

# California Tax Credit Allocation Committee Update

**Mark Stivers**  
**Executive Director**





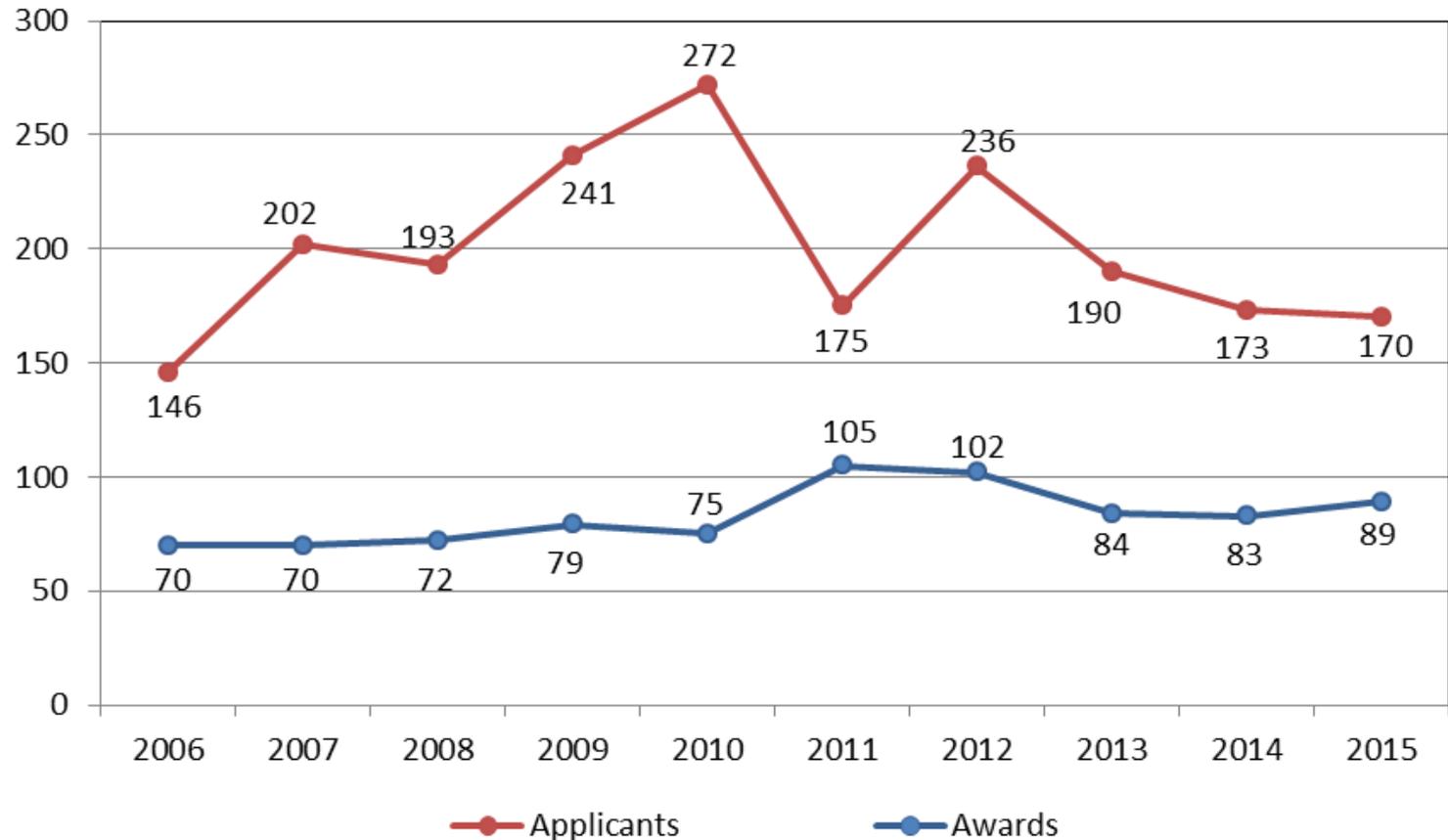
# Recap of 2015 9% Competition

- Approximately \$91.1 million in annual federal credit awarded in 2015 (\$91.7 in 2014)
  - Plus \$111 million in State credits (\$97.5 in 2014)
- 170 applications received during two rounds (173 in 2014)

# 2015 9% Competition Results

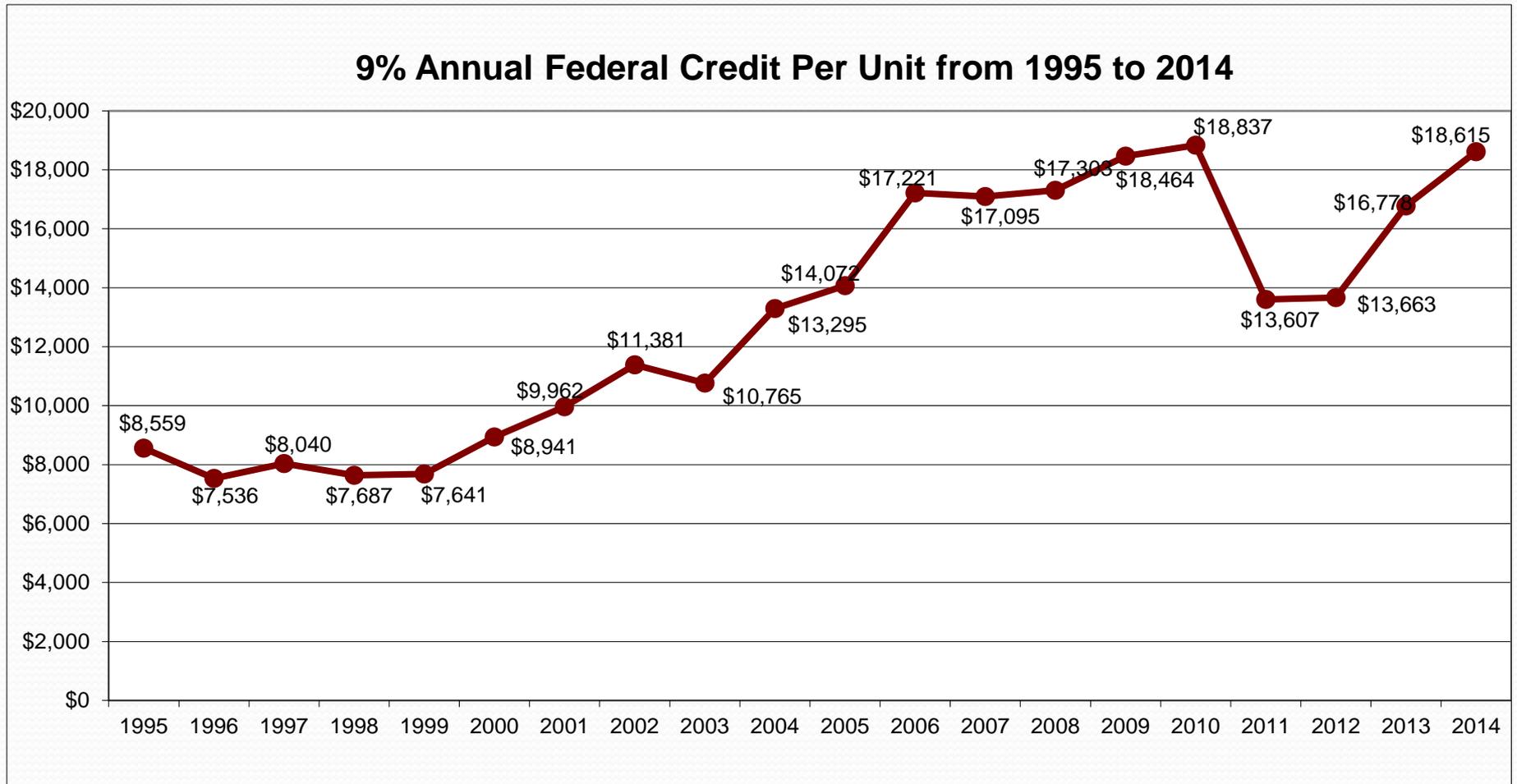
- 89 projects awarded credits (83 in 2014)
- Success rate of applicants: 52% (48% in 2014)
- Will produce 4903 units (4931 units in 2014)

# 9% Application Submissions 2006 – 2015



# Trend: Federal Credit Per Unit

9% Annual Federal Credit Per Unit from 1995 to 2014



# Cost Trends for 2015 Projects

- Average cost per unit: **\$335,499**
  - \$336,399 average in 2014
  - 0.3% decrease from 2014
- Average new construction cost per unit: **\$390,315**
  - \$372,626 average in 2014
  - 4.7% increase from 2014
  - 23.2% increase from 2011
  - Average in 2015 Round 2 was \$404,568

# New Construction and Rehab Trends

- 72% of 2015 units were **new construction** units
- 9% decrease from 2014
- 21% decrease from recent high of 93% in 2006
  
- Average Number of Units per Project
  - 57 in New Construction projects (59 in 2014)
  - 51 in Acq &/or Rehab projects (63 in 2014)

# Use of State Credits in 9% Projects

- 39 projects received **state credits** in 2015
  - Exceeds previous high of 34 projects in 2011
  - Exceeds 10-year average of 24 projects
- Awarded \$111 million in state credits in 2015
  - **Exceeds** amount of state credits available for 9% projects by \$37 million
  - Exceeds 2014 awards by \$13.5 million

# 2016 First Round Preliminary Information

- 73 nine percent applications received in 2015 First Round (81 in 2014 R1)
  - 57 New Construction (60 in 2014 R1)
  - 15 Acquisition & Rehabilitation (16 in 2014 R1).
    - 4 Resyndications
  - 1 Rehabilitation Only (5 in 2014 R1)
- 6 four percent + state applications received (9 in 2014 R1)

# 2016 First Round Preliminary Information

- All 9% projects self-scored at **138 points** except the lone Native American apportionment project, which self-scored at 131 points
- Range of federal credit requested: \$283K to \$2.1M
- 25 projects requested state credit
- Range of state credit requested: \$1.1M to \$5.6M

# 2016 First Round Preliminary Information

- 39 potential 9% awards (48 in 2015 R1)
  - 53% success rate possible
  - \$43.4M in annual federal credit (\$43.2M in 2015 R1)
  - 31 new construction (30 in 2015 R1)
  - 8 acquisition/& or rehabilitation (18 in 2015 R1)
  - 2107 total units (2560 in 2015 R1)
  - May not skip any projects based on housing type goals

# 2016 Preliminary First Round Results

- Average project size: 54 units (55 in 2015)
- Average federal credit award: \$1.112M  
(\$1.024M in 2015)
- Average federal credit per unit: \$20,598  
(\$18,581 in 2015)

# 2016 Preliminary First Round Information

Information on state credit potential awards:

- 14 nine percent awards (24 in 2015 R1)
- \$34.8 million in state credit (\$60.4M in 2015 R1)
- 5 four percent awards (4 in 2015 R1)
- \$13.7 million in state credit (\$13M in 2015 R1)

# New Construction vs. Rehab Trends

Information on 39 2016 R1 potential awards:

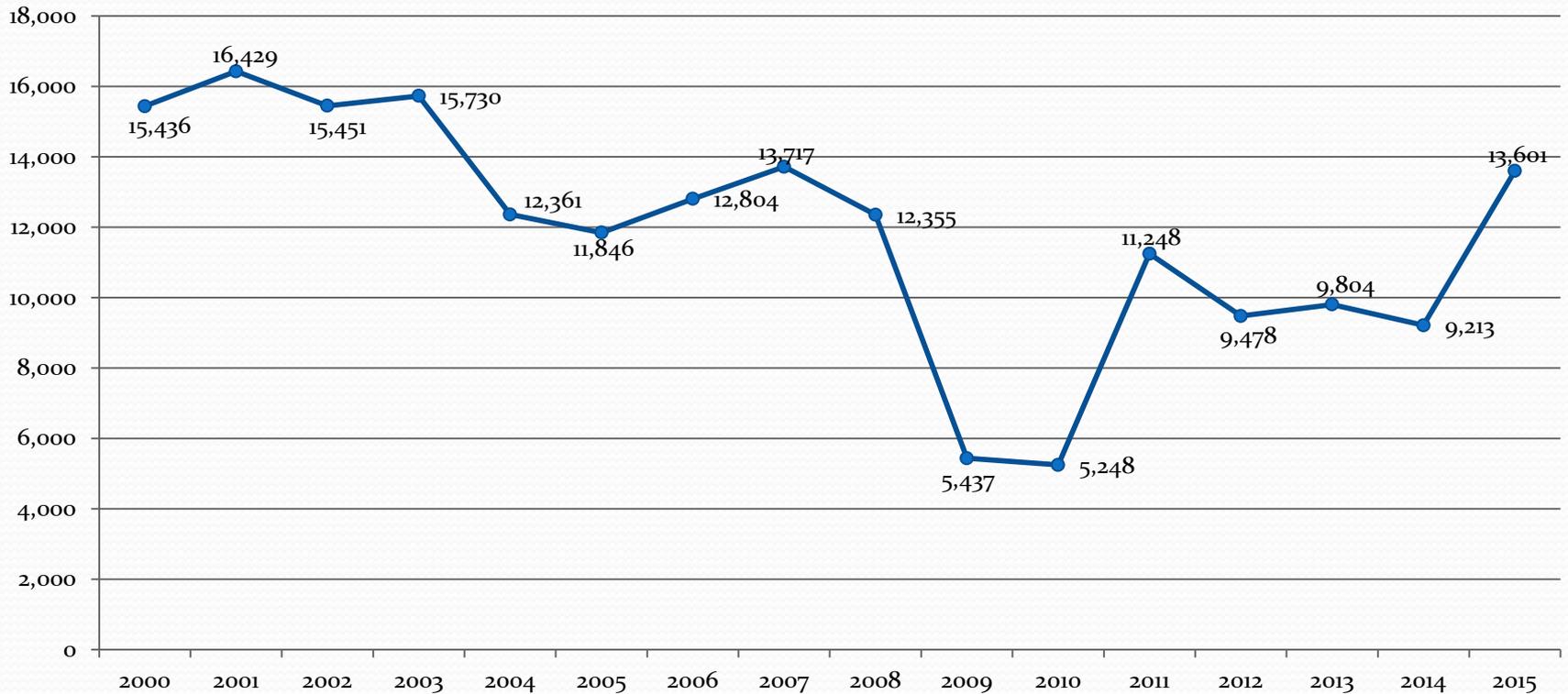
- 31 new construction projects (79.5%)
  - 60% are new construction in rural areas
- 8 acquisition &/or rehabilitation (20.5%)
- Average Number of Units per Project
  - 53 in new construction projects (55 in 2015 R1)
  - 58 in acq &/or rehab projects (51 in 2015 R1)

# 2015 4% Tax Credit Results

- Set a record for the amount of credits awarded (\$137.6 million)
- Produced the highest number of units since 2003 (13,317), an increase of 48% over 2014.
- 73% of units were in acquisition/rehabilitation projects.

# Historical 4% Production

4% Total Units  
2000 - 2015



# 2016 4% Applications to Date

- Approved through April 6 meeting: 33 projects (14 new construction and 19 rehab)
- Submitted for May meeting: **46 applications** (12 new construction and 34 rehab)
- Total applications to date: 79 (39 for this period 2015)
- 21 of the 53 rehab projects are re-syndications
- 43% of units through April meeting are new construction.

# TCAC - General Program Trends

- Developer fees and acquisition basis in 4<sup>0</sup>% projects
- Use of private donations in 9<sup>0</sup>% tiebreaker
- Effect of addback in 9<sup>0</sup>% tiebreaker
- Farmworker state credit projects
- Native American projects

# TCAC - Current Issues

- Overuse of State Credits
- Over-Income Tenants at Resyndication
- High Cost Task Force
- Fair Housing
- Capital Needs Agreements
- 8609 Backlog
- Pending Legislation



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