



The United Voice for Affordable Housing

October 30, 2017

California Tax Credit Allocation Committee  
915 Capitol Mall, Room 485  
Sacramento, CA 95814

### Re: Fall 2017 Proposed Regulation Changes

Dear Treasurer Chiang, Controller Yee, and Mr. Cohen:

Thank you for the opportunity to provide comment on TCAC's proposed regulatory changes. The California Housing Consortium (CHC) is a non-partisan advocate for the production and preservation of housing affordable to low- and moderate-income Californians. CHC's diverse membership that spans the development, building, financial, and public sectors makes us uniquely situated to provide a broad, united position that reflects the majority of the affordable housing community.

The bulk of this comment is focused on the application of the Opportunity Maps. As noted in our September 14 letter, we are encouraged by your stated intention to pursue a "balanced statewide policy approach that increases access for low-income families to high-resource neighborhoods where there historically have been limited affordable housing opportunities, *and* provides meaningful investments to revitalize under-resourced neighborhoods." However, CHC has some significant concerns with *how* the Opportunity Maps are proposed to be applied in the regulations, specifically:

**11. Establish a housing type goal for large family new construction projects located in Very Low Resource areas, with certain exceptions, clarify this is not a housing type for scoring purposes, and clarify that a project that counts towards this housing type goal also counts towards the large family housing type goal. Section 10315(h), page 6.**

While this housing type goal does acknowledge the value of transit-rich projects and projects that are primarily replacing existing units, the exclusion fails to account for other priority projects such as those in gentrifying neighborhoods and neighborhoods at risk of gentrification, those designated as Promise Zones, those near rural employment centers, or those in existing disadvantaged neighborhoods where new housing can have a catalytic effect on the community. We encourage TCAC to provide a similar exemption (as the one provided for transit oriented developments) for projects that can document that there are significant investments by the locality, if a site is

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located in a Promise Zone or a local jurisdiction identified key employment center. There must be a way to ensure that projects meeting important policy goals but are located in very low resource areas should be excluded from this threshold requirement.

**65. Create a bonus to the total tiebreaker score for new construction large-family projects located in areas designated as Highest Resource or High Resource. Section 10325(c)(10), page 40.**

CHC has significant concerns about providing such a high tie-breaker incentive to large-family projects located in areas designated as Highest or High Resource. We understand the desire TCAC has about being proactive in promoting fair housing opportunities, which is why we are generally comfortable with the proposal to provide significant site amenity points to these projects. However, the tie-breaker incentive will likely have the unintended consequence of significantly disadvantaging other worthwhile projects. At a minimum, there should be a threshold limit to the projects designated as Highest or High Resource for the first few years of implementation, at which point TCAC can revisit the issue to determine if there has been a significant shift in the types of applications. Tax credit projects meet several public policy objectives and the state should not prioritize one at the expense of others.

Lastly, as noted in our September 14 letter, new incentives for developing in high opportunity areas should be phased in and not take immediate effect. Developers throughout the state have already acquired sites based on the assumption that they would be competitive for TCAC allocations using the present methodology. It is essential that developers are provided at least two years to anticipate the proposed incentivizes and to submit competitive applications without potentially losing out on scarce funding in the next two immediate cycles.

Sincerely,

A handwritten signature in black ink that reads "Ray Pearl". The signature is written in a cursive, flowing style.

Ray Pearl  
Executive Director

CC: Mark Stivers, Executive Director, CA Tax Credit Allocation Committee