



California Tax Credit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

November 8, 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 10:16 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
Gayle Miller for Department of Finance (DOF) Director Joe Stephenshaw
Department of Housing and Community Development (HCD) Director
Gustavo Velasquez
Kate Ferguson for 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 August 23, 2023, Meeting – (Action Item)*

Chairperson Ma called for public comments:
None.

MOTION: Mr. Velasquez motioned to approve the minutes of the August 23, 2023, meeting, and Mr. Johnson seconded the motion.

Motion passed unanimously via roll call vote.

3. *Agenda Item: Program Updates*

Presented by: Anthony Zeto

Anthony Zeto, Deputy Executive Director, discussed the following topics:

Staff Changes: Three new analysts joined the CTCAC Compliance team in October: Dawn Darling, Jaycee Baca, and Andy Her. In their positions, they will monitor the projects that have been allocated tax credits, and they are currently being trained by CTCAC's well experienced staff. CTCAC is excited to have the three of them join the team.

Shannon Nardinelli in the Compliance Section has received a promotional opportunity at HCD and will be leaving CTCAC after nearly 18 years. Her last day at CTCAC will be tomorrow. On behalf of CTCAC, Mr. Zeto thanked Shannon for her contributions to CTCAC and for proving to be a valuable leader for the Compliance Section. Shannon's entire state service has been with CTCAC, since she started as an SSA in January 2006. Shannon received multiple promotions in her time at CTCAC before reaching her current position as a Staff Services Manager II in 2020. She has represented CTCAC at Compliance workshops

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throughout the state, as well as conferences throughout the nation, and has done so with the utmost professionalism. She is well-respected by those in the industry as well as her peers. Mr. Zeto thanked her for her commitment to CTCAC and wished her continued success at HCD.

Housing Tour: On August 29, Treasurer Ma, the STO External Affairs Office, and Ricki Hammett, CTCAC Deputy Executive Director, attended a housing tour in Fresno, coordinated by Fresno Housing. On the tour, they were able to learn about projects that Fresno Housing and the City and County of Fresno have been working on, and they visited three of their projects.

Grand Openings and Groundbreaking Events: On September 20, Mr. Zeto attended the Agrihood grand opening in Santa Clara. The project received an allocation of tax credits and bonds and was developed by the CORE Companies. The new construction development provides 163 affordable units for seniors and veterans, with rents affordable to households earning 30-60% of area median income (AMI). This project received HUD project-based vouchers for 33% of the units.

On October 12, Patrick Henning, Chief Deputy Treasurer, attended the Talisa Apartments grand opening in Panorama City. This project received an allocation of tax credits and bonds and is a new construction, family/special needs, project that created 48 affordable units for residents earning 30% AMI. The project was developed by Domus Development.

On October 17, Ricki Hammett attended a grand opening event in Firebaugh. This new construction project received an allocation of tax credits and is being developed by Fresno Housing to create 67 units affordable to households earning 30-60% AMI. The project will receive rental assistance in the form of HUD project-based vouchers, and the project financing includes HCD Joe Serna, Jr. Farmworker Housing Grant Program funding.

On October 27, Treasurer Ma attended Eden Housing's 55th anniversary celebration. Mr. Zeto congratulated Eden Housing on that accomplishment.

On October 27, Mr. Zeto attended the grand opening of Laurel at Perennial Park in Santa Rosa. The project was developed on the former Journey's End mobile home park site, which was destroyed by the 2017 Tubbs Fire. The two-phased new construction project was awarded federal 9% disaster credits in 2020 and 2021 and provides 130 affordable units serving senior households earning 30-60% AMI in an area impacted by wildfires. The project was co-developed by Burbank Housing and Related California.

Conferences: On October 6, Mr. Zeto attended the Non-Profit Housing Association of Northern California (NPH) Conference to provide updates from CTCAC and CDLAC. He participated on a panel with developers to discuss issues and challenges in the programs.

The Rural Housing Summit took place November 1-3. At the conference, Mr. Zeto participated on the State Housing Director's panel along with other public agency directors to provide agency updates for the upcoming year, particularly policies and programs affecting rural California. Ricki Hammett and DC Navarrette, CDLAC Program Manager, participated in the CTCAC/CDLAC session to provide program updates and discuss issues affecting rural California. Sarah Gullikson, CTCAC Program Manager, and Norma Velarde, CDLAC Analyst, also attended and participated in the conference.

On November 2, Mr. Zeto participated on a virtual panel at the Southern California Association of Non-Profit Housing (SCANPH) Conference - Public Funders Forum. Along with other public funders, he



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provided important updates and responded to questions on current regulations and policies as well as the availability of funding sources.

On November 7, Mr. Zeto provided CTCAC/CDLAC updates to attendees at the California Council for Affordable Housing (CCAH) Fall Conference in San Diego.

On November 7, Ricki Hammett attended the Western States Housing Exchange, which took place on November 7 and 8. This is a gathering of Executive Directors and Chief Deputies from seven neighboring state Housing Finance Agencies.

Chairperson Ma said the Paradise community held a large press conference last week in front of the steps of the Capitol, and they appreciated all the efforts to help them rebuild. They are a cohesive and strong community, many of whom stayed in Paradise or want to go back. Chairperson Ma thanked everyone for their help in the fire-devastated regions.

Mr. Zeto said there was a returning resident who spoke at the grand opening of Laurel at Perennial Park in Santa Rosa. She was a resident at Journey's End mobile home park and will now reside at the new multifamily rental project on that site. She was happy to be able to return. There will also be 30 market rate units added on the site in a future phase.

Chairperson Ma said she saw Congressman Thompson on Sunday and he was appreciative as well. Additionally, Chairperson Ma thanked Shannon Nardinelli for her hard work at CTCAC.

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 Second Round Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) – See Exhibit A for project list**
Presented by: Anthony Zeto

This item was skipped. Mr. Zeto explained that there is one pending appeal, but it does not impact the existing recommendation list for Agenda Item 5, and it has not gone through the entire appeal process. Therefore, an appeal has not been submitted to the Committee yet. The appeal may be presented at the next meeting on December 6, 2023.

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

Ms. Doonan stated that staff reviewed the 27 projects on the recommendation list, and they all meet state and federal requirements. Staff recommends them for approval of reservation of 9% federal and state tax credits.

Chairperson Ma called for public comments:
None.

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



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Motion passed unanimously via roll call vote.

- 6. Resolution 23/24-02 to establish a Waiting List of pending applications for a Reservation of 2023 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 – (Action Item)**

Presented by: Anthony Zeto

Mr. Zeto explained that annually, if there are any federal credits remaining or returned, staff requests the Committee's approval to establish a waiting list and delegate authority to the Executive Director to approve projects from the waiting list administratively. The waiting list has been provided for the Committee's review and approval.

Chairperson Ma noted that the Interim Executive Director is Patrick Henning, Chief Deputy Treasurer. The STO is actively searching for a new CTCAC Executive Director.

Chairperson Ma called for public comments:
None.

MOTION: Ms. Miller motioned to adopt Resolution No. 23/24-02, and Mr. Velasquez seconded the motion.

Motion passed unanimously via roll call vote.

7. *Agenda Item: Public Comment*

Scott Littlehale from Nor Cal Carpenters Union shared research his organization has done on state tax credits issued to projects over the past several years. The amount of state tax credits has increased substantially to \$500 million annually, which represents half a billion dollars per year of foregone state revenue, taken by the developers who are awarded those credits. More than \$1 billion of state credits over the past three years have been awarded to projects that indicated no requirement to pay prevailing wages on their CTCAC applications. That represents 112 projects, 14,000 units, and \$6 billion in total development costs that will have been built by construction workers who are entitled only to the California minimum wage and are often victims of wage theft and tax fraud in the notorious residential construction sector. Paying construction workers low wages not only hurts workers and their families, but it also creates outside strain on our federal and state social safety net programs. A 2021 study by UC Berkeley's Labor Center found that nearly half of California's construction worker families rely on one of four major social safety net programs, and California construction workers are 2.5 times more likely to be uninsured than the average California worker, with one quarter of California construction workers being uninsured. These issues stem directly from contractors being allowed to pay as little as they can without providing healthcare, and they cost federal and state taxpayers an estimated \$3.35 billion per year. Public funds should be used for the public good, and perpetuating or potentially adding to the demand for affordable housing and other social safety net programs undermines the affordable housing system's goals. Nor Cal Carpenters Union is prepared to engage with CTCAC staff and other stakeholders to formulate regulation changes that would reward projects committed to high road construction workforce practices.

8. *Agenda Item: Adjournment*

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The meeting was adjourned at 10:34 a.m.