



SAN JOAQUIN
— COUNTY —
Board of Supervisors

Board of Supervisors

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October 9, 2026

California Tax Credit Allocation Committee
Housing Development and Finance Committee
California Housing and Homelessness Agency

RE: Opposition to Proposed Regulatory Change to the 9% Low-Income Housing Tax Credit Allocation Process

Dear Chair and Members of the California Tax Credit Allocation Committee and Housing Development and Finance Committee:

On behalf of the San Joaquin County Board of Supervisors, I am writing to express our strong concerns regarding any proposal to change the allocation process for the Federal 9% Low-Income Housing Tax Credit (LIHTC) program to prioritize projects receiving State funding. San Joaquin County supports the State's efforts to expand and streamline affordable housing financing, and we recognize the important role of the newly established Housing Development and Finance Committee in coordinating State housing resources. However, we are concerned that extending the prioritization framework established for the 4% tax credit program to the highly competitive 9% program could have unintended consequences for affordable housing projects that have already invested significant time and local resources into the development process.

Of particular concern is the suggested preference for developments which receive funding from State agencies. As noted by CHHA staff, 9% LIHTC developments are less likely than 4% LIHTC developments to receive State funding and more often rely on significant funding from local governments. Redirecting or reprioritizing 9% credits toward projects receiving State funding could place locally supported projects at a significant disadvantage, despite the substantial local commitment which must be made to succeed in the highly competitive 9% LIHTC program. Thus, such a change could harm local government's efforts to address the region's affordable housing crisis.

Competitive funding programs depend upon clear rules and reasonable expectations for applicants. Changing the prioritization criteria while projects are already in the pipeline risks undermining that predictability and could discourage local governments, developers, and community partners from making the substantial investments necessary to bring affordable housing projects forward.

We respectfully urge the State not to adopt a policy that would effectively “bump” projects without State funding from the 9% program in favor of projects receiving State resources.

At a minimum, any significant change to the allocation process should include careful consideration of projects already in the pipeline, appropriate transition provisions, and meaningful stakeholder engagement before implementation.

California faces an urgent need for more affordable housing, particularly for low- and moderate-income residents. Local governments are working diligently to identify resources, assemble financing, and move projects forward. Policies intended to improve the coordination of State resources should not inadvertently undermine viable projects that communities have already committed to and supported.

We appreciate the State’s partnership in addressing California’s housing needs and respectfully request that the CTCAC and HDFC consider the potential impact of any proposed changes on locally supported projects. We look forward to working collaboratively to ensure that California’s housing financing programs expand opportunity without disadvantaging communities that have already invested in solutions.

Sincerely,



Sukhminder S. Dhaliwal, Chair
San Joaquin County Board of Supervisors

- c. Senator Jerry McNerney
Assemblymember Heath Flora
Mayor Ramon Yezpe, City of Lodi
City Manager Kara Reddig, City of Lodi
Peter Ragsdale, Executive Director, Housing Authority County of San Joaquin