Treasurer Fiona Ma Holds Public Hearing for Regulations Ensuring Tax Credits Go to Counties Struck by Disaster

SACRAMENTO – California State Treasurer Fiona Ma today chaired a public hearing of the California Tax Credit Allocation Committee (CTCAC) to hear comments on proposed regulations for a new $100 million federal tax credit program meant to finance affordable housing projects in the 13 counties devastated by wildfires in 2017 and 2018.

This $100 Million of 9 percent federal tax credits was awarded to California pursuant to legislation carried by Rep. Mike Thompson, D-Napa, and was approved by the federal government in December of 2019.

The proposed regulations make it clear that the funds are to be used by the 13 affected counties, which include Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, Ventura and Yuba. Several of these fires, including the Camp Fire, the Tubbs Fire, the Thomas Fire, and the Mendocino Complex, led to tragic loss of lives and devastating destruction of property.

"We are moving full speed ahead to approve and enact regulations that will help these counties get the financial support they need to build housing and continue recovering from these disasters," said Treasurer Ma.

In the interests of transparency, in addition to today's public hearing, these proposed regulations will have been circulated twice for two 21-day public comment periods to maximize feedback from interested communities and other stakeholders by the time they are finally adopted.

In addition to the hearing held today, members of the public are encouraged to submit written comments until May 18, 2020 at jblackwell@treasurer.ca.gov and azeto@treasurer.ca.gov.

Staff plans to present the final regulations for approval at the June 17 CTCAC hearing.

The regulations give each of the 13 counties the opportunity to seek credits in 2020 and in 2021, allowing them the maximum amount of time under the federal legislation to put projects together.

Here are other key provisions:

- The per project disaster credit limit was raised from $2.5 million to $5 million.
- These tax credits can be used for new construction or to rehabilitate an existing affordable housing project directly damaged by these fires.
- In acknowledgement of the loss of amenities in certain disaster ravaged areas, and to make it easier to use the credits, the regulations would exempt these disaster affected communities from the typical 9 percent tax credit rules, which reward projects located close to amenities such as shopping, libraries, and parks.

More information on the regulations can be found here: https://www.treasurer.ca.gov/ctcac/programreg/memo-and-proposed-changes-with-reasons20200424.pdf

Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than $2 trillion in transactions within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about $98 billion, more than $28.2 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of more than $98.1 billion.

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