



California Tax Credit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

May 15, 2024

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 1:30 p.m. with the following Committee members present:

Voting Members: Fiona Ma, CPA, California State Treasurer, Chairperson
 Evan Johnson for California State Controller Malia M. Cohen
 Michele Perrault for Department of Finance (DOF) Director Joe
 Stephenshaw
 Anthony Sertich for Department of Housing and Community
 Development (HCD) Director Gustavo Velasquez
 Kate Ferguson for Tiena Johnson Hall, Executive Director for the
 California Housing Finance Agency (CalHFA)

Advisory Members: County Representative – VACANT
 City Representative Brian Tabatabai – ABSENT

2. *Agenda Item: Approval of the Minutes of the April 3, 2024, Meeting – (Action Item)*

Chairperson Ma called for public comments:
None.

MOTION: Mr. Sertich motioned to approve the minutes of the April 3, 2024, meeting, and Ms. Ferguson 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 CTCAC has eight new staff members. Michelle Flock, Dianne Myers, Peter Ha, Jewelry Vang, and Rachel Cunningham recently joined the Development team. Gabriel Bursk, Nina Chambers, and Maliah Alexander joined the Compliance team. Additionally, Ted Johnson was promoted from Program Analyst to Program Manager in the Compliance Section.

Last month, Ms. Wiant attended the groundbreaking of Terracina Apartments, a large family project in a high resource area in Roseville. She also attended the grand opening of Solaire Apartments, which will provide much needed permanent supportive housing (PSH) near high quality transit in San Jose, and the topping out ceremony for the completion of another phase of the HOPE SF community development initiative of Sunnydale in San Francisco. Ms. Wiant has been trying not to accept all the invitations in light of the budget strains on the state, but it was a pleasure to attend these three events and

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see what has come to fruition from all the hard work done by the Committee, staff, and all the financing partners.

Chairperson Ma agreed that it is important to attend these events.

Chairperson Ma called for public comments:
None.

- 4. Agenda Item: Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2024 First Round Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) – See Exhibit A for project list – (Action Item)**
Presented by: Anthony Zeto

Mr. Zeto said one appeal is being presented to the Committee for 3300 Mission Street (CA-24-003), located in San Francisco County. If the project is successful in its appeal, it will be recommended for reservation of tax credits.

Chairperson Ma invited representatives of the project to speak.

Gina Dacus, Executive Director of Bernal Heights Housing Corporation, explained that this project is seeking to bring back to life a building that burned down more than eight years ago in the heart of Bernal Heights. If this appeal is approved, the project will provide 35 affordable studio units in the 46-year-old neighborhood. The project is important to the development team, which has a history of providing housing and services, organizing, and bringing local businesses together in this community. Additionally, this site is the first from the notice of funding availability (NOFA) that is ready to go, with qualified partners who have the skills to bring efficiency to the project. Further delay would potentially impact the budget.

Andre White from Mitchelville Real Estate explained that the project is fully financed by the San Francisco Mayor's Office of Housing and Community Development (MOHCD) for construction and permanent financing. There was a four-month delay caused by the project having to resubmit an application due to a minor difference in interpretation. The project is fully capitalized, but that could be lost if interest rates and construction prices increase. The project is appealing today because of the 40% average targeted income threshold for SRO units. The Project Staff Report indicates that the average targeted income is 41.9%, but based on the actual AMI levels, the average is 39.4%. The CTCAC application does not provide the ability to target AMI in less than 5% increments, which pushes the average AMI above 40%. This is an MOHCD project with a lot of units that are under 30%. Since the project is only 35 units, there is no room in the workbook to make adjustments. The project is requesting to use the actual AMI calculations per MOHCD guidelines.

Todd Clayter from Tabernacle Community Development Corporation said his organization has been part of the development team working to advance this project. The project is located on an infill location that has been an eyesore due to its dilapidated state resulting from the fire. The tax credit allocation is key to financing the project, and the AMI threshold issue is the basis of the appeal. The 5% increments on the CTCAC application do not allow the project to specify the exact AMI average.

Ms. Ferguson asked Mr. Zeto to explain the AMI requirements.



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Mr. Zeto explained that the SRO housing type requires projects to have an average targeted income of 40% AMI. Typically, projects will target a certain number of units to different AMI levels, such as 30% or 50%.

Ms. Ferguson asked if the average has to be exactly 40%.

Mr. Zeto said the average has to be 40% or below. Staff's main issue is that the AMI levels changed during the appeal process and are different now than what was presented in the application.

Ms. Wiant said that the application listed 13 units at 50.7% AMI, 10 units at 46.5% AMI, and 11 units at 23.2% AMI. The average was 40.6% AMI. The numbers stayed the same during the first appeal, but the 50.7% AMI units were changed to 47.5% AMI at the time of the second appeal, which led to an average of 39.4% AMI. That is the more material issue, but staff also raised the issue that units are targeted in 5% increments. That is less explicit in the regulations as a requirement, so the appeal could be granted based on that issue. The bigger concern for staff was the change in actual AMI from 50.7% to 47.5% between the application and the second appeal. If there is something from the city showing that those numbers were previously agreed upon, that would be helpful. It is tough because these are small numbers, but it is a slippery slope when changes are made after the application.

Ms. Ferguson asked if the changes were required by the city.

Chairperson Ma said no; the application was denied due to the AMI as initially submitted. The applicant revised the numbers after the application was submitted.

Mr. Zeto clarified that the applicant lowered the AMI for some units from 50.7% to 47.5% after the application to reduce the average AMI for the project.

Ms. Wiant said she is referring to the actual AMI and not the targeted AMI, which overall had much higher percentages, in light of the argument for accommodation.

Chairperson Ma asked who filled out the application.

Mr. White said the developers filled it out as a team.

Chairperson Ma asked what changed.

Mr. White explained that some things were put in the wrong category because the team did not fully understand the workbook. If they had the ability to select the actual AMI levels that were agreed upon, they would not be in this position.

Mr. Zeto said the application itself performs that calculation on the rent page, and applicants can see it when they are entering the rents. Both the targeted and actual AMI as submitted on the application were over 40%. The problem is that the AMI was changed during the appeal process.

Ms. Ferguson asked for confirmation that the project applied with one set of numbers and then appealed with different numbers.

Mr. Zeto confirmed that is correct.

Ms. Perrault asked if it is typical for applicants to provide additional information at the time of an appeal.



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Mr. Zeto said the regulations allow applicants to submit clarifying information to what is submitted in the application or conditions that existed as of the application deadline under specific conditions, but there are only a couple of sections in the regulations that allow changes after the application deadline. This is not one of those sections.

Ms. Perrault asked if this situation is outside of the norm.

Mr. Zeto responded affirmatively. The applicant did not actually submit new information; the information in the application was changed.

Mr. Johnson said the letter the applicant submitted to CTCAC references a clerical error and states that the rent data provided in the letter represents the agreement with MOHCD. He asked the applicant to explain further about the clerical error. He also asked staff if this would qualify as an existing condition from MOHCD at the time of application.

Ms. Wiant explained that if there is a third party involved that can certify that a condition existed prior to the application, CTCAC staff will generally accept that. It would be helpful for the Committee if someone from MOHCD could confirm today that the applicant committed to the city to have the 13 units at 47.5% AMI prior to the CTCAC application, even though the application stated that those units would be at 50.7% AMI.

Mr. White said a letter from MOHCD was previously submitted to CTCAC.

Ms. Dacus said the applicant did not receive anything in writing from MOHCD, but perhaps William Wilcox from MOHCD can speak today.

Mr. Wilcox, Bond Program Manager at MOHCD, explained that he is the project manager for this transaction. This project was competitively selected for MOHCD's NOFA. MOHCD has committed about \$15 million in soft debt and has already helped purchase the land for the project. The project was part of the competitive NOFA that went to five different sites last year. This is the fastest moving site, and the project will rehabilitate the dilapidated building on Mission Street in Bernal Heights. The neighborhood has seen limited affordable housing development in recent years. As part of the underwriting and allocation of funding for the NOFA, both for the CTCAC commitment and the site acquisition loan, MOHCD required that the project meet CTCAC's regulations in order to apply for the 9% tax credit program. MOHCD did not set up specific AMI levels for CTCAC; MOHCD knew that the AMI levels would have to be changed to meet the CTCAC regulations. There are existing regulations on the ground since the site has been purchased, which have some limits that do not exactly match what has been presented to CTCAC. MOHCD's understanding was that the project would need to apply and meet the CTCAC requirements. As a condition of the financing from MOHCD, it was a requirement that the project also receive the 9% tax credit award. Additionally, San Francisco, like the City of Los Angeles, has a first tiebreaker advantage for the 9% tax credit program, wherein MOHCD provides a letter of support.

Mr. Wilcox speculated that if the tax credits are not awarded at this meeting, they will be awarded at the next meeting. MOHCD is committed to this project and will continue to support it, and the land has already been purchased. The Committee would be favoring perfect paperwork over good projects if this appeal were denied, which he would understand based on his experience working on these applications. However, since the application will just be resubmitted anyway if it is not approved today, Mr. Wilcox hopes it can move forward now. The project is valuable, and costs will increase if it has to be resubmitted.



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MOHCD approved the project with the requirement and understanding that the AMI levels would be changed to meet the 9% tax credit program requirements.

Chairperson Ma called for public comments:

William Leach from Kingdom Development asked if it is possible for a project with over 40% targeted AMI to lose the ten points for the housing type and still meet the minimum points required to receive an allocation. He does not understand why a disqualification was the result of the AMI being above 40%.

Mr. Zeto responded that the housing type requirements apply to the ten points for housing needs and are also an additional threshold requirement. All 9% tax credit projects must meet the requirements for one of the housing types to be eligible to receive tax credits. The 40% AMI requirement is both a ten-point item and an additional threshold item. Essentially, if an application does not receive the ten points, it is ineligible.

Mr. Leach said he was unaware that if an applicant did not pick a housing type or did not qualify for a housing type, the application would not qualify. For example, if a project does not meet the At-Risk housing type qualifications, it cannot compete in the At-Risk set aside, and the set aside itself specifies that the project must meet that housing type. However, if a project is applying for a geographic award, Mr. Leach questions whether it is absolutely necessary to select a housing type. While he understands that meeting these additional threshold requirements awards ten points in the 9% scoring and provides a benefit, he is unaware of the regulation that makes this mandatory. He asked Mr. Zeto to double check.

Mr. White said that even if the project did not receive the ten points, it would still meet the minimum points requirement.

Mr. Zeto said the disqualification is the only issue. The points are not an issue because there are no other competitors, and the project meets the minimum points requirement.

Ms. Ferguson said she is conflicted because she understands both the need to abide by the regulations and the competitive nature of the 9% tax credit program. However, it sounds like there was a technical assistance need that probably was not met. The applicants said this is their first deal as emerging developers, and the Committee has tried to encourage emerging developers to apply.

Ms. Perrault said she understands Ms. Ferguson's concerns as well as the significance of the project, and she appreciates the input from MOHCD. However, she is concerned that by approving the appeal, the Committee might be opening the door for more appeals down the road. She asked staff if there were any penalties that would stop the project from reapplying with the revised AMI levels if the appeal were denied today.

Ms. Wiant said the project could apply in Round 2.

Mr. Zeto said Section 10325(g) of the CTCAC regulations states: "To qualify for Tax Credits as a Housing Type as described in Section 10315(h), to receive points as a housing type, or to be considered a "complete" application, the application shall meet the following additional threshold requirements."

Mr. White asked if applicants have to pick a housing type.

Mr. Zeto said a housing type is required for the 9% tax credit program.



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Mr. Johnson said the Committee has generally tried to be strict about setting precedent, and that is important here. It sounds like the applicants and Mr. Wilcox have argued that the revised AMI levels were intended to be submitted, and it is meaningful that they have provided a letter stating this. Mr. Wilcox said that was the agreement, and MOHCD would not have gone forward with the project if it did not meet CTCAC's AMI requirements. This seems to indicate that there was a clerical error on the application that is being corrected, rather than numbers being changed to make the application work. This does not seem to be setting a precedent. Rather, it allows flexibility for the applicant to learn the process as they go.

Ms. Ferguson said this would set a precedent because the program is oversubscribed and there are probably a lot of applicants who make mistakes on their applications. CalHFA receives a lot of applications with mistakes that are disqualifying. Ms. Ferguson is conflicted because this would set a precedent for applicants to be able to modify their application after the fact. She understands what the applicants are saying about trying to work with both MOHCD and CTCAC's requirements as an emerging developer. The regulations and application process in this industry are not easy, but as Ms. Perrault stated, this would set a precedent. The ability for applicants to come back after the fact and ask to change their application due to a mistake is a sticking point. It would be difficult if the Committee were to set that precedent.

Mr. Johnson said his argument rests on the merits of the application process and trying to adhere strictly to that process, while also allowing as much room for grace as possible. He is thinking about the benefits of the project within the confines of the regulations. The Committee should be as flexible as possible, without setting precedent, to ensure this project moves ahead. Additionally, staff has indicated that this project is likely to apply again in the next round, which will cost time and money and is inefficient. There is such a great need for housing in this area, so it is difficult for Mr. Johnson not to want to offer space for the project to move forward within the confines of the regulations. He understands where Ms. Ferguson is coming from and does not want to set a precedent with this decision, but his view is a little different. There seems to have been tacit agreement on the numbers when the application was submitted, but the numbers were not accurately reflected.

Ms. Perrault said she does not disagree with the merits of the project, but the Committee sees a lot of projects that have merit. She asked staff to address their ability to provide support to projects before applications are submitted. Insight into this process might help the Committee make a distinction between clerical errors and numbers changing after the fact. She agrees with Ms. Ferguson about the precedent the Committee is setting with this decision if the appeal is granted based on changes to the application.

Mr. Zeto said staff receives a number of questions and waiver requests leading up to the application deadline, particularly within the two weeks prior to the deadline. Contact information for the Development Section staff is available on the CTCAC website, and each region has a designated staff member. Applicants are asked to use that staff member as their first point of contact. Staff tries to be available to answer questions because things move around quickly, and applicants must have other documents squared away before they can submit their CTCAC application.

Ms. Perrault said she appreciates the availability of staff for assistance because the Committee is trying to encourage emerging developers to get involved and take advantage of these programs. She was looking for assurance that resources are available to assist applicants prior to the application process, and it sounds like those resources are available.

Mr. Johnson asked if most applicants have a consultant assist with the application process.



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Mr. Zeto said he estimates that at least 50% of applicants use a consultant. There are also other developers who have been doing tax credit applications for years, so they do not require a consultant.

Chairperson Ma asked if this is the applicants' first application.

Ms. Dacus said this is the group's first application. Additionally, there was only a two-week window to submit this application, unlike the six- or eight-month timeline they have had in the past for resyndications. This was a rapid-fire application process, and they drove the application to the CTCAC office to deliver it in person. Additionally, they tried to work with a number of resources to review the application prior to the deadline. Ms. Dacus does not take lightly that this is a complicated process. Originally, the team planned to submit this application under the BIPOC pool, but then the application was selected under the 9% tax credit program, which has a much more complicated process. The project was not supposed to begin construction until June, so the work has increased, and the project has become more complicated. The applicants' partnership and alignment with MOHCD was needed to get this done. Mr. White has experience doing these projects, and the team will add another layer of due diligence around the process going forward in terms of peer review. However, many of the resources that would have been available to the applicants were not available because of the team that was put together. The applicants did not take this submission process lightly, and it was much more challenging than the 4% tax credit application would have been. However, the 9% tax credit award would guarantee this deal, so the applicants were willing to do whatever was necessary to receive an award.

Chairperson Ma asked Ms. Wiant if Mr. Wilcox's statements today are sufficient in lieu of a written statement from MOHCD.

Ms. Dacus said she is in possession of a letter from MOHCD.

Ms. Wiant said staff's question was whether MOHCD could certify that the project committed to 13 units at 47.5% AMI prior to the application. The Committee will need to decide whether Mr. Wilcox's statements today are sufficient.

Ms. Ferguson said the compelling argument for approving this appeal is that the project will apply in the next round again anyway, and the project has support from the city, so the Committee would only be increasing the cost of the project by denying the appeal based on a technicality and postponing the project by another six or eight months. Especially considering that the city has spoken on behalf of the project, this is a compelling reason to approve the appeal.

Ms. Wiant encouraged the city to submit more than one project in any given round, so that allocation is not wasted.

Chairperson Ma said if there are not enough applications in a round, the Committee will shift things.

Ms. Wiant said any excess allocation would roll over to the next round.

Chairperson Ma said if there is not an oversubscription, the Committee may change the allocation percentages next year.

Ms. Wiant said she would like to see more than one project at a time when there is enough allocation to fund more than one at a time.



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Mr. Wilcox said MOHCD had over \$5 million in allocation returned in a lump sum after a developer that was not supported by MOHCD had projects that did not go through after the developer submitted false and forged planning department documentation. MOHCD received the returned \$5 million suddenly last year and has worked to put projects in the pipeline. They have struggled due to rising costs, and the \$2.5 million limit has limited their ability to put projects forward. \$25 million is not the number of credits MOHCD uses in its normal deals; most of the projects submitted are much bigger due to the economy of scale for infill development. However, MOHCD has a number of projects being submitted in the next round and hopes to use these credits during this round. They have been focused on spending down the credits, but the large influx after the return from those other projects is the reason there has been extra allocation. MOHCD is used to receiving only about \$1.2 million per round in annual allocation, which is about one project per year, but suddenly two more came in. That is the underlying issue.

Chairperson Ma closed public comments.

Mr. Johnson said he agrees with Ms. Ferguson that the Committee should not be setting precedent on this issue, but he considers this situation to be within the bounds of the regulations.

MOTION: Mr. Johnson motioned to grant the appeal, and Ms. Ferguson seconded the motion.

The motion passed unanimously via roll call vote.

5. **Agenda Item: Recommendation for Reservation of 2024 First Round Federal 9% and State LIHTCs – (Action Item)**
Presented by: Carmen Doonan

Ms. Doonan reported that 27 projects are recommended for reservation of 9% federal tax credits.

Chairperson Ma called for public comments:

William Leach from Kingdom Development said that on page 78 of the E-Binder, under the awards list for the rural set aside, projects nine and ten have tiebreakers of approximately 55% and 50% respectively. Unfortunately, these are not the highest tiebreakers that were available to award. There are three other projects in the rural set aside with tiebreakers that exceed the two that were recommended. Additionally, two other projects recommended for award in the rural set aside have a housing type of Large Family High Resource. The high resource area goal is to increase housing choice for families; the 9% tax credit program, the CDLAC award process, and HCD's Super NOFA all attempt to give a competitive advantage to projects in high resource areas due to the good outcomes produced for the families. However, in the rural set aside, the regulations do not give staff a lot of opportunity to look flexibly at the applicants. Therefore, once a few projects have been funded with the high resource area status, all projects with that status afterwards are getting disqualified or permanently skipped.

Mr. Leach said the high resource area benefit within the rural set aside has the ability to give a project ten percentage points. A project might have a score of 85, but had it not received the ten percentage points, it would have received a score of 75. However, 75 is still higher than 55, and it would make general sense for CTCAC, CDLAC, and the Super NOFA's points and analysis to stop giving an advantage to such projects after a certain number have been funded, but not completely disregard them. Unfortunately, the regulations do not give staff an explicit charge to view high resource projects both with and without the bonus points. Instead, the regulations view a project as eligible for the bonus points, but if it does not win



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an award as one of the top one or two high resource projects, there is no opportunity for that project to be considered, even if it would have the highest score without the high resource benefit.

Mr. Leach said Kingdom Development is assisting an emerging developer in Paradise who received a \$10 million Community Development Block Grant Program (CDBG) disaster recovery award. The project has a wonderful tiebreaker and happens to be in a high resource area, which usually is considered an excellent fact pattern. The project has a lot of support from the state, but it is not being considered at all because it received the high resource area points, even though it does not need those points to be the highest scoring project. Mr. Leach asked the Committee to consider this circumstance. He understands if it cannot be addressed this round, but this could happen again in the second round, and he would like the Committee to give staff a recommendation if they think it is poor public policy for higher scoring projects, whether in high resource areas or not, to be skipped in favor of projects with less exciting fact patterns.

Chairperson Ma asked Ms. Wiant to address the issue described by Mr. Leach.

Ms. Wiant said this is the first time this has come up since this regulation was adopted in 2017. Staff looked at it and generally agrees with Mr. Leach that the outcome is not desirable, especially considering the Committee's goals in terms of supporting projects in high resource areas. However, staff looked at the regulations package from 2017, and the original proposal was that the housing type goal, which limits the amount of allocation that can go to a housing type, be focused on capping the amount of large family projects in low resource areas. The stakeholders and the Committee did not end up supporting that regulation, and purposefully changed it to put a hard cap on projects in high resource areas. Since then, the thinking has changed, and the community has become more comfortable with prioritizing projects in high resource areas. The CDLAC tiebreaker subsequently created a soft cap, and there is probably a need to revisit the 9% tax credit regulations to have a similar soft cap. It is clear that the regulations were designed to have this outcome, although staff does not support it.

Chairperson Ma asked for confirmation that this has not been brought up since 2017.

Ms. Wiant responded affirmatively.

Chairperson Ma asked if staff would propose a change to the regulations.

Ms. Wiant said staff would probably propose modeling the regulations on the soft cap in the CDLAC regulations, wherein the tiebreaker benefit would drop off at a certain point. That is what Mr. Leach is suggesting. However, with the way the regulations and statement of reasons read from 2017, Ms. Wiant does not believe CTCAC can decide to do that now.

Chairperson Ma said there seems to be consensus regarding Mr. Leach's comments, but the regulations exist as written, and until they are changed, CTCAC has to abide by them.

Zen Sawyer from Zen Development Consultants said he is the emerging developer mentioned by Mr. Leach. He specifically targeted the site for his project and found it exciting because it is in a high resource area. The project was quickly competitive in getting project-based vouchers and a significant amount of subsidy from the state, which was supported by the high resource designation. It was disappointing to see this project not get awarded in favor of other projects with lower tiebreakers because of the regulations. He expressed support for Mr. Leach's recommendations.

Chairperson Ma closed public comments.



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MOTION: Ms. Perrault motioned to approve staff’s recommendation, and Mr. Sertich seconded the motion.

The motion passed unanimously via roll call vote.

6. *Agenda Item: Public Comment*

Jenna Abbott, Executive Director of the California Council for Affordable Housing (CCAH), said she is new in her position and looks forward to working with the Committee.

Harvey McKeon from the Nor Cal Carpenters Union (NCCU) said that as a labor organization and individually as taxpayers, his organization is interested in the protection of workers as well as fair competition within the CTCAC system. Recently, NCCU has uncovered at least one case in which an applicant certified to CTCAC that it was required to pay prevailing wages in order to boost a project’s threshold basis limit. The applicant then turned around and argued to the state that prevailing wage obligations did not apply. Caleb Roope, the manager and general partner of the applicant entity, declared under penalty of perjury to CTCAC that HCD funds received for a \$35 million project with 63 units called Ocean Street Apartments triggered a legal prevailing wage requirement. In making this claim, Mr. Roope benefitted his business’s CTCAC allocation with a \$4.2 million prevailing wage threshold basis limit adjustment. However, Mr. Roope’s company subsequently registered only the podium portion of the project with the California Department of Industrial Relations (DIR), which cost only \$2.9 million. The threshold basis limit adjustment applied to this claimed public works project cost would have been around \$600,000, not \$4.2 million. Mr. Roope’s general contractor entity, Pacific West Builders, subsequently advertised that only the concrete and waterproofing scopes to the project were subject to state prevailing wage requirements. When challenged by the DIR on prevailing wage compliance, Pacific West Builders changed its position again. This time, through lawyers, Pacific West Builders argued that the entire project was exempt from California prevailing wage law. This clearly contradicts representation that Mr. Roope signed off on in the CTCAC application.

Mr. McKeon said the DIR rejected all of Pacific West Builders’ arguments and held that the parking podium and the multifamily development were a single, integrated project, which amounted to a public work subject to state prevailing wage law. Santa Cruz Pacific Associates, Pacific West Communities, and Pacific West Builders failed to ensure the payment of prevailing wages to all construction workers on the project, despite both a legal obligation to do so and the claim in the CTCAC application. CTCAC must respond to the information NCCU is providing in the interest of protecting not only workers but also fair competition within the tax credit allocation process. NCCU has made specific recommendations and provided more details in a complaint letter, but to summarize, avoiding the wages due to workers hurts them, their families, and also taxpayers, to whom this Committee is answerable.

Mr. McKeon said that each year, construction worker families in California are disproportionately reliant on public safety net programs at an annual cost to the state of around \$4 billion and rising. This is a direct result of employers failing to compensate their workers appropriately for their valuable skills. In Mr. Roope’s case, he has characterized California as a state where “laws are ignored and businesses can’t count on the government to keep its word.” In the case of this coverage determination, it would seem that the opposite has proven to be true. Pacific West Communities did not keep their word and flouted California’s prevailing wage laws. NCCU expects, contrary to what Mr. Roope thinks of California’s state institutions, that CTCAC will ensure applicants comply with the law and take action to remedy the harm caused to competition and workers by the actions Mr. McKeon has described today.

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Dora Waters said she and her team member Douglas Waters are emerging developers in the process of potentially developing either a 100% affordable housing project with 250 units in the City of Redlands or a 170-unit workforce housing project at the same location. They will be submitting a tax credit application in the future.

Chairperson Ma said the CTCAC staff is available to provide assistance.

7. *Agenda Item:* **Adjournment**

The meeting was adjourned at 2:31 p.m.