



California Housing Accelerator



Presenters

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Program





General Program Overview

Purpose

Authority

Challenges





General Program Overview

A shortage of 4% tax credits exists and as tax credits are usually the main source of funding for affordable housing, the demand for these credits is exceptionally high relative to the available funding. Many projects apply in multiple rounds in hope of eventually winning an award.





Eligible Projects for Accelerator Program, 2021

		Have Applied for Tax Credits	Not yet Applied	Total Outstanding Demand
4%	Outstanding Projects	44	57	101
	Estimated Tax Equity Need to be Replaced	\$848 million	\$1.16 billion	\$2.0 billion
9%	Outstanding Projects	16	9	25
	Estimated Tax Equity Need to be Replaced	\$261 million	\$121 million	\$382 million



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California Housing Accelerator Program Purpose and Implementation

Clear

a backlog of pending developments waiting for bond allocations for 4% tax credits.



Maximize

investments made into HCD-awarded projects that are currently awaiting tax credits.



Reduce

the amount of time and money spent on producing new affordable housing.



Accelerate

development of housing for those most in need.



Program Summary



California Housing Accelerator – Tier I Outcomes

- 34 projects eligible – “stuck in the pipeline”
 - 2 project received bonds/credits before Accelerator application
 - 31 projects applied
 - 4 subsequently received bonds/credits
 - 27 projects to be awarded Accelerator funds
 - 1 project did not apply – not able to meet timing requirements



California Housing Accelerator – Tier II Design

- Competitive program
- Limited to HCD funded projects seeking 4% credits and bonds
- Geographic regions
- Rating and Ranking Criteria:
 1. Efficient use of Accelerator Funds
 2. Special Needs and Population Targeting
 3. Climate Change Mitigation





Authority

**Assembly Bill 2 (AB
140) 2021 Chapter 111**

**Health & Safety Code
(HSC) Part 2 of Division
31, Chapter 6.6 Section
50672**





Overview of Funding

Funds Awarded	Tier 1	\$921,305,561
	Tier 2	\$1,005,643,810
	Supplemental Gap Funding	\$44,092,705
	TOTAL	1,971,042,076

Restricted Units	Tier 1	2,257
	Tier 2	2,647
	TOTAL	4,904

Total Units	Tier 1	2,316
	Tier 2	2,771
	TOTAL	5,087

ELI Units (<30% AMI)	VLI Units (31-50% AMI)	LI Units (51-60% AMI)	LI Units (61-80% AMI)	Total Restricted	Total Units
2,249	1,411	1,038	257	4,955	5,087



Investor Challenges

- ❖ Geographic Distribution from Tier 1 to Tier 2
- ❖ Supplanting of Funding
- ❖ Uncommitted Funding



General Challenges

❖ How has reporting been a challenge?

- Correctly defining outputs/outcomes
- Increases in Costs that affected results
- Creation of Internal Controls



❖ Audit highlights



General Challenges

- ❖ The liquidation/“expenditure deadlines”
 - Meeting Construction deadlines
 - Filling gaps







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