

Presenters

California Department of Community Housing and Development



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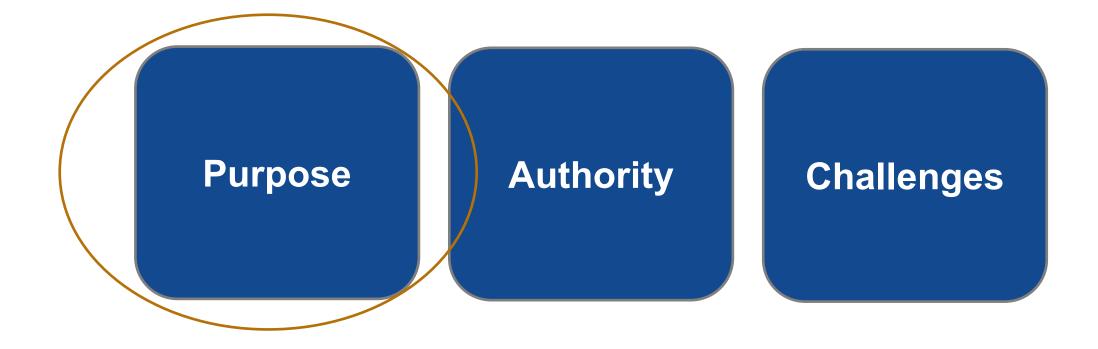
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General Program Overview







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



General Program Overview







California Housing Accelerator Program Purpose and Implementation

Clear

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

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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



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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

	7	Tier 1			\$921,305,561			
Funds Awarded			Tier 2			\$1,005,643,810		
			Suppler	nent	al Gap			
			Funding			\$44,092,705		
			TOTAL			1,971,042,076		
			Tier 1			2,257		
Restricted	-	Tier 2			2,647			
		TOTAL			4,904			
	-	Tier 1		2,	2,316			
Total Units	-	Tier 2			2,771			
			TOTAL		5,	5,087		
ELI Units (<30% AMI)	VLI Units (31-50% AMI)	LI Units (60% AM	· (b1-	80%	Total Restrict	ted	Total Units	
2,249	1,411	1,038	25	7	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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