



OFFICE OF THE GOVERNOR

SEP 29 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 1288 without my signature.

AB 1288 would authorize the California Tax Credit Allocation Committee (TCAC) to allocate state tax credits to either the nine- or four-percent federal low-income housing tax credits, and would allow investors to begin claiming these credits in the year the development's construction is completed in advance of compliance verification.

My administration, in partnership with the State Treasurer's Office, recently adopted new state tax credit regulations in July of this year. These regulations are meant to create administrative efficiencies, reduce costs, and increase housing production within the state tax credit system.

Changes to this program and the use of state funding for low-income housing tax credits should be considered within the context of state regulatory changes, to ensure we maintain the necessary policy flexibility and predictability needed to improve our state housing finance system.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

