

California Tax Credit Allocation Committee Update

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Topics

- Summary of TCAC's Special Needs housing type and set-aside
- Homeless definition change
- 2013 legislation and regulation changes

Special Needs (SN) Housing Type

- TCAC accounts for various housing it's competitive system
- Both a scoring feature and threshold requirement
- “Special Needs” is one of five established types
 - Large Family, SRO, At-Risk, and Seniors
- First tiebreaker favors projects advancing toward unmet housing type goal

SN Housing Type cont.

- 15⁰% goal: Percentage of credit available in round
 - Was 5⁰% until 2010
- First round this year: Hitting 15⁰% goal for first time

SN Housing Type cont.

- At least 50% of the tax credit units to serve a Special Needs population
- Includes persons with a disability, persons who are homeless, and others
- Now includes persons with physical disabilities transitioning from facilities, and homeless youth

Set Asides

- Four percent (4%) of federal 9% credits are set-aside for SN/SRO housing type competitors
 - Was 2% until 2011
- Unsuccessful Nonprofit set-aside homeless assistance competitors cascade here
- Unsuccessful SN/SRO competitors cascade into regions

Homeless Definition

- TCAC now uses current Hearth Act definition
 - Applicable in Special Needs housing type and set-aside
 - Broader than prior McKinney Act definition
- In Nonprofit set-aside, priority is for category 1 homeless persons
 - Individual or family lacking a fixed, regular, and adequate nighttime residence

2013 Legislation (AB 952)

- General rule regarding State credits
 - Projects not taking federal basis increase (130% boost) may apply for State credits
- Meant to help projects outside of:
 - Difficult Development Areas (DDAs)
 - Qualified Census Tracts (QCTs)
 - DDA/QCT projects may receive 130% federal basis boost

AB 952 & Regulations

- Special Needs projects within a DDA or QCT may receive the 130% federal basis boost and State credits
- TCAC regulations also designate non-DDA/non-QCT as DDA projects for federal credit purposes
 - May take 130% boost
 - May receive State credits
 - Only available for 9% credits
- Bottom line: All 9% SN projects may take both

2014 First Round Special Needs

- All SN 9% Applications: 130% of federal eligible basis + state credit eligible
 - AB 952 – DDA/QCT + State credit eligible
 - Regulation Section 10317(d)
 - All Special Needs housing type projects - DDAs
- First round SN housing type: 16.3% of credits
 - 9.93% (2009-2013)

2014 First Round SN cont.

- Five of six potential awards requesting State credit
 - Two projects not in DDA/QCT but receiving 130% federal boost and state credit
 - Three projects eligible for DDA/QCT 130% federal boost and requesting state credit
- One project in DDA/QCT, receiving 130% federal boost and not requesting state credit
- First round SN housing type: 15.73% of credits
 - 9.93% (2009-2013)