



California Tax Credit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

August 5, 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 2:07 p.m. with the following Committee members present:

Voting Members:

Fiona Ma, CPA, State Treasurer, Chairperson

Malia M. Cohen, State Controller

Michele Perrault for Joe Stephenshaw, Department of Finance (DOF) Director

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

Erwin Tam for VACANT, California Housing Finance Agency (CalHFA) Executive Director

Advisory Members:

Michelle Whitman, County Representative

VACANT, City Representative

2. *Agenda Item: Approval of the Minutes of the June 18, 2025, Meeting*

Chairperson Ma called for public comments:

None.

MOTION: Ms. Perrault motioned to approve the minutes of the June 18, 2025, meeting, and Ms. Cohen 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, commended the staff for all their work on the emergency rulemaking package, the 4% tax credit round, and the 9% tax credit round.

Chairperson Ma called for public comments:

None.

4. *Agenda Item: Resolution No. 25/26-01 to adopt emergency rulemaking for amendments to existing federal and state LIHTC programs regulations. (Health and Saf. Code § 50199.17.)*

Presented by: Anthony Zeto



California Tax Credit Allocation Committee

Mr. Zeto explained that on July 4, 2025, the 'One Big Beautiful Bill' was signed into law. In response to those changes at the federal level, and pursuant to Chapter 3.6 of the Health and Safety Code, the CTCAC staff quickly released a Notice of Proposed Emergency Rulemaking on July 22, 2025, and opened a public comment period that concluded on July 29, 2025. The staff reviewed the comments received, made amendments in response, and published the final proposed regulation amendments on August 4, 2025. They are now recommending the proposed emergency regulation amendments for Committee approval.

Chairperson Ma called for public comments:

Louis Liss from Eden Housing said he would like to comment on the staff's response to a public comment on the developer fee increase. It looks like the staff shifted the proposed developer fee increase from \$500,000 to \$20,000 per million of tax-exempt bonds returned. While this change may help much larger projects, it disincentivizes smaller projects from using the developer fee incentive. There is still a tiebreaker incentive, which Mr. Liss thinks is compelling, but he wanted to make the Committee aware of this potential impact.

Ms. Wiant clarified that the original proposal was not a flat developer fee increase of \$500,000; the proposed amount was as much as the developer could demonstrate was necessary to mitigate the increased lending costs, up to a maximum of \$500,000. A small project likely would not have received the \$500,000 developer fee increase under the original proposal.

Chairperson Ma closed public comments.

MOTION: Ms. Cohen motioned to adopt Resolution No. 25/26-01, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.

5. **Agenda Item: Recommendation for reservation of 2025 second round federal 4% and state Low-Income Housing Tax Credits (LIHTCs). (Health & Saf. Code, §§ 50199.10, 50199.14; Cal. Code Regs., tit. 4, § 10310.)**

Presented by: Carmen Doonan

Ms. Doonan reported that 50 projects are being recommended for an award of second round 4% federal and state tax credits. These projects have been reviewed and deemed to meet all state and federal regulations. This recommendation will result in approximately 7,200 units of housing.

Chairperson Ma called for public comments:

None.

MOTION: Ms. Cohen motioned to approve staff's recommendation, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.



California Tax Credit Allocation Committee

6. Agenda Item: Discussion and consideration of a request to amend existing CTCAC regulatory agreement restrictions to allow for eventual tenant homeownership. (26 USC § 42, subd. (i); Cal. Code Regs., tit. 4, §§ 10325(c)(6), 10326, subd. (j)(4), 10337, subd. (a).)

Presented by: Anthony Zeto

Mr. Zeto explained that the staff received a request to amend the existing 55-year CTCAC regulatory agreement for Sea Ranch Apartments (CA-93-138) to allow for conversion of existing residential units to for-sale home ownership units. These units are in need of substantial rehabilitation, and the approval would allow homeownership opportunities for the 31 renovated single-family homes for existing residents. No residents would be forced to relocate; each unit sold would be subject to a new regulatory agreement with a 55-year affordability covenant and resale restrictions such that the ownership of the unit would remain affordable for future generations. The project owner is here in person to answer questions.

Chairperson Ma said the Committee has not seen this model, but it is exciting. She invited the project owner to speak.

Jocelyn Lin, Chief Real Estate Development Officer at Burbank Housing, said she is happy to answer questions. Sea Ranch is a special property on the Sonoma coast, and Burbank Housing is the sole affordable housing provider in that community, so this project is very important to them.

Chairperson Ma asked how many single-family homes are in this development.

Ms. Lin said Burbank Housing owns 45 units at Sea Ranch, 31 of which are subject to a CTCAC regulatory agreement. Burbank Housing acquired 14 units in 1985 and subsequently constructed 31 additional units in 1994. The newer units were financed by low-income housing tax credits and are subject to a CTCAC regulatory agreement.

Chairperson Ma asked if the units are houses, condos, or town homes.

Ms. Lin said the units are single-family homes, some of which are attached, and others are detached. Each unit has its own lot because Sea Ranch, as a planned community, was contemplated for for-sale homeownership for all the units. Each unit has its own parcel.

Ms. Cohen said she visited Sea Ranch in high school. She asked how the sale of the units will work and if the units will be subject to a new affordability covenant.

Ms. Lin responded affirmatively. She said that as units are sold, they will be released from the CTCAC regulatory agreement. In its place, a new 55-year resale restriction agreement will be executed by Burbank Housing and the County of Sonoma, which will include affordability covenants. The units can only be resold to eligible homebuyers who meet the 80% AMI requirement.

Ms. Cohen asked if the current residents will have the option to purchase their homes and if the owner has started the engagement process already.

Ms. Lin said Burbank Housing started reaching out to the residents a couple of years ago about this opportunity. It is just an option, and the residents do not have to move out of their units. No one will be

CTCAC Committee Meeting

August 5, 2025



California Tax Credit Allocation Committee

forced to relocate. Burbank Housing is in receipt of a significant Cal Home disaster relief award that can be used through the homeownership program to provide downpayment assistance to homebuyers. This allows Burbank Housing to drive down the price of the homes because the homebuyers will receive up to \$200,000 per unit in downpayment assistance. On top of that, they will qualify for below-market rate first mortgages, which the homeownership team will help set up. The proceeds from the sale of the homes will pay down the construction loan that will be used for the renovations on the homes.

Ms. Cohen asked if this is a partnership with the County of Sonoma.

Ms. Lin said that since this community is in the County of Sonoma, there is an existing affordability covenant on all the properties in which Burbank Housing and the County are partners.

Ms. Cohen asked if this unique approach is being proposed because the units are in need of repair.

Ms. Lin said the units are in need of repair and Burbank Housing is looking for ways to fund those repairs. The development has the Cal Home award, but not every unit will end up being sold. This will become a hybrid community of homeowners and renters living side-by-side. Burbank Housing will continue to own and manage the units that are not for sale, so there will be a property manager continuing to live on site. They will have a strong presence there, so they will be able to continue to support the homeowners. There is warranty coverage on the homes along with a repair reserve, so homeowners will be able to tap into resources to help with repairs in the future.

Chairperson Ma asked if the homeowners would still go to Burbank Housing if they needed repairs. She also asked if there is an HOA.

Ms. Lin said that as an owner of the units, Burbank Housing is part of the Sea Ranch HOA. The Sea Ranch community is the HOA, and all the homes in Sea Ranch are under that HOA. Each of the homeowners will have to become a member of the HOA. The cost of the HOA fees has been factored into the monthly housing payments that they would have to make. They will receive a discount because the homes will be deed-restricted affordable units.

Ms. Cohen asked for confirmation that the deed restriction will last for 55 years.

Ms. Lin said that is correct, and Burbank Housing will be working that out with the County of Sonoma when the deed restrictions are issued.

Ms. Cohen asked what the plan would be in the 56th year.

Ms. Lin said the likely scenario is that most people will not stay in their home for 55 years. If the homeowners were to sell their homes in 10, 15, or 20 years, they would have to come back to Burbank Housing and the County of Sonoma, both of which would have the right of first offer to purchase the homes and resell them to eligible low-income homebuyers. Otherwise, they would have to find a homebuyer who met the qualifications. In any case, the home would have to be resold to another first-time, low-income homebuyer.

Ms. Cohen asked if that would ensure the integrity of the program is maintained and that low-income persons have housing opportunities in the County of Sonoma.



California Tax Credit Allocation Committee

Ms. Lin said that is correct.

Ms. Cohen asked Ms. Lin if she is asserting that the Committee should not be concerned that after 55 years, the units will turn into market rate units and be sold on the market. When she was on the San Francisco Board of Supervisors, there were redevelopment projects that turned into market rate units after 55 years. The units were originally low-income housing and then after the deed restriction was lifted, they were sold at full market rate, thus representing a loss of affordable housing for the City and County of San Francisco. There was no system in place for the City of San Francisco to buy them back. Ms. Cohen is concerned that this project may face that same fate.

Ms. Lin said that is what happens with all affordable housing programs with 55-year restrictions. There is a risk that the units could end up going into the regular market. Burbank Housing would be open to suggestions.

Ms. Cohen said the employees at Burbank Housing are the experts, and Ms. Cohen does not work in housing for a living. She asked Ms. Lin for her suggestions on how to maintain this stock of units as low-income housing forever.

Ms. Lin said this is an issue affecting HCD projects as well as tax credit projects. Homeowners will often sell or refinance. Burbank Housing would be happy to extend the affordability period in perpetuity if they could, but Ms. Lin cannot answer Ms. Cohen's question.

Ms. Cohen asked what would prevent Burbank Housing from extending the affordability period in perpetuity.

Ms. Lin said she does not know. Affordability covenants have always been for a term of 55 years.

Chairperson Ma asked Michelle Whitman, Executive Director at the County of Sonoma Community Redevelopment Commission and CTCAC County Representative, to comment.

Ms. Whitman said that in the spirit of transparency, she would like to disclose her role in this process. Her agency was involved in the process early on for the proposed conversion of the rental units to homeownership units in Sea Ranch. On April 15, 2025, their board of commissioners approved loan forgiveness for five of the units in the overall complex, recognizing the opportunity for affordable ownership in an area where homeownership is out of reach for many modest-income households. Because of her involvement, any comments Ms. Whitman might make will be reserved for the public comment period per counsel's instruction.

Mr. Velasquez said preservation funding has allowed some HCD projects to be extended for an additional 55 years. The preservation funding has expired, but it allowed HCD to preserve hundreds of homes. There are mechanisms that would allow for the extension of the affordability period.

Ms. Cohen asked how those mechanisms could be connected to this particular project.

Mr. Velasquez said there could be an opportunity when the deed restriction is approaching its expiration date.



California Tax Credit Allocation Committee

Ms. Cohen said the Committee members would not be here at that time.

Mr. Velasquez said it would be left to the next generation.

Ms. Cohen said that she does not know if passing it forward is a good answer or a solid strategy. That is the strategy that led to the loss of the units in San Francisco.

Ms. Wiant said that since that time, the Preservation Notice Law that HCD enforces has been drastically beefed up. Now, when a project has an expiring rent restriction, a bona fide preservation purchaser has a right of first refusal. The project owner used to be able to choose not to accept the right of first refusal, hold a property for five years, and then do as they wished with the property. Now, if they refuse to take the offer by the bona fide preservation purchaser, they have to add an additional 30 years. That bill passed last year.

Ms. Cohen said a property owner could pass the property to their children so that it would stay in their family.

Ms. Wiant said that is true, but the children would still have to be qualified according to their income. The Preservation Notice Law has been drastically enhanced. It would be triggered by the expiration of deed restrictions on these units. She asked Ms. Lin if the right of first refusal on these units would last beyond 55 years.

Ms. Lin said that the clock would restart for another 55 years if a new homeowner were to purchase the property.

Ms. Wiant asked if the right of first refusal would be in effect if a family kept a home for longer than 55 years and then chose to sell after that period.

Ms. Lin said she would have to look into that. Perhaps that could be built into the resale restriction agreement.

Ms. Wiant said that would be a way to preserve the right to enter ownership even after the resale restriction agreement period ceased.

Ms. Lin said Burbank Housing could look at putting that into the agreement so the right of first refusal would be triggered after 55 years.

Mr. Velasquez said that notwithstanding Ms. Cohen's concerns, the Committee should acknowledge that they do not talk much about homeownership at CTCAC. Some of the Committee members are also board members at CalHFA, where they do discuss homeownership. This is very innovative and is something that should be encouraged for other projects with expiring regulatory agreements. This project's circumstances are unique because it has Cal Home disaster relief funding, which in some ways is allowing this proposal to come forth.

Ms. Lin said that is correct; the Cal Home funding that comes from the net sales proceeds will be used to pay down the construction loans for the renovations.



California Tax Credit Allocation Committee

Mr. Velasquez said the Cal Home program should look into encouraging these types of eventual recommendations coming forth to CTCAC. He thanked Ms. Lin for bringing this innovative proposal to CTCAC. He would like to encourage more projects to do something similar.

Chairperson Ma called for public comments:

Cherene Sandidge said she is excited about the new products coming in. She worked for East Bay Asian Local Development Corporation (EBALDC) for almost 10 years, and they did a lot of housing there. To ease the pain of keeping properties in control, EBALDC would mandate that the property be sold to someone earning 80% AMI or less. Part of the deed restriction is about timing, and another part of it is about who can purchase the property. The \$200,000 downpayment assistance will bring the pricing down for the buyer to qualify for a mortgage. EBALDC never lost a unit.

Ms. Cohen said she is confused about the Committee's proposed action today. She wants to make sure the units remain affordable beyond 55 years. She believes Ms. Lin indicated that the contract could potentially be rewritten, but she is not sure if she heard that correctly. She supports the project but wants to see assurances built into the contract. Without that, she is hesitant to move a vote forward today.

Joe Boniwell, counsel for CTCAC, said the restrictions being discussed are not controlled by CTCAC.

Ms. Lin said the resale restrictions will be entered into by the homebuyer, Burbank Housing, and the County of Sonoma. Burbank Housing can provide a draft of the resale restriction. The right of first refusal after 55 years can be added into the agreement. The Committee could review the draft of the agreement to provide some comfort that at the end of the initial 55-years, Burbank Housing or the County of Sonoma would have the right to repurchase the property and sell it to another low-income homebuyer.

Ms. Cohen asked if Burbank Housing would bring a signed contract back to the Committee.

Joe Boniwell, counsel for CTCAC, said the action before the Committee could be for the staff to negotiate an amendment to the project's regulatory agreement to allow this framework to move forward. As part of that, if the Committee would like a specific provision in the future affordability restrictions as a contingency of that approval, they can add that to their request.

Ms. Cohen said she would like to add that contingency, and she hopes she has the support of her colleagues.

Mr. Boniwell clarified that what the Committee is asking for is a mechanism to ensure that any future buyer must be an eligible buyer, and that to the greatest extent possible, the property should stay available only to eligible low-income buyers.

Ms. Cohen asked for clarification that eligible buyers would be limited to 80% AMI.

Ms. Wiant said that is correct.

Ms. Cohen said that sounds great. She asked if Mr. Boniwell's summary could suffice as an amendment to the item.



California Tax Credit Allocation Committee

Mr. Boniwell said he would like to check in with Ms. Whitman since the County of Sonoma is a party to the contract. He asked if she has any concerns.

Ms. Whitman said she would benefit from the advice of the county's counsel, but the County of Sonoma shares the interest in maintaining the affordability and is open to whatever the mechanism looks like. However, she cannot draft that off the cuff without the advice of counsel.

Mr. Boniwell said the staff could also bring the final version of the contract to the Committee at a later date.

Ms. Cohen said she would appreciate that.

Chairperson Ma said there are models, such as CSU's Channel Islands campus. All the homes there can only be sold for a certain percentage over the homeowner's original sales price, and it must be approved by the university.

Ms. Cohen asked if that provision is written in the contract to keep the housing stock in that area for the designated population.

Chairperson Ma responded affirmatively.

Ms. Cohen said that is exactly what she is looking to do with this project.

Ms. Lin said that will happen any time someone wants to move out and offer a property for sale. She believes Ms. Cohen is referring to what would happen after 55 years if the original homeowner stayed in the home for that long.

Ms. Cohen said none of the people at the table would be around at that time, so some assurance would bring her a lot of comfort and clarity.

Mr. Boniwell asked if the Committee would like the contract to be brought back to them for review.

Ms. Cohen said she would like to see the contract.

Ms. Perrault asked if the Committee should take an amended action.

Mr. Boniwell asked the Committee to approve the request contingent on Committee review of the final contract because the staff needs some sort of allowance to start the negotiations.

MOTION: Ms. Perrault motioned to approve the request with the amendments discussed with counsel – the project owner is to incorporate additional considerations in the contract negotiation to ensure that the homes retain their low-income status for ownership past the 55-year deed restriction. The Committee will review the final contract. Ms. Cohen seconded the motion.

Chairperson Ma closed public comments.

The motion passed unanimously via roll call vote.



California Tax Credit Allocation Committee

7. *Agenda Item:* **Public Comment**

There were no public comments.

8. *Agenda Item:* **Adjournment**

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