



# California Tax Credit Allocation Committee

## Meeting Notice

**MEETING DATE:**

August 5, 2025

**TIME:**

1:30 p.m. or upon Adjournment of the California Debt Limit Allocation Committee Meeting

**LOCATION:**

901 P Street, Room 102, Sacramento, CA 95814

### Virtual Participation

Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.

[Click here to Join TEAMS Meeting \(full link below\)](#)

**Dial in by phone**

[916-573-6313](tel:916-573-6313)

[Find a local number](#)

Phone conference ID: 581 201 033#

Interested members of the public may use the dial-in number or TEAMS to listen to and/or comment on items before CTCAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The dial-in number and TEAMS information are provided as an option for public participation.

**Full TEAMS Link:** [https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_ZWNkMjU0ZGMtMGY3MS00ODBkLTg1OGMtMTBjNTIzZDVmZmY4%40thread.v2/0?context=%7b%22Tid%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eae7534e%22%2c%22Oid%22%3a%2266783265-9c43-4cfe-b77e-8155262d5bdf%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZWNkMjU0ZGMtMGY3MS00ODBkLTg1OGMtMTBjNTIzZDVmZmY4%40thread.v2/0?context=%7b%22Tid%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eae7534e%22%2c%22Oid%22%3a%2266783265-9c43-4cfe-b77e-8155262d5bdf%22%7d)



# California Tax Credit Allocation Committee

## Agenda

The California Tax Credit Allocation Committee (CTCAC) may take action on any item. Items may be taken out of order. There will be an opportunity for public comment at the end of each item, prior to any action.

1. **Call to Order and Roll Call**
2. **Approval of the Minutes of the June 18, 2025, Meeting**
3. **Executive Director's Report**  
*Presented by: Marina Wiant*
4. **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.)**  
[Proposed Emergency Rulemaking](#)  
*Presented by: Anthony Zeto*
5. **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.)**  
[4% Recommendation List](#)  
*Presented by: Carmen Doonan*
6. **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*  

|                       |                      |
|-----------------------|----------------------|
| <u>Project Number</u> | <u>Project Name</u>  |
| CA-1993-138           | Sea Ranch Apartments |
7. **Public Comment**
8. **Adjournment**



# California Tax Credit Allocation Committee

## Committee Members

### Voting Members:

- **Fiona Ma**, CPA, Chair, State Treasurer
- **Malia M. Cohen**, State Controller
- **Joe Stephenshaw**, Director of Finance
- **Gustavo Velasquez**, Director of California Department of Housing and Community Development (HCD)
- **Vacant**, Executive Director of California Housing Finance Agency (CalHFA)

### Advisory Members:

- **Michelle Whitman**, County Representative
- **Vacant**, City Representative

## Additional Information

**Executive Director:** Marina Wiant

### CTCAC Contact Information:

901 P Street, Suite 213A, Sacramento, CA 95814

Phone: (916) 654-6340

Fax: (916) 654-6033

This notice may also be found on the following Internet site:

[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

CTCAC complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CTCAC staff no later than five calendar days before the meeting at (916) 654-6340. From a California Relay (telephone) Service for the Deaf or Hearing Impaired TDD Device, please call (800) 735-2929 or from a voice phone, (800) 735-2922.

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**RESOLUTION NO. 25/26-01**  
**August 5, 2025**

**ADOPTION OF AN EMERGENCY RULEMAKING FOR AMENDMENTS TO THE EXISTING FEDERAL AND STATE LOW-INCOME HOUSING TAX CREDIT PROGRAMS REGULATIONS**

**WHEREAS**, the California Tax Credit Allocation Committee ("CTCAC") is responsible for administering the Federal and State Low Income Housing Tax Credit ("LIHTC") programs in California (Health & Saf. Code, § 50199.4 et seq.); and

**WHEREAS**, CTCAC is authorized to adopt, amend, and repeal emergency regulations for the allocation of low-income housing tax credits with the adoption of those emergency regulations conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning or purposes of Section 11346.1 of the Government Code (Health and Saf. Code, § 50199.17.); and

**WHEREAS**, recent changes in federal law and certain disaster assistance relief require immediate amendments to the CTCAC regulations to ensure an equitable allocation method consistent with the allocation of state volume cap and proper administration of the program (26 USC § 42, subd. (h)(4)(B); Gov. Code, § 8550 et seq.); and

**WHEREAS**, regulations take effect immediately upon adoption by CTCAC (Health & Saf. Code, § 50199.17.).

**NOW, THEREFORE, BE IT RESOLVED** by the California Tax Credit Allocation Committee all of the following:

**SECTION 1.** The emergency rulemaking for the amendments to existing California Code of Regulations, title 4, sections 10326, 10327, and 10336, as listed in Exhibit A, are adopted and take effect immediately upon its adoption.

**SECTION 2:** The adoption of this emergency rulemaking is conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning or purposes of Section 11346.1 of the Government Code (Health and Saf. Code, § 50199.17.).

**SECTION 3.** The Executive Director, or the Deputy Executive Director in the Executive Director's absence, is authorized to execute and deliver any documents and take any steps, including making any changes to the emergency rulemaking to secure approval by the Office of Administrative Law, the Executive Director, or the Deputy Executive Director in the Executive Director's absence, may deem necessary or advisable to effectuate the purposes of this resolution.

**SECTION 4:** This resolution shall take effect immediately upon its adoption.

Agenda Item No. 4  
August 5, 2025

Attest:

  
\_\_\_\_\_  
Chair

Date of Adoption: August 5, 2025



# EXHIBIT A

## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

MALIA M. COHEN  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

VACANT  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
MARINA WIANT

**DATE:** July 22, 2025

**TO:** Low-Income Housing Tax Credit Stakeholders

**FROM:** Marina Wiant, Executive Director

**RE:** Notice of Proposed Emergency Rulemaking, Public Comment Period, and Statement of Reasons

The California Tax Credit Allocation Committee (CTCAC) is considering emergency rulemaking to be adopted at the CTCAC meeting scheduled on August 5, 2025. Any emergency rules or regulations adopted by the Committee pursuant to Chapter 3.6 of the Health and Safety Code shall be conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning or purposes of Section 11346.1 of the Government Code. This memorandum includes the proposed emergency rulemaking, the statement of reasons explaining why the changes are necessary, and the proposed regulation amendments.

CTCAC is accepting written public comment on the proposed emergency rulemaking until Tuesday, July 29, 2025 at 5:00 p.m. Interested persons may submit public comment in writing by email, mail, or hand deliver. For email, please send public comment to Anthony Zeto, Deputy Director at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and please use the subject line "August 2025 Proposed Emergency Regulations." For mailed or hand delivered public comment, please mail or deliver to CTCAC at 901 P Street, Suite 213A, Sacramento, CA 95814. All public comments must be received by 5:00 p.m. on Tuesday, July 29, 2025. For comments submitted electronically, please submit them as a Microsoft Word document or an alternate electronic format that allows for copying. CTCAC staff encourages commenters to be clear, efficient, and to the point with their public comments. Please explicitly indicate your agreement or disagreement with the changes to ensure CTCAC accurately captures your position. CTCAC will only consider public comments relevant to the proposed emergency rulemaking.

## List of Proposed Emergency Regulation Changes with Statement of Reasons July 22, 2025

### 1. Section 10326(a). Tax-Exempt Bond Applications

Reason: Federal legislation was signed into law on July 4, 2025, lowering the minimum eligibility requirement for 4% federal tax credits from fifty percent (50%) to twenty-five percent (25%) thereby expanding the volume cap of tax-exempt bonds. Staff proposes to remove the reference to 50% and directly reference the federal requirement in Section 42(h)(4)(B) of the Internal Revenue Code (IRC). By directly referencing the federal language, future changes to this federal requirement will not require CTCAC regulation changes. The second proposed change within the same section adds a reference to subsection (g)(1)(B) relating to enhanced state tax credits as it was inadvertently omitted when (g)(1)(B) was added initially added to Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code.

#### Proposed emergency change:

- (a) General. All applications requesting Federal Tax Credits under the requirements of IRC Section 42(h)(4) ~~(B) for buildings and land, the aggregate basis (including land) of which is financed at least fifty percent (50%) by tax-exempt bonds,~~ shall be eligible to apply under this Section for a reservation and allocation of Federal Tax Credits. Those projects requesting State Tax Credits pursuant to subsection (g)(1)(A) and (g)(1)(B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code will also be subject to the applicable requirements of Section 10317. All applicants requesting Tax Credits for projects financed with tax-exempt bonds shall apply simultaneously to the CDLAC and CTCAC and shall use the CDLAC-CTCAC Joint Application. Applications will be eligible for a reservation of tax credits only if receiving a bond allocation pursuant to a joint application.

### 2. New Section 10326(b)(3). Tax-Exempt Bond Applications, State Tax Credits

Reason: Federal legislation was signed into law on July 4, 2025, lowering the minimum eligibility requirement for 4% federal tax credits from fifty percent (50%) to twenty-five percent (25%) thereby expanding the volume cap of tax-exempt bonds and resulting in a significant increase in project awards with the same amount of resources. To more equitably distribute the enhanced State Tax Credits through the New Construction Pools and Set Asides, staff proposes to establish a limit in the New Construction Pools and Set Asides for enhanced State Tax Credits. The proposed percentages are based on the approximate percentage of enhanced State Tax Credit awarded in the New Construction Pools and Set Asides listed below in the last few years. This will ensure the distribution of enhanced State Tax Credits through the New Construction Pools and Set Asides is in line with the average amounts awarded in prior years.

#### Proposed emergency change:

(3) In the last round of 2025, subject to the requirements of paragraph (1) and excluding the \$25,000,000 in State Tax Credits available to Farmworker Housing, State Tax Credits allocated under Section 10317(j) shall not exceed the percentages of the total State Tax Credit amount available in the funding round for the following New Construction Pools and Set Asides.

|   |            |
|---|------------|
| <u>Black, Indigenous, or Other People of Color (BIPOC) Project Pool</u> | <u>15%</u> |
| <u>Rural Project Pool</u>   | <u>15%</u> |
| <u>New Construction Pool, Homeless Projects Set Aside</u>               | <u>25%</u> |
| <u>New Construction Pool, ELI/VLI Project Set Aside</u>                 | <u>15%</u> |

### **3. New Section 10327(c)(2)(B)(iv). Developer Fee**

Reason: Federal legislation was signed into law on July 4, 2025, lowering the minimum eligibility requirement for 4% federal tax credits from fifty percent (50%) to twenty-five percent (25%) thereby expanding the volume cap of tax-exempt bonds. To more efficiently utilize the tax-exempt bonds, staff proposes to allow applicants previously awarded 4% credits in round 1 or round 2 of 2025 to elect to reduce their bond allocation in exchange for an increase to the developer fee beyond the maximum allowed, up to \$500,000, to offset increased lending costs associated with the revised bond allocation all subject to the satisfaction of the Executive Director. This will maximize the use of tax-exempt bonds as the returned tax-exempt bonds will be available in round 3 to award more projects and increase the number of housing units in the state.

#### **Proposed emergency change:**

(iv) Applicants awarded 4% credits in round 1 or round 2 of 2025 may elect to reduce their tax-exempt bond allocation amount consistent with CDLAC Resolution No. [TBD]. Applicants making this election may request a waiver to exceed the maximum developer fee by no more than five hundred thousand dollars (\$500,000) to account for increased lending costs associated with the reduced bond allocation. Waiver requests must be received in writing by 5:00 p.m. on August 31, 2025, include all information and documentation required by the Executive Director, and demonstrate to the Executive Director's satisfaction specifically how the additional developer fee being requested mitigates the increased lending costs directly related to the revised bond allocation.

### **4. New Section 10336(b)(2)(B)(iii). Waiting Lists**

Reason: On January 7, 2025, Governor Newsom proclaimed a State of Emergency to exist in Los Angeles and Ventura Counties due to fire and windstorm conditions that caused multiple fires. On March 7, 2025, Governor Newsom issued Executive Order N-23-25 and, in part, suspended certain tenant selection procedures authorized by state law for the purpose of giving waitlist priority to displaced households who are experiencing homelessness in Los Angeles County due to the proclaimed emergency. To ensure all households impacted by the proclaimed emergency and EO N-23-25 can benefit from the waitlist priority CTCAC is issuing this emergency rulemaking to clarify that owners and property managers must comply with any federal, state, or local



requirement to provide waitlist priority to Low-Income Unit eligible households displaced and experiencing homelessness due to a federally or state declared disaster.

**Proposed emergency change:**

(iii) Waiting Lists. Owners and property managers shall comply with any federal, state, or local laws, rules, or policies that require a tenant waitlist priority for households displaced and experiencing homelessness due to a Presidentially declared disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5121 et seq.) or State of Emergency declared by the Governor of California in accordance with the State Constitution and the California Emergency Services Act (Gov. Code, § 8550 et seq.)