



California State Treasurer Fiona Ma, CPA

News Release

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Contact: [Mark DeSio](#)
(916) 651-6088

New Year Brings New Hope for Tubbs Fire Victims

Phase I of a planned 532-unit apartment project approved for tax incentives

Sacramento – A new beginning is rising out of the ashes of the 2017 Tubbs Fire, which killed 22 people and destroyed more than 5,600 structures, many of them in Santa Rosa.

California State Treasurer Fiona Ma announced today that a 532-unit apartment project at the site of the former Journey's End mobile home park, which was severely damaged by the Tubbs Fire, has been approved for tax credits by a committee that she chairs.

The California Tax Credit Allocation Committee (CTCAC) allocated tax credits for the first phase of the "3575 Mendocino" project consisting of 94 affordable units. The project is named after its address in north Santa Rosa. It plans to add a mix of market-rate and affordable senior apartments to replace Journey's End.

"What better way to start the New Year than with the funding of new, affordable housing," said Treasurer Ma.

Rep. Mike Thompson, D-Napa, who chairs the House Select Revenue Measures Subcommittee, secured \$100 million of tax credits that can be used each year for 10 years by project developers to raise money for affordable housing projects in disaster areas, such as the 3575 Mendocino project. The total investment will be \$1 billion across the state.

"The 3575 Mendocino project that will build affordable housing units is a big win for our entire community. This will help address the affordable housing crisis in our region that was exacerbated by the recent fires and will be a critical stepping stone in our recovery process. I was proud to lead this effort on the Federal side and secure the \$100 million in Low Income Housing Tax Credit Funding that helped make this and other projects in our district possible," said Thompson. "Know that I will continue working with Treasurer Ma to ensure we secure every Federal and state dollar and resource to help our community continue to recover."

The apartment complex is being undertaken as a joint venture, with the affordable component headed up by Burbank Housing and another developer, Related California.

"As the largest affordable housing non-profit in the North Bay, and having worked collaboratively with all of the local governments in Sonoma and Napa county for almost 41 years we can testify to the importance that these credits will play in the recovery from the 2017 wildfires," said Larry Florin, Chief Executive Officer of Burbank Housing, a local nonprofit dedicated to building quality affordable housing in the North Bay.

The multi-phase project calls for 162 apartments for low-income senior tenants and 370 market-rate units. The 162 units that are to be reserved for low-income tenants will first be offered to former Journey's End residents who were displaced by the Tubbs fire, which forced the site's closure. The 370 market-rate units, a centrally located park, a community building and other amenities would round out the 13.3-acre site.

"Thanks to Rep. Thompson and Treasurer Ma for securing this critical funding to bring affordable housing to the North Bay Area," said Sen. Bill Dodd, D-Napa. "Our community has lost so many units to wildfires. Now, in these tough economic times, it is especially important that we advance this much-needed project."

"I think we can all agree, the October 2017 wildfires changed our lives forever. With 5,200 homes destroyed in Sonoma County, including 162 units at Journey's End, residents have gone through hell and back," Senator Mike McGuire said. "The Journey's End rebuild will be a shot in the arm for our affordable housing supply and our spirits. We all want these units rebuilt and residents housed. We're grateful for the leadership and outstanding partnership of Treasurer Ma and Congressman Thompson."

"This project is a fine example of collaboration between California's federal and state officials to help our communities impacted by wildfires," said Assemblymember Cecilia Aguiar-Curry (D-Winters). "I am especially thankful that Treasurer Ma and Congressman Thompson led this effort to ensure that much needed housing is built in the North Bay for our mutual constituents."

About Federal and State Tax Credits:

The California Tax Credit Allocation Committee administers the award of federal and state tax credits designed to support the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The federal tax credit program was enacted as part of the 1986 Tax Reform Act and has been modified numerous times. Since the mid-1990s,

the federal program has supported the construction or rehabilitation of about 110,000 affordable rental units each year, despite the steep drop off during the Great Recession, and over two million units in all since its inception.

The Tax Credit Allocation Committee, chaired by Treasurer Ma, awards the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service (essentially, made available to tenants), investors can claim the LIHTC over a 10-year period.

About Burbank Housing:

Burbank Housing is a local nonprofit dedicated to building quality affordable housing in the North Bay. Burbank Housing creates vibrant local communities that are carefully designed, professionally managed, and sustainable both financially and environmentally, to foster opportunities for people with limited-income of all ages, backgrounds and special needs.

About Related California:

Related California is a member of the Related Companies, a fully-integrated real estate firm with a 30-year track record delivering top-quality, mixed-income housing and mixed-use developments across California. The company has completed 16,000 residences and currently has more than 1,750 affordable and 4,000 market rate units in pre-development. Related has a track record of consistently developing communities that exceed industry benchmarks in design, construction, sustainability and property management. The company is backed by one of the most prominent privately owned real estate firms in the nation, with a portfolio of over \$60 billion in developments.

About Treasurer Ma: *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 \$103 billion, \$32.2 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of \$93 billion.*

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