California Tax Credit Allocation Committee

915 Capitol Mall, Board Room 121
Sacramento, CA 95814

August 18, 2026

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 1:58 p.m. with the following Committee members present:

Voting Members:
Fiona Ma, CPA, State Treasurer, Chairperson
Evan Johnson for 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
Tony Sertich, California Housing Finance Agency (CalHFA) Executive Director

Advisory Members:
Michelle Whitman, County Representative
Tyller Williamson, City Representative

2. *Agenda Item:* **Approval of the Minutes of the June 22, 2026, Meeting**

Chairperson Ma called for public comments:
None.

MOTION: Ms. Perrault motioned to approve the minutes of the June 22, 2026, meeting, and Mr. Velasquez 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 a revised 2026 meeting schedule. The Round 2 4% tax credit awards have been rescheduled from today's meeting to September 1, 2026. Ms. Wiant thanked the Committee and stakeholders for their flexibility.

Ms. Wiant announced that two new staff members have joined CTCAC. James Hurst has joined the Compliance Division, and Max Zepf has joined Development but will be acting in an overarching policy position, assisting both divisions within CTCAC.

Chairperson Ma called for public comments:
None.

4. *Agenda Item:* **Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 for a reservation of 2026 first round federal 9% Low-Income Housing Tax Credits (LIHTCs).**
   Presented by: Anthony Zeto

Anthony Zeto, Deputy Director, said an appeal was submitted to CTCAC after the June 22, 2026, meeting by Watts Dream Homes (CA-26-048) for the final award in the At-Risk set aside. The project requested five points in the service amenities point category. The project is unique in that it is made up of 37 scattered site homes, so it does not have any physical space to hold these services. The applicant initially proposed using offsite services, which are required to be within half a mile of the site. Given that there are 37 sites, the project does not meet the distance requirement for all the sites. The application indicated that there would be 60 hours of instructor-led education, health and wellness, and skill-building classes. The staff has cut those points, and the project has appealed to the Committee. The developer proposed three alternatives, all of which would require a change to the application. Given the competitive nature of the round, the staff could not approve any of those options.

Chairperson Ma invited a representative of Watts Dream Homes to speak on behalf of the project.

Naima Greffon said she represents Watts Dream Homes and Watts Labor Community Action Committee (WLCAC), the owner and developer of the project. She said the project is unique as it has been funded and developed with HUD Section 8 financing and financing through CalHFA. The project has 37 homes, most of which are clustered. There are only a few that are outside the half mile distance. Ms. Greffon's organization is one of the largest social service providers and has many satellite homes that could accommodate any of the residents of the homes. They also have transportation that could be provided to any of the residents. Residents that have been tenants for over 30 years have already been using the services that are provided, including services for seniors, youth, homeless, education, employment, etc.

Ms. Greffon said the project's financial consultant has drafted the appeal. This is a unique situation, and Ms. Greffon thinks the regulations were written with a single site project in mind with an office or a place to provide services. That is not the case with this project. It is a multifamily residential development, but it is scattered. Many of the sites are within a half mile proximity, but a few of them are outside that distance. There is transportation available if needed, which many of the project's residents already utilize. These are very old homes, and the costs of improvements, maintenance, and repairs are rising. This is not a supportive housing project where intensive social services are needed for the tenants. Minimum social services are needed, and the tenants take advantage of those services now. Ms. Greffon would appreciate the Committee accepting any of the three suggestions that were made and waiving the half-mile requirement. Ms. Greffon believes the regulations were written without consideration that developments could have scattered sites like this project. This would be an exception, and it would be too bad if this issue prevented the project from getting these necessary funds.

Chairperson Ma asked Mr. Sertich if Watts Dream Homes is a CalHFA project.

Mr. Sertich said it is not a CalHFA project. He thinks Ms. Greffon is correct that the CTCAC regulations did not anticipate a project like this, but the Committee has to abide by the regulations. This is something they can learn from. He asked if the solutions proposed, including providing transportation and moving classes around, would fit within the project's current budget or increase it and require more subsidy.

Ms. Greffon said the solutions would fit within the current $20,000 budget and the project would not request more funding.

Mr. Johnson said this would be a change in the application. He understands that the regulations did not contemplate this situation, but the Committee has been firm about not allowing projects to change their applications after they have been submitted. There are opportunities for applicants to work with the staff in advance of submitting an application in unique situations like this. Mr. Johnson encouraged applicants to do that as much as possible in order to avoid these situations in the future.

Ms. Greffon said the same application was submitted in Round 2 and was put on the waitlist, and this question never came up. That is why it was never discussed further with the CTCAC staff. This is a unique situation, and the Committee can approve an exception. This is not supportive housing that requires tons of social services; a minor number of social services are required. Unfortunately, these homes will be lost to market rate absent this funding. Ms. Greffon wishes she had known about this issue when the application was first submitted. This issue never came to the developer's attention, and the project was approved on the waitlist because there were not enough tax credits available. The application was resubmitted, and now the developer is dealing with this. Ms. Greffon would appreciate the Committee looking into this because this is a unique situation.

Chairperson Ma asked how many projects have scattered sites like this one.

Mr. Zeto said single-family homes on scattered sites are rare. Scattered sites are typically two developments that are within a specific distance of each other. They are not usually single-family homes.

Ms. Wiant said applicants choose which scoring points they request. This project has other points available to it, and the applicant learned from this and applied in Round 2 seeking service amenities under scoring criteria under 4A instead of 3A. Scoring criteria 3A is less compatible with scattered site projects.

Mr. Williamson said he was going to ask how much involvement or engagement the applicant had with the CTCAC staff, but he thinks the question has been answered by the applicant.

Chairperson Ma said the regulations do not address these types of projects, so the Committee can take this into consideration for future regulations. They have been consistent in not overturning what is in the regulations because it sets a precedent for other projects. Chairperson Ma encouraged Ms. Greffon to continue working with the staff on re-submitting the application under the correct categories.

Chairperson Ma called for public comments:

Vitor Faroni said he is fully in support of at-risk housing. All the projects that compete in the set aside have a similar goal of preventing a conversion to market rate. One consideration is that this project is asking for $1.8 million of the $3.4 million in tax credits for Round 2, which would knock out significantly higher scoring tiebreakers. This would set a precedent for future projects that score better to be at risk of having fewer funds available because of an appeal like this going through.

Anand Kannan said his project, Euclid Avenue Housing, will be impacted if this appeal is granted in the At-Risk set aside in Round 1. He sympathizes with the project and does not question the importance of the Watts Dream Homes portfolio, but he agrees with Mr. Faroni's comment that granting this appeal would establish precedent for future applicants seeking exceptions to the regulations through the appeal process.

[Anand Kannan additionally submitted a public comment letter to CTCAC via email on August 7, 2026. The letter was distributed to the Committee members in advance of the meeting and is attached.]

Chairperson Ma closed public comments.

Joe Boniwell, Counsel for CTCAC, said the Committee could choose to take no action on this item, which would allow the staff's current decision to stand.

The Committee took no action on this item.

5. *Agenda Item:* **Public Comment**

There were no public comments.

6. *Agenda Item:* **Adjournment**

The meeting was adjourned at 2:16 p.m.

EUCLID AVENUE HOUSING, LP

August 7, 2026

Via Electronic Mail

California Tax Credit Allocation Committee
Attn: Chair Fiona Ma, Members of the Committee, Executive Director
915 Capitol Mall, Suite 485
Sacramento, CA 95814

Response of Euclid Avenue Housing, LP to Committee Appeal of CA-26-048 – Watts Dream Homes

Dear Chair Ma, Members of the Committee, and Executive Director:

Euclid Avenue Housing, LP ("Euclid"), the owner and applicant for CA-26-023 – Euclid Avenue Apartments, respectfully submits this response regarding the Committee Appeal filed by the applicant for CA-26-048 – Watts Dream Homes.

Euclid submits these comments as the applicant directly affected by the outcome of this appeal. As reflected in the Preliminary Recommendations, Euclid is presently the alternate project in the At-Risk Set-Aside pending resolution of the Committee appeals.

Euclid obtained copies of the appeal correspondence, staff responses, and related materials through a request made pursuant to the California Public Records Act.

Euclid supports preservation of affordable housing, including the Watts Dream Homes portfolio. This letter is not intended as criticism of Watts, but rather to address the consistent application of TCAC's published regulations and the integrity of the competitive allocation process.

I. The Executive Director Correctly Applied the Regulations

The appeal record reflects that the Executive Director carefully considered multiple rounds of submissions from Watts.

Following that review, the Executive Director reversed the initial site control determination, reinstated the application, and restored the Service Coordinator points where the regulations supported that outcome. At the same time, the Executive Director concluded that Watts did not satisfy the regulatory requirements necessary to receive the additional instructor-led supportive service points because the required services were not documented as being provided in the manner required by the Committee's regulations.

II. The Committee Appeal Seeks Relief From the Existing Regulations

Importantly, the Committee appeal no longer principally argues that staff misunderstood or misapplied the regulations. Instead, the appeal explains that because Watts consists of scattered-site single-family homes spread over multiple miles, compliance with the one-half-mile service requirement is impracticable. The appeal therefore asks the Committee to approve the project notwithstanding its inability to satisfy the existing regulatory standard.

Respectfully, this is not a dispute concerning the interpretation of the regulations. It is a request that one applicant be evaluated under a different standard because compliance with the published standard is difficult given the unique characteristics of the development.

III. The Committee's Role

Euclid respectfully submits that there is no remaining dispute concerning the meaning of the regulations. The Executive Director fully considered Watts' arguments, reversed the site control determination, reinstated the project, and awarded relief where supported by the regulations. The Committee is not being asked to determine whether the Executive Director incorrectly interpreted the regulations. Instead, the Committee is being asked whether it should depart from the published scoring criteria because of the unique circumstances of one applicant.

Euclid also contends that that policy determinations of this nature are most appropriately addressed through the Committee's public rulemaking process rather than during the adjudication of an individual competitive application. Modifying the applicable scoring standards during an active competitive funding round would necessarily apply different rules to one applicant than those governing every other applicant.

IV. Effect on the Competitive Process

The appeal record demonstrates that the administrative review process functioned precisely as intended. The Executive Director carefully evaluated each issue raised by Watts, granted relief where the regulations supported that result, reinstated the application, restored the Service Coordinator points, and denied only those points that could not be awarded under the governing regulations.

Accordingly, this is not a circumstance in which staff refused to consider the applicant's arguments or rigidly applied the regulations without exercising judgment. Rather, the remaining request asks the Committee not to correct an error, but to approve an exception to the published scoring criteria.

Granting a Project-Specific Exception Would Affect the Entire Competitive Process
Although Watts characterizes its request as narrowly limited to this project, the implications extend much further.

First, granting the requested relief would directly alter the competitive outcome of the 2026 First Round At-Risk Set-Aside. Second, it would establish precedent for future applicants seeking exceptions where compliance with published scoring criteria is difficult. Third, it would create uncertainty among applicants regarding whether published regulations will govern future competitions or whether project-specific exceptions may subsequently be granted through the appeal process.

California's tax credit program depends upon transparency, predictability, and equal treatment of all applicants competing for limited public resources.

V. Conclusion

This appeal unquestionably involves compelling preservation objectives. Euclid shares the Committee's commitment to preserving affordable housing and does not question the importance of the Watts Dream Homes portfolio. Nevertheless, the Committee's responsibility extends beyond the merits of any individual project.

The administrative appeal process has already afforded Watts meaningful relief where the Executive Director concluded that relief was supported by the regulations. The remaining request asks the Committee to go one step further—not by correcting an error in applying the regulations—but by approving an exception to the published scoring requirements that would directly affect the outcome of this competitive funding round.

Euclid respectfully submits that preserving confidence in California's competitive tax credit allocation process requires that all applicants be evaluated under the same published regulations. Broader policy questions regarding scattered-site preservation developments deserve thoughtful consideration through the Committee's rulemaking process, where any resulting changes may be applied prospectively and equally to all applicants.

For these reasons, Euclid respectfully requests that the Committee affirm the Executive Director's determination regarding the service amenity scoring and preserve the competitive rankings established under the governing regulations.

Respectfully submitted,

EUCLID AVENUE HOUSING, LP

By: ______________________________

Name: ___________________________

Title: Authorized Representative

Anand Kannan