



## California Tax Credit Allocation Committee

901 P Street, Room 102  
Sacramento, CA 95814

March 4, 2025

### 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 2:13 p.m. with the following Committee members present:

##### **Voting Members:**

Fiona Ma, CPA, State Treasurer, Chairperson

Malia M. Cohen, State Controller

Teresa Calvert for Joe Stephenshaw, Department of Finance (DOF) Director

Anthony Sertich for Gustavo Velasquez, Department of Housing and Community Development (HCD) Director

Stephanie McFadden for VACANT, California Housing Finance Agency (CalHFA) Executive Director

##### **Advisory Members:**

Michelle Whitman, County Representative

Brian Tabatabai, City Representative – ABSENT

#### 2. *Agenda Item: Approval of the Minutes of the January 15, 2025, Meeting*

Chairperson Ma called for public comments:

None.

**MOTION:** Mr. Sertich motioned to approve the minutes of the January 15, 2025, meeting, and Ms. Calvert seconded the motion.

The motion passed unanimously via roll call vote.

#### 3. *Agenda Item: Executive Director's Report*

*Presented by: Marina Wiant*

Marina Wiant, Executive Director, announced that there are four new staff members at CTCAC, and CTCAC is now fully staffed. Martin Presley has joined the Compliance team as an Office Technician, and John Le has joined the Compliance team as an Analyst. Gloria Witherow and Michael Couzens have joined the Development team as Analysts.

Chairperson Ma called for public comments:

None.



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### 4. **Agenda Item: Housing Project Relief Due to Los Angeles County and Surrounding Area Wildfires Update**

*Presented by: Marina Wiant*

Ms. Wiant said this item was agendized after the January meeting to allow time for additional conversations related to the disaster in Los Angeles. CTCAC and CDLAC posted a joint memo on their websites about relief options available to impacted projects that may need predevelopment or placed-in-service extensions. Impacted projects are encouraged to notify staff if assistance is needed. Additional relief is also available under Compliance. Also, the federal government allows projects with vacancies that have no waiting list to be used for emergency housing relief. Ms. Wiant does not think there are many projects in Los Angeles County that would qualify for that, but that option is in place. Lastly, the Governor's request to Congress includes \$2 billion in disaster credits. CTCAC would be ready to deploy those credits if they were delivered by Congress. About \$2 billion in disaster credits were received a few years ago to address previous wildfires that affected the state in 2017, 2018, and 2020. Over 5,300 units were built using those credits. Last year, staff attended grand openings of projects in Paradise that were built using disaster credits, so it was special to be able to witness the recovery there and the great work that these programs can do to assist communities' rebuilding efforts.

Mr. Sertich said HCD has been collaborating with CTCAC, especially in terms of monitoring, to ensure that everyone is headed down the same path. HCD put out its Multifamily Super NOFA this year and set aside \$96 million for disaster impacted areas. They are working with affected localities to make sure they are targeting those funds appropriately and are getting the money out the door as quickly as possible. Further details will be released in the coming weeks.

Ms. McFadden said CalHFA is modifying its programs this year, and the Mixed-Income Program (MIP) for 2025 was just released in early February. The limits have been removed for Los Angeles County projects, so any projects that want to apply are welcome. CalHFA is trying to make it easier for those projects to get MIP funding. There is also a mortgage relief program that the Governor announced in February.

Chairperson Ma said the California Health Facilities Finance Authority (CHFFA) is offering zero interest loans to any health facility that has been destroyed or damaged due to the fires.

Chairperson Ma called for public comments:  
None.

### 5. **Agenda Item: Initial State Historic Rehabilitation Tax Credit Allocation Determination (Cal. Code Regs., tit. 4, § 11012)**

This item was skipped. Ms. Wiant said it was added to the agenda preemptively in the event that CTCAC would receive the State Historic Rehabilitation Tax Credit applications in time for this meeting. The regulations require that the Committee review and take action on the applications within 30 days of receipt from the Office of Historic Preservation (OHP). However, CTCAC has not yet received the applications.



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6. **Agenda Item: Resolution No. 24/25-05, Adopt Revised Schedule of Fines (Health & Saf. Code, § 50199.10, subd. (e); Cal. Code Regs., tit. 4, § 10337, subd. (f))**

*Presented by: Anthony Zeto*

Mr. Zeto explained that staff is proposing some revisions to the existing schedule of fines for noncompliance. The original fine schedule was adopted in 2017 and updated in 2021 and 2022. Staff is proposing revisions to allow them to assess fines for some program violations during the 15-year federal compliance period. The remaining changes that are being proposed are minor updates or changes related to previously adopted regulation changes. The fine schedule is in the meeting materials, and staff is recommending it for approval.

Chairperson Ma called for public comments:

None.

**MOTION:** Mr. Sertich motioned to adopt Resolution No. 24/25-05, and Ms. Cohen seconded the motion.

The motion passed unanimously via roll call vote.

7. **Agenda Item: Public Comment**

Cesar Sanchez from the Workforce Defense League (WDL) said his organization is a nonprofit dedicated to providing a voice to the construction industry. It is a labor management corporation that is made up of construction employers who provide benefits and health coverage to their employees along with the Nor Cal Carpenters Union (NCCU). Through cases filed in state and federal courts and before the California Labor Commissioner, the WDL pursues construction contractors for wages and associated penalties owed to workers. By doing so, the WDL helps make workers whole and communicates to low road contractors that they must change their practice of stealing wages from workers or get out of the industry. California allows organizations like the WDL to bring lawsuits for unpaid wages on behalf of construction workers against both the worker's employer and the general contractor on the project. The WDL can act as a worker's representative, taking on the cost and hassle of lawsuits, thereby saving workers time, money, and stress. The WDL seeks to get the workers paid 100% of their owed wages. The WDL does not take money awarded to workers through their wage claims. The WDL does this work to assist construction workers and affirm the construction industry. The WDL represents many workers who were victims of wage theft while working on Pacific West Builders (PWB) projects that have received millions of dollars of public funding. The WDL asks that the Committee listen to the workers here today who worked hard for PWB and got their wages stolen and are still waiting to get paid.

Juan Valenzuela said he was one of the primary employees of The Blox Group (TBG) and PWB. TBG is owned and operated by some of the same people as PWB in Idaho. Today, Mr. Valenzuela wants to share his experiences when he was employed by TBG. He started working there three days after his high school graduation. He graduated at the age of 17 and was excited to have an opportunity to earn an income and help his parents with everyday expenses. On the Monday he started work, he realized that working for TBG was going to be interesting and rough. That morning, when the employer briefed workers about the job, the superintendent began complaining about production and making threats of massing firings if production was not up to par. Even though he was 17 years old, Mr. Valenzuela realized that due to the



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way the superintendent was cursing and making threats, the work environment was going to be toxic and unprofessional.

Mr. Valenzuela said that despite the rough start, he was determined to do his best. He worked hard and often put in long hours to meet demanding expectations. However, it became clear that it was a toxic atmosphere, and that was just the beginning of the issues he would face. Some of the issues he faced were unsafe working conditions, low wages, missing overtime pay, missing wages, breaks not provided all the time, no health insurance, no apprenticeship training, having to provide his own tools, and verbal abuse. Despite the low wages and bad treatment, he still gave TBG all of his effort and dedication. In return, he never received a pay raise despite working for them for over a year. He always thought working as a carpenter would give him a better future, and maybe it would if he did not work for TBG. For TBG, it was only about profit. As a voting citizen and a worker in California, Mr. Valenzuela is asking the owner of PWB, Caleb Roope, to please stop exploiting workers in California.

A former employee of TBG, Eric, made a comment in Spanish, which was translated by a translator who accompanied him. Eric worked for TBG for about two years. He loves working in the construction industry and earning a living to help support his family in Guatemala, especially his young daughter. The only thing that he remembers that struck him was the way managers spoke to the workers. The threats of being fired if production was insufficient made Eric feel tired. He also had an incident outside of work with a coworker that had an emotional impact on him and made him suspicious of people. Additionally, he never received any safety training or equipment. Also, he traveled for work and never received any subsistence pay, which led to him having to share hotel rooms with many workers.

Caleb Roope from The Pacific Companies (TPC) said the Committee is seeing what a full campaign against somebody looks like at every meeting, and he is sorry about that. He would like to set the record straight on a couple of things that were misstated or factually wrong. TPC does not own TBG. There is no common ownership, and TPC does not have anything to do with TBG. Mr. Roope requested that his adversaries please get their facts straight in the future. The WDL is an arm of the labor unions, and he finds them quite valuable when they are doing their job. There are a lot of trades on a job, and TPC has a compliance team that polices that. It is great if there are other eyes looking at that, if they do so in a way that is actually productive and helpful, as opposed to making massive records requests that are burdensome. If they can find problems with subcontractors that TPC hires, it is helpful. TPC does not want to see workers not get paid. If the WDL finds something, whether it is related to prevailing wages or overtime, Mr. Roope is encouraged because it helps the subcontractor community achieve compliance.

Mr. Roope said developers of affordable housing need to be doing their bond recycling because the regulations state that developers are supposed to recycle their bonds. When there is a construction loan pay down, those bonds can be brought back to CalHFA, California Municipal Finance Authority (CMFA), and other issuers to be put back into new projects. Not all developers are doing that, so Mr. Roope's working group will propose some regulation changes to possibly assess penalties such as forfeiture of the performance deposit or assessment of negative points. Bonds are being lost that could otherwise be used. CalHFA and CMFA are doing great, but the developers have to help too and make sure they keep the issuers aware when there is a pay down so those bonds can be brought back in.

Mr. Roope said the newer projects that are being done now are having to use taxable bonds instead of tax-exempt bonds, which is costing the projects more money and driving up costs. Mr. Roope's working



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group will look at this issue and try to propose some things, but he wanted to forecast awareness of it to preemptively encourage the development community to be on top of the recycling program and help the issuers do their job. It can be very complicated, and it is a lot for the issuers to keep track of. They do not have staff to police every project, so if the developers can help and inform the issuers, the issuers can use their programs to facilitate the recycling. All the developers have to do is tell the issuers that they will have a bond paid down with their completion equity from their tax credit investor.

Chairperson Ma said that if the process is complicated, perhaps staff should do a webinar.

Ms. Wiant said staff could put out some information for the community to better know how to recycle bonds. She plans to consult with some members of the public to find out of that would be helpful.

Harvey McKeon from NCCU said he appreciates Mr. Roope's point about getting facts straight. He is not sure what Mr. Roope meant when he asserted that there was no common ownership between TBG and TPC. Mr. McKeon just checked the articles of incorporation with the California Secretary of State, and one of the principals listed is the CFO of TPC. He does not know exactly what common ownership means or what Mr. Roope's interpretation of that is, but there is clearly a Venn diagram between those two companies. The WDL, which is being described as an arm of the union, is also backed by hundreds of employers who pay their workers living wages and provide them healthcare.

Cherene Sandidge from Sandidge Urban Group thanked Mr. Roope for clarifying if he is or is not related to the subcontractor discussed by the previous commenters. She asked everyone to be careful about the information being brought before the Committee because she does not want this to turn into a YouTube or TikTok environment. She asked speakers to have their facts straight so the public and the Committee can either make strong recommendations or not. Ms. Sandidge appreciates Mr. Roope's clarification that he is not associated with the subcontractor. That is helpful because Ms. Sandidge has sat through five or six of these Committee meetings at which the NCCU has spoken. She is a fan of the NCCU, but the facts are getting mixed up in her mind, so speakers should be careful with their information.

Ms. Sandidge asked Ms. Wiant to send out whatever information she thinks developers need to have about recycled bonds. She thought CMFA would automatically recycle the bonds and put them back to use. She would like a synopsis stating exactly what developers can to do help ensure that process is done. She asked the Committee not to jump to negative points and penalties and instead let everyone try to work cooperatively.

### 8. *Agenda Item: Adjournment*

The meeting was adjourned at 2:38 p.m.