaf or Hearing Impaired TDD Device, please call (800) 735-2929 or from a voice phone, (800) 735-2922.

Full TEAMS Link

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDUwYTAwMzMtOTNmOC00ODg5LTlhZmYtODI0MGQwZjEwOTV%40thread.v2/0?context=%7b%22Tid%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eae7534e%22%2c%22Oid%22%3a%22838e980b-c8bc-472b-bce3-9ef042b5569b%22%7d



California Tax Credit Allocation Committee

AGENDA ITEM 2

Approval of the Minutes of the November 30, 2022 Meeting



California Tax Credit Allocation Committee

915 Capitol Mall, Conf Rm 587
Sacramento, CA 95814

November 30, 2022

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 10:15 a.m. with the following Committee members present:

Voting Members: Fiona Ma, CPA, California State Treasurer, Chairperson
Anthony Sertich for California State Controller Betty T. Yee
Gayle Miller for Department of Finance (DOF) Director Joe Stephenshaw
Director Gustavo Velasquez for the Department of Housing and
Community Development (HCD)
Tiena Johnson Hall, Executive Director for the California Housing
Finance Agency (CalHFA)

Advisory Members: City Representative Vivian Moreno - ABSENT
County Representative Terra Lawson-Remer - ABSENT

2. *Agenda Item: Approval of the Minutes of the September 28, 2022 Meeting – (Action Item)*

MOTION: Ms. Miller motioned to approve the minutes of the September 28, 2022 meeting, and Mr. Sertich seconded the motion.

Chairperson Ma called for public comments:
None.

Motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report* *Presented by: Nancee Robles*

Ms. Robles addressed the following topics:

2023 CTCAC Meeting Calendar and Award Schedule: Unlike CDLAC, CTCAC regulations do not require Committee approval of the meeting calendar. The 2023 CTCAC Calendar and Award Schedule matches CDLAC calendar, except for the 9% tax credits. The proposed calendar includes 6 meetings, with 5 of those meetings including awards of tax credits.

Low-Income Housing Credit: For calendar year 2023, the amount used by the IRS to calculate the state housing credit ceiling for Low-Income Housing Credits has increased from \$2.60 last year to \$2.75. This factor will be multiplied by the state's 2022 estimated population. That figure has not been published yet, but based on last year's population and the Department of Finance data report from May 2022, the new population estimate for January 2023 is 39,185,605. The amount of annual federal tax credits for 2023 is expected to be about \$108 million.

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California Tax Credit Allocation Committee

California also received funds from the National Pool. Each year, unused housing credit carryover for LIHTCs that was not allocated by states is added to a National Pool and redistributed to qualified states that apply for additional credits. The 2022 National Pool amount is \$5.4 million. Among the 27 states receiving 2022 National Pool credits, California received the most – \$982,548. This amount will be allocated to projects on this year’s waiting list.

State Audit Annual Update: CTCAC is required to provide an annual update to State Audit 2020-108 by November 17 each year, and the deadline was met. CDLAC and/or CTCAC responded to and completely satisfied 3 of the 4 items requested in the audit. The last item that remained open was a recommendation to CTCAC that could not be accomplished. As a result, CTCAC was required to provide a written report to the State Auditor, the Senate and Assembly policy committees and budget subcommittees overseeing CTCAC, and the Department of Finance. In that letter, Ms. Robles explained that the request could not be accomplished because the recommendation of the State Auditor to CTCAC was to ensure the allocation of bonds aligns with the state’s housing priorities and that its award process is sufficiently transparent. It also suggested that CTCAC establish regulations to consistently allocate bonds based on factors including demand for bond resources, use of previously allocated bonds, documented legislative priorities, and risk of allocated bonds being lost.

Additionally, CTCAC was advised to document and disclose annually, in its public meetings and on its website, the extent of any bonds lost, the purpose for which the bonds were allocated, and the rationale for the allocation. Ms. Robles explained that although CTCAC and CDLAC share one Executive Director and work closely together, the recommendation that CTCAC adopt and implement regulations on bond allocation cannot be accomplished because CDLAC has sole jurisdiction over bond allocation. Everything the auditor requested is already done at CDLAC with the advice and approval of the Committee.

Grand Openings: Since the last Committee meeting, there have been 5 grand opening and groundbreaking events. Anthony Zeto, Deputy Director, attended the grand openings of Harris Family Senior Residence and Mid-City Family Apartments, a 195-unit intergenerational mixed-use community located in San Diego.

Conferences: Ms. Robles recently attended and spoke at the Affordable Housing Finance Live Conference – a 2023 Forecast for LIHTC Allocations which took place in Chicago.

Chairperson Ma called for public comments:
None.

4. **Agenda Item: Reservation of 2022 State Farmworker Low Income Housing Tax Credits (LIHTCs) for a Tax-Exempt Bond Financed Project under California Code of Regulations, title 4, section 11000 et seq. and Preservation of the Performance Deposit Previously Submitted – (Action Item)**
Presented by: Gabrielle Stevenson

Ms. Stevenson said CTCAC regulations require applicants who elect to certificate state tax credits make the election at the time of application. Given, the applicant chose to elect to certificate state tax credits following application submittal and award, the applicant for Brentwood Crossings (CA-21-456) was forced to return their previously awarded allocation and reapply. Staff re-reviewed the application and the applicant re-submitted their application fee. Staff is now recommending the project for the previously awarded state farmworker tax credits. The project previously submitted a performance deposit in the amount of \$100,000, which they have requested to transfer to their new allocation if it is awarded.



California Tax Credit Allocation Committee

Chairperson Ma said legally the applicant could get the performance deposit back and then remit another check for the performance deposit on the new allocation. Ms. Stevenson said that is correct, and typically if they successfully developed the project, the performance deposit would be returned. Preserving the performance deposit will be a substantial savings to the project and help fill some gaps.

Ms. Miller said she will motion to approve this allocation, but she asked Ms. Stevenson to explain the certification process because it is a complicated transaction. Ms. Stevenson said this will provide project flexibility in selling the tax credits and must be awarded to a non-profit organization. The project's investor reviewed the financial feasibility of the project and determined it would result in an additional \$400,000 to \$500,000.

Ms. Miller asked if this could also potentially generate additional revenue for the project. Ms. Stevenson confirmed it will generate additional equity to the project.

Mr. Sertich asked Ms. Miller to confirm if her motion will include preservation of the performance deposit. Ms. Miller responded affirmatively.

MOTION: Ms. Miller motioned to approve the recommendation, and Mr. Sertich seconded the motion.

Chairperson Ma called for public comments:
None.

Motion passed unanimously via roll call vote.

5. ***Agenda Item: Reservation of 2022 Second Round Federal Four Percent (4%) and State LIHTCs for Tax-Exempt Bond Financed Projects – (Action Item)***
Presented by: Gabrielle Stevenson

Ms. Stevenson said there are a total of 53 projects recommended for reservation of 4% State Low-Income Housing Tax Credits, including the appeals granted. These projects will produce 5,247 units. Staff has extensively reviewed all applications in conjunction with CDLAC.

MOTION: Mr. Sertich motioned to approve the recommendation, and Ms. Miller seconded the motion.

Chairperson Ma called for public comments:
None.

Motion passed unanimously via roll call vote.

6. ***Agenda Item: Appeals filed under California Code of Regulations, title 4, section 10330 for 2022 Second Round Federal Nine Percent (9%) and State LIHTCs Applications – (Action Item)***
Presented by: Gabrielle Stevenson

Ms. Stevenson said both appeals were resolved at the staff level, and the projects have both been moved to the 9% Preliminary Waiting List. Agenda Item 6 is therefore withdrawn.

7. ***Agenda Item: Resolution establishing a Waiting List of pending applications for a Reservation of 2022 Second Round Federal Nine Percent (9%) and State LIHTCs and delegating authority to the Executive Director to approve reservations for projects on the Waiting List, provided that***

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November 30, 2022



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credit remains available and those applications are complete, eligible and financially feasible –
(Action Item)

Presented by: Anthony Zeto

Mr. Zeto said following the second round of 9% awards annually, the Committee may establish a Waiting List to ensure any returned or remaining 9% credits are used prior to the end of the year. Therefore, a Preliminary Waiting List for 9% awards is being presented. Additionally, staff is requesting Committee approval to delegate authority to the Executive Director to award projects from the Waiting List administratively between now and the end of the year to ensure CTCAC allocates the necessary federal credits to qualify for the National Pool. There are sufficient credits remaining and staff intends to reach projects in the General Pool on the Waiting List.

Chairperson Ma asked Mr. Zeto to explain how the Waiting List works. Mr. Zeto said CTCAC regulations prescribe the process in which projects are selected from the Waiting List. The order in the geographic regions are based on the amount of tax credits remaining in each region, with respect to the amount of credits that were available. The highest-ranking project in the region will be awarded starting with the region with the highest percentage of tax credits remaining. Once that process is completed, if there are still federal credits remaining, all remaining projects are ranked and awarded based on their point score and tiebreaker, without regard to set-aside or region. There could be credits returned any time between now and the end of the year, so administrative latitude is needed to award projects through the end of the year if necessary.

Chairperson Ma asked for clarification that the top half of the chart is based on regions, and the bottom half is the General Pool, which is organized by ranking. Mr. Zeto confirmed that is correct; the General Pool projects are ranked by point score and tiebreaker. However, not all projects have been reviewed, so projects may be skipped if staff finds any deficiencies.

MOTION: Mr. Sertich motioned to approve Resolution No. 22/23-02, and Ms. Miller seconded the motion.

Chairperson Ma called for public comments:

Justin Solomon from Dawson Holdings asked if geographic regions are awarded before the General Pool. Mr. Zeto confirmed that is correct; the highest-ranking project from each region with credits on the table will be awarded first.

Chairperson Ma closed public comment.

Motion passed unanimously via roll call vote.

8. *Agenda Item: Public Comment*

No public comment.

9. *Agenda Item: Adjournment*

The meeting was adjourned at 10:31 a.m.



California Tax Credit Allocation Committee

AGENDA ITEM 3

Appeals filed under California Code of Regulations, title 4, section 10330 for 2022 Second Round Federal Nine Percent (9%) and State Low-Income Housing Tax Credit (LIHTC) Applications

As of December 19, 2022, no appeals have been filed to the Committee for Second Round Federal Nine Percent (9%) and State LIHTC Applications.



AGENDA ITEM 4

Resolution No. 22/23-03 superseding Resolution No. 22/23-02 to establish a revised Waiting List of pending applications for a Reservation of 2022 Second Round Federal 9% and State LIHTCs and delegating authority to the Executive Director to approve reservations for projects on the Waiting List, provided that credit remains available and those applications are complete, eligible and financially feasible

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
RESOLUTION NO. 22/23-03
December 28, 2022**

RESOLUTION AUTHORIZING ESTABLISHMENT OF A WAITING LIST OF REMAINING PENDING APPLICATIONS FOR A RESERVATION OF 2022 SECOND ROUND FEDERAL NINE PERCENT (9%) AND STATE LOW INCOME HOUSING TAX CREDITS AND DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO APPROVE RESERVATIONS FOR PROJECTS ON THE WAITING LIST, PROVIDED THAT CREDIT REMAINS AVAILABLE AND THOSE APPLICATIONS ARE COMPLETE, ELIGIBLE AND FINANCIALLY FEASIBLE

WHEREAS, the California Tax Credit Allocation Committee (“CTCAC”) is responsible for administering the Federal and State Low Income Housing Tax Credit (“LIHTC”) programs in California (Health & Saf. Code, §50199.4 et seq.); and

WHEREAS, CTCAC received applications seeking reservations of Federal Nine Percent (9%) LIHTCs, may be awarded provided that credit remains available and those applications are complete, eligible and financially feasible; and

WHEREAS, California Code of Regulations, title 4, section 10325(h) authorizes CTCAC to establish a Waiting List of pending applications in anticipation of utilizing LIHTCs that remain and are not reserved by applicants; and

WHEREAS, the projects listed in Exhibit A to this resolution have been ranked based on the applicant’s self-score but may not have been fully evaluated for scoring, project completeness, eligibility or conformance with all aspects of CTCAC’s regulations, with it being understood that inclusion on the Waiting List does not guarantee a reservation of LIHTCs; and

WHEREAS, the projects listed in Exhibit A to this resolution may file an appeal pursuant to California Code of Regulations, title 4, section 10330; and

WHEREAS, pursuant to Health and Safety Code section 50199.8, CTCAC is authorized to delegate to the Executive Director any powers and duties that may be deemed proper; and

WHEREAS, allowing the Executive Director to make preliminary reservations to projects listed in Exhibit A to this resolution is in the interest of administrative efficiencies;

NOW, THEREFORE, BE IT RESOLVED by the California Tax Credit Allocation Committee as follows:

Section 1. The Executive Director and any designee to the Executive Director, as specified in Section 2, are delegated the authority to offer preliminary reservations of LIHTCs to projects listed in Exhibit A to this resolution, subject to staff evaluation and determination of scoring, project completeness, eligibility and conformance with all of the following:

- (a) All aspects and conditions of CTCAC’s regulations pursuant to California Code of Regulations, title 4, section 10325(h).
- (b) Conditions recommended in project staff reports, reservation letters, and carryover allocation agreements.
- (c) Conditions of this resolution.

Section 2. If the Executive Director is unavailable or unable to exercise the power delegated under Section 1, the Deputy Executive Director may serve as the Executive Director’s designee.

Section 3. This Resolution supersedes Resolution No. 22/23-02, takes effect immediately upon its adoption, and is repealed on January 1, 2023.

Attest: _____
Chair

Date of Adoption: December 28, 2022

EXHIBIT A
Revised 2022 9% Preliminary Waiting List
CTCAC Regulation §10325(h)
 December 28, 2022

| §10325(h)(2) | | | | | | | |
|----------------------------------|-----------------------------|---------------|------------|--------------------------|------------------------|--------------|--------------------|
| Project Number | Project Name | Housing Type | City | Federal Credit Requested | State Credit Requested | Point Score* | Tie Breaker Score* |
| NORTHERN REGION | | | | | | | |
| CA-22-064 | Piper Way Senior Housing | Seniors | Redding | \$2,210,802 | \$4,179,418 | 109.00 | 28.093% |
| CA-22-084 | Meridian at Corona Station | Large Family | Petaluma | \$2,480,406 | \$0 | 109.00 | 25.945% |
| SOUTH AND WEST BAY REGION | | | | | | | |
| CA-22-046 | Etting Road Apartments | Large Family | Oxnard | \$2,500,000 | \$3,211,497 | 109.00 | 42.809% |
| ORANGE COUNTY | | | | | | | |
| CA-22-087 | Katella Terrace | Seniors | Orange | \$2,500,000 | \$8,891,768 | 109.00 | 32.366% |
| CA-22-053 | Orchard View Senior Gardens | Seniors | Buena Park | \$1,875,713 | \$0 | 109.00 | 28.929% |
| CAPITAL REGION | | | | | | | |
| CA-22-041 | Hellenic Seniors Center | At-Risk | Sacramento | \$1,647,160 | \$5,446,222 | 109.00 | 15.318% |
| CENTRAL VALLEY REGION | | | | | | | |
| CA-22-075 | Santa Fe Commons II | Large Family | Tulare | \$2,177,443 | \$4,467,437 | 109.00 | 5.491% |
| CA-22-050 | Step Up on 99 | Special Needs | Fresno | \$2,500,000 | \$5,778,856 | 107.00 | 53.157% |

*Point and/or tie-breaker score may not have been completed and self-scores may be reflected above.

NOTE: The top to bottom order of geographic regions only is the order for potential reservations starting with the most undersubscribed geographic region. The list starts with the most undersubscribed geographic region at the top (Northern Region) down to the least geographic region at the bottom (Central Valley Region). Projects that are reserved credit from this waiting list will be accounted against that geographic region's beginning balance in 2023.

1. These projects have not been reviewed for completeness or threshold regulatory requirements, and may not have been reviewed for scoring.
2. Only the highest ranked project in a given region may be considered for reservation. The ranking order is subject to change as CTCAC staff completes the review process.
3. As prescribed by regulation, the list starts with the most undersubscribed geographic region.
4. Credits reserved from projects on this waiting list will be counted against that geographic region's starting balance in 2023.

| §10325(h)(3) | | | | | | | |
|---------------------|------------------------------|-----------------|-------------|--------------------------|------------------------|--------------|--------------------|
| Project Number | Project Name | Housing Type | City | Federal Credit Requested | State Credit Requested | Point Score* | Tie Breaker Score* |
| GENERAL POOL | | | | | | | |
| CA-22-097 | Messina | Seniors | San Diego | \$2,087,332 | \$0 | 109.00 | 67.050% |
| CA-22-047 | Orchard View Apartments | Large Family HR | Gridley | \$1,765,224 | \$0 | 109.00 | 50.414% |
| CA-22-074 | La Joya Commons | Large Family | Firebaugh | \$2,500,000 | \$8,064,673 | 109.00 | 43.083% |
| CA-22-046 | Etting Road Apartments | Large Family | Oxnard | \$2,500,000 | \$3,211,497 | 109.00 | 42.809% |
| CA-22-083 | Parlier Family Apartments | Large Family | Parlier | \$2,500,000 | \$0 | 109.00 | 36.417% |
| CA-22-065 | River Grove I | Large Family HR | Oakhurst | \$2,382,228 | \$3,569,263 | 109.00 | 35.900% |
| CA-22-087 | Katella Terrace | Seniors | Orange | \$2,500,000 | \$8,891,768 | 109.00 | 32.366% |
| CA-22-053 | Orchard View Senior Gardens | Seniors | Buena Park | \$1,875,713 | \$0 | 109.00 | 28.929% |
| CA-22-064 | Piper Way Senior Housing | Seniors | Redding | \$2,210,802 | \$4,179,418 | 109.00 | 28.093% |
| CA-22-095 | Sunrise Villas | Large Family | Paso Robles | \$2,500,000 | \$3,681,628 | 109.00 | 26.543% |
| CA-22-042 | Table Mountain Apartments II | Large Family | Oroville | \$2,016,211 | \$0 | 109.00 | 21.967% |
| CA-22-091 | River Walk Terrace | Seniors | Paso Robles | \$2,500,000 | \$3,514,062 | 109.00 | 21.012% |
| CA-22-060 | Remington Villas | Large Family | Calxico | \$2,074,207 | \$0 | 109.00 | 18.892% |
| CA-22-041 | Hellenic Seniors Center | At-Risk | Sacramento | \$1,647,160 | \$5,446,222 | 109.00 | 15.318% |
| CA-22-075 | Santa Fe Commons II | Large Family | Tulare | \$2,177,443 | \$4,467,437 | 109.00 | 5.491% |
| CA-22-050 | Step Up on 99 | Special Needs | Fresno | \$2,500,000 | \$5,778,856 | 107.00 | 53.157% |
| CA-22-084 | Meridian at Corona Station | Large Family | Petaluma | \$2,480,406 | \$0 | 107.00 | 17.170% |
| CA-22-076 | Palos Verde Apartments | Large Family | Dos Palos | \$451,838 | \$1,505,988 | 99.00 | 13.045% |

*Point and/or tie-breaker score may not have been completed and self-scores may be reflected above.

NOTE: The general pool list above is in order of point score and tie breaker without regard to set-aside or geographic region.

1. Some projects have not been reviewed for completeness or threshold regulatory requirements, and may not have been reviewed for scoring.
2. The ranking order is subject to change as CTCAC staff completes the review process.
3. Except for Rural projects, credits reserved from projects on this waiting list will be counted against that geographic region's starting balance in 2023.
4. Credit will not be reserved if there are insufficient tax credits to fully fund the next ranked application pursuant to §10325(h)(4), except that CTCAC may exceed the amount of available credits if necessary to qualify for the national pool.

NOTE: The waiting list expires on December 31, 2022.



California Tax Credit Allocation Committee

AGENDA ITEM 5

Public Comment



California Tax Credit Allocation Committee

AGENDA ITEM 6

Adjournment